

Finance and Corporate Services Committee Agenda

Monday, June 16, 2025, 1:30 p.m. - 3:00 p.m. Council Chambers City of Kitchener 200 King Street W, Kitchener, ON N2G 4G7

People interested in participating in this meeting can register online using the delegation registration form at www.kitchener.ca/delegation or via email at delegation@kitchener.ca. Please refer to the delegation section on the agenda below for registration in-person and electronic participation deadlines. Written comments received will be circulated prior to the meeting and will form part of the public record.

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Chair: Councillor S. Davey Vice-Chair: Councillor B. Ioannidis

Pages

1. Commencement

2. Disclosure of Pecuniary Interest and the General Nature Thereof

Members of Council and members of the City's local boards/committees are required to file a written statement when they have a conflict of interest. If a conflict is declared, please visit <u>www.kitchener.ca/conflict</u> to submit your written form.

3. Consent Items

The following matters are considered not to require debate and should be approved by one motion in accordance with the recommendation contained in each staff report. A majority vote is required to discuss any report listed as under this section.

3.1	Brownfield Remediation Program Application - 120 Victoria Street South, DSD-2025-276	3
3.2	Brownfield Remediation Program Application - 108 Garment Street, DSD-2025-275	9
3.3	Corporate Policy Update - Amended and Repealed Policies, COR-2025- 269	15
3.4	Customer Service Software Implementation Vendor, CSD-2025-254	102
3.5	Carson Drive Sanitary Pumping Station Purchase Order Increase, DSD- 2025-278	105

4. Delegations

Pursuant to Council's Procedural By-law, delegations are permitted to address the Committee for a maximum of five (5) minutes. All Delegations where possible are encouraged to register prior to the start of the meeting. For Delegates who are attending in-person, registration is permitted up to the start of the meeting. Delegates who are interested in attending virtually must register by 11:30 a.m. on June 16, 2025, in order to participate electronically.

4.1 None at this time.

5. Discussion Items

5.1	Asset Management Plans (AMPs) - Proposed Levels of Service, FIN-2025-255 (Staff will provide a 10-minute presentation on this matter.)	30 m	108
5.2	Fee for Paper Billing, FIN-2025-274 (Staff will provide a 5-minute presentation on this matter.)	20 m	343

6. Information Items

6.1 None.

7. Adjournment

Dianna Saunderson Manager of Council/Committee Services & Deputy Clerk



Development Services Department

REPORT TO:	Finance and Corporate Services Committee
DATE OF MEETING:	June 16, 2025
SUBMITTED BY:	Rosa Bustamante, Director Planning, Housing Policy, 519-783-8929
PREPARED BY:	Scott Van Schyndel, Real Estate Specialist, 519-783-8950
WARD(S) INVOLVED:	Ward 10
DATE OF REPORT:	June 2, 2025
REPORT NO.:	DSD-2025-276
SUBJECT:	Brownfield Remediation Program Application – 120 Victoria St S

RECOMMENDATION:

That the Brownfield Remediation Program Application for 120 Victoria Street South, received from 114-120 Victoria Street South Inc. and Glovebox (2019) Inc. dated July 6, 2018, be approved; and,

That in exchange for a completed and filed Record of Site Condition for the subject property, the owner will be provided a tax incremental grant on the redevelopment of the property in the form of a rebate issued on a proportionate basis, annually, on City taxes in an amount equal to 100% of the City of Kitchener Tax Increment; and,

That the City Tax Increment be defined as the difference between the City of Kitchener portion of real property taxes for the 2018 taxation year and the new City of Kitchener portion of real property taxes levied as a result of a new assessment by the Municipal Property Assessment Corporation (MPAC) following completion of the project as compensation for the remediation of the above subject lands; and,

That the City property tax increment grant is not to exceed <u>\$718,917.00</u> based on today's estimated City tax increment; payable over a 4-year period; and,

That the Region of Waterloo Brownfield Coordinator be circulated a copy of any decision made by Kitchener City Council regarding this Application; and further,

That the Mayor and Clerk be authorized to execute an Agreement, subject to the satisfaction of the City Solicitor, with 114-120 Victoria Street South Inc. and Glovebox (2019) Inc., to implement the provisions of the Brownfield Financial Incentive Program Application for 120 Victoria Street South, as outlined in the Development Services Department Report DSD-2025-276.

REPORT HIGHLIGHTS:

- The purpose of this report is to recommend approval for the Tax Increment Grant (TIG) detailed within this report.
- The financial implications relate to the obligation of the City to pay out the Tax Increment Grant over a 4-year period for a maximum total payout of \$718,917.00.
- Community engagement included the report being posted to the City's website with the agenda in advance of the committee meeting.
- This report supports the delivery of core services.

BACKGROUND:

In July of 2018, the City of Kitchener and Region of Waterloo received a joint Tax Increment Grant (TIG) application from GHD on behalf of 114-120 Victoria Street South Inc. and Glovebox (2019) Inc. regarding the remediation and redevelopment of the property municipally known as 120 Victoria Street South (See Map Attachment 1). The 0.61-acre property located on the north side of Victoria Street South and East side of Bramm Street was the historic Huck Glove factory. The land has been redeveloped into a contemporary seven-story office complex. The development encompasses approximately 145,000 square feet of commercial and retail space, combining the original 25,000-squarefoot brick-and-beam structure with a new glass-clad addition. A striking triple-height atrium and glass-enclosed bridge connect the old and new sections, preserving the site's industrial character while introducing modern amenities.

Corresponding changes to the City's Brownfield Financial Incentive Program were subsequently approved by Council on November 22, 2021. The review resulted in the removal of the 10% allowance for indirect costs. This change in the program is effective for complete applications received after the date of Council approval (November 22, 2021), therefore this application is grandfathered.

Earlier in 2025 the Region of Waterloo notified area municipalities and applicants asserting that that they were no longer able to participate in the Brownfield Program effective January 1, 2025 for applications that had not been approved by Regional Council as of this date. This report is only subject to the City's portion of the TIG.

REPORT:

Contamination and Remediation

The Environmental Consultant for this project is GHD. As part of the brownfield redevelopment process GHD conducted Phase One and Phase Two Environmental Site Assessments (ESA) followed by a Risk Assessment. The comprehensive testing on the property identified contamination in the soil and groundwater. All environmental assessments and remediation activities proceeded in accordance with Ontario Regulation 153/04 (as amended), which concluded with a Record of Site Condition (RSCs) for the property. The site remediation activities included a combination of Risk Assessment to develop property specific standards and remediation of remaining exceedances in the soil and groundwater. This work has been completed.

The City of Kitchener can continue to participate in the Joint Tax Incremental Grant for the City of Kitchener portion without needing to amend the Community Improvement Plan as section 4.6 states "the Region may discontinue it's participation in the joint TIG program at anytime without an amendment to this plan".

Eligible Environmental Remediation Costs

City and Regional Staff (who continue to review applications) are satisfied with the documentation submitted by the applicant estimating eligible remediation costs for the site at \$1,773,532.00. This amount plus a 10% allowance grandfathered for indirect costs afforded under the joint TIG program of \$177,353.00 (which is eligible as the application was received prior to Council amending the policy eliminating indirect costs on November 22, 2021), results in a maximum eligible joint TIG of \$1,950,885.00. The TIG will no longer be cost-shared between the Region and the City of Kitchener. Grant proportions determined by the City of Kitchener's share of the municipal taxes levied on the property in the year the application was submitted with approximately 36.9% (maximum \$718,917.00.) provided by the City of Kitchener. The payment can be made as the property is redeveloped and reassessed by the Municipal Property Assessment Corporation (MPAC) which is in process.

Prior to 2025, the (TIG) amount would have normally been cost-shared between the Region of Waterloo and the City of Kitchener, as shown in Table 1, but the Region of Waterloo is no longer participating in the Brownfield program. Further details regarding the Tax Increment calculation are provided in Tables 2 to 4.

Max Eligible Remediation Cost	\$1,950,885.00
Less Region of Waterloo DC Exemption	\$0.00
Max Eligible TIG	\$1,950,885.00
Less City of Kitchener TIG	\$718,917.00
Less Region of Waterloo TIG	\$0.00
Remaining remediation costs	\$1,231,968.00
paid by the Developer that cannot be recovered	
through the Brownfield program	

Table 1: Remediation Cost Recovery

As noted above, the maximum eligible TIG amount is \$1,950,885.00. This amount, less the City Tax Incremental Grant amounts result in approximately \$1,231,968.00 in remediation costs that the applicant is not eligible to recover from the Region of Waterloo and the applicant will have to absorb.

As a condition of final approval of eligible costs, invoices are submitted by the applicant and approved for eligibility by City of Kitchener and Regional Staff which has occurred. Pre-remediation Assessment and Taxes vs Post Redevelopment Assessment and Taxes

The anticipated joint Tax Increment Grant payments and schedule are determined for each application based on the following steps:

The first step includes a calculation of the anticipated assessment increment. This is based on the pre-remediation MPAC assessment value(s) and the estimated post-remediation and redevelopment assessment value(s) for the development as provided by the Applicant (Table 2).

Table 2: Potential Assessment Increment

Assessment	Assessment	Assessment
Value "Pre"	Value "Post"*	Increment*
\$399,623.00	\$33,710,000 (est.)	\$33,310,377 (est.)

*These values are based on estimates and will be confirmed by MPAC upon project completion which is currently in process

Secondly, the anticipated assessment increment is then used to calculate the expected annual increase in municipal taxes (Region and City) that would be generated by the remediation and redevelopment of the property, referred to as the 'tax increment' (Table 3). The City's Tax Increment represents the annual TIG payment amount.

Table 3: Anticipated Tax Increment

Area Municipality	Municipal	Municipal	Total
Area Municipality	Taxes "Pre"*	Taxes "Post"*	Tax Increment*
City	\$1,969.32	\$230,086.59	\$228,117.27
Region	\$3,374.70	\$394,285.31	\$390,910.61
Total	\$5,344.02	\$624,371.90	\$619,027.88

*Tax amounts do not include the education portion of annual taxes levied as the School Boards do not participate in the program.

The annual Tax Increment Grant payments (City portion) would last 4 years, allowable under the program as shown in Table 4.

The total City portion of the Tax Increment Grant is \$718,917.00

Table 4: TIG Payment Schedule

Year	City		Region		Total TIG	
1	\$	228,117.00	\$	0	\$	228,117.00
2	\$	228,117.00	\$	0	\$	228,117.00
3	\$	228,117.00	\$	0	\$	228,117.00
4	\$	34,566.00	\$	0	\$	34,566.00
Total TIG	\$	718,917.00	\$	0	\$	718,917.00

*Note: if the Region continued their involvement in the program, the applicant would have received an additional \$1,231,968.00.

STRATEGIC PLAN ALIGNMENT:

The recommendation of this report supports the achievement of the city's strategic vision through the delivery of core service.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

The approval of this application will obligate The City of Kitchener to provide a maximum municipal property tax rebate estimated to be \$718,917.00 paid out over 4 years upon reassessment of the completed project by MPAC which is in process.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

This Application has not been circulated to the public. Staff would note that this approval applies only to the City of Kitchener portion of the proposed Tax Incremental Grant. Should the Region of Waterloo continue their participation, they would take a supplemental report forward to their council.

CONCLUSION:

Regional Staff and The Brownfield Steering Committee (consisting of the City's Real Estate Specialist, Director of Revenue, City Solicitor, and Director of Planning and Housing Policy) reviewed the application and are satisfied that the application meets the eligibility and application requirements. Staff support acceptance within the terms and conditions of the Region of Waterloo – City of Kitchener Brownfield Remediation Program.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Justin Readman, General Manager, Development Services

ATTACHMENTS: Appendix 1 - Locational Map

Appendix 1 - Locational Map





Development Services Department

REPORT TO:	Finance and Corporate Services Committee
DATE OF MEETING:	June 16, 2025
SUBMITTED BY:	Rosa Bustamante, Director Planning, Housing Policy 519-783-8929
PREPARED BY:	Scott Van Schyndel, Real Estate Specialist, 519-783-8950
WARD(S) INVOLVED:	Ward 10
DATE OF REPORT:	May 9, 2025
REPORT NO.:	DSD-2025-275
SUBJECT:	Brownfield Remediation Program Application – 108 Garment St

RECOMMENDATION:

That the Brownfield Remediation Program Application for 108 Garment St, received from 114-120 Victoria Street South Inc. dated November, 2018, be approved; and,

That in exchange for a completed and filed Record of Site Condition for the subject property, the owner will be provided a tax incremental grant on the redevelopment of the property in the form of a rebate issued on a proportionate basis, annually for a period not to exceed 4 years, on City taxes in an amount equal to 100% of the City of Kitchener's portion of the Tax Increment; and,

That the City Tax Increment be defined as the difference between the City of Kitchener portion of real property taxes for the 2018 taxation year and the new City portion of real property taxes levied as a result of a new assessment by the Municipal Property Assessment Corporation (MPAC) following completion of the project as compensation for the remediation of the above subject lands; and,

That the City of Kitchener property tax grant is not to exceed <u>\$913,268.00</u> based on current estimated City tax increment; payable in equal portions over a 3-year period and the remaining balance in the fourth year; and,

That the Region of Waterloo Brownfield Coordinator be circulated a copy of any decision made by Kitchener City Council regarding this Application; and further, That the Mayor and Clerk be authorized to execute an Agreement, subject to the satisfaction of the City Solicitor, with 114-120 Victoria Street South Inc., to implement the provisions of the Brownfield Financial Incentive Program Application for 108 Garment Street, as outlined in the Development Services Department Report DSD-2025-275.

REPORT HIGHLIGHTS:

- The purpose of this report is to recommend approval for the Tax Increment Grant (TIG) for the City of Kitchener portion as detailed within this report.
- The financial implications relate to the obligation of the City of Kitchener to pay out the Tax Increment Grant over a period of 4 years for a total payout not to exceed \$913,268.00.
- Community engagement included the report being posted to the City's website with the agenda in advance of the committee meeting.
- This report supports the delivery of core services.

BACKGROUND:

In November of 2018, the City of Kitchener and Region of Waterloo received a joint Tax Increment Grant (TIG) application from GHD on behalf of 114-120 Victoria Street South Inc. regarding the remediation and redevelopment of the property municipally known as 108 Garment Street (See Map Attachment 1). The 0.53-acre property located on the north side of Garment Street Street and East side of Bramm Street was historically used for industrial purposes. The land has been redeveloped into a 268,286 sq. ft. modern 27 storey residential building containing 319 condominium units.

Corresponding changes to the City's Brownfield Financial Incentive Program were subsequently approved by Council on November 22, 2021. The review resulted in the removal of the 10% allowance for indirect costs. This change in the program is effective for complete applications received after the date of Council approval (November 22, 2021), accordingly this application has been grandfathered.

Earlier in 2025 the Region of Waterloo notified area municipalities and applicants that they were no longer participating in the Brownfield Program effective January 1, 2025 for applications that had not been approved by Regional Council as of this date. This report is only subject to the City of Kitchener's portion of the TIG.

REPORT:

Contamination and Remediation

The Environmental Consultant for this project conducted Phase One and Phase Two Environmental Site Assessments (ESA) followed by a Risk Assessment. The comprehensive testing on the property identified contamination in the soil and groundwater All environmental assessments and remediation activities proceeded in accordance with Ontario Regulation 153/04 (as amended), which concluded with a Record of Site Condition (RSC) for the property.

The site remediation activities included a combination of Risk Assessment to develop property specific standards and remediation of remaining exceedances in the soil and groundwater. This work has been completed.

The City of Kitchener can continue to participate in the Joint Tax Incremental Grant without needing to amend the Community Improvement Plan as section 4.6 states "the Region may discontinue it's participation in the joint TIG program at anytime without an amendment to this plan".

Eligible Environmental Remediation Costs

City and Regional staff are satisfied with the documentation submitted by the applicant estimating eligible remediation costs for the site at \$2,252,998.00. This amount plus a grandfathered 10% allowance for indirect costs afforded under the joint TIG program of \$225,299.00 (which is eligible as the application was received prior to Council amending the policy eliminating indirect costs on November 22, 2021), results in a maximum eligible joint TIG of \$2,478,287.00. The TIG will no longer be cost-shared between the Region and the City of Kitchener. Grant proportions determined by the City of Kitchener's share of the municipal taxes levied on the property in the year the application was submitted was approximately 36.9% (maximum \$913,268.00.). The payment can be made as the property has been redeveloped and has been reassessed by the Municipal Property Assessment Corporation (MPAC).

Prior to 2025, this amount (TIG) would have normally been cost-shared between the Region of Waterloo and the City of Kitchener, as shown in Table 1, however the Region of Waterloo has asserted that it is no longer able to participate in the Brownfield program. Further details regarding the Tax Increment calculation are provided in Tables 2 to 4.

\$2,478,287.00
\$0.00
\$2,478,287.00
\$913,268.00
\$0.00
\$1,565,019.00

Table 1: Remediation Cost Recovery

As noted above, the maximum eligible TIG amount is \$2,478,287.00. This amount, less the City Tax Incremental Grant amounts result in approximately \$1,565,019.00 in remediation costs that the applicant is not eligible to recover from the Region of Waterloo and must be absorbed by the developer.

As a condition of final approval of eligible costs, invoices are submitted by the applicant and approved for eligibility by City of Kitchener and Regional Staff which has occurred.

Pre-remediation Assessment and Taxes vs Post Redevelopment Assessment and Taxes

The anticipated joint Tax Increment Grant payments and schedule are determined for each application based on the following steps:

The first step includes a calculation of the anticipated assessment increment. This is

based on the pre-remediation MPAC assessment value(s) and the estimated postremediation and redevelopment assessment value(s) for the development as provided by the Applicant (Table 2).

Table 2: Potential Assessment Increment

Assessment	Assessment	Assessment
Value "Pre"	Value "Post"*	Increment*
\$388,685.00	\$81,509,000.00 (est.)	\$81,120,315.00 (est.)

*These values are based on estimates and will be confirmed by MPAC.

Secondly, the anticipated assessment increment is then used to calculate the expected annual increase in municipal taxes (Region and City) that would be generated by the remediation and redevelopment of the property, referred to as the 'tax increment' (Table 3). The City's Tax Increment represents the annual TIG payment amount.

Table 3: Anticipated Tax Increment

Area Municipality	Municipal	Municipal	Total
Alea Municipality	Taxes "Pre"*	Taxes "Post"*	Tax Increment*
City	\$2,587.59	\$285,301.06	\$282,713.47
Region	\$4,434.20	\$488,904.02	\$484,469.83
Total	\$7,021.79	\$774,205.09	\$767,183.30

*Tax amounts do not include the education portion of annual taxes levied as the School Boards do not participate in the program.

The annual Tax Increment Grant payments (City portion) would last 4 years, allowable under the program as shown in Table 4

The total City portion of the Tax Increment Grant is \$913,268.00

Year	City		Regio	on	Tota	TIG
1	\$	282,713.00	\$	0	\$	282,713.00
2	\$	282,713.00	\$	0	\$	282,713.00
3	\$	282,713.00	\$	0	\$	282,713.00
4	\$	65,129.00	\$	0	\$	65,129.00
Total TIG	\$	913,268.00	\$	0	\$	913,268.00

Table 4: TIG Payment Schedule

Note: if the Region continued their involvement in the program, the applicant would have received an additional \$1,565,019.00.

STRATEGIC PLAN ALIGNMENT:

The recommendation of this report supports the achievement of the city's strategic vision through the delivery of core service.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

The approval of this application will obligate The City of Kitchener to provide a municipal property tax rebate up to \$913,268.00 paid out over 4 years based upon the reassessment of the completed project by MPAC which has occurred.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

This Application has not been circulated to the public. Staff would note that this approval applies only to the City of Kitchener portion of the proposed Tax Incremental Grant. Should the Region of Waterloo continue their participation, they would take a supplemental report forward to their council.

CONCLUSION:

Regional Staff and The Brownfield Steering Committee (consisting of the City's Real Estate Specialist, Director of Revenue, City Solicitor, and Director of Planning and Housing Policy) reviewed the application and are satisfied that the application meets the eligibility and application requirements. Staff support acceptance within the terms and conditions of the Region of Waterloo – City of Kitchener Brownfield Remediation Program.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Justin Readman, General Manager, Development Services

ATTACHMENTS: Appendix 1 - Locational Map

Appendix 1 - Locational Map





REPORT TO:	Finance and Corporate Services Committee
DATE OF MEETING:	June 16, 2025
SUBMITTED BY:	Amanda Fusco, Director of Legislated Services/City Clerk
PREPARED BY:	Amanda Fusco, Director of Legislated Services/City Clerk
WARD(S) INVOLVED:	All
DATE OF REPORT:	January 6, 2025
REPORT NO.:	COR-2025-269
SUBJECT:	Corporate Policy Update – Amended and Repealed Policies

RECOMMENDATION:

That the corporate policies listed in Appendix A to Corporate Services report COR-2025-269 be amended and repealed; and

That the by-law attached as Appendix B to Corporate Services report COR-2025-269, to amend Chapter 620 of The City of Kitchener Municipal Code with respect to Demolition Control, be enacted.

REPORT HIGHLIGHTS:

- The purpose of this report is to approve amendments to six (6) policies required by legislation and repeal eleven (11) policies that are no longer required.
- There are two by-law amendments being recommended that require housekeeping amendments further detailed in this report.
- The financial implications are none.
- This report supports the delivery of core services.

BACKGROUND:

Corporate Policies are created when Council's position on an issue should be part of the public record, in keeping with open and accountable government. Council has approved a Master Policy (GOV-COR-2041) to govern the process, criteria and timely review of all corporate policies. In keeping with the Master Policy policies should be reviewed every 3 to 5 years for; legislation changes, court decisions, Council decisions, and new strategies, practices, and technologies.

The COVID-19 pandemic delayed policy reviews as staff prioritized the city's emergency response so many policies are overdue for review. In October 2024, Council approved phase one of a multi-year corporate policy review program. Report COR-2025-269 serves as phase two update.

REPORT:

In partnership with staff across the city, 62 of the 104 policies that were due for review at the time were considered. A number of policies (15 policies) required no changes, and as such the next review date was added, and a few required changes to titles and departments due to internal reorganizations which were completed with delegated authority by the Clerk (2 policies). There were 6 policies identified that required minor amendments, and 11 recommended to be repealed as contained in Appendix A. A number of policies are under review (43 policies) and many require major or substantial revisions and/or are part of work occurring in 2026 (27 policies), which are not part of this report. These will be brought forward to Council in due course. Human Resources policies will also be brought forward separately to Council in due course.

Amended Policies

The polices recommended for amendment are contained in Appendix A to the staff report as both a "clean copy" and a version with track changes. Amendments are generally minor in nature of and focus on:

- Including Definitions,
- Housekeeping edits to improve clarity and context, and
- Legislative changes.

Amendments recommended to the Demolition Control Policy (MUN-PLA-1018) result in the need to amend Municipal Code Chapter 620 to align the policy and the Demolition Control By-law with the Rental Replacement By-law.

Repealed Policies

As part of the policy review initiative, Directors reviewed with their respective General Managers, a list of policies relating to their area and identified those which should be repealed for one of the following reasons:

- 1. Program or program funding no longer exists (3 policies).
- 2. Regulation or legislation is already in place (4 policies).
- 3. Policy has been replaced with another policy (2 policies).
- 4. Policy conflicts with another policy (0 policies).
- 5. Policy found redundant, outmoded or dysfunctional (2 policies).

A short explanation has been provided to explain why staff deem it valid to repeal these policies.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

CONSULT – Directors in respective areas were consulted regarding the policies requiring review.

COLLABORATE – Amendments made to the Terms of Reference for Compass Kitchener were developed in collaboration with committee members.

PREVIOUS REPORTS/AUTHORITIES:

- <u>COR-2024-018: Corporate Policy Update New, Amended and Repealed</u>
 <u>Policies</u>
- <u>COR-2021-037 Corporate Policy Review Repeal of Policies</u>

APPROVED BY: Victoria Raab, General Manager, Corporate Services

ATTACHMENTS:

- Appendix A List of Proposed Appended and Repealed Policies
- Appendix B Draft by-law to amend Chapter 620 of The City of Kitchener Municipal Code with respect to Demolition Control

Policies to be Amended

Policy Name	Policy Number	Status	Department	Division
Terms of Reference – Compass Kitchener	GOV-BOA-077	Administrative amendments to ensure alignment with current practices and improve clarity	Chief Administrative Office	Chief Administrative Office
Collections – Utility and Miscellaneous Receivable	FIN-FEE-517	Administrative amendments to ensure alignment with current practices and improve clarity	Finance	Revenue
Collections - Property Tax	FIN-FEE-518	Administrative amendments to ensure alignment with current practices and improve clarity	Finance	Revenue
Demolition Control	MUN-PLA-1018	Amendments to reflect legislative changes and align with existing policies	Development Services	Development Approvals
Zone Change - E-1 Zone	MUN-PLA-117	Amendments to reflect legislative changes and align with existing policies	Development Services	Development Approvals
Facility Booking Guideline policy for non-profit groups	MUN-FAC-415	Amendments to reflect current practices and improve clarity b	Community Services	Neighbourhood Programs and Services

Policies to be Repealed

Policy Name	Policy Number	Status	Reason for Repeal	Department	Division
Delegation of Authority - General Manager of Development & Technical Services	ADM-AUT-142	Regulation or legislation is already in place	Replaced by By-law 2023-103	Development Services	Development Approvals
Kitchener Housing Inc - Directors	ADM-AUT-249	Regulation or legislation is already in place	Governed by the Ontario Not-For-Profit Act	Corporate Services	Legislated Services
Printing - Sports, Social Services & Cultural Groups	ADM-COM-666:	Policy found redundant, outmoded or dysfunctional	Printing service provision changed and no longer a requirement sought by groups	Community Services	Sport
Property Taxes - Penalty Cancellation	FIN-FEE-695	Policy has been replaced with another policy	Eliminating this policy and consolidating the content with FIN-FEE-518	Finance	Revenue

Appendix A to COR-2025-269

Street Services - Recovery of Costs	FIN-FEE-805	Policy found redundant, outmoded or dysfunctional and Regulation or legislation is already in place	Replaced by a by-law and the Fees and Charges schedule.	Finance	Revenue
Tangible Capital Assets – Transitional Provisions	FIN-REP-699	Regulation or legislation is already in place	Transition happened prior to 2010	Finance	Financial Planning
Behaviour- Unacceptable Conduct in Community Services Facilities.	MUN-FAC-345	Policy has been replaced with another policy	Repeal Recommended arising from approval of MUN-FAC-495 in October 2024	Community Services	Neighbourhood Programs and Services
Smoking - All City Facilities	MUN-FAC-500	Regulation or legislation is already in place	Policy no longer required with passage of the Smoke-Free Ontario Act, 2017, S.O. 2017, c. 26, Sched. 3	Infrastructure Services	Facilites Management
Drainage	MUN-UTI-1245	Program or program funding no longer exists and Regulation or legislation is already in place	The report referenced has been superseded by the Drainage Act provisions	Development Services	Engineering
Sewer Connection - Huron Business Park	MUN-UTI-1255	Program or program funding no longer exists	Policy no longer required as development has occurred	Development Services	Engineering
Water Leaks – Responsibility	MUN-UTI-820	Program or program funding no longer exists and Regulation or legislation is already in place	Drinking Water Quality Management System procedures override	Infrastructure Services	Water and Gas Utilities

KITCHENER	POLICY	Policy No: GOV-BOA-077
Policy Title:	COMPASS KITCHENER -	Approval Date: March 31, 2003
<u>Policy Type</u> : <u>Category</u> :	COUNCIL Governance	<u>Reviewed Date</u> : July 2016 <u>Next Review Date</u> : July 2021 <u>Reviewed Date</u> :
Sub-Category	<u>i</u> : Board & Committee	Last Amended: August 27, 2018
<u>Author</u> :	Author Unknown	Replaces:
<u>Dept/טוע</u> .	Administration	<u>Repealed</u> : <u>Replaced by</u> :
Related Policies, Procedures and/or Guidelines:		

1. <u>POLICY PURPOSE:</u>

Compass Kitchener serves as a liaison between the City of Kitchener and residents, providing advice to Council on the community's vision and priorities during the development of the city's strategic plan. The committee also delivers an annual report to Council evaluating the implementation of the strategic plan with advice and recommendations.

2. <u>DEFINITIONS</u>:

N/A

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:			
□ All Employees			
□ All Full-Time Employees	All Union		
Management	□ C.U.P.E. 68 Civic		
Non Union	C.U.P.E. 68 Mechanics		

*** This information is available in accessible formats upon request. *** Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

□ Temporary	□ C.U.P.E. 791
□ Student	□ I.B.E.W. 636
□ Part-Time Employees	□ K.P.F.F.A.
Specified Positions only:	□ Other:
	Local Boards & Advisory Committees

4. <u>POLICY CONTENT</u>:

4.1 **Goals**

- (a) To identify and evaluate community values, and goals and priorities in, and with, the community.
- (b) To provide advice and recommendations to Council on strategic priorities.
- (c) To evaluate and report on progress and implementation of the strategic plan to Council and the community.
- (d) To ensure communication and collaboration among Advisory Committees of Council.

4.2 Specific Duties

- (a) To attend and actively participate in Compass Kitchener meetings.
- (b) To assist city staff in designing implementing and facilitating community engagement processes prior to each municipal election that identify and validate the community's vision and strategic priorities contributing to the development of the city's strategic plan.
- (c) To develop an evaluation framework in collaboration with city staff for the purpose of evaluating the implementation of the Strategic Plan.
- (d) To prepare and present regular report cards to Council and the community on Compass Kitchener's assessment of strategic plan implementation.

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

(e) To convene two yearly all advisory committee meetings for the purpose of information sharing and identifying opportunities for collaboration, one for Chairs and Vice Chairs and the second for all Committees' full membership.

4.3 Committee Composition, Reporting and Decision Making

- (a) The Compass Kitchener Committee will be composed of no less than 8 and no more than 12 community members, supported by City of Kitchener staff. It is desired that the Committee have diverse representation reflective of the current community context and the City's demographic make-up as follows:
 - i. All Council (Ex Officio), and
 - ii. 8-12 community members representing the diversity of the City of Kitchener
- (b) Normally, appointments will be made through Council's annual appointment meeting in November of each year.
- (c) Members will serve for a period of 2 years, up to a maximum of 8 years.
- (d) The Committee shall choose a Chair and Vice-Chair at the beginning of each new term, which commences in January every two years.
- (e) Meetings will be held monthly or at the call of the Chair.
- (f) The Committee shall report directly to Council.
- (g) The Committee strives to make decisions through consensus. If consensus cannot be reached, the decision will be made by vote and a simple majority is required.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

- 2016-06 Policy I-77 template re-formatted to new numbering system and given number GOV-BOA-077.
- 2018-04-03 Department name change due to corporate re-organization.

Formal Amendments

2006-12-04 - As per Council directive 2009-08-24 - As per Council directive 2018-08-27 - As per Council directive

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

2025-06-16 – As per Council directive.

KITCHENER	POLICY	Policy No: GOV-BOA-077
Policy Title:	COMPASS KITCHENER -	Approval Date: March 31, 2003
<u>Policy Type</u> : <u>Category</u> :	COUNCIL Governance	Reviewed Date: July 2016 Next Review Date: July 2021 Reviewed Date:
Sub-Category: Board & Committee		Last Amended: August 27, 2018
<u>Author</u> :	Author Unknown	Replaces:
	Administration	Repealed: Replaced by:
Related Policies, Procedures and/or Guidelines: To be included at next review.		

1. <u>POLICY PURPOSE:</u>

Compass Kitchener provides advice to Council on Guiding Principles, Values, and Strategic Priorities on a regular basis, with the community's input and participation. This Committee creates and leads public engagement processes with staff to determine community concerns. It identifies community priorities for action, and to monitors progress toward achieving the community vision and in implementing the Strategic Plan. The community priorities component of the City of Kitchener Strategic Plan.

Compass Kitchener serves as a liaison between the City of Kitchener and residents, providing advice to Council on the community's vision and priorities during the development of the city's strategic plan. The committee also delivers an annual report to Council evaluating the implementation of the strategic plan with advice and recommendations.

2. <u>DEFINITIONS</u>:

To be included at next review.

*** This information is available in accessible formats upon request. *** Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:		
□ All Employees		
All Full-Time Employees	□ All Union	
□ Management	C.U.P.E. 68 Civic	
Non Union	C.U.P.E. 68 Mechanics	
□ Temporary	□ C.U.P.E. 791	
□ Student	□ I.B.E.W. 636	
Part-Time Employees	□ K.P.F.F.A.	
Specified Positions only:	□ Other:	
	Local Boards & Advisory Committees	

4. POLICY CONTENT:

4.1 Goals

- (a) To identify <u>critical strategic issues and evaluate community values</u>, and goals <u>and</u> <u>priorities</u> in, and with, the community.
- (b) To evaluate and recommend provide advice and recommendations to Council on strategic priorities.
- (c) To monitor and evaluate progress against achievement of strategic priorities.
- (d) To <u>evaluate and report</u> on progress made toward achieving strategic priorities and implementation of the strategic plan to Council and the community.
- (e) To ensure communication and collaboration among Advisory Committees of <u>Council.</u>

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

4.2 Objectives

- (a) To create and lead public engagement processes in collaboration with staff.
- (b) To determine evaluation criteria for use in measuring Council implementation of strategic priorities.
- (c) To establish a reporting tool(s) to monitor progress on implementing changes in collaboration with staff.
- (e) To bring Advisory Committees of Council together on a regular basis to share information and identify opportunities for collaboration.

4.3 Committee Composition, Reporting and Decision Making

- (a) The Compass Kitchener Committee will be composed of no less than 8 and no more than 12 community members, supported by City of Kitchener staff. It is desired that the Committee have diverse representation reflective of the current community context and the City's demographic make-up as follows:
 - (i) All Council (Ex Officio), and
 - (ii) 8-12 community members representing the diversity of the City of Kitchener
- (b) Normally, appointments will be made through Council's annual appointment meeting in November of each year.
- (c) Members will serve for a period of 2 years, up to a maximum of 8 years.
- (d) The Committee shall annually choose a Chair and Vice-Chair.
- (d) Meetings will be held monthly or at the call of the Chair.
- (e) The Committee shall report directly to Council.
- (f) The Committee strives to make decisions through consensus. If consensus cannot be reached, the decision will be made by vote and a simple majority is required.

4.42 ResponsibilitiesSpecific Duties

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

In addition to attending regular meetings Compass Kitchener members have an active role outside of meetings preparing material, working with staff and participating in community engagement activities in fulfilling Committee responsibilities for:

- (a) To attend and actively participate in Compass Kitchener meetings.
- (a)(b) To assist city staff in Ddesigning and implementing and facilitating community public engagement processes in collaboration with staffprior to each municipal election that identify and to-validate the community's vision and major-strategic priorities and recommending critical community priorities before each municipal election. contributing to the development of the city's strategic plan.
- (c) To develop an evaluation framework in collaboration with city staff for the purpose of evaluating the implementation of the Strategic Plan.
- (d) To prepare and present regular report cards to Council and the community on Compass Kitchener's assessment of strategic plan implementation.
- (e) To convene two yearly all advisory committee meetings for the purpose of information sharing and identifying opportunities for collaboration, one for Chairs and Vice Chairs and the second for all Committees' full membership.

4.3 Committee Composition, Reporting and Decision Making

- (a) The Compass Kitchener Committee will be composed of no less than 8 and no more than 12 community members, supported by City of Kitchener staff. It is desired that the Committee have diverse representation reflective of the current community context and the City's demographic make-up as follows:
 - i. All Council (Ex Officio), and
 - ii. 8-12 community members representing the diversity of the City of Kitchener
- (b) Normally, appointments will be made through Council's annual appointment meeting in November of each year.
- (c) Members will serve for a period of 2 years, up to a maximum of 8 years.
- (d) The Committee shall choose a Chair and Vice-Chair at the beginning of each new term, which commences in January every two years.

Policy Title: COMPASS KITCHENER – TERMS OF REFERENCE

- (e) Meetings will be held monthly or at the call of the Chair.
- (f) The Committee shall report directly to Council.
- (g) The Committee strives to make decisions through consensus. If consensus cannot be reached, the decision will be made by vote and a simple majority is required.
- (b) Reporting to Council on critical community priorities to assist in the establishment of, and updating of, Council's four year Strategic Plan and annual Business Plans.
- (c) Developing evaluation criteria in collaboration with staff reflective of the community's priorities and monitoring the City's performance against goals included in the Strategic Plan for the City of Kitchener.
- (d) Reporting on performance to Council and the Community on an annual (Report Card) basis.
- (e) Ensuring communication and collaboration among Advisory Committees of Council by convening two yearly meetings, one for Chairs and Vice Chairs and the second for all Committees' full membership.
- (f) Developing a yearly workplan and submitting it to Council for feedback.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

- 2016-06 Policy I-77 template re-formatted to new numbering system and given number GOV-BOA-077.
- 2018-04-03 Department name change due to corporate re-organization.

Formal Amendments

2006-12-04 _-- As per Council directive

2009-08-24 _-- As per Council directive

2018-08-27_---As per Council directive

2025-06-16 – As per Council directive.

KITCHENER	POLICY	Policy No: FIN-FEE-517
Policy Title:	COLLECTIONS- UTILITY AND MISCELLANEOUS	Approval Date: Click here to enter a date.
	RECEIVABLE	Reviewed Date: June, 2025
Policy Type:	COUNCIL	Next Review Date: June, 2030
Category:	Finance	<u>Reviewed Date</u> : Click here to enter text.
Sub-Category	: Fees, Costs & Collection	Last Amended: June 23, 2016
Author:	Director of Revenue	Replaces: Click here to enter text.
Dent/Div [.]	Financial Services/Revenue	
	Division	Repealed: Click here to enter a date.
		Replaced by: Click here to enter text.
Related Policies, Procedures and/or Guidelines: Municipal Act		

1. <u>POLICY PURPOSE:</u>

The purpose of the utility collections policy is to document and improve existing collection practices as it relates to collection of utility and miscellaneous receivables.

2. <u>DEFINITIONS</u>:

Good Payment History – Where a residential customer has been serviced by an electricity or gas distributor in North America for twelve consecutive months (within the last 24 months) and has not received any disconnection notice, late payment charge and has not had more than one pre-authorized payment or cheque returned due to insufficient funds.

Interest – is the amount added to the utility account once the utility bill is in arrears.

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

⊠ All Employees			
All Full-Time Employees	All Union		
Management	C.U.P.E. 68 Civic		
Non Union	C.U.P.E. 68 Mechanics		
Temporary	□ C.U.P.E. 791		
□ Student	□ I.B.E.W. 636		
Part-Time Employees	🗆 K.P.F.F.A.		
Specified Positions only:	□ Other:		
	Local Boards & Advisory Committees		

The Municipal Act serving as the base, this policy provides a guide to staff on aspects of billing and collection of utility and miscellaneous receivables as it applies to the City of Kitchener.

4. <u>POLICY CONTENT</u>:

OBJECTIVES

- i. Establish processes for billing of utilities and miscellaneous receivables.
- ii. Ensure the timely collection of utilities and miscellaneous receivables.
- iii. Establish processes to collect utilities and miscellaneous receivables.

GOVERNING PRINCIPLES

- i. The procedure of collecting utilities and miscellaneous receivables should be applied universally, uniformly, and consistently.
- ii. The City Treasurer may exercise discretion in furthering the objectives of this policy.
- iii. To clearly articulate the guidelines staff will follow for collections of utility and miscellaneous receivables.
- iv. At all times, the City should take reasonable care to respect and protect the interest of the customer as well as that of the City, including the rights to privacy and confidentiality.

BILLING PROCEDURES

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- i. All customers will receive bills for services rendered during the billing period. This can include charges for consumption for utility or other services.
- ii. Bills will be delivered in a timely manner, with due dates clearly indicated. The City will make reasonable efforts to provide bills electronically or through paper mail, depending on customer preferences.
- iii. Customers will be informed of any changes to billing rates or fees at least 30 days before the effective date.

CONTRACT FOR SERVICE

Tenants requesting service with Kitchener Utilities (KU) will be required to:

- i. Sign a completed Tenant Contract. When signed, the Tenant Contract forms a legal and binding contract that the customer and KU have accepted and mutually agreed to the terms of the Agreement.
- ii. Present one piece of appropriate picture identification or two pieces of government identification.
- iii. If the property has multiple units, for any utility service where there is only one meter or one gate box, the utilities will remain in the owner's name.

SECURITY DEPOSITS

- i. Residential and commercial tenants will be required to pay a Security Deposit to KU when applying for service unless the customer is able to provide confirmation of a "Good Payment History". Security Deposits may be required from any customer who does not maintain a "Good Payment History" for the required time period.
- ii. Security deposits may be in the form of cash or cheque. A letter of credit will not be an acceptable form of security deposit.
- iii. The tenant deposit will be charged to the customer's account at the time of the application. All normal billing rules apply to tenant deposits added to a customer account.

Administration and Refund of Security Deposits

i. All amounts held on deposit will be applied to the final bill on close of the customer account.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- ii. For existing customers where a Security Deposit has not been collected, or a customer who previously was granted a security deposit waiver, a Security Deposit will be required if the customer has not maintained a "Good Payment History" for the required time period.
- iii. A customer failing to provide the appropriate security deposit shall be deemed to be in the position as a customer in arrears and subject to collection procedures including service disconnection if the deposit remains unpaid past the due date.
- iv. Deposits may be requested and may be adjusted to reflect changes in rates, actual usage, or if a "Good Payment History" was not maintained.

Tenant Deposit Amounts

- i. Residential Customers Natural Gas
 - Minimum amount as specified on the Fees and Charges Schedule
- ii. Residential Customers Water and Sewer
 - Minimum amount as specified on the Fees and Charges Schedule
- iii. Commercial Customers Natural Gas
 - Minimum amount as specified on the Fees and Charges Schedule, or
 - Three times the monthly average of the previous twelve months consumption history
 - In the absence of consumption history, \$200.00 per 1,000 sq. ft. of space rounded to the highest \$25.00.
- iv. Commercial Customers Water and Sewer
 - Minimum amount as specified on the Fees and Charges Schedule, or
 - Three times the monthly average of the previous twelve months consumption history.
 - In the absence of consumption history, Revenue staff will determine the deposit amount based on type of business.
- v. A commercial deposit amount may be reviewed, upon request, at any time if there is sufficient history to support a change.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

Waiving of Tenant Deposits

- i. The tenant deposit may be waived for tenants signing up for the preauthorized payment plan. KU reserves the right to charge the deposit to the account if the pre-authorized plan is revoked by KU due to unacceptable payment history.
- ii. The tenant deposit may be waived for tenants providing Good Payment History.

Interest on Security Deposits

Interest on cash security deposits is paid annually commencing on receipt of any paid deposit amount and will be credited to the customer's utility account. The interest rate paid on cash security deposits shall be at the Prime Business Rate as published on the Bank of Canada website less 2%, updated quarterly.

Security Deposit Exemptions

- i. The following customers do not require a security deposit:
 - Banks and Credit Unions
 - Trust Companies (Trust Company Real Estate offices are not exempt)
 - Government Agencies including City, Region, Provincial and Federal offices including Liquor Stores.
 - Customers who own their own property.
- ii. A deposit is not required if a customer provides a letter of reference from a gas or electric distributor in Canada confirming a "Good Payment History" for the relevant time period. If an existing KU customer signs up at a different address and has "Good Payment History" with KU previously, the existing deposit on file may be refunded or transferred to the new account.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

iii. Any member of the Revenue Management Team may in special circumstances alter the deposit amount or payment arrangements of the Security Deposit.

MAILING OF BILLS

- I. Any notices sent by ordinary mail are considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven. Failure to notify the Revenue Division of an address change is not an error.
- II. A customer may enroll in the City's electronic billing (e-billing) option to receive their utility bill notification directly to the e-mail address provided. The utility bill shall be deemed to have been received on the next business day after the notification was sent.

PAYMENT OF BILLS

i. Payment will be in the form of cash, cheques, money orders, bank drafts, pre-authorized payment plan, internet and telephone banking made payable to the City of Kitchener. Cheques which are post-dated will be accepted and held by the Revenue Division. Payment of Utility and miscellaneous receivable will be accepted at the City of Kitchener, Revenue Division, at local banks or via mail to:

City of Kitchener, Finance and Corporate Services Revenue Division P.O. Box 1113 STN C Kitchener, ON N2G 4R6

- ii. A bill is due when rendered by KU.
- iii. A customer may pay the bill without the application of a late payment charge on amounts paid on or before the seventeenth day after the bill is issued.
- iv. Payments will be deemed to be made on the date payment is received by KU.
- v. Notification of all past due amounts will be included in the following month's billing.
- vi. In the case of retroactive billing, payment arrangements for the back billed amount may be approved by a Customer Service Representative or a

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

member of the Revenue Management team depending on the period back billed and the amount of the retroactive billing.

- vii. Change will not be returned for cheques accepted in excess of the amount due. Should a credit appear on the Utility or Finance account because of the payment, it will be applied to subsequent bills not yet due. However, at the request of the resident a refund cheque will be requisition, after allowing sufficient time (15 business days) for the resident's cheque to clear their financial institution. Further, any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.
- viii. Should payment be tendered in US funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the City of Kitchener on that day.

ALLOCATION OF PAYMENTS

i. Payment will be applied to any outstanding deposits and to any outstanding arrears before being applied to the current billing, unless KU has made special considerations.

LATE PAYMENT CHARGES

- i. If the bill is unpaid on the seventeenth day, a one-time "late" payment charge of two percent will be applied.
- ii. Late payment charges of up to \$20.00 may be waived due to extenuating circumstances at the discretion of authorized Revenue staff. Late payment charges exceeding \$20.00 may be waived due to extenuating circumstances at the discretion of a member of the Revenue Management team.

BILLING ERRORS

- i. Where billing errors have resulted in over-billing, the customer will be credited with the amount erroneously paid for a period not exceeding six years.
- ii. Where billing errors have resulted in under-billing, the customer may be charged for a period not exceeding:
 - one year or
 - six years in cases such as tampering or fraud
- iii. Where a customer is responsible for the underbilling, the utility may require payment of the full amount of the under-billing on the next bill or on a separate bill.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

UNAUTHORIZED CONSUMPTION

- i. Where meter tampering or theft of service has been detected, the customer may be charged for consumption based on previous history, or actual usage, or similar use properties for the applicable period.
- ii. In addition to the consumption charges outlined under billing errors above, an administration fee as outlined in the Fees and Charges Schedule will be applied to the account where meter tampering or theft of service has been detected.

TERMINATION NOTICES

- A. Active Tenants
 - i. Natural gas and water customers with a past due amount greater than the parameters set by the Revenue Division will be reviewed by a Collections Officer.
 - ii. Natural gas and water customers will receive a termination notice in writing when the Collections Officer's assessment warrants this action. From November 1 to March 31 on tenant occupied properties, property owners will receive written notification of the pending service disconnection.
 - iii. The customer will receive eight (8) calendar days' notice before termination of a service for non-payment.
- iv. Prior to disconnection, a representative of KU will make a reasonable effort to establish direct contact with the customer.
- v. If suitable payment arrangements have been made with Collections, further collection activity for that customer's billing period will be suppressed.
- vi. A 24-hour notice of disconnection will be delivered in person by a collection officer before service is disconnected.
- vii. Prior to actual termination, the customer's account is reviewed and approved for termination by a Collections Officer.
- viii. KU reserves the right to disconnect services as an alternative collection method.
- ix. Tenants with a service disconnected for a period greater than one year may be forwarded to a third-party collection agency.
- B. Final Billed Tenants
- i. Collection letters will be sent to all tenants for accounts with a final billed arrears balance. All reasonable attempts to collect the arrears will be made.
Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

If the tenant has an active gas and/or water account, all unpaid arrears balances will be transferred to the active account.

ii. If the final billed tenant does not have an active account, the arrears will be written off as an uncollectible debt following the bad debt write-off procedures as outlined in "Bad Debt Write off Procedures" section.

C. Active Owners

- i. Natural gas, water and/or rental water heater customers' accounts with a past due balance greater than the parameters set by the Revenue Division, will be reviewed by a Collections Officer.
- ii. Natural gas water and /or rental water heater customers will receive collections notice in writing when the Collections Officers assessment warrants this action.
- iii. The customer will receive eight (8) calendar days' notice before transferring the debt to the property tax account.
- iv. If suitable arrangements for payment have been made with Collections, all further collection activity for that customer's billing period will be suppressed.
- v. Prior to actual transfer to taxes, the customer's account is reviewed and approved for transfer to taxes by a Collections Officer.
- vi. KU reserves the right to disconnect services as an alternative collection method.
- vii. The Collections Officer will send a letter of advisement to the Mortgage Company about the transfer of utility arrears to taxes when property taxes are paid by the Mortgage Company.
- viii. If a property owner is in arrears on both utilities and taxes for a period of two years, the collection process for utility arrears will follow the same process as Active Tenants.
- ix. In situations where property taxes are only being paid and not the utilities, the collection process for utility arrears will follow the same process as Active Tenants.
 - D. Final Billed Owners
- i. A collection letter will be sent to the property owner for accounts with a final billed arrears balance.
- ii. All reasonable attempts to collect the arrears will be made.
- iii. If the customer still owns the property and taxes are paid by a Mortgage Company, a notice will be sent by a Collections Officer to advise the Mortgage Company of the transfer of utility arrears to taxes.

RECONNECTION OF SERVICES

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- i. Payment in cash, certified cheque, money order or debit is required for the total arrears due before the utility service is restored.
- ii. Disconnected meters will be reconnected after regular office hours as follows:
 - November 1 March 31

Gas Service only will be reconnected with Revenue Division authorization. The customer is advised to contact a Collections Officer by 10:00 a.m. on the next business day to arrange for payment. Customers who do not meet this requirement will be disconnected the same day. No further after-hours reconnection will be permitted in this instance.

• April 1 - October 31

Gas or Water Services will not be reconnected after hours without Revenue Division authorization.

MISCELLANEOUS CHARGES

- i. Disconnection Fee A disconnection fee as outlined in the Fees and Charges Schedule will be applicable for each disconnection.
- ii. Notice Delivery Fee- A notice delivery fee as outlined in the Fees and Charges Schedule will be applicable for each notice delivery.
- iii. Meter Removal due to Non-Payment A meter removal fee as per the Fees and Charges schedule will be charged for each meter removal.
- iv. Utility Administration Fee- All customers who initiate service with Kitchener Utilities, or who change the location for service, shall pay a Utility Administration Fee for each transaction as outlined in the Fees and Charges Schedule.
- Returned Cheque Charge (or NSF Charge) If a cheque is returned by the customer's financial institution as Not Sufficient Funds (NSF), the following will apply:
 - An administration fee as set out in the Fees and Charges Schedule will be charged to the customer's account.
 - A letter will be issued to the customer advising of the returned cheque.
 The payment will be requested in cash, debit, money order or certified cheque.
 - When the cheque returned by the customer's financial institution was made on a Disconnect Notice for a tenant, a subsequent Disconnect Notice will be issued to the tenant. (depending upon the time of year, the property owner may be sent a Notice of Pending Disconnect).

MISCELLANEOUS RECEIVABLES

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- Miscellaneous Receivables include billing for services other than property taxes or Utilities. Examples of these services include Direct Detect for Fire Alarm Monitoring, Parking and Cemetery sales.
 Friendly reminder notices will be sent out to all accounts with amounts in excess
- ii. Friendly reminder notices will be sent out to all accounts with amounts in excess of one month overdue.
- iii. For arrears greater than 60 or 90 days, a collections letter will be sent out advising the customer that the invoice is past due and payment is required in full.
- iv. Accounts with arrears that are deemed as uncollectable by Collections Staff will be forwarded to a third-party collection agency.

BAD DEBT WRITE-OFF PROCEDURES

- i. Staff will write-off uncollectable accounts for both Utilities and Miscellaneous receivables two times a year.
- ii. A summary of write-offs by account category will be provided to Council two times a year.
- iii. An electronic file is transferred to an outside collection agency containing all eligible accounts two times a year.
- iv. Uncollectable Utility and Miscellaneous receivable accounts will be written off to the Allowance of doubtful Utility and Miscellaneous accounts respectively.
- v. If a customer with a bad debt write-off subsequently opens a new account in the KU service area, the Collections Officer and the collection agency will work in conjunction to collect the bad debt, including termination of service at the new location.

Refunds/Overpayments/Misapplied payments

- I. Refunds requested by customers due to overpayments must be submitted in writing and be accompanied by proof of payment. Utility accounts with balance owing will not be eligible for refunds unless approved by a member of the Revenue Management Team. Any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.
- II. Erroneous payments made by the customer to a utility account require a written request to correct the payment application. Any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

III. Overpayments from customers who cannot be located will be retained in a holding account for 7 years, after which the overpaid amount will be transferred to the Utility Reserve Fund.

Small Balance Write offs

- I. The Treasurer may cancel any overdue amount less than +/- \$10 that the customer owes to the City for the preceding year.
- II. The City shall not, otherwise, cancel any outstanding debt above \$10, unless the City Treasurer deems it appropriate to do so. The Treasurer's reasons for writing off any outstanding debt that is above \$10 should be communicated in writing to Council stating the reasons for taking such a decision.

5. HISTORY OF POLICY CHANGES

Administrative Updates

2016-06 - Policy I-518 template re-formatted to new numbering system and given number FIN-FEE-218.

Formal Amendments 2024-06-16 -Policy updated

KITCHENER	POLICY	Policy No: FIN-FEE-517
Policy Title:	COLLECTIONS-UTILITY AND MISCELLANEOUS	Approval Date: Click here to enter a date.
	RECEIVABLE	Reviewed Date: June, 2025
Policy Type:	COUNCIL	Next Review Date: June, 2030
Category:	Finance	Reviewed Date: Click here to enter text.
Sub-Category	Fees, Costs & Collection	Last Amended: June 23, 2016
Author:	Director of Revenue	Replaces: Click here to enter text.
Dept/Div:	Financial Services/Revenue	
<u></u>	Division	Repealed: Click here to enter a date.
		Replaced by: Click here to enter text.
Related Policies, Procedures and/or Guidelines: Municipal Act		

1. <u>POLICY PURPOSE:</u>

The purpose of the utility collections policy is to document and improve existing collection practices as it relates to collection of utility and miscellaneous receivables.

2. <u>DEFINITIONS</u>:

Good Payment History – Where a residential customer has been serviced by an electricity or gas distributor in North America for twelve consecutive months (within the last 24 months) and has not received any disconnection notice, late payment charge and has not had more than one pre-authorized payment or cheque returned due to insufficient funds.

Interest – is the amount added to the utility account once the utility bill is in arrears.

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

☑ All Employees		
All Full-Time Employees	All Union	
Management	C.U.P.E. 68 Civic	
Non Union	C.U.P.E. 68 Mechanics	
Temporary	□ C.U.P.E. 791	
□ Student	□ I.B.E.W. 636	
Part-Time Employees	□ K.P.F.F.A.	
Specified Positions only:	□ Other:	
	Local Boards & Advisory Committees	

The Municipal Act serving as the base, this policy provides a guide to staff on aspects of billing and collection of utility and miscellaneous receivables as it applies to the City of Kitchener.

4. <u>POLICY CONTENT</u>:

OBJECTIVES

- i. Establish processes for billing of utilities and miscellaneous receivables.
- ii. Ensure the timely collection of utilities and miscellaneous receivables.
- iii. Establish processes to collect utilities and miscellaneous receivables.

GOVERNING PRINCIPLES

- i. The procedure of collecting utilities and miscellaneous receivables should be applied universally, uniformly, and consistently.
- ii. The City Treasurer may exercise discretion in furthering the objectives of this policy.
- iii. To clearly articulate the guidelines staff will follow for collections of utility and miscellaneous receivables.
- iv. At all times, the City should take reasonable care to respect and protect the interest of the customer as well as that of the City, including the rights to privacy and confidentiality.

BILLING PROCEDURES

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- i. All customers will receive bills for services rendered during the billing period. This can include charges for consumption for utility or other services.
- ii. Bills will be delivered in a timely manner, with due dates clearly indicated. The City will make reasonable efforts to provide bills electronically or through paper mail, depending on customer preferences.
- iii. Customers will be informed of any changes to billing rates or fees at least 30 days before the effective date.

CONTRACT FOR SERVICE

Tenants requesting service with Kitchener Utilities (KU) will be required to:

- i. Sign a completed Tenant Contract. When signed, the Tenant Contract forms a legal and binding contract that the customer and KU have accepted and mutually agreed to the terms of the Agreement.
- ii. Present one piece of appropriate picture identification or two pieces of government identification.
- iii. If the property has multiple units, for any utility service where there is only one meter or one gate box, the utilities will remain in the owner's name.

SECURITY DEPOSITS

- i. Residential and commercial tenants will be required to pay a Security Deposit to KU when applying for service unless the customer is able to provide confirmation of a "Good Payment History". Security Deposits may be required from any customer who does not maintain a "Good Payment History" for the required time period.
- ii. Security deposits may be in the form of cash or cheque. A letter of credit will not be an acceptable form of security deposit.
- iii. The tenant deposit will be charged to the customer's account at the time of the application. All normal billing rules apply to tenant deposits added to a customer account.

Administration and Refund of Security Deposits

i. All amounts held on deposit will be applied to the final bill on close of the customer account.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- ii. For existing customers where a Security Deposit has not been collected, or a customer who previously was granted a security deposit waiver, a Security Deposit will be required if the customer has not maintained a "Good Payment History" for the required time period.
- iii. A customer failing to provide the appropriate security deposit shall be deemed to be in the position as a customer in arrears and subject to collection procedures including service disconnection if the deposit remains unpaid past the due date.
- iv. Deposits may be requested and may be adjusted to reflect changes in rates, actual usage, or if a "Good Payment History" was not maintained.

Tenant Deposit Amounts

- i. Residential Customers Natural Gas
 - Minimum amount as specified on the Fees and Charges Schedule
- ii. Residential Customers Water and Sewer
 - Minimum amount as specified on the Fees and Charges Schedule
- iii. Commercial Customers Natural Gas
 - Minimum amount as specified on the Fees and Charges Schedule, or
 - Three times the monthly average of the previous twelve months consumption history
 - In the absence of consumption history, \$200.00 per 1,000 sq. ft. of space rounded to the highest \$25.00.
- iv. Commercial Customers Water and Sewer
 - Minimum amount as specified on the Fees and Charges Schedule, or
 - Three times the monthly average of the previous twelve months consumption history.
 - In the absence of consumption history, Revenue staff will determine the deposit amount based on type of business.
- v. A commercial deposit amount may be reviewed, upon request, at any time if there is sufficient history to support a change.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

Waiving of Tenant Deposits

- i. The tenant deposit may be waived for tenants signing up for the preauthorized payment plan. KU reserves the right to charge the deposit to the account if the pre-authorized plan is revoked by KU due to unacceptable payment history.
- ii. The tenant deposit may be waived for tenants providing Good Payment History.

Interest on Security Deposits

Interest on cash security deposits is paid annually commencing on receipt of any paid deposit amount and will be credited to the customer's utility account. The interest rate paid on cash security deposits shall be at the Prime Business Rate as published on the Bank of Canada website less 2%, updated quarterly.

Security Deposit Exemptions

- i. The following customers do not require a security deposit:
 - Banks and Credit Unions
 - Trust Companies (Trust Company Real Estate offices are not exempt)
 - Government Agencies including City, Region, Provincial and Federal offices including Liquor Stores.
 - Customers who own their own property.
- ii. A deposit is not required if a customer provides a letter of reference from a gas or electric distributor in Canada confirming a "Good Payment History" for the relevant time period. If an existing KU customer signs up at a different address and has "Good Payment History" with KU previously, the existing deposit on file may be refunded or transferred to the new account.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

iii. Any member of the Revenue Management Team may in special circumstances alter the deposit amount or payment arrangements of the Security Deposit.

MAILING OF BILLS

- I. Any notices sent by ordinary mail are considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven. Failure to notify the Revenue Division of an address change is not an error.
- II. A customer may enroll in the City's electronic billing (e-billing) option to receive their utility bill notification directly to the e-mail address provided. The utility bill shall be deemed to have been received on the next business day after the notification was sent.

PAYMENT OF BILLS

i. Payment will be in the form of cash, cheques, money orders, bank drafts, pre-authorized payment plan, internet and telephone banking made payable to the City of Kitchener. Cheques which are post-dated will be accepted and held by the Revenue Division. Payment of Utility and miscellaneous receivable will be accepted at the City of Kitchener, Revenue Division, at local banks or via mail to:

City of Kitchener, Finance and Corporate Services Revenue Division P.O. Box 1113 STN C Kitchener, ON N2G 4R6

- ii. A bill is due when rendered by KU.
- iii. A customer may pay the bill without the application of a late payment charge on amounts paid on or before the seventeenth day after the bill is issued.
- iv. Payments will be deemed to be made on the date payment is received by KU.
- v. Notification of all past due amounts will be included in the following month's billing.
- vi. In the case of retroactive billing, payment arrangements for the back billed amount may be approved by a Customer Service Representative or a

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

member of the Revenue Management team depending on the period back billed and the amount of the retroactive billing.

- vii. Change will not be returned for cheques accepted in excess of the amount due. Should a credit appear on the Utility or Finance account because of the payment, it will be applied to subsequent bills not yet due. However, at the request of the resident a refund cheque will be requisition, after allowing sufficient time (15 business days) for the resident's cheque to clear their financial institution. Further, any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.
- viii. Should payment be tendered in US funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the City of Kitchener on that day.

ALLOCATION OF PAYMENTS

i. Payment will be applied to any outstanding deposits and to any outstanding arrears before being applied to the current billing, unless KU has made special considerations.

LATE PAYMENT CHARGES

- i. If the bill is unpaid on the seventeenth day, a one-time "late" payment charge of two percent will be applied.
- ii. Late payment charges of up to \$20.00 may be waived due to extenuating circumstances at the discretion of authorized Revenue staff. Late payment charges exceeding \$20.00 may be waived due to extenuating circumstances at the discretion of a member of the Revenue Management team.

BILLING ERRORS

- i. Where billing errors have resulted in over-billing, the customer will be credited with the amount erroneously paid for a period not exceeding six years.
- ii. Where billing errors have resulted in under-billing, the customer may be charged for a period not exceeding:
 - one year or
 - six years in cases such as tampering or fraud
- iii. Where a customer is responsible for the underbilling, the utility may require payment of the full amount of the under-billing on the next bill or on a separate bill.

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UNAUTHORIZED CONSUMPTION

- i. Where meter tampering or theft of service has been detected, the customer may be charged for consumption based on previous history, or actual usage, or similar use properties for the applicable period.
- ii. In addition to the consumption charges outlined under billing errors above, an administration fee as outlined in the Fees and Charges Schedule will be applied to the account where meter tampering or theft of service has been detected.

TERMINATION NOTICES

- A. Active Tenants
 - i. Natural gas and water customers with a past due amount greater than the parameters set by the Revenue Division will be reviewed by a Collections Officer.
 - Natural gas and water customers will receive a termination notice in writing when the Collections Officer's assessment warrants this action. From November 1 to March 31 on tenant occupied properties, property owners will receive written notification of the pending service disconnection.
 - iii. The customer will receive eight (8) calendar days' notice before termination of a service for non-payment.
- iv. Prior to disconnection, a representative of KU will make a reasonable effort to establish direct contact with the customer.
- v. If suitable payment arrangements have been made with Collections, further collection activity for that customer's billing period will be suppressed.
- vi. A 24-hour notice of disconnection will be delivered in person by a collection officer before service is disconnected.
- vii. Prior to actual termination, the customer's account is reviewed and approved for termination by a Collections Officer.
- viii. KU reserves the right to disconnect services as an alternative collection method.
- ix. Tenants with a service disconnected for a period greater than one year may be forwarded to a third-party collection agency.
- B. Final Billed Tenants
- i. Collection letters will be sent to all tenants for accounts with a final billed arrears balance. All reasonable attempts to collect the arrears will be made.

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If the tenant has an active gas and/or water account, all unpaid arrears balances will be transferred to the active account.

ii. If the final billed tenant does not have an active account, the arrears will be written off as an uncollectible debt following the bad debt write-off procedures as outlined in "Bad Debt Write off Procedures" section.

C. Active Owners

- i. Natural gas, water and/or rental water heater customers' accounts with a past due balance greater than the parameters set by the Revenue Division, will be reviewed by a Collections Officer.
- ii. Natural gas water and /or rental water heater customers will receive collections notice in writing when the Collections Officers assessment warrants this action.
- iii. The customer will receive eight (8) calendar days' notice before transferring the debt to the property tax account.
- iv. If suitable arrangements for payment have been made with Collections, all further collection activity for that customer's billing period will be suppressed.
- v. Prior to actual transfer to taxes, the customer's account is reviewed and approved for transfer to taxes by a Collections Officer.
- vi. KU reserves the right to disconnect services as an alternative collection method.
- vii. The Collections Officer will send a letter of advisement to the Mortgage Company about the transfer of utility arrears to taxes when property taxes are paid by the Mortgage Company.
- viii. If a property owner is in arrears on both utilities and taxes for a period of two years, the collection process for utility arrears will follow the same process as Active Tenants.
- ix. In situations where property taxes are only being paid and not the utilities, the collection process for utility arrears will follow the same process as Active Tenants.
 - D. Final Billed Owners
- i. A collection letter will be sent to the property owner for accounts with a final billed arrears balance.
- ii. All reasonable attempts to collect the arrears will be made.
- iii. If the customer still owns the property and taxes are paid by a Mortgage Company, a notice will be sent by a Collections Officer to advise the Mortgage Company of the transfer of utility arrears to taxes.

RECONNECTION OF SERVICES

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- i. Payment in cash, certified cheque, money order or debit is required for the total arrears due before the utility service is restored.
- ii. Disconnected meters will be reconnected after regular office hours as follows:
 - November 1 March 31

Gas Service only will be reconnected with Revenue Division authorization. The customer is advised to contact a Collections Officer by 10:00 a.m. on the next business day to arrange for payment. Customers who do not meet this requirement will be disconnected the same day. No further after-hours reconnection will be permitted in this instance.

• April 1 - October 31

Gas or Water Services will not be reconnected after hours without Revenue Division authorization.

MISCELLANEOUS CHARGES

- i. Disconnection Fee A disconnection fee as outlined in the Fees and Charges Schedule will be applicable for each disconnection.
- ii. Notice Delivery Fee- A notice delivery fee as outlined in the Fees and Charges Schedule will be applicable for each notice delivery.
- iii. Meter Removal due to Non-Payment A meter removal fee as per the Fees and Charges schedule will be charged for each meter removal.
- iv. Utility Administration Fee- All customers who initiate service with Kitchener Utilities, or who change the location for service, shall pay a Utility Administration Fee for each transaction as outlined in the Fees and Charges Schedule.
- Returned Cheque Charge (or NSF Charge) If a cheque is returned by the customer's financial institution as Not Sufficient Funds (NSF), the following will apply:
 - An administration fee as set out in the Fees and Charges Schedule will be charged to the customer's account.
 - A letter will be issued to the customer advising of the returned cheque. The payment will be requested in cash, debit, money order or certified cheque.
 - When the cheque returned by the customer's financial institution was made on a Disconnect Notice for a tenant, a subsequent Disconnect Notice will be issued to the tenant. (depending upon the time of year, the property owner may be sent a Notice of Pending Disconnect).

MISCELLANEOUS RECEIVABLES

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

- Miscellaneous Receivables include billing for services other than property taxes or Utilities. Examples of these services include Direct Detect for Fire Alarm Monitoring, Parking and Cemetery sales.
 Friendly reminder notices will be sent out to all accounts with amounts in excess
- ii. Friendly reminder notices will be sent out to all accounts with amounts in excess of one month overdue.
- iii. For arrears greater than 60 or 90 days, a collections letter will be sent out advising the customer that the invoice is past due and payment is required in full.
- iv. Accounts with arrears that are deemed as uncollectable by Collections Staff will be forwarded to a third-party collection agency.

BAD DEBT WRITE-OFF PROCEDURES

- i. Staff will write-off uncollectable accounts for both Utilities and Miscellaneous receivables two times a year.
- ii. A summary of write-offs by account category will be provided to Council two times a year.
- iii. An electronic file is transferred to an outside collection agency containing all eligible accounts two times a year.
- iv. Uncollectable Utility and Miscellaneous receivable accounts will be written off to the Allowance of doubtful Utility and Miscellaneous accounts respectively.
- v. If a customer with a bad debt write-off subsequently opens a new account in the KU service area, the Collections Officer and the collection agency will work in conjunction to collect the bad debt, including termination of service at the new location.

Refunds/Overpayments/Misapplied payments

- I. Refunds requested by customers due to overpayments must be submitted in writing and be accompanied by proof of payment. Utility accounts with balance owing will not be eligible for refunds unless approved by a member of the Revenue Management Team. Any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.
- II. Erroneous payments made by the customer to a utility account require a written request to correct the payment application. Any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.

Policy Title: COLLECTIONS- UTILITY AND MISCELLANEOUS RECEIVABLE

III. Overpayments from customers who cannot be located will be retained in a holding account for 7 years, after which the overpaid amount will be transferred to the Utility Reserve Fund.

Small Balance Write offs

- I. The Treasurer may cancel any overdue amount less than +/- \$10 that the customer owes to the City for the preceding year.
- II. The City shall not, otherwise, cancel any outstanding debt above \$10, unless the City Treasurer deems it appropriate to do so. The Treasurer's reasons for writing off any outstanding debt that is above \$10 should be communicated in writing to Council stating the reasons for taking such a decision.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2016-06 - Policy I-518 template re-formatted to new numbering system and given number FIN-FEE-218.

Formal Amendments 2024-06-16 -Policy updated

KITCHENER	POLICY	Policy No: FIN-FEE-518
Policy Title:	COLLECTIONS- PROPERTY TAXES	Approval Date: Click here to enter a date.
<u>Policy Type</u> : <u>Category</u> :	COUNCIL Finance	Reviewed Date: June/2025 Next Review Date: June/2030 Reviewed Date: Click here to enter text.
Sub-Categor	 Y: Fees, Costs & Collection Director, Revenue Division 	Last Amended: June 23, 2016
<u>Dept/Div</u> :	Financial Services/Revenue Division	Replaces:Click here to enter text.Repealed:Click here to enter a date.Replaced by:Click here to enter text.
Related Policies, Procedures and/or Guidelines: Municipal Act, Assessment Act		

1. POLICY PURPOSE:

To establish efficient and effective City of Kitchener procedures and processes for property tax billing and collection and to ensure municipal tax revenues are collected in a timely and effective manner.

2. <u>DEFINITIONS</u>:

Municipal Property Assessment Corporation (MPAC) – is responsible for

Policy Title: COLLECTIONS-PROPERY TAXES

accurately assessing and classifying properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.

Penalties – are the amount added to the unpaid levies from current year in accordance with the Municipal Act, 2001.

Interest – is the amount added to the unpaid levies from prior years in accordance with the Municipal Act, 2001.

Property Taxes – are the total amount of levies calculated for City, Region and School Board purposes and includes all amounts added to the tax roll as permitted by the Municipal Act, 2001. Property taxes are calculated based on the current value assessment determined by MPAC and multiplied by the tax rate as determined by the City, Regional Council and the Minister of Finance in relation to education.

Tax Arrears – are the unpaid property taxes that remain unpaid after the due date has passed.

POLICY APPLIES TO THE FOLLOWING:				
☑ All Employees				
All Full-Time Employees	All Union			
Management	C.U.P.E. 68 Civic			
🗆 Non Union	C.U.P.E. 68 Mechanics			
Temporary	□ C.U.P.E. 791			
□ Student	□ I.B.E.W. 636			
Part-Time Employees	□ K.P.F.F.A.			
Specified Positions only:	□ Other:			
	Local Boards & Advisory Committees			

3. <u>SCOPE</u>:

The Municipal Act serving as the base, this policy provides a guide to staff on aspects of billing and collection of property tax as it applies to the City of Kitchener.

4. <u>POLICY CONTENT</u>:

OBJECTIVES

- I. Establish processes for billing for property tax
- II. Ensure the timely collection of property tax

Policy Title: COLLECTIONS-PROPERY TAXES

- III. Establish processes to collect property tax
- IV. Establish processes to collect property tax arrears

GOVERNING PRINCIPLES

- I. The procedure of collecting taxes should be applied universally, uniformly and consistently.
- II. The City Treasurer may exercise discretion in furthering the objectives of this policy.
- III. The City Treasurer may take all means necessary provided in the Municipal Act, 2001 to balance taxpayers' interests with that of the City. In so doing, The City Treasurer will strive to keep to minimum the administrative and legal costs.
- IV. At all times, the City should take reasonable care to respect and protect the interest of the taxpayer as well as that of the City, including the rights to privacy and confidentiality.

BILLING PROCEDURES

- I. Billing will be in two stages, interim and final billing. A by-law passed in advance by the City is a requirement to bring into effect both the Interim and Final tax billings.
- II. The tax billing will clearly identify the municipality, property, owner (s) and state the demand date. It will also identify the current year's assessed value, the annualized taxes for the prior calendar year, and any arrears owing against the property.
- III. Interim tax billing shall be based on a percentage of the annualized taxes of the property for the previous calendar year, not to exceed 50% of the previous year's annualized taxes.
- IV. The tax billing may include local improvement charges, area charges, business improvement area charges and any special charges levied by the municipality or provincial government.

Policy Title: COLLECTIONS-PROPERY TAXES

Interim Tax Billing

- I. Interim bills are based on the returned assessment from the Municipal Property Assessment Corporation. As authorized under Section 317 of the Municipal Act, 2001, the City will bill a property under this category based on no more than 50% of the previous year's annualized taxes billed.
- II. Interim bills are produced in January of every year.
- III. The treasurer shall send a tax bill to every taxpayer at least 21 days before any taxes shown on the tax bill are due.
- IV. The Municipal Act provides ground for the City to alter, to an appropriate level, the interim bills if it deems it too high or too low.

Final Billing

- I. Final tax bills are based on tax rates established in the City budget by-law, the Region of Waterloo and the Ontario Ministry of Finance which sets the education tax rate.
- II. Final Bills are produced in June of every year.
- III. The treasurer shall send a tax bill to every taxpayer at least 21 days before any taxes shown on the tax bill are due.
- IV. Final Bills are based on the sum of the current market value of the property and the appropriate tax rate, all local improvement charges, business improvement charges, any special charges levied by provincial legislation.
- V. The Final tax bill payable will be the sum of the interim tax bill deducted from the final tax amount.

Supplementary Tax Billing

- I. The Municipal Property Assessment Corporation (MPAC) usually provides additional assessment information on properties that necessitates a supplemental billing.
- II. Supplementary taxes are due on the date identified on the supplementary tax bill.

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- III. Supplementary taxes may be paid in installments for a period of up to a maximum of six months.
- IV. The Assessment Act provides two grounds when supplementary tax billing can be applied; Omissions and Additions.

Omissions

- i. The Municipal Act Section 33 provides grounds for the taxation of real property liable for taxation if that property was omitted in the tax roll of that current year at the time of assessment.
- ii. The taxable period allowed are the current year and the preceding two years.
- iii. The supplementary billing tax should be treated as a part of the full tax for the current year.
- iv. The supplementary tax bill will be post marked and mailed not later than 21 calendar days from the date of the first instalment due date.

Additions

- i. The Municipal Act Section 34 provides grounds for taxation of assessment of real property that has increased in value or has been added after the return of the last revised roll. The real property could have increased in value through the erection, alteration, enlargement or improvement of any building, structure, machinery, equipment or fixture or any portion thereof that commences to be used for any purpose.
- ii. The supplementary billing tax should be treated as a part of the full tax for the current year.
- iii. The supplementary tax bill will be post marked and mailed not later than 21 calendar days from the date of the first instalment due date.
- iv. The taxes apply to the current year only.

Due Date

Due dates for the payment of taxes shall be dependent, in the case of the Final Bill, on the final approval of Budgets by the City Council, Waterloo Regional Council and subsequent passing of the levy by-laws. Notwithstanding that there

Policy Title: COLLECTIONS-PROPERY TAXES

may be fluctuations because of budget approval, tax billing for all properties will normally be as follows:

- A. Interim Bill
 - i. The first instalments of taxes are due and payable on the first business day of March.
 - ii. The second instalments of taxes are due and payable on the first business day of May.
- B. Final Bill
 - i. The first instalments of residential property taxes are due and payable on the first business day of July.
 - ii. The second instalments of residential property taxes are due and payable on the first business day of September.
 - iii. The first instalment of commercial, industrial and multi-residential property taxes are due and payable on the first business day of September unless otherwise noted in the property tax by-law.
 - iv. The second instalment of commercial, industrial and multi-residential property taxes are due and payable on the first business day of October unless otherwise noted in the property tax by-law.

MAILING OF BILLS

- I. Any notices sent by ordinary mail are considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven. Failure to notify the Revenue Division of an address change is not an error.
- II. A customer may enroll on the City's electronic billing (e-billing) option to receive their property tax bill notification directly to the e-mail address provided. The tax bill shall be deemed to have been received on the next business day after the notification was sent.
- III. Section 343 of the Municipal Act, 2001 provides that tax bills shall be sent to the taxpayer's residence or place of business or the premises where the taxes are payable for, unless that taxpayer directs the municipality otherwise. Further, Section 343 (8) of the Municipal Act, 2001 directs a municipality to continue to

Policy Title: COLLECTIONS-PROPERY TAXES

deliver tax bills to the address in its records until it is revoked in writing by the taxpayer.

PAYMENT OF BILLS

I. Payment will be in the form of cash, cheques, money orders, bank drafts, preauthorized payment plans, internet and telephone banking made payable to the City of Kitchener. Cheques which are post-dated to the tax due date will be accepted and held by the Revenue Division. Payment of taxes will be accepted at the City of Kitchener, Revenue Division, at local banks or via mail to:

> City of Kitchener, Finance and Corporate Services Revenue Division P. O. Box 1113 STN C Kitchener, ON N2G 4R6

- II. "Third Party" cheques will not be accepted. A cheque payable to the property owner is considered to be a third-party cheque and is not accepted as payment.
- III. A property owner may choose to enroll in Pre-Authorized Tax Payment (PTP) Plan option offered by the City. To enroll in the PTP plan, the account must be up to date and the completed form to enroll submitted 14 days in advance of the next scheduled withdrawal.
- IV. Change will not be returned for cheques accepted in excess of the amount due on the tax account. Should a credit appear on the tax account as a result of the payment, it will be applied to subsequent instalments not yet due in the current year. However, at the request of the taxpayer a refund cheque will be requisitioned, after allowing sufficient time (15 business days) for the taxpayer's cheque to clear their financial institution. The minimum amount for a refund request to be processed will be \$25.00, unless the amount is in excess of the next tax instalment that is yet to become due. Further, any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.
- V. Should a payment be tendered in U.S. funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the City of Kitchener on that day.

ALLOCATION OF PAYMENTS

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- I. When a payment is received on account of taxes, The payment shall first be applied against late payment charges owing in respect of those taxes according to the length of time the charges have been owing, with the charges imposed earlier being discharged before charges imposed later.
- II. The payment shall then be applied against the taxes owing according to the length of time they have been owing, with the taxes imposed earlier being discharged before taxes imposed later.

RECEIPTS AND PROOF OF PAYMENT

- I. Reproduction of documents supporting payments and levy amounts will be charged as per the City's Fees and Charges Schedule for the related year.
- II. In the year of ownership change, the City will only provide a tax statement to the new owner advising of the amount that is outstanding on the property tax roll. The City will not make adjustments between the purchaser and the seller as it is expected that the law firms involved in the sale transaction will make the necessary allocations on the statement of adjustments on closing.

COLLECTION PROCEDURES

- I. Past due notices shall be sent once a year in early October. Notices are to be mailed no later than the 15th of the month. Any administrative fees related to mailing out the notices will be charged as per the City's Fees and Charges Schedule for the related year.
- II. In addition to past due notices, Collections Staff will issue no less than two letters twice per year on accounts that are two years in arrears.
- III. The Director of Revenue, or designate, in this case, Collection Staff, will attempt to contact the owner of a property at least once per year if taxes are in arrears for two or more years unless suitable payment arrangements have been established.
- IV. Payment Arrangements
 - i. The City may, at any time, enter into a payment arrangement with the property owner, in arrears for two years, before registering for a Certificate of Tax Arrears on a title to a property. The property owner shall provide a written

Policy Title: COLLECTIONS-PROPERY TAXES

commitment to pay all the outstanding taxes on terms agreeable to the City Treasurer. The agreement to commit to pay all realty taxes due by the tax payer, may cause the Treasurer to forego or forestall the registration of a Certificate of Tax Arrears.

- ii. Satisfactory payment arrangements would be a commitment to make payments on prearranged dates via Telephone or Internet banking or in Person.
- iii. The City may accept verbal arrangements pertaining to any property arrears less than three years.
- V. Penalty on late or overdue payments
 - i. Penalty at a rate of 1.25% of the amount of taxes due and unpaid, will be imposed as a penalty for the non-payment of taxes on the first day of default.
 - ii. Interest charges at a rate of 1.25% each month of the amount of taxes due and unpaid, will be imposed for the non-payment of taxes. Interest will accrue only after the first day of default.
 - iii. The City may waive one month of penalty and interest charges as a once-in-alifetime adjustment on the property tax account.
- VI. Returned Cheques
 - i. If a cheque is returned as "non-sufficient funds" on a taxpayer's account, the taxpayer will be requested to replace the amount either by certified cheque or in cash.
 - ii. A returned cheque fee will be applied to the tax account on all returned cheques regardless of reason.

ARREARS COLLECTION

Collection Process

I. For tax accounts which indicate taxes owing as of December 31st of the preceding year, a collection letter is sent in the first quarter of the current year to the property owner (s) advising of the tax arrears situation and asking for payment in full or satisfactory payment arrangements to be made by a given date. If acceptable arrangements are made, the account is monitored for

Policy Title: COLLECTIONS-PROPERY TAXES

compliance and follow-up is done by telephone or in writing as required. Telephone contact is only used when the taxpayer has provided the municipality with a telephone number.

- II. If no reply is received, a second letter is sent in the second quarter of the year stating that failure to reply will result in further action being taken to collect the outstanding taxes, which could result in additional costs to the property owner.
- III. If no reply is received, another letter will be sent in the fourth quarter of the year.
- IV. All second-year tax arrears property owners will receive at least two letters per year.
- V. If a property is in a tax sale position, a registered letter will be sent in the first quarter of the third year. If no reply is received then a title search shall be performed to notify any, and all, mortgage holders of the property and the property owner will receive a final notice at this time. Thirty days will be given to pay out the arrears from the date of the letter. If no response or payment is received, contact is attempted by telephone or outside visit.
- VI. Having failed to obtain any response or satisfactory arrangement, the Director of Revenue will forward the property to the City's Legal Department for action.

Tax Sale

- I. Properties that are in arrears on January 1 of the 2nd year the taxes are due are eligible for tax registration under Section 373 of the Municipal Act. The property owner or interested party has one year from the date of registration in which to redeem the property for all taxes, interest and penalty outstanding, including any associated costs.
- II. Registration is a last resort and should be avoided if possible, by encouraging the ratepayer to either make full payment or a mutually agreed upon payment plan.
- III. Letters and correspondence should encourage payment. It is only as a last resort or if numerous cheques are returned, that the property would become subject to tax registration.

Policy Title: COLLECTIONS-PROPERY TAXES

Small Balance Write offs

- I. The Treasurer may cancel any overdue amount less than \$10 that the taxpayer owes to the City for the preceding year.
- II. The City shall not, otherwise, cancel any outstanding debt above \$10, unless the City Treasurer deems it appropriate to do so. The Treasurer's reasons for writing off any outstanding debt that is above \$10 should be communicated in writing to Council stating the reasons for taking such a decision.

Interest on overpayment of taxes

- I. The City will pay interest on tax overpayments resulting from appeal decisions released to the City by the Assessment Review Board.
- II. Section 345 (6) of the Municipal Act, 2001 provides grounds for payment on tax overpayments by a municipality to the taxpayer. Interest would begin to accrue 120 days after the date of the decision is made known to the City. The rate of interest payable is in the same manner as interest is paid under subsection 257.11(4) of the Education Act, which states the rate of interest payable is the lowest Prime Rate reported to the Bank of Canada by any of the banks listed in schedule 1 of the Bank Act (Canada) on the date interest is paid. This interest rate will be paid commencing at the end of the 120-day period until the date the appeal adjustment is applied to the tax account.
- III. The appeal adjustment amount plus any applicable interest will be credited to the relevant tax roll number.

Tax Refunds

- I. Section 354.1 of the Municipal Act provides grounds for a municipality to pay a tax refund arising from assessment and tax appeals.
- II. The City will pay a tax refund to the owner of a property for any overpayment that arises because the land was assessed under Subsection 33 (Omissions) of the Assessment Act.

Policy Title: COLLECTIONS-PROPERY TAXES

- III. Section 351(9) of the Municipal Act, 2001 provides grounds for recovering taxes and any other funds owed to a municipality in the case that a municipality has to provide a refund to the property owner after selling off property belonging to a property owner whose property was disposed of under Tax Sale.
- IV. The City will deduct any tax refunds if the property owner has tax, utilities arrears or unpaid finance invoices at the same or other properties registered under that property owner's name.

Refund from Reassessment

- I. If ownership of property will change or has changed prior to the rebate as a result of reassessment, the City shall refund any overpayment to the owner of the land as shown on the tax roll on the date the adjustment is made.
- II. The City will endeavor to do everything within its ability to notify the prior owner and the current owner of the rules that apply in refunding any overpayment as a result of reassessment of the property.

Refunds/Overpayments/Misapplied payments

- I. Refunds requested by customers due to overpayments must be submitted in writing and be accompanied by proof of payment. Property tax accounts with balance owing will not be eligible for refunds unless approved by a member of the Revenue Management Team.
- II. Erroneous payments made by the customer to a tax account require a written request to correct the payment application. Any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2016-06 - Policy I-518 template re-formatted to new numbering system and given number FIN-FEE-218.

Formal Amendments

Policy Title: COLLECTIONS-PROPERY TAXES

2024-06-16 -Policy updated

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KITCHENER	POLICY	Policy No: FIN-FEE-518
Policy Title:	COLLECTIONS- PROPERTY TAXES	Approval Date: Click here to enter a date.
<u>Policy Type</u> : <u>Category</u> :	e: COUNCIL Finance	Reviewed Date: June/2025 Next Review Date: June/2030 Reviewed Date: Click here to enter text.
Sub-Categor	 Yees, Costs & Collection Director, Revenue Division 	Last Amended: June 23, 2016
<u>Dept/Div</u> :	Financial Services/Revenue Division	Replaces:Click here to enter text.Repealed:Click here to enter a date.Replaced by:Click here to enter text.
Related Policies, Procedures and/or Guidelines: Municipal Act, Assessment Act		

1. POLICY PURPOSE:

To establish efficient and effective City of Kitchener procedures and processes for property tax billing and collection and to ensure municipal tax revenues are collected in a timely and effective manner.

2. **DEFINITIONS**:

Municipal Property Assessment Corporation (MPAC) – is responsible for

Policy Title: COLLECTIONS-PROPERY TAXES

accurately assessing and classifying properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.

Penalties – are the amount added to the unpaid levies from current year in accordance with the Municipal Act, 2001.

Interest – is the amount added to the unpaid levies from prior years in accordance with the Municipal Act, 2001.

Property Taxes – are the total amount of levies calculated for City, Region and School Board purposes and includes all amounts added to the tax roll as permitted by the Municipal Act, 2001. Property taxes are calculated based on the current value assessment determined by MPAC and multiplied by the tax rate as determined by the City, Regional Council and the Minister of Finance in relation to education.

Tax Arrears – are the unpaid property taxes that remain unpaid after the due date has passed.

POLICY APPLIES TO THE FOLLOWING:				
☑ All Employees				
All Full-Time Employees	All Union			
Management	C.U.P.E. 68 Civic			
🗆 Non Union	C.U.P.E. 68 Mechanics			
Temporary	□ C.U.P.E. 791			
□ Student	□ I.B.E.W. 636			
Part-Time Employees	□ K.P.F.F.A.			
Specified Positions only:	□ Other:			
	Local Boards & Advisory Committees			

3. <u>SCOPE</u>:

The Municipal Act serving as the base, this policy provides a guide to staff on aspects of billing and collection of property tax as it applies to the City of Kitchener.

4. <u>POLICY CONTENT</u>:

OBJECTIVES

- I. Establish processes for billing for property tax
- II. Ensure the timely collection of property tax

Policy Title: COLLECTIONS-PROPERY TAXES

- III. Establish processes to collect property tax
- IV. Establish processes to collect property tax arrears

GOVERNING PRINCIPLES

- I. The procedure of collecting taxes should be applied universally, uniformly and consistently.
- II. The City Treasurer may exercise discretion in furthering the objectives of this policy.
- III. The City Treasurer may take all means necessary provided in the Municipal Act, 2001 to balance taxpayers' interests with that of the City. In so doing, The City Treasurer will strive to keep to minimum the administrative and legal costs.
- IV. At all times, the City should take reasonable care to respect and protect the interest of the taxpayer as well as that of the City, including the rights to privacy and confidentiality.

BILLING PROCEDURES

- I. Billing will be in two stages, interim and final billing. A by-law passed in advance by the City is a requirement to bring into effect both the Interim and Final tax billings.
- II. The tax billing will clearly identify the municipality, property, owner (s) and state the demand date. It will also identify the current year's assessed value, the annualized taxes for the prior calendar year, and any arrears owing against the property.
- III. Interim tax billing shall be based on a percentage of the annualized taxes of the property for the previous calendar year, not to exceed 50% of the previous year's annualized taxes.
- IV. The tax billing may include local improvement charges, area charges, business improvement area charges and any special charges levied by the municipality or provincial government.

Policy Title: COLLECTIONS-PROPERY TAXES

Interim Tax Billing

- I. Interim bills are based on the returned assessment from the Municipal Property Assessment Corporation. As authorized under Section 317 of the Municipal Act, 2001, the City will bill a property under this category based on no more than 50% of the previous year's annualized taxes billed.
- II. Interim bills are produced in January of every year.
- III. The treasurer shall send a tax bill to every taxpayer at least 21 days before any taxes shown on the tax bill are due.
- IV. The Municipal Act provides ground for the City to alter, to an appropriate level, the interim bills if it deems it too high or too low.

Final Billing

- I. Final tax bills are based on tax rates established in the City budget by-law, the Region of Waterloo and the Ontario Ministry of Finance which sets the education tax rate.
- II. Final Bills are produced in June of every year.
- III. The treasurer shall send a tax bill to every taxpayer at least 21 days before any taxes shown on the tax bill are due.
- IV. Final Bills are based on the sum of the current market value of the property and the appropriate tax rate, all local improvement charges, business improvement charges, any special charges levied by provincial legislation.
- V. The Final tax bill payable will be the sum of the interim tax bill deducted from the final tax amount.

Supplementary Tax Billing

I. The Municipal Property Assessment Corporation (MPAC) usually provides additional assessment information on properties that necessitates a supplemental billing. The City will bill for these supplementary assessments as soon as it receives the data from MPAC. The City will bill for these supplementary assessments as soon as it receives the data from MPAC.

Policy Title: COLLECTIONS-PROPERY TAXES

- II. Supplementary taxes are due on the date identified on the supplementary tax bill.
- III. Supplementary taxes may be paid in installments for a period of up to a maximum of six months. providing the customer also registers for a preauthorized payment plan.
- IV. The Assessment Act provides two grounds when supplementary tax billing can be applied; Omissions and Additions.

Omissions

- i. The Municipal Act Section 33 provides grounds for the taxation of real property liable for taxation if that property was omitted in the tax roll of that current year at the time of assessment.
- ii. The taxable period allowed are the current year and the preceding two years.
- iii. The supplementary billing tax should be treated as a part of the full tax for the current year.
- iv. The supplementary tax bill will be post marked and mailed not later than 21 calendar days from the date of the first instalment due date.

Additions

- i. The Municipal Act Section 34 provides grounds for taxation of assessment of real property that has increased in value or has been added after the return of the last revised roll. The real property could have increased in value through the erection, alteration, enlargement or improvement of any building, structure, machinery, equipment or fixture or any portion thereof that commences to be used for any purpose.
- ii. The supplementary billing tax should be treated as a part of the full tax for the current year.
- iii. The supplementary tax bill will be post marked and mailed not later than 21 calendar days from the date of the first instalment due date.
- iv. The taxes apply to the current year only.

Due Date

Policy Title: COLLECTIONS-PROPERY TAXES

Due dates for the payment of taxes shall be dependent, in the case of the Final Bill, on the final approval of Budgets by the City Council, Waterloo Regional Council and subsequent passing of the levy by-laws. Notwithstanding that there may be fluctuations because of budget approval, tax billing for all properties will normally be as follows:

- A. Interim Bill
 - i. The first instalments of taxes are due and payable on the first business day of March.
 - ii. The second instalments of taxes are due and payable on the first business day of May.
- B. Final Bill
 - i. The first instalments of residential property taxes are due and payable on the first business day of July.
 - ii. The second instalments of residential property taxes are due and payable on the first business day of September.
 - iii. The first instalment of commercial, industrial and multi-residential property taxes are due and payable on the first business day of September unless otherwise noted in the property tax by-law.
 - iv. The second instalment of commercial, industrial and multi-residential property taxes are due and payable on the first business day of October unless otherwise noted in the property tax by-law.

MAILING OF BILLS

- I. Any notices sent by ordinary mail are considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven. Failure to notify the Revenue Division of an address change is not an error.
- II. A customer may enroll on the City's electronic billing (e-billing) option to receive their property tax bill notification directly to the e-mail address provided. The tax bill shall be deemed to have been received on the next business day after the notification was sent.

Policy Title: COLLECTIONS-PROPERY TAXES

III. Section 343 of the Municipal Act, 2001 provides that tax bills shall be sent to the taxpayer's residence or place of business or the premises where the taxes are payable for, unless that taxpayer directs the municipality otherwise. Further, Section 343 (8) of the Municipal Act, 2001 directs a municipality to continue to deliver tax bills to the address in its records until it is revoked in writing by the taxpayer.

PAYMENT OF BILLS

I. Payment will be in the form of cash, cheques, money orders, bank drafts, preauthorized payment plans, internet and telephone banking made payable to the City of Kitchener. Cheques which are post-dated to the tax due date will be accepted and held by the Revenue Division. Payment of taxes will be accepted at the City of Kitchener, Revenue Division, at local banks or via mail to:

> City of Kitchener, Finance and Corporate Services Revenue Division P. O. Box 1113 STN C Kitchener, ON N2G 4R6

- II. "Third Party" cheques will not be accepted. A cheque payable to the property owner is considered to be a third-party cheque and is not accepted as payment.
- III. A property owner may choose to enroll in Pre-Authorized Tax Payment (PTP) Plan option offered by the City. To enroll in the PTP plan, the account must be up to date and the completed form to enroll submitted 14 days in advance of the next scheduled withdrawal.
- IV. Change will not be returned for cheques accepted in excess of the amount due on the tax account. Should a credit appear on the tax account as a result of the payment, it will be applied to subsequent instalments not yet due in the current year. However, at the request of the taxpayer a refund cheque will be requisitioned, after allowing sufficient time (15 business days) for the taxpayer's cheque to clear their financial institution. The minimum amount for a refund request to be processed will be \$25.00, unless the amount is in excess of the next tax instalment that is yet to become due. Further, any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.
Policy Title: COLLECTIONS-PROPERY TAXES

V. Should a payment be tendered in U.S. funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the City of Kitchener on that day.

ALLOCATION OF PAYMENTS

- I. When a payment is received on account of taxes, The payment shall first be applied against late payment charges owing in respect of those taxes according to the length of time the charges have been owing, with the charges imposed earlier being discharged before charges imposed later.
- II. The payment shall then be applied against the taxes owing according to the length of time they have been owing, with the taxes imposed earlier being discharged before taxes imposed later.

RECEIPTS AND PROOF OF PAYMENT

- I. Reproduction of documents supporting payments and levy amounts will be charged as per the City's Fees and Charges Schedule for the related year.
- II. In the year of ownership change, the City will only provide a tax statement to the new owner advising of the amount that is outstanding on the property tax roll. The City will not make adjustments between the purchaser and the seller as it is expected that the law firms involved in the sale transaction will make the necessary allocations on the statement of adjustments on closing.

COLLECTION PROCEDURES

- I. Past due notices shall be sent once a year in early October. Notices are to be mailed no later than the 15th of the month. Any administrative fees related to mailing out the notices will be charged as per the City's Fees and Charges Schedule for the related year.
- II. In addition to past due notices, Collections Staff will issue no less than two letters twice per year on accounts that are two years in arrears.
- III. The Director of Revenue, or designate, in this case, Collection Staff, will attempt to contact the owner of a property at least once per year if taxes are in arrears for two or more years unless suitable payment arrangements have been established.

Policy Title: COLLECTIONS-PROPERY TAXES

IV. Payment Arrangements

- i. The City may, at any time, enter into a payment arrangement with the property owner, in arrears for two years, before registering for a Certificate of Tax Arrears on a title to a property. The property owner shall provide a written commitment to pay all the outstanding taxes on terms agreeable to the City Treasurer. The agreement to commit to pay all realty taxes due by the tax payer, may cause the Treasurer to forego or forestall the registration of a Certificate of Tax Arrears.
- ii. Satisfactory payment arrangements would be a commitment to make payments on prearranged dates via Telephone or Internet banking or in Person.
- iii. The City may accept verbal arrangements pertaining to any property arrears less than three years.
- V. Penalty on late or overdue payments
 - i. Penalty at a rate of 1.25% of the amount of taxes due and unpaid, will be imposed as a penalty for the non-payment of taxes on the first day of default.
 - ii. Interest charges at a rate of 1.25% each month of the amount of taxes due and unpaid, will be imposed for the non-payment of taxes. Interest will accrue only after the first day of default.
 - iii. The City may waive one month of penalty and interest charges as a once-in-alifetime adjustment on the property tax account.
- VI. Returned Cheques
 - i. If a cheque is returned as "non-sufficient funds" on a taxpayer's account, the taxpayer will be requested to replace the amount either by certified cheque or in cash.
 - ii. A returned cheque fee will be applied to the tax account on all returned cheques regardless of reason.

ARREARS COLLECTION

Collection Process

Policy Title: COLLECTIONS-PROPERY TAXES

- I. For tax accounts which indicate taxes owing as of December 31st of the preceding year, a collection letter is sent in the first quarter of the current year to the property owner (s) advising of the tax arrears situation and asking for payment in full or satisfactory payment arrangements to be made by a given date. If acceptable arrangements are made, the account is monitored for compliance and follow-up is done by telephone or in writing as required. Telephone contact is only used when the taxpayer has provided the municipality with a telephone number.
- II. If no reply is received, a second letter is sent in the second quarter of the year stating that failure to reply will result in further action being taken to collect the outstanding taxes, which could result in additional costs to the property owner.
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- IV. All second-year tax arrears property owners will receive at least two letters per year.
- V. If a property is in a tax sale position, a registered letter will be sent in the first quarter of the third year. If no reply is received then a title search shall be performed to notify any, and all, mortgage holders of the property and the property owner will receive a final notice at this time. Thirty days will be given to pay out the arrears from the date of the letter. If no response or payment is received, contact is attempted by telephone or outside visit.
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- II. Registration is a last resort and should be avoided if possible, by encouraging the ratepayer to either make full payment or a mutually agreed upon payment plan.

Policy Title: COLLECTIONS-PROPERY TAXES

III. Letters and correspondence should encourage payment. It is only as a last resort or if numerous cheques are returned, that the property would become subject to tax registration.

Small Balance Write offs

- I. The Treasurer may cancel any overdue amount less than \$10 that the taxpayer owes to the City for the preceding year.
- II. The City shall not, otherwise, cancel any outstanding debt above \$10, unless the City Treasurer deems it appropriate to do so. The Treasurer's reasons for writing off any outstanding debt that is above \$10 should be communicated in writing to Council stating the reasons for taking such a decision.

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- II. Section 345 (6) of the Municipal Act, 2001 provides grounds for payment on tax overpayments by a municipality to the taxpayer. Interest would begin to accrue 120 days after the date of the decision is made known to the City. The rate of interest payable is in the same manner as interest is paid under subsection 257.11(4) of the Education Act, which states the rate of interest payable is the lowest Prime Rate reported to the Bank of Canada by any of the banks listed in schedule 1 of the Bank Act (Canada) on the date interest is paid. This interest rate will be paid commencing at the end of the 120-day period until the date the appeal adjustment is applied to the tax account.
- III. The appeal adjustment amount plus any applicable interest will be credited to the relevant tax roll number.

Tax Refunds

I. Section 354.1 of the Municipal Act provides grounds for a municipality to pay a tax refund arising from assessment and tax appeals.

Policy Title: COLLECTIONS-PROPERY TAXES

- II. The City will pay a tax refund to the owner of a property for any overpayment that arises because the land was assessed under Subsection 33 (Omissions) of the Assessment Act.
- III. Section 351(9) of the Municipal Act, 2001 provides grounds for recovering taxes and any other funds owed to a municipality in the case that a municipality has to provide a refund to the property owner after selling off property belonging to a property owner whose property was disposed of under Tax Sale.
- IV. The City will deduct any tax refunds if the property owner has tax, utilities arrears or unpaid finance invoices at the same or other properties registered under that property owner's name.

Refund from Reassessment

- I. If ownership of property will change or has changed prior to the rebate as a result of reassessment, the City shall refund any overpayment to the owner of the land as shown on the tax roll on the date the adjustment is made.
- II. The City will endeavor to do everything within its ability to notify the prior owner and the current owner of the rules that apply in refunding any overpayment as a result of reassessment of the property.

Refunds/Overpayments/Misapplied payments

- I. Refunds requested by customers due to overpayments must be submitted in writing and be accompanied by proof of payment. Property tax accounts with balance owing will not be eligible for refunds unless approved by a member of the Revenue Management Team.
- II. Erroneous payments made by the customer to a tax account require a written request to correct the payment application. Any administrative fees will be applicable as outlined in the City's Fees and Charges Schedule for the related year.

5. <u>HISTORY OF POLICY CHANGES</u>

Policy Title: COLLECTIONS-PROPERY TAXES

Administrative Updates

2016-06 - Policy I-518 template re-formatted to new numbering system and given number FIN-FEE-218.

Formal Amendments 2024-06-16 -Policy updated

KITCHENER	POLICY	Policy No: MUN-PLA-1018
Policy Title:	DEMOLITION CONTROL	Approval Date: June 24, 2013
Policy Type:	COUNCIL	Reviewed Date: July 2024
Category:	Municipal Services	Next Review Date: July 2027
Sub-Category	<u>∠</u> : Planning	Last Amended:
<u>Author</u> :	Director, Development and Housing Approvals	Replaces: I-1018, Demolition Control
<u>Dept/Div</u> :	Development Services Department/Development and Housing Approvals	<u>Repealed</u> : <u>Replaced by</u> :
Related Policies, Procedures and/or Guidelines: To be included at next review.		

1. <u>POLICY PURPOSE:</u>

That City Council adopt the following policy with respect to demolition control applications filed in accordance with the Planning Act and Municipal Act:

2. **DEFINITIONS**:

Demolition Control Area: means an area as defined by Chapter 620 of the Municipal Code.

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:			
⊠ All Employees			
All Full-Time Employees	All Union		
Management	C.U.P.E. 68 Civic		
Non Union	C.U.P.E. 68 Mechanics		
Temporary	□ C.U.P.E. 791		
□ Student	□ I.B.E.W. 636		
Part-Time Employees	□ K.P.F.F.A.		
Specified Positions only:	□ Other:		
	Local Boards & Advisory Committees		

Policy No: MUN-PLA-1018

Policy Title: DEMOLITION CONTROL

4. <u>POLICY CONTENT</u>:

- Development and Housing Approvals staff shall circulate demolition control applications within the City's Demolition Control Area, to the City's Building Division staff only in cases where redevelopment is not proposed and shall circulate to the City's Heritage Planning staff and the City's Senior Planner (Housing) in all cases. Responses shall be received in no more than 14 consecutive days of circulation.
- 2. Building Division staff shall perform an inspection of a residential property subject to a demolition control application only in cases where redevelopment is not proposed. The purpose of such inspections shall be to evaluate the physical condition of the residential property in order to help determine whether the proposed vacant parcel is preferable to the building in its present condition. Such an inspection shall give a subjective rating of the residential property in terms of its overall condition and shall also comment on such matters as:
 - i. damage to the property due to fire, water, wind, or other damaging cause or event;
 - ii. health and life safety as they relate to the residential property (i.e., building);
 - iii. structural stability;
 - iv. the state of repair and upkeep;
 - v. risk of damage to adjacent buildings and properties; and,
 - vi. whether the property is vacant or occupied.
- 3. The following criteria shall be used to evaluate the appropriateness of an application to demolish a residential property in circumstances where no building permit will be issued to redevelop a site:
 - a. The condition of the residential property as outlined in Clause 2, above.
 - b. Whether the residential property has cultural heritage value or interest.
 - c. Whether the residential property is currently used for residential purposes and, if not, the length of time it has been used for non-residential purposes or has been vacant.

Policy No: MUN-PLA-1018

Policy Title: DEMOLITION CONTROL

- d. The impact of the proposed demolition on abutting properties, streetscape and neighbourhood stability.
- e. The estimated timeframe for redevelopment of the property as provided by the applicant on the application form, if applicable.
- 4. The community and ward councillor shall be notified of the pending demolition of a residential building via the following means:
 - a. The applicant shall be required to post a sign on the property advising of the pending demolition of the building, for information purposes only, and,
 - b. The City's Development and Housing Approvals staff shall circulate a courtesy notice to all property owners within 30 metres of the property subject to the demolition control application, advising of pending demolition of the building, for information purposes only. The applicable ward councillor shall be copied on this letter.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2016-06-01 - I-1018 policy template re-formatted to new numbering system and given number MUN-PLA-1018.

2024-07 - Reviewed, no changes.

Formal Amendments

To amendment history to date.

KITCHENER	POLICY	Policy No: MUN-PLA-1018
Policy Title:	DEMOLITION CONTROL	Approval Date: June 24, 2013
<u>Policy Type</u> : <u>Category</u> :	COUNCIL Municipal Services	<u>Reviewed Date</u> : July 2024 <u>Next Review Date</u> : July 2027
Sub-Category	ː Planning	Last Amended:
<u>Author</u> :	Director, Development and Housing ApprovalsAuthor	Replaces: I-1018, Demolition Control
<u>Dept/Div</u> :	Unknown, Development Review Development Services Department/Development and Housing ApprovalsCommunity. Services / Planning	<u>Repealed</u> : <u>Replaced by</u> :
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3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:			
⊠ ☐ All Employees			
All Full-Time Employees	All Union		
Management	C.U.P.E. 68 Civic		
Non Union	C.U.P.E. 68 Mechanics		
Temporary	□ C.U.P.E. 791		
□ Student	□ I.B.E.W. 636		
Part-Time Employees	□ K.P.F.F.A.		

Policy No: MUN-PLA-1018

Policy Title: DEMOLITION CONTROL

Specified Positions only:	□ Other:
	Local Boards & Advisory Committees

To be included at next review.

4. POLICY CONTENT:

- <u>Development and Housing Approvals Planning Division</u>-staff shall circulate demolition control applications within the City's Demolition Control Area, -to the City's Building Division staff only in cases where redevelopment is not proposed and shall circulate to the City's Heritage Planning staff and the City's <u>Senior Planner (Housing)</u> in all cases. Responses shall be received in no more than 14 consecutive days of circulation.
- 2. Building Division staff shall perform an inspection of a residential property subject to a demolition control application only in cases where redevelopment is not proposed. The purpose of such inspections shall be to evaluate the physical condition of the residential property in order to help determine whether the proposed vacant parcel is preferable to the building in its present condition. Such an inspection shall give a subjective rating of the residential property in terms of its overall condition and shall also comment on such matters as:
 - i. damage to the property due to fire, water, wind, or other damaging cause or event;
 - ii. health and life safety as they relate to the residential property (i.e., building);
 - iii. structural stability;
 - iv. the state of repair and upkeep;
 - v. risk of damage to adjacent buildings and properties; and,
 - vi. whether the property is vacant or occupied.
- 3. The following criteria shall be used to evaluate the appropriateness of an application to demolish a residential property in circumstances where no building permit will be issued to redevelop a site:
 - a. The condition of the residential property as outlined in Clause 2, above.
 - b. Whether the residential property has cultural heritage value or interest.

Policy No: MUN-PLA-1018

Policy Title: DEMOLITION CONTROL

- c. Whether the residential property is currently used for residential purposes and, if not, the length of time it has been used for non-residential purposes or has been vacant.
- d. The impact of the proposed demolition on abutting properties, streetscape and neighbourhood stability.
- e. The estimated timeframe for redevelopment of the property as provided by the applicant on the application form, if applicable.
- 4. The community and ward councillor shall be notified of the pending demolition of a residential building via the following means:
 - a. The applicant shall be required to post a sign on the property advising of the pending demolition of the building, for information purposes only, and,
 - b. The City's <u>Development and Housing Approvals</u> <u>Planning Division</u> staff shall circulate a courtesy notice to all property owners within 30 metres of the property subject to the demolition control application, advising of pending demolition of the building, for information purposes only. The applicable ward councillor shall be copied on this letter.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2016-06-01 - I-1018 policy template re-formatted to new numbering system and given number MUN-PLA-1018.

2024-07 - Reviewed, no changes.

<u>Formal Amendments</u> To amendment history to date.

KITCHENER	POLICY	Policy No: MUN-PLA-1170
Policy Title:	ZONING BY_LAW	Approval Date: September 26, 1994
	AMENDMENT - E-1 & EUF-1 ZONES	Reviewed Date: July 2016
Policy Type:	COUNCIL	<u>Next Review Date</u> : July 2021 Reviewed Date [:]
Category:	Municipal Services	
Sub-Category	/: Planning	Last Amended: May 27, 2002
Author:	Director, Development and Housing Approvals	<u>Replaces:</u> I-1170 - Zone Change -E-1 Zone
<u>Dept/Div</u> :	Development Services Department/Development and Housing Approvals	<u>Repealed</u> : <u>Replaced by</u> :
Related Policies, Procedures and/or Guidelines: To be included at next review.		

1. POLICY PURPOSE:

To provide for a one-time elimination of the required application and public notice fees for zoning by-law amendment applications to add a permitted use and/or to amend a regulation in the applicable Zoning By-law for lands zoned E-1 in Zoning By-law 85-1 and EUF-1 in Zoning By-law 2019-051.

2. **DEFINITIONS**:

E-1 zone: Means any property zoned as Existing Use Zone (E-1) in Zoning By-law 85-1.

EUF-1 Zone: Means any property zoned as Existing Use Floodplain (EUF-1) in Zoning By-law 2019-051.

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:			
⊠ All Employees			
□ All Full-Time Employees	All Union		
Management	C.U.P.E. 68 Civic		
🗆 Non Union	C.U.P.E. 68 Mechanics		

Policy No: MUN-PLA-1170

Policy Title: ZONE CHANGE - E-1 ZONE

Temporary	□ C.U.P.E. 791
□ Student	□ I.B.E.W. 636
Part-Time Employees	🗆 K.P.F.F.A.
Specified Positions only:	□ Other:
	Local Boards & Advisory Committees

4. POLICY CONTENT:

That the following be approved with respect to future zone change applications received for properties in the E-1 and EUF-1 zones:

- a) the application fee and public notice fee be waived on a one time basis for each property for a zoning by-law amendment requesting permission to add an additional permitted use and/or to amend a regulation in the applicable Zoning By-law.
- b) a property notice sign is not required to be erected on site and no sign fee shall apply
- b) the neighbourhood circulation process be eliminated and the agency circulation be reduced/limited unless concerns require further discussion and resolution
- c) the application receive "fast track" priority processing by the Development and Services Department.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2001-12-01 - Minor updates

2016-06-01 - I-1170 policy template re-formatted to new numbering system and given number MUN-PLA-1170.

Formal Amendments

2002-05-27 - As per Council/CLT directive.

KITCHENER	POLICY	Policy No: MUN-PLA-1170
Policy Title:	ZONE CHANGE - E-1	Approval Date: September 26, 1994
	ZONEZONING BY_LAW AMENDMENT - E-1 & EUF-1 ZONES	Reviewed Date: July 2016 <u>Next Review Date</u> : July 2021
Policy Type:	COUNCIL	<u>Reviewed Date</u> :
<u>Category</u> :	Municipal Services	Last Amended: May 27, 2002
Sub-Categor	<u>y</u> : Planning Director, Development and	Replaces: I-1170 - Zone Change -E-1 Zone
	Housing ApprovalsAuthor Unknown, Development Review	<u>Repealed</u> : <u>Replaced by</u> :
<u>Dept/Div</u> :	<u>Development Services</u> <u>Department/Development and</u> <u>Housing ApprovalsCommunity</u> Services / PlanningCommunity Services / Planning	
Related Policies, Procedures and/or Guidelines: To be included at next review.		

1. POLICY PURPOSE:

To provide for a one-time elimination of the required application and public notice fees for zoning by-law amendment applications to add a permitted use and/or to amend a regulation in the applicable Zoning By-law for lands zoned E-1 in Zoning By-law 85-1 and EUF-1 in Zoning By-law 2019-051.be included at next review.

2. <u>DEFINITIONS</u>:

E-1 zone: Means any property zoned as Existing Use Zone (E-1) in Zoning By-law <u>85-1.</u>To be included at next review.

EUF-1 Zone: Means any property zoned as Existing Use Floodplain (EUF-1) in Zoning By-law 2019-051.

3. <u>SCOPE</u>:

Policy No: MUN-PLA-1170

Policy Title: ZONE CHANGE - E-1 ZONE

POLICY APPLIES TO THE FOLLOWING:			
All Employees			
All Full-Time Employees	All Union		
Management	C.U.P.E. 68 Civic		
□ Non Union	C.U.P.E. 68 Mechanics		
Temporary	□ C.U.P.E. 791		
□ Student	□ I.B.E.W. 636		
Part-Time Employees	🗆 K.P.F.F.A.		
□ Specified Positions only:	□ Other:		
	Local Boards & Advisory Committees		

To be included at next review.

4. <u>POLICY CONTENT</u>:

That the following be approved with respect to future zone change applications received for properties in the E-1 and EUF-1 zones:

- a) the application fee and public notice fee be waived on a one time basis for each property for a zoning by-law amendment requesting permission to add an additional permitted use and/or to amend a regulation in the applicable Zoning By-law.
- a) a property notice sign is not required to be erected on site and no sign fee shall apply
- b) the neighbourhood circulation process be eliminated and the agency circulation be reduced/limited unless concerns require further discussion and resolution
- c) the application receive "fast track" priority processing by the Development and <u>Services</u>Technical Services Department.

5. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2001-12-01 - Minor updates

2016-06-01 - I-1170 policy template re-formatted to new numbering system and given number MUN-PLA-1170.

Formal Amendments

2002-05-27 - As per Council/CLT directive.

Policy No:	MUN-PLA-1170
<u>i oney ite</u> .	

Policy Title: ZONE CHANGE - E-1 ZONE

KITCHENER	POLICY	Policy No: MUN-FAC-415
Policy Title:		Approval Date: March 28, 1994
	PROFIT GROUPS	Reviewed Date: July 2016
Policy Type:	COUNCIL	<u>Next Review Date</u> : July 2028 Reviewed Date: June 2023
Category:	Municipal Services	<u></u>
Sub-Categor	v: Facility	Last Amended: June 2023
<u>Author</u> :	Manager of Service Coordination and Improvement	<u>Replaces:</u> I-415, Facility Booking Guidelines for Non-Profit Groups
<u>Dept/Div</u> :	Community Services Department, Neighbourhood Programs & Services	<u>Repealed</u> : <u>Replaced by</u> :
Related Policies, Procedures and/or Guidelines: To be included at next review.		

1. <u>POLICY PURPOSE:</u>

To be included at next review.

2. <u>DEFINITIONS</u>:

To be included at next review.

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:		
All Employees		
All Full-Time Employees	All Union	
Management	C.U.P.E. 68 Civic	
Non Union	C.U.P.E. 68 Mechanics	
Temporary	□ C.U.P.E. 791	
□ Student	□ I.B.E.W. 636	
Part-Time Employees	🗆 K.P.F.F.A.	
□ Specified Positions only:	□ Other:	
	Local Boards & Advisory Committees	

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

To be included at next review.

4. <u>POLICY CONTENT</u>:

1. Background

Neighbourhood Community Centres have been and will continue to be a focal point for Neighbourhood Association sponsored programs, services and activities in the community.

Requests to allow free use for meeting or program space offered by other nonprofit groups has increased in the past several months. The following guidelines reflect a re-evaluation of how space use is determined by the District/Centre Supervisor which accommodates these requests in a fair and equitable manner and at the same time ensures the best interests of Neighbourhood Association's facility space needs are maintained.

The City of Kitchener owns and operates other recreation facilities such as swimming pools, senior citizen centres and arenas. These facilities were designed and operate in such a manner as to address the needs of a much larger geographic area than a neighbourhood. Although rooms may be available for monthly meetings of sports, cultural and neighbourhood groups, the programming and rental use of these facilities must reflect their citywide orientation.

2. Booking Considerations

Leveraging community organizations that have specific skills, expertise and experience to offer a variety of programs and supports out of a community centre is key to the success of the centre, and to supporting the health and wellbeing of residents living in the surrounding neighbourhoods.

It is inherent in the following guidelines that they do not, and cannot, cover all circumstances. It is therefore within City staff's discretion to ensure the spirit of the guidelines are met:

- a) It is vital to have a variety of programs, supports and services offered out of a community centre that meet the diverse needs of residents living in the surrounding neighbourhoods;
- b) Neighbourhood Associations are one of the City's important partners in the delivery of programs offered at city-owned community centres. When

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

making decisions about the allocation of space at a city-owned community centre, the space needs of Neighbourhood Association programs should be considered alongside the space needs of other diverse programming provided by other organizations and the City;

- c) Leveraging community organizations that have specific skills, expertise and experience to offer a variety of programs and supports out of a community centre is key to the success of the centre, and the health and wellbeing of residents living in the surrounding neighbourhoods;
- d) City staff have the final decision-making authority on the allocation and booking of space in a city-owned community centre; and,

3. Booking Process

- All ongoing space requests are to be submitted in writing to the District/Centre Supervisor or designate on a sessional basis. Requests must be submitted by June 1 for September - December session; October 1 for January - March session; December 1 for March - June and February 1 for July and August. Approval will be given on a sessional basis by the District/Centre Supervisor.
- b) Short notice requests will be approved based on space availability by the District/Centre Supervisor. It is understood that the primary neighbourhood association(s) space requirements take precedence when space is allocated.

4. Designated Paid Rental Time

From Friday evening to Sunday evening, the following groups will be charged the approved room rental fee plus applicable staff costs during the designated paid rental times listed below, as follows:

- a) All Neighbourhood Associations, either directly or not directly connected to a community centre, to run planned Neighbourhood Association programs and activities, Saturday to Sunday evening, excluding times during council supported expanded hours; pported expanded hours;
- b) All other groups, on a first come first served basis, Friday evening to Sunday evening.

c)

NOTE: Charges for special events run by the Neighbourhood Association will be at the discretion of the District/Centre Supervisor.

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

5. <u>Criteria (Excluding designated paid rental time)</u>

- a) Any request from a non-profit organization which may not be compatible or complementary with the programs or activities offered by the local neighbourhood association(s) will be directed to the local associations for input or denied at the discretion of the District/Centre Supervisor.
- b) Non-profit organizations adhering to the following criteria will not be charged a room rental fee. If staff are required over and above the regular budgeted time requested the organizations would be charged staff expenses. Other expenses incurred through facility usage i.e. photocopying, long distance call, operating costs will also be charged to the organization.
 - i) The activity/program must be non-denominational, nonpartisan/political and must complement the mandate and philosophy of the Community Services Department.
 - ii) Activities and programs must be open to the general public.
 - iii) The primary purpose of the program/activity must address a (District/neighbourhood need.)
 - iv) The organization must supply appropriate and qualified leadership and supervision for the program or activity. The District/Centre Supervisor reserves the right to have input with respect to program activity, leadership supervision to ensure the safety of participants and the facility under the Occupier's Act.
 - v) The program or activity should be compatible, or co-ordinated with a local neighbourhood association(s) program unless otherwise negotiated with the neighbourhood association(s).
 - vi) The supports necessary for program implementation must be supplied by the sponsoring organization (i.e. printing requirements, support staff, insurance coverage, referral numbers, registrations, etc.) A contract must be signed by all parties involved.
 - vii) If a space request from a non-profit organization is to run a program/activity which duplicates a neighbourhood association program the request will be directed to the primary user group for approval.

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

c) An agency booking space to operate a program/activity with the intent to make a profit will be dealt with separately, a fee or percentage or profit will be negotiated, a contract will be developed.

5. <u>Review of Policy</u>

In order to ensure the City's community centre operating model continually responds to changing circumstances and needs within the community, this policy will be up for review every five years.

6. <u>HISTORY OF POLICY CHANGES</u>

Administrative Updates

2001-12-01 - Minor updates

2016-06-01 - I-415 policy template re-formatted to new number system and number MUN-FAC-415.

Formal Amendments

2023-06-26 – formal amendments completed as per Council direction.

KITCHENER	POLICY	Policy No: MUN-FAC-415
Policy Title:		Approval Date: March 28, 1994
	PROFIT GROUPS	Reviewed Date: July 2016
Policy Type:	COUNCIL	<u>Next Review Date</u> : July 2028 Reviewed Date: June 2023
Category:	Municipal Services	<u></u>
Sub-Categor	y: Facility	Last Amended: June 2023
Author:	Manager of Service Coordination and Improvement	<u>Replaces:</u> I-415, Facility Booking Guidelines for Non-Profit Groups
<u>Dept/Div</u> :	Community Services Department, Neighbourhood Programs & Services	<u>Repealed</u> : <u>Replaced by</u> :
Related Policies, Procedures and/or Guidelines: To be included at next review.		

1. <u>POLICY PURPOSE:</u>

To be included at next review.

2. <u>DEFINITIONS</u>:

To be included at next review.

3. <u>SCOPE</u>:

POLICY APPLIES TO THE FOLLOWING:		
All Employees		
All Full-Time Employees	All Union	
□ Management	C.U.P.E. 68 Civic	
🗆 Non Union	C.U.P.E. 68 Mechanics	
Temporary	□ C.U.P.E. 791	
□ Student	□ I.B.E.W. 636	
Part-Time Employees	□ K.P.F.F.A.	
Specified Positions only:	□ Other:	
	Local Boards & Advisory Committees	

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

To be included at next review.

4. <u>POLICY CONTENT</u>:

1. Background

Neighbourhood Community Centres have been and will continue to be a focal point for Neighbourhood Association sponsored programs, services and activities in the community.

Requests to allow free use for meeting or program space offered by other nonprofit groups has increased in the past several months. The following guidelines reflect a re-evaluation of how space use is determined by the District/Centre Supervisor which accommodates these requests in a fair and equitable manner and at the same time ensures the best interests of Neighbourhood Association's facility space needs are maintained.

The City of Kitchener owns and operates other recreation facilities such as swimming pools, senior citizen centres and arenas. These facilities were designed and operate in such a manner as to address the needs of a much larger geographic area than a neighbourhood. Although rooms may be available for monthly meetings of sports, cultural and neighbourhood groups, the programming and rental use of these facilities must reflect their citywide orientation.

2. Booking Considerations

Leveraging community organizations that have specific skills, expertise and experience to offer a variety of programs and supports out of a community centre is key to the success of the centre, and to supporting the health and wellbeing of residents living in the surrounding neighbourhoods.

It is inherent in the following guidelines that they do not, and cannot, cover all circumstances. It is therefore within City staff's discretion to ensure the spirit of the guidelines are met:

- a) It is vital to have a variety of programs, supports and services offered out of a community centre that meet the diverse needs of residents living in the surrounding neighbourhoods;
- b) Neighbourhood Associations are one of the City's important partners in the delivery of programs offered at city-owned community centres. When

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

making decisions about the allocation of space at a city-owned community centre, the space needs of Neighbourhood Association programs should be considered alongside the space needs of other diverse programming provided by other organizations and the City;

- c) Leveraging community organizations that have specific skills, expertise and experience to offer a variety of programs and supports out of a community centre is key to the success of the centre, and the health and wellbeing of residents living in the surrounding neighbourhoods;
- d) City staff have the final decision-making authority on the allocation and booking of space in a city-owned community centre; and,

3. Booking Process

- a) All ongoing space requests are to be submitted in writing to the District/Centre Supervisor or designate on a sessional basis. Requests must be submitted by June 1 for September December session;
- October 1 for January March session; December 1 for March June and February 1 for July and August. Approval will be given on a sessional basis by the District/Centre Supervisor.
- b) Short notice requests will be approved based on space availability by the District/Centre Supervisor. It is understood that the primary neighbourhood association(s) space requirements take precedence when space is allocated.
- 4. Designated Paid Rental Time

<u>From Friday evening to Sunday evening, </u>Tthe <u>followingse</u> groups <u>"Identified under booking considerations"</u> will be charged the <u>approved</u> room rental fee plus applicable staff <u>timecosts</u> <u>during the designated paid rental times listed below</u>, as follows:

- a) All Neighbourhood Associations, either directly or not directly connected to a community centre, to run planned Neighbourhood Association programs and activities, Saturday noon to Sunday evening, excluding times during council supported expanded hours;
- a) <u>All other groups, on a first come first served basis</u> <u>a)</u>, Friday evening to Sunday evening.<u>for groups iii) and iv</u>

<u>b)</u>

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

b) b) b) Saturday noon to Sunday evening for groups i) and ii).

NOTE: <u>Charges for Sspecial Eevents run by the Neighbourhood Association will</u> be at the discretion of the District/Centre Supervisor.

- 5. Criteria (Excluding designated paid rental time)
 - a) Any request from a non-profit organization which may not be compatible or complementary with the programs or activities offered by the local neighbourhood association(s) will be directed to the local associations for input or denied at the discretion of the District/Centre Supervisor.
 - b) Non-profit organizations adhering to the following criteria will not be charged a room rental fee. If staff are required over and above the regular budgeted time requested the organizations would be charged staff expenses. Other expenses incurred through facility usage i.e. photocopying, long distance call, operating costs will also be charged to the organization.
 - i) The activity/program must be non-denominational, nonpartisan/political and must complement the mandate and philosophy of the Community Services Department.
 - ii) Activities and programs must be open to the general public.
 - iii) The primary purpose of the program/activity must address a (District/neighbourhood need.)
 - iv) The organization must supply appropriate and qualified leadership and supervision for the program or activity. The District/Centre Supervisor reserves the right to have input with respect to program activity, leadership supervision to ensure the safety of participants and the facility under the Occupier's Act.
 - v) The program or activity should be compatible, or co-ordinated with a local neighbourhood association(s) program unless otherwise negotiated with the neighbourhood association(s).
 - vi) The supports necessary for program implementation must be supplied by the sponsoring organization (i.e. printing requirements, support staff, insurance coverage, referral numbers, registrations, etc.) A contract must be signed by all parties involved.

Policy Title: FACILITY BOOKING GUIDELINES FOR NON-PROFIT GROUPS

- vii) If a space request from a non-profit organization is to run a program/activity which duplicates a neighbourhood association program the request will be directed to the primary user group for approval.
- c) An agency booking space to operate a program/activity with the intent to make a profit will be dealt with separately, a fee or percentage or profit will be negotiated, a contract will be developed.

5. <u>Review of Policy</u>

In order to ensure the City's community centre operating model continually responds to changing circumstances and needs within the community, this policy will be up for review every five years.

6. HISTORY OF POLICY CHANGES

Administrative Updates

2001-12-01 - Minor updates

2016-06-01 - I-415 policy template re-formatted to new number system and number MUN-FAC-415.

Formal Amendments

2023-06-26 – formal amendments completed as per Council direction.

PROPOSED BY-LAW

DATE

BY-LAW NUMBER ____

OF THE

CORPORATION OF THE CITY OF KITCHENER

(Being a by-law to amend Chapter 620 of The City of

Kitchener Municipal Code with respect to Demolition Control).

WHEREAS it is deemed expedient to amend Chapter 620 of the City of Kitchener Municipal Code as adopted by By-law 2013-093;

NOW THEREFORE the Council of The Corporation of the City of Kitchener enacts as follows:

1. Section 620.1.6 is amended by replacing the existing definition with the following:

"620.1.6 Dwelling Unit– defined

"Dwelling Unit" means the use of a building that contains a room or suite of habitable rooms which: a) is located in a dwelling or mixed use building; b) is occupied or designed to be occupied by a household as a single, independent and separate housekeeping establishment; c) contains both a kitchen and bathroom used or designed to be used for the exclusive common use of the occupants thereof; and, d) has a private entrance leading directly to the outside of the building or to a common hallway or stairway inside the building."

2. Section 620.1 is amended by adding Section 620.1.14 as follows:

"620.1.14 Demolition – defined

"Demolition" or "Demolish" means to do anything in the removal of a building or any material part thereof and includes (but is not limited to) interior renovations or alterations that will result in a change to the number of:

- a) Dwelling Units or Dwelling Rooms
- b) Dwelling Units or Dwelling Rooms by bedroom type"
- 3. Section 620.2.3 b) is amended by adding "and Strategic Growth Area (SGA) Zones SGA-1 through SGA-4" after the word "RES-5".

PASSED at the Council Chambers in the City of Kitchener this

of

, A.D. 2025.

Mayor

day

Clerk

Staff Report

Community Services Department

www.kitchener.ca

REPORT TO:	Finance and Corporate Services Committee
DATE OF MEETING:	June 16, 2025
SUBMITTED BY:	Jana Miller, Director, Corporate Customer Service
PREPARED BY:	Jana Miller, Director, Corporate Customer Service Ryan Scott, Chief Procurement Officer
WARD(S) INVOLVED:	N/A
DATE OF REPORT:	May 1, 2025
REPORT NO.:	CSD-2025-254
SUBJECT:	Customer Service Software Implementation Vendor

RECOMMENDATION:

That MuniPaaS Corporation, King City, Ontario, be the sole source provider for licensing, implementation and support services for Salesforce Case Management as the City's customer relationship management platform, at their quoted price of \$327,000, plus H.S.T. of \$42,510, for a total of \$369,510, for a three (3) year term plus two (2) optional one (1) year terms, provided a satisfactory contract is executed.

REPORT HIGHLIGHTS:

- This report explains the rationale for Ontario-based MuniPaaS Corporation as the sole implementation vendor for the City's customer relationship management platform.
- The first phase of the project is complete with the City successfully onboarding its 24/7 Corporate Contact Centre through a 2024 pilot of the platform. Plans are to expand its use to other service areas to create more centralized customer interaction management for the organization.
- This phase of the project is fully funded through \$275,000 of operating and capital funding approved in the 2025 budget process and a pre-existing capital balance.
- This report supports core service delivery.

BACKGROUND:

In 2014, the Region of Waterloo negotiated an agreement for a Customer Relationship Management (CRM) platform and the City was able to utilize it with free licensing and maintenance costs. In 2023, the Region negotiated a new contract with the CRM provider and that did not include continued free licensing and maintenance costs for the City.

The Corporate Customer Service Division began exploring more robust cloud-based CRM platforms that could support improved customer service tracking and management for more service teams across the organization, including: the Corporate Contact Centre (CCC),

*** This information is available in accessible formats upon request. *** Please call 519-741-2345 or TTY 1-866-969-9994 for assistance. Kitchener Utilities Dispatch, Revenue, Office of the Mayor and Council and Bylaw. After assessing existing city-owned software, it was found that MuniPaaS Corporation had already implemented Salesforce Case Management in another division. Salesforce is a global leader in case management solutions while MuniPaaS, which specializes in implementation and customization of the platform for municipal government usage, came highly recommended internally, and by other cities.

In 2024, MuniPaaS was retained through a non-standard procurement process to pilot the platform in the Corporate Contact Centre, and after a successful rollout in early 2025, the platform now serves as the foundation for the potential expansion of system integrations and corporate-wide connectivity and automation intended to further enhance service delivery to residents.

The work to expand the platform organizationally will create more connected staff teams and processes, enabling better service for residents by centralizing customer inquiries, through a single user interface that allows staff to access previous interactions, and service and information continuity. Further automation and integration will also enhance efficiency, reducing manual tasks and enabling staff to focus on resolving issues. Residents will also experience improved self-service options, quicker resolutions, and a more seamless interaction with municipal services, fostering a more responsive and transparent government.

Onboarding additional service areas – including integrations to other enterprise systems – will occur between 2025-2027. A non-standard procurement process is required because of the recommendation to sole source this work through MuniPaaS, the City's original Ontariobased implementation vendor.

REPORT:

In accordance with the Procurement By-law 2022-109, Section 15 – Non-Standard Procurement, Council's approval is required as the total value of the deliverables for this non-standard procurement exceeds the delegated authority.

A non-standard procurement is the acquisition of goods, services or construction through a process or method other than the process and method normally required for the type and value of the required deliverables, as identified below:

Requirement	Procurement	Procurement	Approval
	Taxes	Frocess	Authority
Goods, Services or Construction under the circumstances included in Schedule "C".	\$40,001 - \$250,000	Non-Competitive or Limited Competition	Chief Procurement Officer
Goods, Services or Construction under the circumstances included in Schedule "C".	\$250,001 or more	Non-Competitive or Limited Competition	Council

In accordance with the Procurement By-law 2022-109, Schedule "C", "Goods, services and construction may only be acquired through a non-standard procurement process under the following circumstances:

Item 4: The procurement is for additional deliverables by the original supplier of the goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services:

- a) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
- b) would cause significant inconvenience or substantial duplication of costs for the City.

Ontario-based MuniPaaS Corporation is the original provider of implementation services for the Salesforce Case Management platform for the City. Specializing in the deployment and customization of the platform for municipal government applications, MuniPaaS first introduced the system to the City's Economic Development Team in 2018.

Leveraging a proven service provider with an established relationship with the City, alongside existing technology already successfully in use, ensures a cost-effective approach by streamlining the number of corporate systems in use, while enhancing, operational efficiency and service delivery.

The documentation was reviewed by J. Miller, Director, Corporate Customer Service, M. May, General Manager, Community Services and Deputy CAO who concur with the above recommendation.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

The anticipated total cost of the expanded implementation of the customer relationship management platform (\$327,000) is fully funded. Capital and operating funding totalling \$275,000 for licensing, implementation and support to expand the use of the Salesforce Case Management platform to Kitchener Utilities, Revenue, Bylaw and the Office of the Mayor and Council was approved through the 2025 budget process. An existing capital balance of just over \$90,000 will be used to fund the remaining balance of the contract as well as any other incidental cost required as part of the implementation. Any surplus funds will be returned to the appropriate reserve at the end of the project implementation.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter

APPROVED BY: Michael May, General Manager, Community Services and Deputy CAO



Development Services Department

REPORT TO:	Finance and Corporate Services Committee
DATE OF MEETING:	June 16, 2025
SUBMITTED BY:	Chris Spere, Director Engineering Services, 519-783-8897
PREPARED BY:	Steve Allen, Manager Engineering Design and Approvals, 519-783- 8306
WARD(S) INVOLVED:	Ward 1
WARD(S) INVOLVED: DATE OF REPORT:	Ward 1 June 5, 2025
WARD(S) INVOLVED: DATE OF REPORT: REPORT NO.:	Ward 1 June 5, 2025 DSD-2025-278

RECOMMENDATION:

That the Purchase Order issued to Sona Constructor be increased by \$75,000.00 to account for additional construction costs related to the rehabilitation of the Carson Drive Sanitary Pumping Station.

REPORT HIGHLIGHTS:

- The purpose of this report is to seek Council authorization to increase the purchase order issued to Sona Constructor to cover additional costs related to the rehabilitation of the Carson Drive Sanitary Pumping Station (Carson SPS)
- The key finding of this report is that additional work was required to complete the intended scope of the project.
- The financial implications have no impact to capital budgets. Costs of the additional work are included in the approved capital forecast for the project.
- Community engagement included letter notification to surrounding residents and the placement of project information signs at the project site.
- This report supports the delivery of core services.

BACKGROUND:

The Carson Drive Sanitary Pumping Station (Carson SPS) is located at 230 Carson Drive. The station was built in 1977 and services an area of approximately 363 ha or about 6500 residents. The station is an essential component of the sanitary servicing for the area and its purpose is to pump domestic sewage from a low point in the area to a higher elevation where it can connect to the City's gravity sewer system. Rehabilitation requirements were identified in 2021 through the *Sewage Pumping Station Assessment Study* that reviewed a

total of 22 stations throughout the city for condition and compliance with standards and best practices.

A number of critical upgrades were identified for the Carson SPS in the study as well as through input from Operations staff. These include the installation of an underground grinder chamber and associated by-pass manhole, a metering chamber, and a swab launch/by-pass maintenance hole. These features are standard for new sewage pumping stations but not at the time Carson SPS was originally constructed.

A tender for the construction of these works was awarded by Council in late summer 2022 and construction commenced in late-fall of 2022.

REPORT:

Early in the work the contractor encountered difficulty with the deep excavations specifically related to ground water seepage into the excavation which prevented the establishment of a stable and safe trench to install the deepest chamber. Work was suspended to complete a hydro-geotechnical investigation and provide recommendations to address the ground water challenges. Once completed, a well-point system was installed to assist in lowering the water table and construction was able to advance. As an additional measure, the shoring system required changes to provide more protection from groundwater seepage.

Geotechnical investigations completed prior to the tendering period for a previous adjacent project were provided to the bidders to help them assess the level of effort related to managing the groundwater during excavations. This pre-construction investigation showed high water levels, however the amount of effort required to effectively address the ground water was greater than what the successful contractor's bid accounted for. Investigations by the dewatering contractor during construction noted highly variable geology which differed from the precious information and complicated the dewatering effort. As the information provided at the time of bidding did not quantify the effort required, the contractor had a reasonable basis for payment for the additional costs incurred. The increase required is the amount needed beyond the staff-delegated approval limits.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the existing Capital Budget. There is sufficient funding in the capital account to accommodate the additional expense.

Operating Budget – The recommendation has no impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Justin Readman, General Manager of Development Services





SUBJECT:	Asset Management Plans (AMPs) – Proposed Levels of Service
REPORT NO.:	FIN-2025-255
DATE OF REPORT:	May 20, 2025
WARD(S) INVOLVED:	All Wards
PREPARED BY:	Ryan Hagey, Director of Financial Planning & Asset Management, 519-904-9347
SUBMITTED BY:	Ryan Hagey, Director of Financial Planning & Asset Management, 519-904-9347
DATE OF MEETING:	June 16, 2025
REPORT TO:	Finance and Corporate Services Committee

RECOMMENDATION:

That the Asset Management Plans for all City of Kitchener assets as attached to Financial Services Department report FIN-2025-255 be approved.

REPORT HIGHLIGHTS:

- The purpose of this report is to provide summary information about the City's asset management plans (AMPs) for all assets and provide a recommendation for Council approval that ensures compliance with provincial legislation.
- The key findings of this report are that the City has assets with a current replacement value of \$15.1 billion and that 83% of assets have a condition rating of fair or better.
- This report supports the delivery of core services.

BACKGROUND:

Asset management is a coordinated set of activities to realize optimal value from the organization's assets throughout their lifecycle. This includes original construction/ acquisition, day-to-day operating and maintenance activities, more significant rehabilitation and renewal investments, all the way up to asset retirement and disposal. In addition to the various treatments applied to physical assets, having appropriate information and a proper framework is key to effective asset management. AMPs are an integral part of proper asset management as they document asset information, asset activities/programs, and resources needed to provide a defined level of service.

Asset Management Plans (AMPs)

All municipalities must prepare AMPs to comply with *O.Reg.588/17: Asset Management Planning for Municipal Infrastructure*. The regulation prescribes the content to be included in the AMPs which includes information such as:
- Current and proposed levels of service
- Performance of assets
- Statistical information (e.g. current replacement value, age, condition)
- Lifecycle activities needed to maintain the levels of service
- Risks related to the assets and mediation plans to offset those risks

The regulation also includes specific compliance deadlines which are summarized below. The City has met the previous regulatory deadlines and will meet the upcoming deadline with the approval of this report.

- July 1, 2022 current levels of service AMPs for core assets
- July 1, 2024 current levels of service AMPs for non-core assets
- July 1, 2025 proposed levels of service AMPs for core & non-core assets

The remainder of this report provides the key findings of the most recent AMP which was prepared by an external consultant (SLBC Advisory Services) with assistance from the City's Asset Management group and the City divisions that manage the specific assets. The attached report is just over 200 pages and includes an Executive Summary highlighting the content included in this staff report as well as detailed chapters on the assets of each service area.

REPORT:

Asset Value

Updated information from the most current iteration of the AMP shows the City of Kitchener has **\$15.1 billion** worth of assets as shown in the table below.

City Assets included in AMP's and their Current Replacement values					
Core Assets			Non-Core Assets		
Wastewater	\$3,144.7M		Facilities	\$2,007.9M	
Water	\$2,791.4M		Forestry	\$172.0M	
Gas	\$2,171.5M		Parks & Trails	\$124.7M	
Stormwater	\$2,023.5M		Fleet	\$78.4M	
Roads	\$2,018.6M		Transportation	\$59.3M	
Bridges & Culverts	\$479.1M		Golf	\$15.2M	
			Cemeteries	\$9.2M	
			Parking	\$3.3M	
SUBTOTAL (CORE)	\$12,628.8M		SUBTOTAL (NON-CORE)	\$2,470.0M	
			COMBINED TOTAL	\$15,098.8M	

City Assets Included in AMPs and their Current Replacement Values

The table shows the majority of the City's assets (\$12.6 billion) are "core" as defined by provincial legislation and relate to roads and underground infrastructure like water, sewer, and natural gas. The current replacement value of "non-core" assets (\$2.5 billion) is predominantly made up of City facilities (\$2.0 billion) such as arenas, pools, community centres, parking garages, and City Hall.

Asset Condition

In addition to updated valuations, the latest iteration of the AMP also includes information about the condition of the City's assets. The pie graph below shows that **83% of the City's assets have a condition score of fair or better**. This means the majority of City assets still have plenty of useful life in them to continue delivering valued services to the local community. Where condition scores are poor or very poor, those assets are still providing service, but the asset has significant deterioration which requires more regular maintenance to keep it in working condition or may be at risk of not meeting defined levels of service. According to SLBC Advisory Services, Kitchener's asset condition profile is better than average compared to the other municipalities for which they have helped prepare AMPs.

This speaks to the foresight of Council in taking a long-term view of their role in stewarding City assets and approving ongoing investment programs like the road reconstruction program that replaces roads, water, sanitary, and stormwater assets, or the Sustainable Urban Forestry Strategy that plants and maintains City trees.



Condition of All City Assets

A further breakdown of asset condition by service area is provided in the graph below. This graph further shows the condition of assets in the majority of areas is fair or better (i.e. the bars are mostly green and yellow). This means asset conditions broadly across the City are in decent condition.

The one major exception is Facilities. The graph shows that a significant portion of the Facilities portfolio has a condition rating of poor or worse (i.e. the bar is largely orange and

red) which means there is elevated risk of asset failure or service delivery interruption in Facilities compared to the other asset groups within the City.

One final observation from the graph is that the majority of assets with an unknown condition (i.e. gray portions of the bar) are within the Sanitary and Stormwater utilities.

Condition of Assets by Service Area



Condition scores for assets have been determined through methods like regularly

scheduled inspection programs, ad hoc inspections, building condition assessments, or estimated based on the age of the assets. Where asset condition is unknown, the City is planning to develop inspection programs to gather this needed information.

Infrastructure Renewal Funding Gap

The need for asset renewal is constant in a city as large as Kitchener, and significant investments have already been made over several years to proactively address needs in several areas. One example of this is the City's full road reconstruction program which has replaced over 100 kilometres of roads and underground pipe infrastructure since it's inception in 2004.

For most asset types the existing budgets are adequate to meet the proposed levels of service (LOS) included in the AMPs. Generally this means the overall condition of assets and delivery of service will be maintained at or near current levels. For instance, the overall road condition index target of 70% will be met, but some brand-new roads will have a condition rating of 100% while some older roads will have a condition rating closer to 50% and be good candidates for rehabilitation or reconstruction.

That being said, this iteration of the AMP shows there are two areas of the City requiring additional investment above and beyond the planned 10-year capital budget to meet the proposed LOS for their area. Facilities (\$24.5 million/year), and Natural Gas assets (\$6.1 million/year) are leading to **a 10-year infrastructure renewal gap of \$306 million**. This

means if additional funding is not invested in those two areas it is expected the overall condition of assets in those portfolios and the ability to deliver service will worsen over the next decade. Neither of these areas is a surprise to staff.

As was noted in last year's non-core AMP update, Facilities has been a known issue dating back to the development of a Long-Term Financial Plan in 2019. Over the past several years Council has already approved additional funding of \$70 million over a 10-year span to help address facility renewal needs. At the same time, the City has built/acquired a number of facilities that have added to the Facilities portfolio. Newly built facilities like the Huron Community Centre are in excellent condition and don't need much renewal spending, but older acquisitions like the Conrad Centre for the Performing Arts and the SDG Idea Factory (former BMO building) were existing buildings with a need of renewal spending at the time they were acquired by the City.

Staff will continue to look for ways to address additional facility condition and funding needs through a number of activities including but not limited to:

- Inspecting facilities more frequently to better identify specific needs
- Conducting additional maintenance on higher need assets
- Considering higher rate increases to provide additional funding for asset renewal
- Advancing special levies/user fees dedicated to asset renewal
- Pursuing grant funding, especially where it will align with plans to achieve greenhouse gas reductions
- Developing a strategy related to facility acquisition/disposal

Likewise, the need for additional spending on the renewal of Natural Gas assets has been an issue that has been emerging for the past few years. Recent reports from Kitchener Utilities about the Gas utility and natural gas rates have included indications that higher rates will be needed in future years to properly address the need for more spending on capital renewal.

Continuous Improvement Plan

One of the other benefits of completing the AMPs has been a better understanding the areas where the City can improve. Based on the most current AMP project, recommendations for improvement were identified by staff and the including:

- Implementing more robust data collection, inspection, and maintenance programs
- Developing a comprehensive method of forecasting asset portfolio growth
- Documenting ownership and stewardship of all assets
- Aligning levels of service with all long-term strategy documents
- Standardizing the approach to risk management across all service areas
- Improving documentation of asset maintenance history and costs

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

None at this time. It is expected that recommendations about additional funding for continuous improvement activities and asset renewal will be brought forward by relevant divisions through stand-alone reports and/or future budget processes.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

• FIN-2024-208 Asset Management Plans for Non-Core Assets

APPROVED BY: Jonathan Lautenbach, Chief Financial Officer

ATTACHMENTS:

Attachment A – 2025 Asset Management Plan – Proposed Levels of Service

2025

City of Kitchener Asset Management Plan Proposed Levels of Service





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Docur	nent Control	Asset Manager	ment Plan		
Documer	nt ID :				
Rev No	Date	Revision Details	Author	Reviewer	Approver
0	05-15-2025	FINAL DRAFT	SLBC		

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This City of Kitchener Proposed Levels of Service Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to achieve proposed levels of service in a cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided, and what funds are required over a 10-year planning period. The AM Plan is aligned with the City's Long-Term Financial Plan which considers a 10-year planning period.

1.2 Asset Description

This AM Plan covers the infrastructure assets that provide multiple City services. The largest portion of the asset mix are Sanitary Utility assets with a replacement value of \$3,144.7M (approximately 21% of the total replacement value of all City assets). The infrastructure assets covered by this AM Plan are shown in Table 1.1.

Service Area	Asset Categories	Replacement Value (2025\$, M)	%
Fleet	Misc Small Equipment, Lawn/Turf Equipment, Off Road Equipment, Licensed Equipment, Arena Equipment, Dump/Fire Trucks	\$78.4	0.5%
Cemeteries	Cemetery Infrastructure (Gates, Bollards, Garbage Cans, Fountains, Benches, Roadways, Parking Lots, & Fences), Cemetery Structures, Equipment, Horticulture, Interment Features, Interment Memorials	\$9.2	0.1%
Golf	Course Infrastructure (Irrigation Systems, Lighting, Biek Racks, Flag Poles, & Benches), Course Structures, Course Features, Golf Carts	\$15.2	0.1%
Forestry	Street Trees, Park, Cemetery, Golf & Other Trees	\$172.0	1.1%
Parking	Parking Lots – Above Ground, Parking Equipment, EV Charging Stations, Parking Sundry & Miscellaneous	\$3.3	0.0%
Parks, Open Spaces & Trails	Recreational Fields, Recreational Hard Surfaces, Playgrounds, Pedestrian Network, Park Amenities & Furnishings	\$124.7	0.8%
Transportation	Streetlights & Poles, Traffic Signs & Pedestrian Crossings, Pedestrian Railings, Road and Pedestrian Islands & Traffic	\$59.3	0.4%

Table 1.1: Assets covered by this Plan

Service Area	Asset Categories	Replacement Value (2025\$, M)	%
	Calming, Street Furniture & Other Furnishings		
Water Utility	Mains, Service Pipes and Appurtenances, Valves, Hydrants, Bulk Water Stations, Meters	\$2,791.4	18.5%
Sanitary Utility	Mains, Service Pipes and Other Appurtenances, Manholes, Pumping Stations	\$3,144.7	20.8%
Stormwater	Mains, Service Pipes & Other Appurtenances, Ditches, Culverts & Other Conveyances, Manholes, Catchbasins, Quality Control Devices, Stormwater Management Facilities & Ponds, Low Impact Development, Storm Leads, Inlets, Outlets & Weirs	\$2,023.5	13.4%
Bridges & Culverts	Bridges, Culverts	\$479.1	3.2%
Roads & Sidewalks	Roads, Sidewalks, Walkways and Crosswalks, Pathways, Cycling, Network Links, Guiderails	\$2,018.6	13.4%
Gas Utility	Distribution System, Meters, Water Heaters	\$2,171.5	14.4%
Facilities	Administration, Aquatics, Arenas, Arts & Culture, Cemeteries, Commercial, Community Centres, Fire, Golf, Operations, Parking Garages, Parks & Open Spaces, Residential, Sport	\$2,007.9	13.3%
TOTAL		\$15,098.8	100%

The above infrastructure assets have a replacement value estimated at \$15.1 billion with a condition profile of these assets shown in

Figure 1-1.



Figure 1-1 – Condition Profile

1.3 Levels of Service

Levels of Service (LOS) and current performance on these various measures are tracked in each service area appendix section. Measures include those defined by O. Reg. 588/17 for roads, structures, sanitary, water, and stormwater infrastructure, as well as measures defined by the City to reflect specific priorities and concerns related to service delivery across all the service areas.

In general, the LOS measures were organized into three categories:

• **Capacity & Use LOS** demonstrate if services have enough capacity and are accessible to the customers. This includes measures that outline the growth needs for the City to meet the needs from increases in population.

- **Functional LOS** demonstrate if services meet the community's needs and meet their intended or required purpose. Typical functional LOS for the City include meeting legislative requirements and energy efficiency initiatives for facilities and fleet.
- Quality & Reliability LOS demonstrate if services are reliable and responsive to customers. These LOS measures focus on ensuring that assets are kept in a state of good repair and that maintenance work is being performed on time.

Along with each LOS, a proposed target was outlined by the City which was used to support the modelling of lifecycle costs needed to achieve that target. A summary of the LOS framework for each service area is provided in the service area summaries included in the Appendix.

1.4 Future Demand

Demand drivers are circumstances that may impact future service delivery and use of assets. These drivers can include things such as population change, climate change, regulations, and changes in demographics. Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets, and providing new assets to meet demand.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecasted lifecycle costs which are necessary to provide the services covered by this AM Plan include growth, upgrade, operation, maintenance, and renewal of assets. The summary of forecasted lifecycle costs for each service area are shown in Table 1.2.

Service Area	Annual Average Planned Growth & Upgrade (\$M/year)	Annual Average Planned O&M (\$M/year)	Annual Average Renewal Needs for Proposed LOS (\$M/year)
Fleet	\$2.0	\$12.6	\$8.3
Cemeteries	\$0.1	\$2.7	\$0.07
Golf	N/A	\$3.3	\$0.3
Forestry	\$7.4	\$6.2	\$0.5
Parking	N/A	\$2.9	\$0.02
Parks, Open Spaces & Trails	\$4.0	\$21.3	\$6.9
Transportation	\$1.8	\$5.1	\$0.4
Water Utility	\$15.3	\$63.2	\$18.4
Sanitary Utility	\$22.1	\$107.0	\$25.7
Stormwater	\$14.3	\$32.7	\$8.6
Bridges & Culverts	N/A	\$2.4	\$0.7
Roads & Sidewalks	\$14.5	\$20.8	\$22.6

Table 1.2: Summary of Lifecycle Costs

Service Area	Annual Average Planned Growth & Upgrade (\$M/year)	Annual Average Planned O&M (\$M/year)	Annual Average Renewal Needs for Proposed LOS (\$M/year)
Gas Utility	\$5.3	\$99.7	\$14.4
Facilities	\$14.5	\$24.6	\$36.7
TOTAL	\$101.3	\$404.4	\$143.8

1.6 Financial Summary

1.6.1 Planned Budgets and Forecast Costs

As shown in Table 1.2, the growth and upgrade need for City assets is estimated at an average of \$101.3 million per year over the next 10 years which includes a 0.5% year-overyear growth and upgrade of assets to account for development. There is currently no quantifiable funding gap for growth and upgrade, however on-going development of Master Plan updates will inform future growth-related service levels and recommendations.

The operating budget focused on asset-related operations and maintenance is \$404.4 million per year from 2025-2034. The estimated increase accounts for growth in the asset portfolio (at least 0.5% annually from development) to maintain service levels over the next 10 years.

The renewal need for City assets is estimated at an average of \$143.8 million per year over the next 10 years and total funding gap of \$30.6 million per year. This renewal need is forecasted to meet proposed service levels that the City selected based on affordability and risk. A summary of renewal needs and funding gaps is shown in Table 1.3.

Service Area	Annual Average Renewal Needs for Proposed LOS (\$M/year)	Annual Average Planned Budget (\$M/year)	Funding Gap (\$M/year)
Fleet	\$8.3	\$8.3	N/A
Cemeteries	\$0.07	\$0.07	N/A
Golf	\$0.3	\$0.3	N/A
Forestry	\$0.5	\$0.5	N/A
Parking	\$0.02	\$0.02	N/A
Parks, Open Spaces & Trails	\$6.9	\$6.9	N/A
Transportation	\$0.4	\$0.4	N/A
Water Utility	\$18.4	\$18.4	N/A
Sanitary Utility	\$25.7	\$25.7	N/A
Stormwater	\$8.6	\$8.6	N/A
Bridges & Culverts	\$0.7	\$0.7	N/A

Table 1.3: Renewal Needs Summary

Service Area	Annual Average Renewal Needs for Proposed LOS (\$M/year)	Annual Average Planned Budget (\$M/year)	Funding Gap (\$M/year)
Roads & Sidewalks	\$22.6	\$22.6	N/A
Gas Utility	\$14.4	\$8.3	\$6.1
Facilities	\$36.7	\$12.3	\$24.5
TOTAL	\$143.8	\$113.2	\$30.6

1.6.2 Funding Gap

The funding gaps shown in Table 1.3 illustrate that over the next 10-years, the City has allocated enough budget to meet the proposed LOS for all the service areas except for Gas Utility and Facilities. This is primarily due to the challenges with linear infrastructure in the recent past which has required significant investment to improve asset condition and continue to receive large budgets to maintain condition. Additionally, there are data gaps for other service areas (i.e., Parks, Open Spaces, and Trails) that limit the accuracy of the forecasted renewal needs to meet the proposed LOS. Service areas like Golf and Cemeteries do not need to plan for managing growth in their portfolio often while Parking, Transportation, and Fleet run much high percentages of run-to-failure given the low criticality nature of their assets. Forestry's assets are living assets that rely more on O&M than renewal. Additionally, this AM Plan is a medium-term planning document looking only at the next 10 years, and there are service areas that will have funding gaps in the future if the current funding is maintained (see appendix sections for specific lifecycle costs for each service area).

The allocation in the planned budget for renewal of assets is insufficient to provide the proposed level of service modelled in this AM Plan, for the planning period for the following service areas:

- **Gas Utilities**: The condition of assets is expected to deteriorate based on the currently available budget for capital renewal over the next 10 years. The proposed performance is to maintain the overall condition of assets similar to the current state over the next 10 years. This results in a funding gap of \$6.1 million/year which the utility plans to fund through requesting rate increases.
- Facilities: The condition of assets is expected to deteriorate based on the currently available budget for capital renewal over the next 10 years. The proposed performance is to maintain the overall condition of assets similar to the current state over the next 10 years. This results in a funding gap of \$24.5 million/year which the City plans to manage through seeking grant opportunities, improved planning and maintenance processes, ensuring that building condition assessments are completed regularly to identify critical repairs, and updating the acquisition and disposals framework. Additionally, the City will continue to strategically plan initiatives that help extend building life and reduce long-term costs.

1.6.3 Managing the Risks

To manage the risks of the renewal funding gaps, the City will continue to prioritize available funding based on the criticality of projects to prevent disruptions to service delivery. The City

also continues to improve planning and coordination of capital projects between departments to maximize resources. The City will continue to identify funding opportunities through federal and provincial programs and explore potential partnerships and corporate sponsorships to raise external funds.

1.7 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- City to formalize a condition assessment program to complete assessments for any assets currently listed in *Unknown* condition or assets that use age as a proxy for condition to support more accurate lifecycle needs and financial strategies.
- City to monitor and update replacement values of assets as they undertake renewal projects and review unit costs in future updates of asset replacement values.
- City to formalize levels of service, monitor performance on measures included in the AM Plan on an annual basis, and review and update service levels (add or remove measures, and set targets) as required to reflect alignment with other City plans and studies.
- Conduct formal risk assessments to prioritize preventative maintenance activities and renewal / capital investments.
- City to continue to develop and update the 10-year forecast of lifecycle activities based on formalized / updated levels of service, formal risk assessments, and updated asset information (as applicable). A summary of the improvement recommendations for each service area is provided in the service area summaries included in the Appendix.
- City to implement capital planning software and preventative maintenance programs.

2.0 INTRODUCTION

The City of Kitchener (the City) is in Waterloo Region, in the middle of southwestern Ontario. The City covers an area of 137 square kilometres and has a population of approximately 320,360¹; making it the largest City in the Region. The City has been designated as a growth area through the Provincial Growth Plan: Places to Grow and has seen significant population growth that is expected to continue through the next decade. The City owns and maintains assets that support City departments providing a wide range of services to its residents.

This Asset Management Plan (AM Plan) will communicate the requirements for the sustainable delivery of services through efficient management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period (2025-2034). The AM Plan has been prepared in accordance with Ontario Regulation (O.Reg.) 588/17 – Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015. The Regulation lays out the requirements for all AM Plans, as well as deadlines to meet to certain milestones. This iteration of the AM Plan meets requirements for Proposed Levels of Service.

2.1 City Services Included in this Plan

The City provides many services directly to residents and visitors and between departments. The services included in this AM Plan are indicated below.

Fleet	Cemeteries	Golf	Forestry
Parking	Parks, Open Spaces & Trails	Transportation	Water Utility
Sanitary Utility	Stormwater	Bridges & Culverts	Roads & Sidewalks
Gas Utility	Facilities		

2.2 Provincial Asset Management Requirements

The Province of Ontario requires all municipalities that seek provincial infrastructure funding have an asset management plan, or plans, in place. To encourage a similar approach across municipalities, in 2012, the province introduced Building Together: Guide for Municipal Asset Management Plans, which defined the key components of an effective asset management plan.

More recently in 2017, the province approved O. Reg. 588/17 – Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015*. The Regulation mandates the development of an asset management policy, asset management

¹ As per <u>Statistics Canada Estimate</u>

plans, and their content. Additionally, milestones are included for when municipalities must fulfill certain requirements, outlined below in Figure 2-1.



Figure 2-1 – O.Reg. 588/17 Milestones

2.3 Asset Management at the City of Kitchener

The City of Kitchener has been practicing asset management planning for at least 15 years, starting with the introduction of Public Sector Accounting Board (PSAB) legislation. Since 2007, several efforts have resulted in well-established asset management programs and procedures, as well as the inclusion of a dedicated Asset Management Division in the City's corporate structure. Kitchener City Council adopted the most recent Corporate Asset Management Strategy in 2016. The goals outlined in the strategy are to extend the useful life of all assets, in the most cost-effective way, while managing risk and meeting the agreed upon levels of service.

The AM Plan is a key tactical (medium-term, 2-10 year) planning document that relies on input from strategic planning activities and informs shorter-term decision making. The AM Plan provides a framework to validate the City's budgeting processes and assist in prioritizing work activities, including capital projects, based on risk. It discusses levels of service that align with the 2023 to 2026 Strategic Plan goals and lifecycle management strategies intended to reduce the overall cost of asset ownership.

2.3.1 Corporate Asset Management System

An asset management system should aim to achieve a line of sight between corporate strategic goals outlined in the strategic plan, and operational plans, policies and procedures, as illustrated in Figure 2-2. The two guiding documents in this system are the Asset Management Strategy and Asset Management Policy, most recently updated in 2016 and 2024, respectively. The Asset Management Policy defines the intent, scope and principles of

asset management at the City of Kitchener, and who is responsible for enacting the policy. Section 5.3 – Climate Change Impacts of this AM plan discusses these impacts specific to the City and strategies to build and maintain assets through the lens of resiliency, sustainability, adaptation, and mitigation. The Asset Management Strategy defines how the principles of the policy will be put into practice and the three guiding principles of asset management at the City of Kitchener which are to:

- 1. Balance asset condition and levels of service,
- 2. Allocate financial resources among priorities and,
- 3. Shift how we do business such as introducing programs to support the requirement for high-quality data services.



Figure 2-2 – City of Kitchener Asset Management System

In addition to the Asset Management Strategy and Policy, this AM Plan should be read in conjunction with other planning documents, outlined in Table 2.1 below. Additionally, The City of Kitchener resides within the Region of Waterloo and has adopted various planning documents for the Region (i.e., TransformWR, etc.)

Table 2.1: Key Planning Documents

Key Planning Document	Document Description
2023-2026 Corporate Strategic Plan	The document outlines the strategic goals that are to be championed by Council and staff across the City.
Official Plan (2014)	The Official Plan is a legal document that contains goals, objectives and policies to manage and direct physical and land use change and their effects on the cultural, social, economic and natural environment within the City. This Plan provides a framework for decision-making and plays several essential roles in the future planning of the City.

Key Planning Document	Document Description	
Kitchener, Changing for Good - Corporate Climate Action Plan (2019)	The City's Corporate Climate Action Plan aims to achieve meaningful and measurable carbon emission reductions throughout its operation, while also adapting to impacts resulting from climate change.	
Energy Conservation & Demand Management Plan (2019-2023)	Under Ontario Regulations 25/23, public sector agencies in Ontario must report annual energy consumption and develop a five - year conservation and demand management plan intended to reduce energy consumption and greenhouse gas emissions.	
Development Charges Background Study (2022)	The DC Study includes preparing a development forecast, establishing historical service levels, determining the increase in need for services arising from development and appropriate shares of costs and attribution to development types (residential and non-residential).	

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.2.

Key Stakeholder	Role in Asset Management Plan	
City of Kitchener Elected Council	City Council are the overall owners of the City's assets. Council approves asset management policies and asset funding allocation through the annual corporate budget process. An overarching expectation of a standard of care is required by Council to ensure commitment to effective asset Management practices.	
Corporate Leadership Team	The Leadership Team provides corporate oversight to the program to ensure that the goal and directions of the Corporate Asset Management program are maintained, and the program remains consistent with the overall Strategic Plan.	
Asset Management Steering Committee	This committee provides leadership and strategic direction for supporting systems/processes specific to the delivery of asset/work management information for the City of Kitchener. Further, in support of the city-wide asset management strategies, the committee provides leadership and governance to the Asset Management Policy statement through the provision of information necessary for the long- range forecasts of asset investment needs, services levels, risks, costs and other performance measures.	
Fleet, Cemetery, Golf, Forestry, Parking, Parks,	These service areas of the City are responsible for the operation and maintenance of City assets and to ensure the	

Table 2.2 - Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Open Spaces & Trails, Transportation, Water Utility, Sanitary Utility, Stormwater, Bridges & Culverts, Roads & Sidewalks, Gas Utility, Facility Service Areas	assets are meeting their service requirements. These groups were engaged throughout the AM Plan development to ensure their service area was accurately reflected in this plan.
Finance	The Finance division within Financial Services prepares an annual operating budget and 10-year capital forecast for Council's consideration. The annual budget helps identify the spending plans and priorities for the City for the upcoming year and is informed by the City's Strategic Plan, various master plans, and feedback from the community.

2.3.2 Asset Management Plan Methodology

The information presented in the AM Plan is based on O. Reg. 588/17 requirements, the Guide for Municipal Asset Management Plans, originally issued by the Ontario Ministry of Infrastructure, and leading asset management practices.

Costs and replacement values in this AM Plan are estimated in 2025 dollars.

The AM Plan was developed by SLBC Inc. in collaboration with City staff through:

- Review of background materials available on the City's web site and provided by the City's project team including asset inventories, planning documents, and budgets
- Workshops with internal partners
- Interim meetings with the City's project team
- Data and information transfers
- Review of interim outputs by the City's project team and other stakeholders, and incorporation of comments into the final AM Plan.

3.0 STATE OF LOCAL INFRASTRUCTURE

3.1 Asset Inventory and Valuation

A variety of assets support the delivery of the City's services. The assets covered by this AM Plan are shown in Table 3.1. All table and figure values are shown in this report are reported at the start of (2025) dollars.

The largest portion of the asset mix are Sanitary Utility assets with a replacement value of \$3,144.7M (approximately 21% of the total replacement value of all City assets).

Service Area	Asset Categories	Replacement Value (2025\$, M)	%
Fleet	Misc Small Equipment, Lawn/Turf Equipment, Off Road Equipment, Licensed Equipment, Arena Equipment, Dump/Fire Trucks	\$78.4	0.5%
Cemeteries	Cemetery Infrastructure (Gates, Bollards, Garbage Cans, Fountains, Benches, Roadways, Parking Lots, & Fences), Cemetery Structures, Equipment, Horticulture, Interment Features, Interment Memorials	\$9.2	0.1%
Golf	Course Infrastructure (Irrigation Systems, Lighting, Biek Racks, Flag Poles, & Benches), Course Structures, Course Features, Golf Carts	\$15.2	0.1%
Forestry	Street Trees, Park, Cemetery, Golf & Other Trees	\$172.0	1.1%
Parking	Parking Lots – Above Ground, Parking Equipment, EV Charging Stations, Parking Sundry & Miscellaneous	\$3.3	0.0%
Parks, Open Spaces & Trails	Recreational Fields, Recreational Hard Surfaces, Playgrounds, Pedestrian Network, Park Amenities & Furnishings	\$124.7	0.8%
Transportation	Streetlights & Poles, Traffic Signs & Pedestrian Crossings, Pedestrian Railings, Road and Pedestrian Islands & Traffic Calming, Street Furniture & Other Furnishings	\$59.3	0.4%
Water Utility	Mains, Service Pipes and Appurtenances, Valves, Hydrants, Bulk Water Stations, Meters	\$2,791.4	18.5%
Sanitary Utility	Mains, Service Pipes and Other Appurtenances, Manholes, Pumping Stations	\$3,144.7	20.8%

Table 3.1 – Assets covered by this Plan

Service Area	Asset Categories	Replacement Value (2025\$, M)	%
Stormwater	Mains, Service Pipes & Other Appurtenances, Ditches, Culverts & Other Conveyances, Manholes, Catchbasins, Quality Control Devices, Stormwater Management Facilities & Ponds, Low Impact Development, Storm Leads, Inlets, Outlets & Weirs	\$2,023.5	13.4%
Bridges & Culverts	Bridges, Culverts	\$479.1	3.2%
Roads & Sidewalks	Roads, Sidewalks, Walkways and Crosswalks, Pathways, Cycling, Network Links, Guiderails	\$2,018.6	13.4%
Gas Utility	Distribution System, Meters, Water Heaters	\$2,171.5	14.4%
Facilities	Administration, Aquatics, Arenas, Arts & Culture, Cemeteries, Commercial, Community Centres, Fire, Golf, Operations, Parking Garages, Parks & Open Spaces, Residential, Sport	\$2,007.9	13.3%
TOTAL		\$15,098.8	100%

The age profile of the assets included in this AM Plan are shown in each of the service area chapters located in the Appendix.

3.2 Asset Hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown is Table 3.2.

Service Hierarchy	Service Level Objective
Fleet	Ensure that the City's fleet of vehicles and equipment is reliable, safe, and operational when needed, with minimal downtime for repairs or maintenance, and a planned replacement schedule.
Cemeteries	Provide well-maintained, accessible cemetery grounds that serve the needs of families and the community, with regular grounds maintenance, efficient burial services, and a respectful environment.

Service Hierarchy	Service Level Objective
Golf	Ensure that golf course facilities are well-maintained and provide a high-quality experience for golfers, with well-kept greens, fairways, and other amenities.
Forestry	Maintain healthy, sustainable urban forests by managing tree planting, pruning, removal, and ensuring safety around trees while protecting the urban canopy from disease and pests.
Parking	Provide an adequate number of well-maintained parking spaces in convenient locations, with clear signage and minimal congestion.
Parks, Open Spaces & Trails	Maintain parks, open spaces, and trails that are safe, clean, and accessible for recreational use, supporting the health and well-being of the community.
Transportation	Provide an efficient, safe, and well-maintained transportation network.
Water Utility	Provide safe, potable water to residents and businesses, ensuring water distribution and quality are maintained at high standards.
Sanitary Utility	Ensure the safe and efficient collection of wastewater while maintaining system integrity to prevent blockages or overflows.
Stormwater	Effectively manage stormwater runoff to prevent flooding, protect water quality, and maintain drainage systems to handle various storm events.
Bridges & Culverts	Ensure that bridges and culverts are safe, structurally sound, and capable of handling traffic loads while minimizing disruptions from necessary repairs or maintenance.
Roads & Sidewalks	Maintain safe, smooth, and accessible roads and sidewalks, minimizing disruptions from potholes, cracks, and other issues, while ensuring high mobility for residents and businesses.
Gas Utility	Provide a safe, reliable, and efficient gas distribution system that meets the needs of residents and businesses, while ensuring environmental sustainability and regulatory compliance.
Facilities	Ensure that all City-owned and operated facilities are properly maintained, accessible, and safe for public use, including regular cleaning, repair, and security measures.

3.3 Asset Capacity and Performance

Assets are generally provided to meet design and service standards, when available. Any service performance deficiencies are detailed in the Appendix service area summaries.

3.4 Asset Condition

Assets can be inspected and monitored through multiple methods as shown in Table 3.3. The City employs both internal staff and external contractors and consultants to perform inspections of City owned assets using the frequency listed in Table 3.3 or on an as needed basis for assets not included in the table. The results of these inspection programs provide the City with meaningful empirical data that can be used to gauge the condition of assets and needs for asset maintenance or renewal. The cost for these condition assessments is included in the operational costs Section 6.3 of this AM Plan.

Asset Category	Condition Assessment Description	Frequency in Years
Roads & Sidewalks	 Pavement Quality Index (PQI) for roads 	Every 2 years (roads)Every year (sidewalks)
Stormwater	CCTV Inspections for Mains	 12-year cycle for CCTV inspections (~8% per year)
	 Bathymetric Surveys for Stormwater Management Facilities and Ponds (including forebay) 	 5-10 year cycle for Bathymetric Surveys
Sanitary Utility	CCTV Inspections for Mains	 12-year cycle for CCTV inspections (~8% per year)
	• Visual Inspections for Maintenance Holes and Catch Basins	 10-year cycle for Maintenance Holes and Catch Basins
Water Utility	 Condition evaluation based on age, material and break history 	 Ongoing monitoring with comprehensive reviews on an as needed basis
Facilities	 Facility Condition Index (FCI) which involves a detailed evaluation of building components, systems, and structures to determine repair and replacement needs 	 Typically conducted every 5-7 years
Bridges & Culverts	• Bridge Condition Index (BCI) which involves detailed structural inspections to evaluate the condition of bridges and culverts	 Required every two years by Ontario regulations.
Gas Utility	 CP Survey to measure the cathodic protection program effectiveness for steel pipe Leak Survey to identify and investigate gas leaks 	 Annually for CP Survey 1/3 of gas pipes are surveyed annual for leaks

Table 3.3 – Conditio	on Assessments
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Condition is measured using a 1-5 grading system as detailed in Table 3.4. This consistent approach for assessing asset performance is used across the City to enable effective decision support. A finer grading system may be used at a more specific level, however, the AM Plan results are translated to a 1-5 grading scale for ease of communication.

Condition Grading	Description of Asset	Lifecycle Needs	Typical Age-Based Mapping
1 – Very Good	New or recently rehabilitated	Regular maintenance	>75 – 100% Remaining Life
2 – Good	Physically sound with some elements showing signs of wear.	Maintenance/repair costs fit within operating budget	>50 – 75% Remaining Life
3 — Fair	Signs of deterioration, performing at lower level than intended.	Minor capital repairs needed	>25 – 50% Remaining Life
4 – Poor	Significant deterioration is evident.	Major capital repairs needed	>0 – 25% Remaining Life
5 – Very Poor	Advanced deterioration, possible inability to meet service levels	Replacement or refurbishment needed	At or Beyond Service Life

Table 3.4 – Condition Grading System

The condition profile of the City's assets is shown in

Figure 3-1. The condition assessment of the City's assets provides insight into the reliability of its infrastructure. Overall, approximately 85% of the City's assets have a condition rating of fair or better (excluding assets in unknown condition). This highlights the City's commitment to maintaining their services.

The largest portion of unknown condition assets includes: Sanitary (\$390.4 million), Stormwater (\$300.9 million), Roads & Sidewalks (\$18.2 million), Forestry (\$17.9 million), and Water (\$15.5 million). The other service areas also have unknown assets with a total replacement value of \$8.5 million. The City plans to identify these asset conditions in the coming years through improved data collection and management practices.



Figure 3-1 – Asset Condition Profile

Figure 3-2 – Asset Condition Profile by Service Area



3.5 Asset Registry Completeness & Assumptions

In compiling this AM Plan, all asset registries used by the City were reviewed to understand the responsible stakeholders for asset data across the City and to assess the completeness of the register (i.e., register exists and fields that are critical to the assets' lifecycle and financial management are populated with accurate values). The information included in the registries was used to develop the AM Plan.

The following categories have been employed to assess the completeness of asset registries:

Data Rating	Description
Good	Data based on sound records, procedures, investigations and analysis, documented properly but may have minor shortcomings. Dataset is complete and estimated to be accurate ± 10%.
Fair	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
Poor	Dataset may not exist or be fully complete, and most data is estimated or extrapolated

Table 3.5 – Asset Registry Rating Categories

Each service area's data was assessed for their asset register and LOS. The assessment's results, using the rating scale above, are provided in Table 3.6.

	Completeness		Completeness of Existing Asset Registry Fields				
Asset Category	of Asset Registry	Defined LOS	Initial Construction Costs	Installation Year	Condition	Estimated Service Life	Description
Fleet	Good	Good	Good	Good	Poor	Good	Good
Cemeteries	Good	Good	Good	Good	Good	Good	Good
Golf	Good	Fair	Good	Fair	Fair	Good	Good
Forestry	Fair	Fair	Fair	Fair	Fair	N/A	Fair
Parking	Good	Good	Good	Fair	Fair	Good	Good
Parks, Open Spaces & Trails	Fair	Fair	Fair	Fair	Fair	Fair	Fair
Transportation	Good	Fair	Good	Fair	Fair	Good	Good
Water Utility	Good	Good	Good	Good	Good	Good	Good
Sanitary Utility	Good	Good	Good	Fair	Fair	Good	Good
Stormwater	Good	Good	Good	Fair	Fair	Good	Good
Bridges & Culverts	Good	Good	Good	Good	Good	Good	Good
Roads & Sidewalks	Good	Good	Good	Good	Good	Good	Good
Gas Utility	Good	Good	Good	Good	Poor	Good	Good
Facilities	Good	Good	Good	Good	Good	Good	Good

Table 3.6 – Asset Registry Assessment

Where asset registries are missing critical data or fields are found to be incomplete, assumptions were made to complete this AM Plan. Specific assumptions are outlined in the service area summaries in the Appendix or included as improvement areas for the next AM Plan.

4.0 LEVELS OF SERVICE

Levels of Service (LOS) define the performance the City's assets are intended to deliver over their service lives.

LOS are statements that describe the outputs and objectives the City intends to deliver to its residents, businesses, and other stakeholders. LOS are guided by a combination of customer expectations, legislative requirements, internal policies and procedures, and affordability. Effective asset management requires that LOS be formalized and supported through a framework of performance measures, performance levels, and timeframes to achieve performance levels, such that the activities and costs to deliver the documented LOS can be determined.

Figure 4-1 shows the LOS framework and line of sight from higher-level Corporate priorities to detailed asset-specific Technical LOS. Corporate commitments and legislated LOS guide the development of Community LOS. The Community LOS outline the services that the assets need to deliver to the City's residents and businesses. Community LOS can be categorized into one of the following customer service attributes:

- **Capacity & Use:** Services have enough capacity and are available to customers.
- **Function:** Services meet customer needs while limiting health, safety, security, natural and heritage impacts.
- Quality & Reliability: Services are reliable and responsive to customers.
- Financial Sustainability: Services are affordable and provided at the lowest cost.

Customer service attributes are translated into Community LOS, which measure services from a community resident/business perspective, and Technical LOS that define asset performance levels. These LOS define asset needs and drive the required lifecycle activities and associated funding to mitigate risks, as follows:

- Capacity & Use LOS inform Acquisition needs
- Function LOS inform Upgrade needs
- Quality & Reliability LOS inform Renewal, Operations and Maintenance needs
- Financial Sustainability LOS inform Funding needs

This *line of sight* shows how the day-to-day management of City assets supports the achievement of higher-level strategic priorities.

Risk is evaluated according to each of the four community LOS. This evaluation is described further in Section 7.0. A risk management summary for each service area is included in their respective Appendix summary.

Figure 4-1: Levels of Service Framework



4.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the City of Kitchener. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing services. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Research on customer expectations has been done periodically for some service areas, but not on a consistent basis. This will be investigated for future updates of the AM Plan.

4.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Corporate Asset Management Strategy which is in alignment with the City of Kitchener's Strategic Plan (2023 – 2026). The City of Kitchener's Strategic Plan was developed with the consultation of residents, community organizations, businesses and councillors. Further to this, the AM Strategy supports the United Nations Sustainability Goals (SDGs) which outline the ways to achieve a better and more sustainable future for all.

The City's vision is:

"Building a city for everyone where, together, we take care of the world around us – and each other."

Strategic goals have been set by the City of Kitchener. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 4.1.

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Building a Connected City Together	We live in all kinds of neighbourhoods and types of housing. We work together to ensure that we each have secure and affordable homes. We get around easily, sustainably and safely to the places and spaces that matter most to us.	The AM Plan ensures that transportation infrastructure (such roads, sidewalks, bridges, and culverts) is well-maintained for safe and efficient travel. Parking facilities are provided in convenient locations, and facilities are accessible for all residents.
Cultivating a Green City Together	We follow a sustainable path to a greener, healthier city. We work together to enhance and protect our parks and natural environment while transitioning to a low-carbon future. We support businesses and residents to make more climate-positive choices.	The AM Plan focuses on sustainable practices for parks, open spaces, forestry, and stormwater management. It includes strategies for maintaining urban forests, reducing carbon emissions, and using climate-resilient infrastructure. It also includes preserving green spaces and enhancing water quality through the

Table 4.1 – Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
		water, stormwater, and sanitary utilities.
Creating an Economically Thriving City together	We use our collective strengths to grow an agile and diverse local economy powered by talented entrepreneurs, workers and artists. We work together to create opportunities for everyone and a resilient future that propels our city forward.	The AM Plan supports economic growth by ensuring reliable infrastructure such as roads, water, stormwater, gas, and sanitary utilities are maintained. It focuses on efficient operation of facilities, parking, and transportation systems, contributing to the business environment and economic opportunities for the community.
Fostering a Caring City Together	We welcome residents of all ages, backgrounds and lived experiences. We work together on the decisions that matter to us and have a meaningful influence in our community. We're healthy and thriving as we easily access the diverse and inclusive programs and services we need to succeed.	The AM Plan ensures that public spaces such as parks, community centres, and recreational facilities are well-maintained and accessible. It emphasizes safe and clean environments for all residents, focusing on inclusivity and meeting the needs of the community with accessible and well-maintained public spaces.
Stewarding a Better City Together	We, the City's employees, are stewards of Kitchener's present and its future. We're responsive, innovative, diverse and accountable public servants who work together efficiently to serve residents. We remove barriers and champion residents' collective vision for a better city and a better world.	The AM Plan guides City operations with a focus on sustainability, innovation, and accountability. It outlines how the City will invest in infrastructure and services that align with long-term goals, including climate action and public safety.

4.3 Legislative Requirements

A sample of the legislative requirements relating to the City's management of assets are provided provided in

Table 4.2. This AM Plan is prepared in accordance with O. Reg 588/17, which lays out the requirements for Asset Management Plans prepared by municipalities across Ontario and milestones that all municipalities are required to meet. Please note that the list of legislative requirements is not exhaustive.
Legislation	Requirement
Ontario Regulation 588/17	 Establishes strategic, long-term, sustainable plans to manage core and non-core capital infrastructure assets by 2024. The Regulation requires: Municipal governments to adopt AM Plans for all infrastructure assets including identifying levels of service and costs of maintaining services. Municipal governments to set technical metrics and qualitative descriptions for each asset.
Funeral, Burial and Cremation Services Act	The purpose of the Funeral, Burial and Cremation Services Act is to regulate bereavement service providers. The Act provides guidelines for the operation of cemeteries, crematoriums and funeral homes.
The Accessibility for Ontarians with Disabilities Act (AODA)	The purpose of the AODA is to develop, implement and enforce standards for accessibility related to goods, services, facilities, employment, accommodation and buildings.
Technical Standards and Safety Act	Facilities must comply with technical standards and safety regulations depending on the industry or equipment they include such as elevating devices.
Highway Traffic Act	Regulates the operation of vehicles, including municipal fleets, road safety, and signage. Impacts transportation, roads, and fleet management.
Environmental Protection Act	Governs environmental management related to air, land, and water, impacting stormwater, wastewater, parks, forestry, and landfill management.
Safe Drinking Water Act	Ensures safe drinking water through compliance with water quality standards, asset maintenance, and risk management planning for the Water Utility.
Ontario Water Resources Act	Governs the protection and conservation of water resources, impacting water, sanitary, and stormwater utilities.
Ontario Heritage Act	Objects of Trust 7 (d) to preserve, maintain, reconstruct, restore and manage property of historical, architectural, archaeological, recreational, aesthetic, natural and scenic interest. This act is of specific relevance to the protection of heritage trees.
Professional Foresters Act	The practice of professional forestry is the provision of services in relation to the development, management, conservation and sustainability of forests and urban forests where those services require knowledge, training and

Table 4.2 – Legislative Requirements

Legislation	Requirement		
	experience equivalent to that required to become a member under this Act.		
Conservation Land Act	2 (c) watershed protection and management. This act defines "areas of natural and scientific interest" and "wetland".		
Forestry Act	The Minister may establish programs to protect, manage or establish woodlands and to encourage forestry that is consistent with good forestry practices. 2002, c. 17, Sched. C, s. 12 (2). 11 (1) The council of a municipality may pass by- laws, (c) for planting and protecting trees on any land acquired for or declared to be required for forestry purposes. 2002, c. 17, Sched. C, s. 12 (3).		
Fire Protection and Prevention Act	Facilities, especially public spaces, must comply with fire safety regulations.		
Ontario Building Code	The Ontario Building Code has specific requirements facilities, such as parking garages.		
Ontario Regulation 239/02, Minimum Maintenance Standards (MMS)	Establishes minimum standards for road and highway maintenance for all municipalities. MMS regulations pertain to various elements of road repair and maintenance, such as the frequency of road inspections, weather monitoring, ice formation on roadways, snow accumulation, and sidewalk trip ledges.		
Technical Standards and Safety Act, 2000	Under this act, Regulation 212/01: Gaseous Fuels and Regulation 210/01 Oil and Gas Pipeline Systems define all the standards and requirements of gas distributors to ensure the safe operation of gas distribution systems.		
Ontario Energy Board Act, 1998	The Ontario Energy Board (OEB) facilitates competition in the sale of gas to users, informs consumers and protects their interests with respect to prices and the reliability and quality of gas service, and ensures the financial viability of the gas industry for the transmission, distribution and storage of gas. Gas distribution companies seek OEB approval to set their rates however, Kitchener Utilities is exempted from section 36 of the act related to rate setting mechanisms. All other regulations of the Act about competition, marketing, customer rights, and licensing apply to Kitchener Utilities.		

4.4 Customer Values and Community Levels of Service

The LOS discussed in this AM Plan are focused on measures developed to support achievement of the City's higher level strategic priorities and key areas of investment.

This AM Plan summarizes the performance of the measures based on the most current data available. The City has determined targets and proposed service levels (as per O.Reg.588/17

requirements for Proposed LOS) and has aligned these service levels with information in other planning documents.

As discussed in Section 4.0, service levels are defined in three ways: community levels of service, customer levels of service and technical levels of service. Community LOS are qualitative statements categorized by service values and attributes. They can be identified as community expectations on certain services as well as how the more technical work activities are impacting customer experiences. The Community LOS performance measures highlight data that has direct impact on a citizen. Service area specific Community LOS can be found in the service area summaries in the Appendix

Service values and attributes indicate what aspects of the service is important to the customer. A description of the service values and their alignment to customer and community LOS is provided in

Table 4.3.

Service Value	Service Attribute	Customer Satisfaction Measure	Community LOS (Customer Satisfaction Measure)	
	Capacity/Use	Is the service over or under used? Do we need more or less of these assets?	Frauna adaguata	
Capacity & Use	Available	The service can be used/reached at convenient times.		
	Scope	The service is broad enough that it serves the entire population.	community needs.	
Function	Function	Services meet customer needs while limiting health, safety, security, natural and heritage impacts.	Provide accessible infrastructure for inclusion and meeting diverse resident needs.	
	Safety	The service is provided in a manner that protects users from harm.		
	Resilience	Considers future impacts such as climate change that may put stress on the system.		
Quality & Reliability	Quality	The standard to which the service is provided.	Provide infrastructure in acceptable condition and cleanliness by following and providing proper maintenance standards and inspections.	

Table 4.3 – Service Values and Community LOS

Service Value	Service Attribute	Customer Satisfaction Measure	Community LOS (Customer Satisfaction Measure)	
	Reliable	Consistently good quality or performance - works when service users expect it to work.	Maintain infrastructure proactively to minimize unexpected failures.	
Financial Sustainability	Affordable	How much does the service cost? Is it fair and is the service provided worth this cost?	Provide infrastructure management services	
	Efficient	Service is provided with maximum productivity and minimal wasted effort.	in an efficient and cost- effective manner.	

A summary of the LOS framework for each service area is provided in the service summaries included in the Appendix.

4.5 Technical Levels of Service

Operational or technical measures of performance are used to demonstrate delivery of customer service values (i.e., the achievement of Customer LOS). These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

Acquisition	The activities to provide a new service that did not exist previously, or an expansion of an existing service.
Upgrade	The activities to provide a higher level of service than previously provided.
Operation	The regular activities to provide services.
Maintenance	The activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life.
Renewal	The activities that return the service capability of an asset up to that which it had originally provided.

In most cases, Technical LOS have been measured and reported on over the past three years. By comparing the LOS for the current year against that of previous years, a trend can be identified and qualified. It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on data availability, existing resource provision, and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities and lifestyle trends will change over time.

In order to provide a comprehensive understanding of service expectations, the levels of service for each service area are outlined in the individual service area summaries located in the Appendix.

5.0 FUTURE DEMAND

Demand drivers are circumstances that may impact future service delivery and use of assets. These drivers can include things such as population change, climate change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, environmental considerations, etc. The City is in the process of updating their Official Plan to outline additional specifics on how the City plans to grow to 2051.

Based on the most recent Official Plan (2014), the City was projected to have a population of 319,500 and an employment of 132,500 by 2031. Statistics Canada's estimate of the 2024 population of the City was 320,360². This exceeds the forecasted population seven years earlier than predicted. The new official plan (that is currently under development) is estimating, at a high level, that the City's population will grow to approximately 500,000 by 2051. With this significant and rapid growth, demand for City services has increased and will continue to increase as the City looks to grow to 500,000.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets, and providing new assets to meet demand and demand management. Demand management practices can include non-infrastructure solutions, insuring against risks and managing failures. Demand management is a key focus for the Kitchener Utilities as they look to manage their portfolio of assets through the energy transition.

This AM Plan incorporates the known growth assets to help meet this expected new demand for services, but the City is currently working on various forward-looking plans to provide more accurate estimates of the long-term infrastructure and service delivery needs that will be required to serve a population of 500,000.

² See Statistics Canada reference <u>here</u>

6.0 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

The lifecycle management plan details how the City plans to manage and operate the assets at the agreed levels of service (outlined in the service area summaries in the Appendix) while managing life cycle costs.

6.1 Acquisition Plan

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Assets may also be donated to the City though various means including subdivision development and expansion of existing services or the inclusion of new services.

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or master plans, and partnerships with others. Potential upgrades and new works should be reviewed to verify that they are essential to the City's needs and fits long range planning. Proposed upgrades and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals by City leadership can then be ranked by priority and available funds and scheduled in future works programs. Currently, no ranking criteria has been established for the acquisition of City assets, however this will be developed in a future revision of this AM Plan through the development of a dedicated asset management acquisition policy. Where applicable, the City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.

Forecast acquisition asset costs for all City assets are summarized in

Figure 6-1. The assumed 0.5% growth in assets is indicated by the grey bars and the specified growth in the capital plan is shown by the green bars. The City is working to improve the accuracy of this forecast as it looks to manage growth demand in the future. The forecast acquisition costs for each service area can be found in the appendix.





When the City introduces new assets, there must be a recognition for the need for future operational funding for service, maintenance, and renewal costs. Future depreciation must be accounted for when reviewing long term sustainability, lifecycle, and total cost of ownership.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding. The City plans for growth such that there is sufficient community infrastructure and facilities to meet the current and projected needs of the population. Acquiring these new assets will commit the funding of ongoing operations, maintenance, and renewal costs for the period that the service provided from the assets is required.

6.2 Disposal Plan

Disposal includes any activity associated with the permanent disposal of a decommissioned asset including sale, demolition or relocation. Currently, the City has plans to decommission and demolish the Moore St. SPS within the next 1-2 years.

Currently, no process has been established for the disposal of City assets, however this will be developed in a future revision of this AM Plan through the development of a dedicated asset management disposal policy.

6.3 Operations and Maintenance Plan

Operations include regular activities to provide services and may not have a direct impact to the overall health of the asset. Examples of typical operational activities include cleaning, asset inspection and supply of power.

Asset condition is ideally determined from asset inspections, either from internal staff or from external parties. When possible, asset inspection programs should be developed and regularly employed to collect asset data.

Maintenance includes all actions necessary for retaining an asset in an appropriate condition including regular ongoing day-to-day work necessary to keep assets operating. Regular maintenance activities allow asset degradation to follow an expected lifecycle rather than accelerating towards an earlier disposal or replacement. Examples of typical maintenance activities include scheduled asset care and minor repairs.

All maintenance activities are either planned or reactive in nature. When possible, the majority of maintenance activities should be planned and executed through preventative maintenance programs.

Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan. Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

The forecasted operations and maintenance costs are expected to vary in relation to the total value of the asset inventory. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of, the forecast operations and maintenance costs are expected to decrease.

Figure 6-2 shows the forecast operations and maintenance costs at the corporate level. The values in the figure do not consider inflation but only consider the increase expenses due to growth in the asset portfolio. The forecast operations and maintenance costs for each service area can be found in the Appendix.

Figure 6-2: Operations and Maintenance Summary



As shown in the figure, the O&M budget is planned to increase by approximately \$29.0 million per year 2034 to keep pace with asset growth and aging infrastructure. If O&M funding does not increase accordingly, there is a risk that deferred maintenance will accelerate asset deterioration which can lead to higher renewal costs in the future. This highlights the importance of sustained O&M investment to maintain service levels and extend asset life.

6.4 Renewal Plan

Renewal is typically carried out through major capital work which does not significantly alter the original service provided by the asset. This work typically restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from either:

- Using the Asset Register data to project the renewal costs (current replacement cost) and renewal timing, or
- Using an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The useful lives of assets used to develop projected asset renewal forecasts are located in Section 24.1 in the Appendix. The estimates for renewals in this AM Plan were based on the asset register data.

6.4.1 Renewal Ranking Criteria

Asset renewals are typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the expected service it was constructed to, or
- To ensure the infrastructure is of sufficient quality to meet the service requirements.

Asset renewals are typically prioritized by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have a condition score that is less than the threshold to provide an expected level of service,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have the potential to reduce life cycle costs by replacing it with a modern equivalent asset that would provide the equivalent service.

A detailed ranking/rating of renewal projects within each service area was not within the scope of this AM Plan and is recommended to be conducted for all service areas in the future.

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 6.1.

Table 6.1 – Renewa	l Priority	Ranking	Criteria
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Criteria	Weighting
 Consequence of Failure Environmental Impact Health & Safety Impact Service Delivery Impact Financial Impact 	50%
Probability of FailurePhysical Condition RatingPerformance Rating	50%
Total	100%

6.4.2 Summary of Forecasted Renewal Costs

Renewal costs are projected to increase over time if the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized. The forecast of renewal costs is based on the available inventory data and feedback provided by the City.

Generally, good asset management practice allows for a small portion of the asset portfolio to be replace when failed and not on a set schedule. This would typically occur for assets that are easily replaced, of lower value, and are readily available. These assets generally

make up a small portion of the service area asset portfolios as each area has a small portion of their assets that they run to failure (indicating they would be in Very Poor condition).

This analysis incorporates two separate renewal forecasting scenarios; the Planned Budget / Expected Performance renewal forecast scenario (which defers the replacement of certain assets in order to align with the planned renewal budget in the 2025 – 2034 Capital Plan) and the Proposed LOS renewal scenario (which aligns the replacement of assets with the lifecycle activities the City would like to undertake to achieve their proposed service levels).

The intention of the renewal costs figures is to show the average annual renewal need/budget over the 10-year forecasted period. This is used to assess the financial sustainability of the current budget and to understand the associated condition impacts.

Table 6.2 shows the Annual Average Renewal Needs for the Proposed LOS. The associated appendix describes the specific actions that each service area is taking to manage the indicated funding gap.

Service Area	Annual Average Renewal Needs for Proposed LOS (\$M/year)	
Fleet	\$8.3	
Cemeteries	\$0.07	
Golf	\$0.3	
Forestry	\$0.5	
Parking	\$0.02	
Parks, Open Spaces & Trails	\$6.9	
Transportation	\$0.4	
Water Utility	\$18.4	
Sanitary Utility	\$25.7	
Stormwater	\$8.6	
Bridges & Culverts	\$0.7	
Roads & Sidewalks	\$22.6	
Gas Utility	\$14.4	
Facilities	\$36.7	
TOTAL	\$143.8	

Table 6.2 – Renewal Needs Forecast

6.5 Non-Infrastructure Solutions

Non-Infrastructure solutions are infrastructure related costs that may not be associated with any one specific asset in the City's asset registry but are important in the planning and execution of the previous asset lifecycle categories. Some of the non-infrastructure solutions can include the consultant costs in the creation of a master plan, working with partner organizations, customer surveys, demand management, restocking of maintenance vehicles, and inventory updates. The costs for the development of plans and strategies are incorporated into the operations and maintenance cost summary for each service area.

7.0 RISK MANAGEMENT

The City of Kitchener has Enterprise Risk Management strategy which outlines the process to identify, assess, and mitigate risks to ensure that corporate objectives are achieved. Risk management is embedded in many City processes including strategic planning, business planning, and project approval procedures. In addition, the City's risk management approach assists in allocation of resources to the areas of highest risk across the City's portfolio.

7.1 Critical Assets

Critical assets provide life safety and public health and well-being to the community based on Provincial standards. Assets found in this category may be included for having a high consequence of failure (COF) causing significant loss or reduction of service directly impacting services to the community. Critical assets have been identified as having a consequence of failure rating of 4. The COF ratings for each individual service area can be found in Appendix Section 24.2

By identifying critical assets and failure modes the City can ensure that investigative activities, condition inspection programs, maintenance, and capital expenditure plans are targeted to minimize risks.

7.2 Risk Assessment

The City has adopted an impact criteria and risk category matrix that quantifies the impact and likelihood criteria and assigns a numerical value to the resulting score. A majority of City risk registers use this terminology to support consistency across the City's assets.

For the purpose of this plan, risk was assessed at a high level. A granular risk assessment within in each service area was not within the scope of this AM Plan and is recommended to be conducted for all service areas in the future.

The risk register is an assessment process that identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, and evaluation of the risk. The City will develop a risk treatment plan for non-acceptable risks as part of future improvement.

Risk is evaluated using the following formula:

Risk Score = Probability of Failure * Consequence of Failure

The consequence of failure is determined based on the highest rating across the consequence categories in the following matrix.

COF	C1	C2	C3	C4
Categories	Minor	Moderate	Major	Catastrophic
Service Delivery	-Some business unit goals not met (75 - 90% achieved) -Project scope: scope change is barely noticeable - Project deadlines overrun >5%<25%.	-Underachievement of business unit goals (50-75% achieved) -Unable to perform non-essential services -Disclosure of non-confidential but embarrassing information -Project scope: moderate changes required -Project deadlines overrun >25%<50%.	-Underachievement of business unit goals (<50% achieved) -Unable to perform non-essential service -Disclosure of non-confidential but embarrassing information -Project scope: major changes required -Project deadlines overrun >50% <75%.	 -Unable to perform one or more essential services and no alternatives exist. -Unrecoverable loss of information from critical systems. -Unrecoverable facility loss. -External exposure of critical confidential information -Project end product is essentially useless -Project cancellation -Project deadlines overrun > 75%.
Employees	-Minor reportable employee injury -Short term additional effort required by existing staff to fix the situation.	-Employee injury, non-life-threatening -Significant increase in number of errors (>10%) -Increase in the number of union grievances (>5%) -Short term extra resources required to fix the situation	-Employee injury, critical -No improvement in employee satisfaction -Increase in the number union grievances (>10%) -Short term additional resources required to fix the situation.	-Death in the workplace -Significant loss of employee knowledge -External exposure of confidential employee information -Strike -No amount of existing or additional resources can address the event.
Public	-Minor decrease in social programs (<5%)	-Non-life-threatening injury to members of the public because of City action/ inaction -Loss of privacy, safety or quiet in neighborhood -Moderate decrease in social programs (<20%)	-Critical injury to member of the public because of City action/ inaction -Major decrease in social programs (<50%).	-Death of member of the public due to City actions or inactions -Cancellation of a program that supports equitable access, social justice, quality of life and no alternatives are available
Physical Environment	-Potential to cause non- lasting damage to environmental assets	-Potential to cause short term repairable environmental damage impacting a small area	-Potential to cause short term repairable environmental damage impacting a large area	-Potential to cause long term environmental damage with lasting consequences. -Consequences of not including environmental considerations has potential to create long environmental damage.

COF	C1	C2	С3	C4
Categories	Minor	Moderate	Major	Catastrophic
Reputation	-Small amount of negative medial coverage or complaints to the City -1 Negative media story from 1 - 2 local media outlets.	-Complaints elevated to Director / GM level -Moderate media coverage or editorial comment -3 - 4 negative media stories and/or editorials spanning multiple days, from 2+ local media outlets	-Complaints elevated to CAO/City Council level -Public outcry for removal of employee -Significant negative media coverage or editorial comment -5+ negative media stories and / or editorials spanning multiple days, from local media -Negative media coverage on provincial or national stage	-Public/media outcry for change in administration or Council. -Public or senior officials criminally charged or convicted -Fraud > \$500,000 -Integrity breach resulting in decreased trust in City Council or Administration Recurring negative media coverage on national and/or international stage
Financial	-Loss of replaceable asset -Project cost >5<10% overrun	-Some decreased usefulness of infrastructure -Fines <\$100K -Reduced revenues for some businesses -Some reduced economic development -Project cost >10<50% overrun	-Significantly decreased usefulness of infrastructure -Fines \$100K - \$1M -Inefficient processes -Reduced revenue for many businesses -Significantly reduced economic development -Project cost >50<100% overrun	-Uninsured loss > \$10M -Insured loss > \$10M -Fines or loss > \$1M -File for bankruptcy -Failure to maintain financial capacity to support current demands. -Decrease in Kitchener economic condition greater than a 20% decrease in assessment base -Project cost > 100% overrun
Regulatory	-Isolated non-compliance to policy or rules by few employees	-1st warning from regulatory bodies -Internal compliance reporting deficiencies in one division	-2nd warning from regulatory bodies -Internal compliance reporting deficiencies in multiple divisions or depts.	-Legal judgment against the City -Loss of license to operate (CVOR, drinking water, gas) -Imprisonment of staff -Other sanctions imposed by regulatory bodies

The probability of failure is determined either by the physical condition or the performance ratings outlined in Table 7.2 for a specific asset:

POF Score	Condition Rating	Probability of Failure	Description
1	Very Good	Rare	No material likelihood; not considered further in risk assessment.
2	Good	Unlikely	Occurs infrequently in municipal environments but is not impossible.
3	Fair	Somewhat Likely	Occurs periodically in municipal environments and could happen at the City of Kitchener.
4	Poor	Likely	Occurs frequently in municipal environments and has occurred or is likely to occur at the City of Kitchener.
5	Very Poor	Almost Certain	Extremely likely to occur at the City of Kitchener.

Table 7.2 – Probability of Failure Rating Scale

The risk map shown in Figure 7-1 combines the consequence of failure ratings with the probability of failure ratings for all infrastructure represented within this AM Plan. Of note is that unknown condition assets are not included in the risk exposure map as there was no way to accurately quantify their probability of failure.

Figure 7-1 – Risk Exposure Map for All City Assets

			Risk expo	sure in ye	ar 2025 \$, n	nillions		
e	Catastro	phic	\$2,794.5	\$2,355.3	\$1,228.2	\$494.3	\$59.0	
quer ailur	Major		\$642.1	\$1,245.9	\$1,005.3	\$509.6	\$121.2	
nse of Fa	Modera	ate	\$1,329.0	\$890.9	\$886.0	\$472.2	\$148.8	
S	Mino	r	\$48.7	\$47.9	\$20.5	\$20.8	\$27.4	
			Rare	Unlikelv	Somewhat	Likely	Almost	
			nare	onnery	Likely	,	Certain	
				Probability of Failure				
			.	6	0/			
		RISK	Exposure	Ş	%			
		High		\$2,561.	1 17.9%			
		Mod	erate	<mark>\$5,964.</mark>	6 41.6%			
	Low			\$5,821.	7 40.6%			

Critical risks are those assessed with a risk rating of High. The City has mitigation plan for all High-risk assets which are outlined in the service area summaries in the Appendix. These

mitigation plans primarily involved priority renewal work for these assets which reduces the risk to the City.

7.3 Infrastructure Resilience Approach

The resilience of the City's infrastructure is vital to ensure services are provided to residents and customers. To adapt to changing conditions the City's requires an understanding of its capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership are key components to consistency.

The City does not currently measure resilience in service delivery. This will be included in future iterations of the AM Plan.

7.4 Service and Risk Trade-Offs

The City's decisions related to balancing costs, resources, service levels, and risk aim to maximize benefits from available resources.

Potential Gaps

There are some operations and maintenance activities and capital projects that are potentially unable to be undertaken within the next 10 years. These may include:

- Planned maintenance (preventive maintenance programs)
- Deferred renewal work

Service Trade-Off

If there is forecasted work (operations, maintenance, renewal, acquisition, or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences can include:

- If some of the planned maintenance is not completed, this typically results in more unplanned service disruptions.
- Deferred capital renewal work may result in lower asset condition that does not meet user expectations and potential asset closures.

Risk Trade-Off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- An increase in unplanned repairs and associated service disruptions.
- Higher lifecycle management costs, deteriorating assets, and potential asset closures.
- Deteriorating assets may become unsafe or have safety concerns and expose the City to potential liabilities.

These actions and expenditures are considered and included in the forecast costs as outlined in Section 6.0 and in each service area summary in the Appendix.

8.0 FINANCIAL SUMMARY

This AM Plan identifies the forecast operations, maintenance, and renewal costs required to provide an agreed level of service to the community over a 10-year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This AM Plan focuses on identifying the state of good repair or renewal need for infrastructure investments to meet proposed service levels and identifying any funding gaps associated with these service levels. The funding gap is the shortfall of the planned investment in the 10-Year Capital Plan compared to the forecasted needs to meet proposed service levels. Funding gaps for other lifecycle activities such as growth and service improvements are estimated where data is currently available but have generally not yet been quantified and will be informed by future development of Master Plans or Strategic Plans.

8.1 Funding Sources

Through the City's budgeting process, capital project and operating activity expenditure information is gathered from each service area. These financial plans include several key sources of funding as outlined in Table 8.1. Figure 8-1 shows the funding sources and the amounts allocated to each source from 2025-2034.

Funding Source	Description
Development Charges & Community Contributions	This funding is collected from developers to help fund infrastructure required to support new growth. These funds are used to pay for capital costs associated with growth-related projects, such as water and wastewater expansions, roads, and community facilities. This funding source ensures that growth pays for growth and helps reduce the financial burden on existing taxpayers.
Enterprise (Self-Funded Services)	This funding applies to services that operate as self- sustaining business units, such as water, wastewater, stormwater, and gas utilities. These services are funded through user fees and charges, rather than property taxes, ensuring that costs are recovered directly from those who use the service. The revenues generated are reinvested into operations, maintenance, and capital renewal of the associated infrastructure.
Grants & External Funding	This funding includes financial contributions from other levels of government (e.g., federal or provincial) or agencies. These are typically provided through infrastructure programs, stimulus packages, or environmental initiatives. While not guaranteed annually, grants can significantly offset capital costs and are often tied to specific projects or outcomes.

Table 8.1 – Summary of Funding Sources

Funding Source	Description
Reserve Funds & Other Capital Reserves	These funds are designated savings set aside by the City to finance future capital needs or to address unexpected expenditures. These reserves support long-term financial sustainability by smoothing out year-to-year budget fluctuations and providing funding for asset renewal, replacement, or major repairs. They may be specific to asset types or more broadly allocated to general capital needs.
Tax & Capital Expenditure Budget	This funding includes municipal property tax revenues and serves as a primary source for capital investment in non- growth-related infrastructure. This funding supports the renewal and upgrade of all assets. The budget is approved annually and aligns with strategic priorities, lifecycle needs, and available fiscal capacity.

Figure 8-1 – Funding Sources (2025-2034)



8.2 Affordability of Proposed Service Levels

The Financial Strategy section compares the planned capital funding available in the City's 10-year Capital Plan against the forecasted capital needs to determine if there is a funding gap to meet proposed service levels.

8.2.1 Growth & Upgrade

As discussed in Section 6.1, the growth and upgrade need for City assets is estimated at an average of \$101.3 million per year over the next 10 years which includes a 0.5% year-overyear growth and upgrade of assets to account for development. Currently, the only known funding gap for upgrades is \$2M/year for achieving the GHG emissions reduction service levels for facilities but this is a preliminary gap and it will be confirmed in the future as additional mechanical/GHG studies are completed. There is no current quantifiable funding gap for growth and upgrade of the other service areas, however on-going development of Master Plan updates will inform future growth-related service levels and recommendations.

8.2.2 Operations & Maintenance

The operating budget focused on asset-related operations and maintenance is \$404.4 million per year from 2025-2034. The estimated increases account for growth in the asset portfolio to maintain service levels over the next 10 years and includes a 0.5% year-over-year growth to account for development.

Operating budget pressures were noted primarily for Roads & Sidewalks and Sanitary Utility Assets:

- Roads & Sidewalks: If renewal projects are deferred, leading to deterioration of the asset portfolio over the 10-year period covered in this AM Plan, there will be a need to increase the spending on O&M to account for the increased reactive maintenance to manage the deteriorated asset condition (i.e., fixing potholes, repairing cracks, etc.).
- Sanitary Utility: While there is a specific budgetary item related to spills, there is difficulty tracing the spill back to the responsible party and recovering costs associated with remediating the spill.

8.2.3 Renewal

As discussed in Section 6.4, the renewal need for City assets is estimated at an average of \$143.8 million per year over the next 10 years and total funding gap of \$30.6 million per year. This renewal need is forecasted to meet proposed service levels selected by the City considering affordability and risk. For most service areas, the proposed service level at least maintains the current condition. For some assets, an improved condition is proposed where the service level is based on recommendations from formal engineering reports or inspections such as OSIM inspections for bridges or BCAs for facilities.

The funding gaps represent needs that exceed the overall funding available in the 10-year Capital Plan for infrastructure renewal. A significant investment gap is estimated for Gas Utility and Facilities assets. A summary of renewal needs and funding gaps is shown in Table 8.2.

Service Area	Annual Average Renewal Needs for Proposed LOS (\$M/year)	Annual Average Planned Budget (\$M/year)	Funding Gap (\$M/year)
Fleet	\$8.3	\$8.3	N/A
Cemeteries	\$0.07	\$0.07	N/A
Golf	\$0.3	\$0.3	N/A
Forestry	\$0.5	\$0.5	N/A
Parking	\$0.02	\$0.02	N/A

Table 8.2 – Renewal Needs Summary

Service Area	Annual Average Renewal Needs for Proposed LOS (\$M/year)	Annual Average Planned Budget (\$M/year)	Funding Gap (\$M/year)
Parks, Open Spaces & Trails	\$6.9	\$6.9	N/A
Transportation	\$0.4	\$0.4	N/A
Water Utility	\$18.4	\$18.4	N/A
Sanitary Utility	\$25.7	\$25.7	N/A
Stormwater	\$8.6	\$8.6	N/A
Bridges & Culverts	\$0.7	\$0.7	N/A
Roads & Sidewalks	\$22.6	\$22.6	N/A
Gas Utility	\$14.4	\$8.3	\$6.1
Facilities	\$36.7	\$12.3	\$24.5
TOTAL	\$143.8	\$113.2	\$30.6

Figure 8-2 illustrates the resulting condition profile for all City assets based on the Planned Budget for each service area. Based on the Planned Budget renewal scenario, the overall asset condition for all City assets is expected to slightly deteriorate over the next 10 years.



Figure 8-2: Planned Budget Condition Profile

Error! Not a valid bookmark self-reference. illustrates the resulting condition profile for all City assets based on the Proposed LOS the City has chosen for each service area. Based on the Proposed LOS renewal funding scenarios chosen by the City, the overall asset condition for all City assets is expected to improve over the next 10 years. This scenario is unlikely to be realized given that there is a \$30.6 million / year funding gap to meet the Proposed LOS.



Figure 8-3: Proposed LOS Condition Profile

The forecast condition profiles for each of the service areas listed above are outlined in the service area summaries in the Appendix.

8.3 Managing Risks Associated with Funding Gaps

The City reviews and updates Master Plans to assess what is working well and what may need adjustment, to ensure the plan continues to reflect the needs and priorities of a growing community. The Master Plans help manage risks related to population growth by identifying where growth is occurring and deciding if planned projects are in the right places, or if changes are needed to better serve growing communities.

To manage the risks of the renewal funding gaps, the City will continue to prioritize available funding based on the criticality of projects to prevent disruptions to service delivery. The City also continues to improve coordination and collaboration to improve planning and coordination of capital projects between departments to maximize resources. The City will also continue to identify funding opportunities through federal and provincial programs and explore potential partnerships and corporate sponsorships to raise external funds.

8.4 Limitations of Forecasts and Funding Gaps

The forecasts and funding gap estimates in this AM Plan are based on currently available data and are expressed in 2025 dollars. For assets where construction year and formal condition assessments are not available, the renewal forecast assumes that these assets require a regular average annual reinvestment amount based on their replacement value and estimated service life. Timing of lifecycle activities can therefore be improved by investment in data collection or expanding the condition assessment program, as identified for various service areas. Some forecasts are also based on older condition assessments which should be updated for critical infrastructure to increase the accuracy of the renewal forecast. Data gaps were resolved where possible through consultation with City staff during development of this AM Plan.

9.0 REFERENCES

United Nations, Managing Infrastructure Assets for Sustainable Development Kitchener Changing for Good, Our Climate Strategy Action Plan City of Kitchener, Corporate Risk Management (GOV-COR-016), p 2 O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure City of Kitchener Cycling and Trails Master Plan 2020 City of Kitchener Places & Spaces – Parks Strategic Plan City of Kitchener Development Charges Study 2022 City of Kitchener Leisure Facilities Master Plan 2019 City of Kitchener Strategic Plan 2023-2026 City of Kitchener Official Plan 2014 City of Kitchener Sanitary Master Plan City of Kitchener Stormwater Master Plan

10.0 APPENDIX A – FLEET SERVICES

The Fleet service area is responsible for the procurement, maintenance, and lifecycle management of the City's vehicle and equipment inventory used across all departments to support service delivery.

10.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's Fleet services. The assets managed by Fleet Services and included in this AM Plan are shown in Table 10.1. The largest portion of the asset mix are Dump/Fire Truck assets with a replacement value of \$29.8M (approximately 38% of the total replacement value of all Fleet assets).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Misc Small Equipment	Augers, Compactors, Pallet Truck, Scissor Lifts, etc.	\$1.6M	2.0%
Lawn/Turf Equipment	Aerators, Lawn Mowers, Seeders, Tractors, etc.	\$7.5M	9.5%
Off Road Equipment	Backhoes, Excavators, Forklifts, Sweepers, etc.	\$18.7M	23.9%
Licensed Equipment	Cars, Pickups, Trailers, Vans, etc.	\$19.5M	24.9%
Arena Equipment	Ice Edgers and Ice Resurfacers	\$1.4M	1.7%
Dump/Fire Trucks	Aerial Pumpers, Dump Trucks, Fire Rescues, Garbage Packers, etc.	\$29.8M	38.0%
TOTAL		\$78.4M	100%

Table 10.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in



Figure 10-1 – Asset Age Profile

Avg. Age Within Service Life 🛛 Avg. Remaining Service Life 🛛 Avg. Years Beyond Service Life

Notes on the above Asset Age Profile:

 Misc Small Equipment and Arena Equipment have an average age that has surpassed their average service life.

Asset condition

The asset condition profile by replacement cost for Fleet services is shown in

Figure 10-2. The asset condition profile by asset category is shown in Figure 10-3. The condition assessment of the City's Fleet assets provides insight into the reliability of its infrastructure. Overall, approximately 62% of the City's Fleet assets have a condition rating of fair or better.

Figure 10-2 – Asset Condition Profile



Figure 10-3 – Asset Condition Profile by Asset Category



10.2 LEVELS OF SERVICE

Table 10.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
	Community	Performance		Performance		Target/Proposed Notes	Notes
LOS Category	Level of Service	Measure	2022	2023	2024	Performance (Value or Qualitative Trend)	
		% of Completed Inspections Non- CVOR	52%	37%	40% (excl. Q4)	100%	
	The City aims to maintain a safe,	% of Completed Inspections CVOR PM	79%	62%	51% (excl. Q4)	100%	
Quality & Reliability	reliable, and cost-effective fleet that	% of Completed Inspections CVOR PMCVI	76%	N/A	84% (excl. Q4)	100%	
	supports operational and community needs by ensuring timely and compliant maintenance and inspections.	Average # of days past due PM (Non- Commercial)	6.6 days	7.8 days	8.2 days (excl. Q4)	100%	
		Average # of days past due PMCVI (Commercial)	N/A	N/A	15.1 days (excl. Q4)	0 days	
		Average vehicle downtime	3.0 days	2.8 days	2.5 days (excl. Q4)	< 2 days	
		% of planned work compared to unplanned work	83.7% planned	76.5% planned	85.3% planned	>85% planned	
Quality & Reliability	The City aims to maintain its Fleet assets in a state of good repair	% of critical fleet assets within Expected Life			Possible fut	ure metric	

Table 10.2 – Levels of Service

10.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

10.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 10-4. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.





10.3.2 Summary of Forecast Operations and Maintenance Costs

Figure 10-5 shows the forecast operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 10.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 10-5 – Operations and Maintenance Summary

10.3.3 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed, and/or budgets are reprioritized.

Figure **10-6** shows the forecasted condition of Fleet assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$8.3 million per year to invest in the renewal of its Fleet assets.

1. Planned Budget / Expected Performance

(\$8.3 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to improve (% of assets beyond expected service life) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based on its age relative to its estimated service life** (see Table 24.1 in Appendix O) and estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



(\$8.3 million per year average renewal investment from 2025 - 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with Fleet assets.



Additionally, the lifecycle average annual renewal need for Fleet assets is approximately **\$8.7 million per year.** This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** The City's proposed renewal investment of \$8.3 million per year in the renewal of Fleet assets from 2025 – 2034 aligns well with the expected need in the years beyond the analysis period.

10.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Supply Chain Disruptions:** The procurement team is always looking for alternative suppliers to strengthen the supply chain and make it more resilient. There is precommitted capital funding which helps to get orders in early so that the fleet arrives when it is needed.
- Electric Vehicle Infrastructure: Some charging stations are set up, but the City is working to develop an improved strategy for future electrification that includes fleet, supporting infrastructure, etc. This strategy will also consider the risks due to power outages and how deployment of the assets will occur.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.14 in Appendix O) with the probability of failure ratings for all infrastructure represented within Fleet services. As shown in Figure 10-7, an estimated \$32.4 million (41.4%) of Fleet assets currently have a high-risk exposure.



Figure 10-7 – Risk Exposure Map for Fleet Assets

Critical asset risks are those assessed with a risk rating of High. The mitigation plan, residual risk risk and mitigation costs of implementing the selected mitigation plan are shown in

Table 10.3.

Table 10.3 – Risk Mitigation and Plans

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Arena Equipment	Doorocot		Renewal		\$0.9
Dump/Fire Trucks	Poor asset condition resulting in the inability to perform services	High	work to perform any necessary repairs or replacement of assets	Low	\$18.7
Licensed Equipment					\$6.8
Off Road Equipment					\$6.1

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

10.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Fleet asset management are shown in

Table 10.4.

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Develop more accurate unit costing for fleet assets, particularly for specialized equipment Develop a condition assessment approach applicable to all assets to support a more comprehensive asset management approach allowing the City to transition away an age based approach

AM Plan Section	Improvement Recommendation
Levels of Service	 Consider breaking out metrics by asset categories to better reflect the City's fleet management practices Develop formal metrics for capacity and use to track vehicle utilization during comprehensive condition assessments Create functional levels of service metrics related to environmental initiatives, such as converting vehicles to electric alternatives Refine the tracking of fuel consumption data to support environmental initiatives and align with the City's corporate climate action plan Refine the tracking of preventative maintenance completion rates by separating different categories of inspections (commercial vehicles, non-commercial vehicles, specialized equipment) Consider excluding lower-value assets from certain metrics to
	 get a more accurate picture of fleet performance Embed vehicle equivalency analysis into asset attributes to
	 Analyze the financial impact of adjusting the preventative maintenance schedule
Lifecycle Management and Financial Summary	 Develop specific budget accounts to fund inspections and preventative maintenance
	• Create a model to understand the financial impact of not achieving target performance levels
	• Develop a clearer understanding of future growth acquisitions that are required to meet service targets
Risk Management	 Improve the alignment of the fleet risk assessment with Enterprise Risk Framework and asset management Consider the impact of parts availability on vehicle downtime and incorporate this into risk assessments Develop a risk assessment for managing fleet maintenance during unpredictable events like bad winters

11.0 APPENDIX B – CEMETERY SERVICES

The Cemeteries service area manages municipal and abandoned burial grounds, ensuring respectful interment services, maintenance of cemetery infrastructure, and preservation of historical and cultural assets.

11.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's Cemetery services. The Cemetery assets covered by this AM Plan are shown in Table 11.1. The largest portion of the asset mix are Interment Memorials assets with a replacement value of \$5.7M (approximately 62% of the total replacement value). Note that buildings structures (i.e., mausoleums, etc.) are included in the Facilities Appendix and not this Appendix section.

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Cemetery Infrastructure – Discrete	Garbage Cans, Fountains, Gates, Bollards, Benches	\$0.1M	1.1%
Cemetery Infrastructure – Linear	Roadways/Parking Lots, Fences	\$2.1M	22.3%
Cemetery Structures	Wetland Gazebo, Wetland Bridge, Pond Bridge, Dedication Centre Pergola, Serbian Pergola, Trail Entrance Features	\$0.6M	6.0%
Equipment	Lowering Units	\$0.02M	0.2%
Horticulture	Horticultural Beds	\$0.2M	2.6%
Interment Features	Art/Artifacts, Stone Walls, Reflection Stones	\$0.6M	6.0%
Interment Memorials	Statues, Memorial Trees, Memorial Benches, Burial Greens, Urn Tables, Columbarium, Ossuary/Scattering Gardens, Memorial Plaques	\$5.7M	61.7%
TOTAL		\$9.2M	100%

Table 11.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 11-1.




Notes on the above Asset Age Profile:

 Any assets missing information on install date have been excluded from the asset age profile shown above.

Asset condition

The asset condition profile by replacement cost for cemetery services is shown in Figure 11-2. The asset condition profile by asset category is shown in Figure 11-3. The condition assessment of the City's Cemetery assets provides some perspective on the overall reliability of its infrastructure. Overall, approximately 99% of the City's cemeteries assets have a condition rating of fair or better.

Approximately \$0.1 million (1%) of Cemetery assets are in unknown condition. These unknown assets are comprised primarily of Memorial Benches (0.1 million).



Figure 11-2 – Asset Condition Profile

Figure 11-3 – Asset Condition Profile by Asset Category



11.2 LEVELS OF SERVICE

Table 11.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
LOS	Community	Performance		Performance		Target/Proposed	
Category Le	Level of Service	Measure	2022	2023	2024	Performance (Value or Qualitative Trend)	Notes
Ens infr Capacity & mee Use pop com nee		Number of casket burials performed per year	383	370	347	N/A	
	Ensure adequate infrastructure to meet growing population and community needs	Number of cremation interments performed per year	508	464	485	N/A	
		Percentage of remaining lots available	Possible future metric				
		needs	Active acreage of maintained Cemeteries (hectares)	N/A	N/A	51.4 (City is currently in the process of taking over a cemetery	City is currently working with other municipalities to create benchmarks for this metric
Quality & Provide infrastructure in acceptable condition by following proper maintenance standards	% of assets within service life	N/A	99.5% (of assets with age data)	100% (of assets with age data)	N/A		
	infrastructure in acceptable condition by following proper maintenance standards	Average pavement condition index (PCI) of cemetery roads	Possible future metric				
		Number of work orders completed	959	1064	1026	City currently has information on total work orders. Critical work orders are	

Table 11.2 – Levels of Service

Technical Focused Levels of Service							
LOS	Community	Performance		Performance		Target/Proposed	
Category	Level of Service	Measure	2022	2023	2024	Performance (Value or Qualitative Trend)	Notes
						completed within one week, non-critical within 4 weeks. The City also has information on when work orders were opened and closed. Some work orders are seasonal based and would be open over the winter.	
		Number of interment rights sales	425	402	403	Achieve an annual increase in interment rights sales that is at least equal to the local population growth rate, ensuring a sustainable balance between supply and demand for cemetery services.	

11.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

11.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 11-4. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually (some of which might not be reflected in the following figure). City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.



Figure 11-4 – Yearly Acquisition Summary

11.3.2 Summary of Forecast Operations and Maintenance Costs

Figure 11-5 shows the forecast operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 11.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 11-5 – Operations and Maintenance Summary

11.3.3 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 11-6 shows the forecasted condition of Cemetery assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$0.07 million per year to invest in the renewal of its Cemetery assets.

1. Planned Budget / Expected Performance

(\$0.07 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to be maintained (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (86% of assets by replacement value).** For the remaining assets, the condition is determined based on their age relative to their estimated service life (see Table 24.2 in Appendix O). The forecast then estimates the planned replacement year based on when the asset has reached end of life.



2. Proposed LOS: Planned Budget (\$0.07 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which maintains asset condition over the next 10 years. As a result, there is no funding gap associated with Cemetery assets.



Additionally, the lifecycle average annual renewal need for Cemetery assets is approximately **\$0.2 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$0.07 million per year in the renewal of Cemetery assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

11.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

• **Overcrowding:** The Cemeteries Strategic Plan completed in 2025 and lays out recommendation for managing capacity in the future.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.15 in Appendix O) with the probability of failure ratings for all infrastructure represented within Cemetery services. As shown in Figure 11-7, an estimated \$0.02 million (0.2%) of Cemetery assets currently have a high-risk exposure.

		Risk expo	osure in yea	ar 2025 \$, milli	ons				
nce e	Catastrophic	\$0.00	\$0.00	\$0.00	\$0.02	\$0.00	Risk Exposure	\$	%
quel	Major	\$0.00	\$0.15	\$5.07	\$0.00	\$0.00	High	\$0.02	0.2%
nse of Fa	Moderate	\$0.54	\$0.32	\$0.05	\$0.00	\$0.00	Moderate	\$5.28	58.1%
ŝ	Minor	\$0.04	\$0.81	\$2.07	\$0.00	\$0.00	Low	\$3.78	41.6%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$9.1	100.0%
Probability of Failure									

Figure 11-7 – Risk Exposure Map for Cemetery Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan are shown in

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs
Lowering Units	Poor asset condition resulting in the inability to perform burial services	High	Renewal work to perform any necessary repairs on the assets and regular planned maintenance to prevent unplanned downtime	Low	Approximately \$4,500 per year

Table 11.3 – Risk Mitigation and Plans

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

11.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Cemetery asset management are shown in Table 11.4.

Table 11.4 – Improvement Recommendations – Cemeteries

AM Plan Section	Improvement Recommendation					
	 Consider centralizing all parking lots across different service areas (including cemeteries) for consistent management and reporting 					
State of Local Infrastructure	 Develop a more comprehensive inventory of cemetery roads and integrate them into the Roads Program for better long- term maintenance planning Determine condition of assets currently reported in unknown condition 					

AM Plan Section	Improvement Recommendation
Levels of Service	 Develop usage-based measures rather than simple ratios to better reflect cemetery access and utilization Consider incorporating customer service metrics, including: total inquiries received, sales completed, number of emails and phone calls received and placed Separate metrics for outdoor maintenance teams and administrative teams to better track customer service and staffing costs Develop a more accurate method to track cremation interments and lot sales to better forecast capacity needs Upgrade cemetery management software to better track and manage cemetery assets and operations
Lifecycle Management and Financial Summary	 Develop a detailed cost estimation process for taking on new cemeteries, including labour and equipment implications Create a more accurate method to estimate burial and staffing costs, accounting for seasonality and labour allocation challenges Develop a comprehensive maintenance strategy for cemetery roads that aligns with the city's overall road maintenance program Develop detailed cost estimate for abandoned cemeteries the City must assume ownership of as per legislation
Risk Management	 Develop a risk assessment framework specific to cemetery operations, considering: capacity constraints, maintenance requirements and heritage preservation needs Create a risk mitigation strategy for cemetery expansion, aligned with the master plan recommendations

12.0 APPENDIX C – GOLF SERVICES

The Golf service area operates the City-owned golf courses, providing recreational opportunities to residents while maintaining the associated grounds, buildings, and equipment.

12.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's golf services. The golf assets covered by this AM Plan are shown in Table 12.1. The largest portion of the asset mix are Course Infrastructure - Linear assets with a replacement value of \$8.6M (approximately 57% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Course Infrastructure – Discrete	Lighting, Bike Racks, Flag Poles, Benches, Water Fountains, Garbage Cans	\$0.1M	0.9%
Course Infrastructure – Linear	Irrigation Systems, Pedestrian Bridges	\$8.6M	56.6%
Course Structures	Entrance Features	\$0.01M	0.1%
Course Features	Bunkers, Fairways, Greens, Rough, Practice Greens, Tee Complexes, Short Course Greens, Short Course Tees (Synthetic), Practice Ranges (Synthetic), Practice Ranges (Natural)	\$4.9M	31.9%
Golf Carts	Golf Carts (Gas), Golf Carts (Electric), Golf Carts (Lithium)	\$1.6M	10.5%
TOTAL		\$15.2M	100%

Table 12.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 12-1.



Figure 12-1 – Asset Age Profile

Notes on the above Asset Age Profile:

- Irrigation systems are shown to, on average, be beyond their expected service life and City staff noted that as issues arise, they manage and fix leaks.
- Any assets missing information on install date have been excluded from the asset age profile shown above.

Asset condition

The asset condition profile by replacement cost for golf services is shown in Figure 12-2. The asset condition profile by asset category is shown in Figure 12-3. The condition assessment of the City's golf assets provides some perspective on the overall reliability of its infrastructure. Overall, approximately 71% of the City's golf assets have a condition rating of fair or better.

Approximately \$3.8 million (25%) of Golf assets are in unknown condition. These unknown assets are comprised of Greens (1.8 million), Bunkers (1.2 million), Rough (0.6 million) and Fairways (0.2 million).









12.2 LEVELS OF SERVICE

Table 12.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
	Community	Performance		Performance		Target/Proposed	
LOS Category	Level of Service	Measure	2022	2023	2024	Qualitative Trend)	Notes
Capacity & Use	Ensure adequate infrastructure to meet growing population and community needs	Number of rounds of golf played compared to the number of days open for use (excluding rain days).	81,064 rounds : 198 days Average 409.4	96,615 rounds : 200 days Average 483.1	88,340 rounds : 206 days Average 428.8	Due to variable nature of the golf season no target is being set.	
Provide infrastructure in acceptable condition and cleanliness by following and providing proper maintenance standards and inspections	Number of buckets (or number of balls hit) used at the driving range compared to the number of days open	4,878 buckets : 198 days Average 24.6	5,035 buckets : 200 days Average 25.2	6,686 buckets : 206 days Average 32.5	Due to variable nature of the golf season no target is being set.		
	acceptable condition and cleanliness by following and providing proper maintenance standards and inspections	% of assets within service life (by replacement value)	N/A	62% (of assets with age data)	50% (of assets with age data)	Based on available budget	
		Number of breaks in the irrigation system (Pump House) compared to water use	1 break : 164.7 million litres	1 break : 73.6 million litres	1 break : 64.9 million litres	Maintain current performance	
		Grass cutting cycle			Possible f	future metric	
		Maintenance standards			Possible	future metric	
Financial Sustainability		Cost per round played	Possible future metric				

Table 12.2 – Levels of Service

12.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

12.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. However, the City has no planned growth or expansion of golf assets during the analysis period.

12.3.2 Summary of Forecast Operations and Maintenance Costs

Figure 12-4 shows the operations and maintenance costs that were forecasted to remain steady as there is no plan to increase the Golf portfolio in the next 10 years, with the exception of regular inflation increases.





12.3.3 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 12-5 shows the forecasted condition of Golf assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$0.3 million per year to invest in the renewal of its Golf assets.

1. Planned Budget / Expected Performance (\$0.3 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to be improved (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (75% of assets by replacement value).** For the remaining assets, the condition is determined based on their age relative to their estimated service life (see Table 24.3 in Appendix O). The forecast then estimates the planned replacement year based on when the asset has reached end of life.



2. Proposed LOS: Planned Budget

(\$0.3 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with Golf assets.



Additionally, the lifecycle average annual renewal need for Golf assets is approximately **\$0.6 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$0.3 million per year in the renewal of Golf assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

12.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Supply Chain Disruptions:** Most procurement for golf assets is conducted with suppliers in Ontario which staff indicated improves the resilience.
- **Electric Vehicle Infrastructure:** Staff noted that upgrades to the Maintenance Building would be required in order to electrify additional fleet assets.
- Irrigation: Staff manage irrigation needs annually based on weather conditions. Irrigation breaks are managed as needed.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.15 in Appendix O) with the probability of failure ratings for all infrastructure represented within Cemetery services. As shown in Figure 12-6, there are currently no Cemetery assets with high-risk exposure.

		Risk expo	osure in yea	ar 2025 \$, milli	ons				
nce e	Catastrophic	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Risk Exposure	\$	%
quei	Major	\$0.0	\$2.0	\$0.0	\$0.0	\$0.0	High	\$0.0	0.0%
nse(Moderate	\$1.6	\$3.5	\$3.2	\$0.0	\$0.0	Moderate	\$5.3	45.9%
ပိ	Minor	\$0.0	\$0.3	\$0.2	\$0.0	\$0.7	Low	\$6.2	54.1%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$11.5	100.0%
Probability of Failure									•

Figure 12-6 – Risk Exposure Map for Golf Assets

Critical risks are those assessed with a risk rating of High, however, there are currently no golf assets with a risk rating of High.

12.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Golf asset management are shown in Table 12.3.

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Improve condition assessment methodology beyond age- based ratings to better reflect actual asset performance, especially for irrigation systems Develop a more comprehensive inventory of golf course equipment with standardized service life estimates Asses the current condition of the "Unknown" condition assets
Levels of Service	 Consider adding "cost per round" as a financial efficiency metric to evaluate operational performance Consider developing maintenance standards for grass cutting cycles as a quality metric, though this would need to account for weather variability
Lifecycle Management and Financial Summary	 Improve tracking of operating costs against rounds played to better understand financial sustainability Develop more detailed replacement schedules for high-value assets like irrigation systems and pump houses Create a more structured approach to cart fleet management based on usage data to optimize replacement timing Establish clearer categorization of capital projects between growth, renewal, and upgrade to improve budget allocation Develop a more detailed maintenance strategy for golf course assets that accounts for seasonal variations
Risk Management	 Incorporate climate change considerations into risk assessments, particularly for irrigation systems and course conditions

Table 12.3 – Improvement Recommendations – Golf

13.0 APPENDIX D – FORESTRY SERVICES

The Forestry service area oversees the management and stewardship of the City's urban forest, including street trees, park trees, and natural wooded areas, supporting canopy health and biodiversity while also expanding the canopy to meet City canopy targets.

13.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's forestry services. The forestry assets covered by this AM Plan are shown in Table 13.1.

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Street Trees	Trees	\$129.9M	75.5%
Park, Cemetery, Golf & Other Trees	Trees	\$42.1M	24.5%
TOTAL		\$172.0M	100%

Table 13.1 – Asset	s Inventory	Summary
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The age profile of the assets included in this AM Plan are shown in Figure 13-1. Overall Street Trees have an average age of 41.8 years and Park, Cemetery, Golf & Other Trees have an average age of 44.6 years.





Asset condition

The asset condition profile by replacement cost for forestry services is shown in Figure 13-2. The asset condition profile by lifecycle category is shown in Figure 13-3. The condition assessment of the City's forestry assets provides insight into the reliability of its assets. Overall, approximately 83% of the City's forestry assets have a condition rating of fair or

better. Approximately \$17.9 million (10%) of Forestry assets are in unknown condition. These unknown assets are comprised of Street Trees (10.6 million) and Park, Cemetery, Golf & Other Trees (7.3 million).



Figure 13-2 – Asset Condition Profile





Good Fair Poor Very Poor / Dead Unknown Condition

13.2 LEVELS OF SERVICE

Table 13.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
LOS Category	Community Level of Service	Performance Measure	Performance			Target/Proposed	
			2022	2023	2024	Performance (Value or Qualitative Trend)	Notes
Capacity & Use	Services have enough capacity and are available to everyone	# of trees planted per year	1,158	710	1,012	Target of planting 900 street and park trees per year.	
Quality & Reliability	Provide infrastructure in acceptable condition by following proper maintenance standards	Number of trees receiving preventative maintenance	1,700 trees pruned	4,500 trees pruned	7,200 trees pruned	The City aims to prune 6,000 trees per year	
		Ratio of preventative maintenance to reactive work	N/A	1,240 : 4,782	9,485 : 2,082	General trend to advance forestry program to a proactive program based on tree pruning to encourage healthy and long living trees vs reactive program based on customer driven complaints.	
		Average time to remove and replace tree fully (using phased approach – remove canopy, remove stump, grind stump, replace)	N/A	N/A	The City is achieving the target on average, but does not have accurate information on a tree-by-tree basis	Defined service level is 2 years. The City is looking to improve this target to 1 year	

Table 13.2 – Levels of Service

13.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

13.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social or environmental needs. Forecast acquisition asset costs are summarized in Figure 13-4. This figure includes an estimated 4,000 trees per year that are being assumed by the City from existing developments (estimated replacement value is \$1800/tree).





Summary of Forecast Operations and Maintenance Costs

Figure 13-5 shows the forecast operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased by 10% annually to account for an increase in the size of the asset portfolio, as identified by the department leadership. Regular increases related to inflation were not included. Additional annual increases to operations and maintenance costs, outside of the existing budget, included:

- \$225k/year to meet a 7 year pruning cycle instead of a 10 year cycle.
- \$114k/year to hire 2 additional arborists to implement the juvenile street tree pruning program.
- \$20k/year to support an incentive program to encourage the retention of mature trees located on private property. This program would allow homeowners to access funding to subsidize cost of pruning on private trees. Similar programs have been implemented successfully elsewhere.



Figure 13-5 – Operations and Maintenance Summary

13.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 13-6 shows the forecasted condition of Forestry assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$0.5 million per year to invest in the renewal of its Forestry assets.

1. Planned Budget / Expected Performance

(\$0.5 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to be improved (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (86% of assets by replacement value).** For the remaining assets, the condition is reported as "Unknown". The forecast then estimates the replacement of assets based on the reduction of Very Poor and Poor condition assets to align with the planned budget.



(\$0.5 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with renewal of Forestry assets.



Currently, it is not possible to determine a lifecycle average annual renewal need for Forestry assets (this value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life). The City is currently working on developing approximate replacement values of Forestry assets by species in order to determine this amount for future iterations of the AM Plan.

13.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- Weather-Related: The City has a proactive pruning program that helps to reduce the weight of the tops of trees. Staff noted a need to improve the pruning program for young trees so that they become more resilient to weather.
- **Biological:** Staff are working on an invasive species management plan which will outline the needs for the future.
- Lack of Watering: Current watering program allows for watering for the tree's first two years. Staff noted that there are not enough resources to increase watering during period of drought in summer months.
- **People's Use/Abuse of Trees:** Staff hang information on doors regarding new trees that are planted in resident's yards.
- **Tree Procurement:** Staff have specific tree procurement specifications based on where trees will be planted which has helped trees meet their expected service life.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.17 in Appendix O) with the probability of failure ratings for all infrastructure represented within Forestry services. As shown in Figure 13-7, an estimated \$10.2 million (6.6%) of Forestry assets currently have a high-risk exposure.

Risk exposure in year 2025 \$, millions									
Consequence of Failure	Catastrophic	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Risk Exposure	\$	%
	Major	\$0.0	\$75.9	\$34.2	\$7.6	\$1.7	High	\$10.2	6.6%
	Moderate	\$0.0	\$27.3	\$5.3	\$1.3	\$0.8	Moderate	\$116.7	75.7%
	Minor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Low	\$27.3	17.7%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$154.1	100.0%
Probability of Failure								•	

Figure 13-7 – Risk Exposure Map for Forestry Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan are shown in Table 13.3.

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Street Trees	Poor asset condition resulting in potential safety risks to the public	High	Renewal work to perform any necessary maintenance or replacement of assets	Low	\$10.2

Table 13.3 – Risk Mitigation and Plans

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

13.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Forestry asset management are shown in Table 13.4.

AM Plan Section	Improvement Recommendation				
	 Update tree inventory data regularly to ensure the most accurate representation of forestry assets 				
State of Local	 Develop a more comprehensive valuation methodology for trees that accounts for ecological and social benefits 				
Infrastructure	 Improve data collection for tree species diversity to support urban forest resilience planning 				
	 Incorporate woodlots into future AM Plans 				
	 Asses the current condition of the "Unknown" condition assets 				

Table 13.4 – Improvement Recommendations – Forestry

AM Plan Section	Improvement Recommendation				
Levels of Service	 Refine the tree canopy cover measurement methodology to allow for more frequent updates than the current 5-year interval Develop a more detailed tracking system for the average time to remove and replace trees, with a goal to reduce from two years to one year Create metrics to track the percentage of new trees planted versus replacement trees to measure canopy expansion Establish clear performance measures for tree planting in new developments to ensure consistent application of standards 				
Lifecycle Management and Financial Summary	 Develop more accurate costing models for preventative maintenance activities to better forecast budget needs Develop an improved deterioration model for trees that accounts for early tree failures (<5 years) Incorporate tree planting targets (1,000 trees per year) into long-term financial modelling Establish clearer financial implications for improving the ratio of preventative to reactive work Develop a funding strategy to support the City's tree canopy target of 30% by 2050 and 33% citywide by 2070 Incorporate the financial value of ecosystem services provided by trees into the asset valuation 				
Risk Management	 Create a methodology to prioritize preventative maintenance based on risk factors Establish clear risk ratings for different tree species based on susceptibility to pests, diseases, and climate change Implement a risk-based approach to tree planting that considers location, species selection, and climate resilience Develop contingency plans for extreme weather events that may impact the urban forest 				

14.0 APPENDIX E – PARKING SERVICES

The Parking service area manages on-street and off-street municipal parking assets, including surface lots, meters, and other equipment to support mobility and downtown vitality.

14.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's Parking services. The Parking assets covered by this AM Plan are shown in Table 14.1. The largest portion of the asset mix are Surface Lots assets with a replacement value of \$2.5M (approximately 76% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Parking Lots – Above Ground	Surface Lots	\$2.5M	75.6%
Parking Equipment	Pay by Plate Units	\$0.2M	6.2%
EV Charging Stations	EV Charging Stations	\$0.1M	2.1%
Parking Sundry & Miscellaneous Bike Racks, Light Standards		\$0.5M	16.1%
TOTAL		\$3.3M	100%

Table 14.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in

Figure 14-1.



Figure 14-1 – Asset Age Profile

Notes on the above Asset Age Profile:

 Any assets missing information on install date have been excluded from the asset age profile shown above.

Asset condition

The asset condition profile by replacement cost for Parking services is shown in

Approximately \$0.5 million (16%) of Parking assets are in unknown condition. These unknown assets are comprised primarily of Light Standards (\$0.4 million) and Parking Bollards (\$0.1 million).

Figure 14-2. The asset condition profile by asset category is shown in

Figure 14-3. The condition assessment of the City's Parking assets provides insights into the reliability of its infrastructure. Overall, approximately 81% of the City's Parking assets have a condition rating of fair or better.

Approximately \$0.5 million (16%) of Parking assets are in unknown condition. These unknown assets are comprised primarily of Light Standards (\$0.4 million) and Parking Bollards (\$0.1 million).

Figure 14-2 – Asset Condition Profile



Figure 14-3 – Asset Condition Profile by Asset Category



14.2 LEVELS OF SERVICE

Table 14.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service								
LOS Category	Community Level of Service	Performance Measure	Performance			Target/Proposed		
			2022	2023	2024	or Qualitative Trend)	Notes	
Quality & Reliability	Provide infrastructure in acceptable condition and cleanliness by following and providing proper maintenance standards and inspections	% of assets within service life (by replacement value)	N/A	100% (of assets with age data)	100% (of assets with age data)	N/A: The City plans to review the need for parking assets once they fail in accordance with the Economic Development Plan.		
Financial Sustainability	City services are affordable and sustainable	Annual net revenue generated per parking space (including garages and off-street)	\$313.63	\$371.63	366.87	The City wants to make sure that this metric stays the same or improves over time.		

Table 14.2 – Levels of Service

14.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

14.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. However, the City has no planned growth or expansion of Parking assets during the analysis period.

14.3.2 Summary of Forecast Operations and Maintenance costs

Figure 14-4 shows the operations and maintenance costs that were forecasted to remaining steady as there is no plan to increase the asset portfolio in the next 10 years, with the exception of regular inflation increases.





14.3.3 Summary of Forecast Renewal Costs

Forecast renewal costs are not projected to increase for parking assets as there is no plans to grow the portfolio and as assets fail, there is a process to review if the asset is required to be replaced or if the space could be repurposed for other City initiatives.

Figure 13-6 shows the forecasted condition of Parking assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$0.02 million per year to invest in the renewal of its Parking assets.

Figure 14-5 – Forecast Renewal Scenarios

Planned Budget / Expected Performance (\$0.02 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to deteriorate (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (82% of assets by replacement value).** For the remaining assets, the condition is determined based on their age relative to their estimated service life (see Table 24.4 in Appendix O). The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.


Proposed LOS: Planned Budget (\$0.02 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which will cause asset condition to deteriorate over the next 10 years. As a result, there is no funding gap associated with Parking assets. This aligns with the City's run-to-failure strategy for Parking assets. Once the assets have reached failure, the City plans to dispose of these assets for development purposes.



Additionally, the lifecycle average annual renewal need for Parking assets is approximately **\$0.1 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** However, this analysis is not relevant due to the City's run-to-failure strategy for Parking assets.

14.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Maintenance Issues:** Staff visit and inspect parking lots daily and conduct an annual review of asphalt condition to identify needs.
- **Capacity Planning:** A long-term parking strategy is being developed in 2025 which will outline the parking needs for the City.
- **System Failures:** There is a 10-year contract with an existing contractor with 9-years remaining. This contract includes service level agreements for response times for outages.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.18 in Appendix O) with the probability of failure ratings for all infrastructure represented within Parking services. As shown in Figure 14-6, there are currently no Parking assets with high-risk exposure.

Risk exposure in year 2025 \$, millions									
Consequence of Failure	Catastrophic	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Ris		
	Major	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Hię		
	Moderate	\$0.0	\$0.1	\$2.3	\$0.1	\$0.0	Mo		
	Minor	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	Lo		
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	То		
Probability of Failure									

Figure 14-6 –	· Risk Exposure	Map for	Parking	Assets
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Risk Exposure	\$	%
High	\$0.0	0.0%
Moderate	\$2.4	86.6%
Low	\$0.4	13.4%
Total	\$2.8	100.0%

Critical risks are those assessed with a risk rating of High, however, there are currently no

14.5 AM PLAN IMPROVEMENT AND MONITORING

Parking assets with a risk rating of High.

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Forestry asset management are shown in Table 14.3.

Table 14.3 – Improvement Recommendations – Pe	arking
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AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Create an inventory for bollards in the above ground parking lots Asses the current condition of the "Unknown" condition assets
Levels of Service	 Consider adding capacity and use metrics to track parking utilization rates Align parking service levels with the City's 2023-2026 strategic plan objectives
Lifecycle Management and Financial Summary	• N/A
Risk Management	• N/A

15.0 APPENDIX F – PARKS, OPEN SPACES & TRAILS SERVICES

The Parks, Open Spaces & Trails service area includes the planning, development, and maintenance of the City's parks, natural areas, sports fields, and trail networks, promoting recreation, environmental stewardship, and community well-being.

15.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's parks, open spaces, and trails services. The park, open space, and trail service assets covered by this AM Plan are shown in Table 15.1. The largest portion of the asset mix are Pedestrian Network assets with a replacement value of \$74.1M (approximately 59% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Recreational Fields	Ball Diamonds, Cricket, Lawn Bowling, Soccer Fields, Disc Fields, Field Hockey Pitch	\$27.6M	22.1%
Recreational Hard Surfaces	Outdoor Rinks, Tennis Courts, Basketball Courts, Volleyball Courts, Bike Parks, Skateboard Parks, Shuffleboard Court, Pickleball Court	\$8.6M	6.9%
Playgrounds	Playgrounds	\$12.3M	9.9%
Pedestrian Network	Boardwalks, Bridges, Trails	\$74.1M	59.4%
Park Amenities & Furnishings	Dog Parks, Bike Racks, Garbage Containers, Picnic Tables, Bollards, Benches	\$2.2M	1.8%
TOTAL		\$124.7M	100%

Table 15.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 15-1.





Avg. Age Within Service Life 🛛 Remaining Service Life 🛛 Avg. Years Beyond Service Life

Notes on the above Asset Age Profile:

- Any assets missing information on install date have been excluded from the asset age profile shown above.
- Outdoor Rinks, Tennis Courts, Basketball Courts and Playgrounds have an average age that has surpassed their average service life.

Asset condition

The asset condition profile by replacement cost for parks, open spaces and trails services is shown in Figure 15-2. The asset condition profile by asset category is shown in Figure 15-3. The condition assessment of the City's parks, open spaces and trails assets provides insight into the reliability of its infrastructure. Overall, approximately 69% of the City's parks, open spaces and trails assets have a condition rating of fair or better.

Approximately \$2.8 million (2%) of Parks, Open Spaces & Trails assets are in unknown condition. These unknown assets are comprised primarily of Parks Garbage Containers (0.8 million), Trails (0.6 million), Dog Parks (0.5 million), Parks Picnic Tables (0.3 million) and Parks Bike Racks (0.2 million).



Figure 15-2 – Asset Condition Profile





Very Good Good Fair Poor Very Poor Unknown Condition

15.2 LEVELS OF SERVICE

Table 15.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service								
LOS	Community Level	Performance		Performance		Target/Proposed		
Category	of Service	Measure	Neasure 2022 2023 2024		or Qualitative Trend)	Notes		
	Provide access to Parklands for the whole community	Total parkland supply (Planned Parks) (ha) / 1,000 residents	1,942.6 ha / 281,359 population ³	1,942.4 ha / 301,147 population	1,949.4 ha / 320,360 population	1 ha / 1,000 residents		
Capacity & Use	Provide access to	Population to Sports field Ratio (Number of sports fields per 1,000 population)	Possible future metric					
	Park amenities and programs for the whole community	% of Trails that are paved % of Trails that have winter maintenance	Possible future metric					
		Utilization rates of recreation assets			Possible fut	ture metric		
Function	Services meet customer needs while limiting health, safety, security, natural and heritage impacts	Number of wards with a fully accessible playground	0	0	Some playgrounds have accessible components, but almost none of the playgrounds are fully	Potential target of 1 accessible playground per ward (10 wards for 10 total playgrounds)		

Table 15.2 – Levels of Service

³ Population numbers are based on <u>Statistics Canada Information</u>

Technical Focused Levels of Service									
LOS	Community Level	Performance		Performance		Target/Proposed			
Category	of Service	Measure	2022	2023	2024	or Qualitative Trend)	Notes		
					accessible (Current performance of 0)				
	Active recreation facilities are provided with adequate features	% of active recreation facilities that are lighted	21%	N/A ⁴	N/A ⁴	The City will look to make current fields lighted on a project- by-project basis.			
Quality & Reliability	Provide infrastructure in acceptable condition by	% of assets in fair or better condition	N/A	70.1%	70.2%	N/A			
		% of playgrounds in fair or better condition	N/A	9.3%	10.8%	N/A			
		% of sport fields in fair or better condition	N/A	38.6%	38.6%	N/A			
	maintenance	% of trails in fair or better condition	N/A	90.5%	90.6%	N/A			
	stanuarus	Report on completion of Cycling & Trails Master Plan recommendations	N/A	N/A	24 of 35	100%			

⁴ Values were not available at the time of this document publication.

15.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

15.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social or environmental needs. Forecast acquisition asset costs are summarized in Figure 15-4. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.



Figure 15-4 – Yearly Acquisition and Upgrade Summary

Summary of Forecast Operations and Maintenance Costs

Figure 15-5 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 15.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 15-5 – Operations and Maintenance Summary

15.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 15-6 shows the forecasted condition of Parks, Open Spaces and Trails assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$6.9 million per year to invest in the renewal of its Parks, Open Spaces and Trails assets. **City staff noted that the capital plan estimates are more accurate than the condition reported for each asset due to gaps in the available data. City staff are working to improve the condition assessment of Parks, Open Spaces, and Trails assets to ensure improved alignment of the capital plan with the condition of physical assets.**

1. Planned Budget / Expected Performance (\$6.9 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to improve (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (71% of assets by replacement value).** For the remaining assets, the condition is determined based on their age relative to their estimated service life (see Table 24.5 in Appendix O). The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Planned Budget (\$6.9 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with Parks, Open Spaces and Trails assets.



Additionally, the lifecycle average annual renewal need for Fleet assets is approximately **\$4.7 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** The City's proposed renewal investment of \$6.9 million per year in the renewal of Parks, Open Spaces and Trails assets from 2025 – 2034 is sufficient to meet the expected need in the years beyond the analysis period based on the available asset data.

15.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Climate Change:** Staff are looking into moving trails that are prone to flooding issues, adjusting the planting list to include species that are better suited to warmer climates, using drought tolerant grasses for open spaces, improving access to shade in parks to help deal with heat waves, and installing weather stations to detect wind bursts to support faster operational response.
- **Inequitable Access:** There is an update parkland strategy in 2025 that addresses intensification and equitable access.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure failure ratings (see

Table 24.19 in Appendix O) with the probability of failure ratings for all infrastructure represented within Parks, Open Spaces & Trails services. As shown in Figure 15-7, an estimated \$18.8 million (15.4%) of Parks, Open Spaces & Trails assets currently have a high-risk exposure.

Consequence of Failure	Catastrophic	\$7.6	\$21.6	\$1.3	\$0.0	\$0.8	Risk Exposure	\$	%
	Major	\$0.5	\$0.4	\$0.5	\$3.7	\$7.3	High	\$18.8	15.4%
	Moderate	\$4.3	\$36.4	\$13.0	\$18.8	\$5.6	Moderate	\$54.3	44.5%
	Minor	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	Low	\$48.8	40.1%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$121.9	100.0%
Probability of Failure									

Figure 15-7 – Risk Exposur	e Map for Parks,	Open Spaces a	nd Trails Assets
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Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan are shown in

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Playgrounds					\$11.0
Skateboard Parks	Poor asset condition resulting in the inability to perform services	High	Renewal work to perform any necessary repairs or replacement of assets	Low	\$1.7
Bike Parks					\$0.5
Soccer Fields					\$2.8
Outdoor Rinks					\$0.4
Basketball Courts					\$0.9
Tennis Courts					\$1.5

Table 15.3 – Risk Mitigation and Plans

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

15.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Parks, Open Spaces and Trails asset management are shown in Table 15.4.

AM Plan Section	Improvement Recommendation
State of Local	 Improve condition information for all assets (i.e., sports fields, playgrounds, etc.) to better inform lifecycle management strategies
Infrastructure	 Establish an inventory system to better manage asset acquisitions and disposals so the City knows what assets they are managing.

AM Plan Section	Improvement Recommendation
Levels of Service	 Add a metric for the percentage of trail network that is paved or winter-maintained Add metrics on utilization rates of bookable sports resources (average occupancy or percentage of use) Align levels of service with the Park Strategic Plan objectives, particularly regarding: evaluating current and future location/quantity of parks, providing strategic guidance for acquiring new parks, assessing underserved areas and growth projections and applying an equity lens to prioritize acquisitions
Lifecycle Management and Financial Summary	 Clarify ownership and management of assets related to the cycling and trails master plan recommendations Determine where funding flows for maintenance of various assets to ensure proper budgeting Develop a more detailed understanding of maintenance requirements for horticulture assets Develop a more accurate method for budgeting growth due to development, rather than using a simple percentage increase
Risk Management	 Implement risk assessment for both asset management and project prioritization that aligns with Enterprise Risk Framework Re-assess risk following improvement in condition assessments to gather a better reflection of asset portfolio risk

16.0 APPENDIX G – TRANSPORTATION SERVICES

The Transportation service area encompasses the planning, maintenance, and enhancement of road related infrastructure to ensure safe and efficient mobility for all modes of travel.

16.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's Transportation services. The Transportation assets covered by this AM Plan are shown in Table 16.1. The largest portion of the asset mix are Streetlight & Poles assets with a replacement value of \$36.7M (approximately 62% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Streetlights & Poles	Streetlight, Streetlight Pole	\$36.7M	61.8%
Traffic Signs & Pedestrian Crossings	Traffic Signs, Pedestrian Crossings & Beacons	\$6.3M	10.6%
Pedestrian Railings	Railing	\$0.1M	0.2%
Road and Pedestrian Islands & Traffic Calming	Road Islands, Raised Crosswalks, Speed Humps, Pedestrian Pads	\$15.3M	25.8%
Street Furniture & Other Furnishings	Street Benches, Bollards	\$1.0M	1.6%
TOTAL		\$59.3M	100%

Table 16.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 16-1.





Notes on the above Asset Age Profile:

 Any assets missing information on install date have been excluded from the asset age profile shown above.

Asset condition

The asset condition profile by replacement cost for Transportation services is shown in Figure 16-2. The asset condition profile by asset category is shown in Figure 16-3. The condition assessment of the City's Transportation assets provides insights into the reliability of its infrastructure. Overall, approximately 83% of the City's Transportation assets have a condition rating of fair or better.

Approximately \$1.2 million (2%) of Transportation assets are in unknown condition. These unknown assets are comprised primarily of Transportation Bollards (0.9 million), Traffic Signs (0.1 million) and Railings (0.1 million).



Figure 16-2 – Asset Condition Profile

Figure 16-3 – Asset Condition Profile by Asset Category



16.2 LEVELS OF SERVICE

Table 16.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section. The City adds Traffic Calming and Street Lighting assets as it expands or acquires assets from developers. Assets related to improving safety and traffic calming are identified through other data exercises/audits.

	Technical Focused Levels of Service							
LOS	Community Level of	Performance		Performance		Target/Proposed Note	Notes	
Category	Service	Measure	2022	2023	2024	or Qualitative Trend)		
Function S in	Meet customer needs while limiting health, safety, and natural impacts	# of permanent road safety improvements installed per year	14	27	33	No firm target. City assesses the network as a whole and prioritizes safety improvements based on the highest risk for fatality or injury areas based on available budget.		
		Percentage of streets that meet minimum lighting standards		Possible future metric				
		Percentage of streetlights with outages	N/A	N/A	2.2%	~2% with outages		
		% of regulatory signs passing sign reflectivity testing standards	97%	97.4%	98.6%	100%		
Quality & Reliability	Provide infrastructure in acceptable condition and cleanliness by following and providing proper maintenance standards and inspections	% of assets within service life (by replacement value)	N/A	91.3%	89.2%	N/A		

Table 16.2 – Levels of Service

16.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

16.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 16-4. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.



Figure 16-4 – Yearly Acquisition Summary

Summary of Forecast Operations and Maintenance Costs

Figure 16-5 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the

growth of the overall asset portfolio (See Section 16.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 16-5 – Operations and Maintenance Summary

16.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 15-6 shows the forecasted condition of Transportation assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$0.4 million per year to invest in the renewal of its Transportation assets.

1. Planned Budget / Expected Performance (\$0.4 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to deteriorate (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (75% of assets by replacement value).** For the remaining assets, the condition is determined based on their age relative to their estimated service life (see Table 24.6 in Appendix O). The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Planned Budget (\$0.4 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which will cause asset condition to deteriorate over the next 10 years. As a result, there is no funding gap associated with Transportation assets. This aligns with the City's current plan to operate many Transportation assets to failure. The City is generally targeting around a 20% failure rate in order to better understand asset service lives before seeking additional funding from Council.



Additionally, the lifecycle average annual renewal need for Transportation assets is approximately **\$1.8 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** However, this analysis is not relevant due to the City's operate to failure strategy for Transportation assets.

16.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

• Weather Events: All traffic assets are designed to be weather-proof.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.20 in Appendix O) with the probability of failure ratings for all infrastructure represented within Transportation services. As shown in Figure 16-7, there are currently no Transportation assets with high-risk exposure.

Figure 16-7 – Risk Exposure Map for Transportation Assets

	Risk exposure in year 2025 \$, millions							
nce e	Catastrophic	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
Consequei of Failur	Major	\$4.6	\$4.6	\$27.8	\$0.0	\$0.0		
	Moderate	\$0.2	\$5.8	\$0.2	\$0.0	\$0.0		
	Minor	\$0.5	\$2.5	\$3.3	\$2.6	\$6.0		
		Paro	Unlikely	Somewhat	Likoly	Almost		
				Likely	LIKEIY	Certain		
	Probability of Failure							

Risk Exposure	\$	%
High	\$0.0	0.0%
Moderate	\$32.6	56.1%
Low	\$25.5	43.9%
Total	\$58.1	100.0%

Critical risks are those assessed with a risk rating of High, however, there are currently no Transportation assets with a risk rating of High.

16.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Transportation asset management are shown in Table 16.3.

Table 16.3 – Improvement Recommendations – Transportation

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	• Clarify the delineation of assets between Roads, Parks and Transportation, particularly for multi-use trails and raised crosswalks
Levels of Service	• Track the percentage of signalized intersections equipped with accessible pedestrian signals and the percentage of streetlights with LED fixtures
Lifecycle Management and Financial Summary	• Develop a more accurate method for budgeting growth due to development, rather than using a simple percentage increase
Risk Management	• N/A

17.0 APPENDIX H – WATER UTILITY SERVICES

The Water Utility service area delivers safe, potable water to residents and businesses through the operation and maintenance of water treatment mains, service connections and other appurtenances.

17.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's water utility services. The water utility assets covered by this AM Plan are shown in Table 17.1. The largest portion of the asset mix are Mains assets with a replacement value of \$1,254.0M. This category of assets accounts for approximately 45% of the total replacement value of all water utility assets.

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
	Mains	\$1,254.0M	44.9%
Mains, Service Pines	Service Pipes	\$1,140.0M	40.8%
and Appurtenances	Pipe Casings	\$5.4M	0.2%
	Chambers	\$20.7M	0.7%
Values	Main Valves	\$148.6M	5.3%
valves	Service Valves	\$113.3M	4.1%
Hydrants	Hydrants	\$89.9M	3.2%
Bulk Water Stations	Bulk Water Stations	\$0.1M	0.0%
Meters	Meters	\$20.3M	0.7%
TOTAL		\$2,791.4M	100%

Table 17.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 17-1.



Figure 17-1 – Asset Age Profile

Asset condition

The asset condition profile by replacement cost for water utility services is shown in

Figure 17-2. The asset condition profile by asset category is shown in Figure 16-3. The condition assessment of the City's water utility assets provides insight into the reliability of its infrastructure. Overall, approximately 94% of the City's Water Utility assets have a condition rating of fair or better. It should be noted that water main breaks occur on assets with varying conditions (not only limited to assets in Very Poor or Poor condition). Replacement of water mains is primarily driven by the number of water main breaks.

Approximately \$15.5 million (1%) of Water Utility assets are in unknown condition. These unknown assets are comprised of Service Pipes (\$7.2 million), Service Valves (\$3.1 million), Pipe Casings (\$2.5 million), Main Valves (\$1.4 million), Chambers (\$0.9 million) and Hydrants (\$0.5 million).



Figure 17-2 – Asset Condition Profile

Figure 17-3 – Asset Condition Profile by Asset Category



17.2 LEVELS OF SERVICE

Table 17.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
LOS	Community Level of	Performance		Performance		Target/Proposed	Notes
Category	Service	Measure	2022	2023	2024	or Qualitative Trend)	
1. m th ar m Capacity & Use 2. m th ar m	 Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system Description, which may include maps, of the user groups or areas of the municipality that have fire flow. 	Percentage of properties connected to the municipal water system	94%	94%	95%	Maintain current performance	
		Percentage of properties where fire flow is available	94%	94%	95%	Maintain current performance	
Function	Provide a water service that considers the environment	Unaccounted for water	10%	9.9%	4.5% ⁵	< 10%	
	Provide a supply of water that is consistently safe and of high quality	Adverse Water Quality Incidents (AWQIS)	15	20	17	< 30	

Table 17.2 – Levels of Service

⁵ This value is currently under review by the City and will be updated in future LOS reporting.

Technical Focused Levels of Service							
LOS	Community Level of	Performance		Performance		Target/Proposed Performance (Value or Qualitative Trend)	Notes
Category	Service	Measure	2022	2023	2024		
	Description of boil	The number of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system (scaled to boil advisory days/1000 connections)	0.02	2.33	0	< 0.6	
Reliability	water advisories and service interruptions	The number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system (presented as watermain breaks per 100km)	10.1	4.7	5.9	< 9.0	

	Technical Focused Levels of Service							
LOS	Community Level of	Performance		Performance	Target/Proposed	Notes		
Category	Category Service	Measure	2022	2023	2024	or Qualitative Trend)		
	Provide a supply of water that is consistently safe and of high quality	# of water quality complaints per 1000 people	0.38	0.33	0.46	< 0.6		
	Supply water to all users who require it with minimal service interruptions	% valves cycled	23.4%	17.1%	23%	17% (or 1/6 th of the City per year)		
		% of mains in fair or better condition	N/A	N/A	99.0% (weighted by replacement value)	Maintain current performance		

17.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

17.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 17-4. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.



Figure 17-4 – Yearly Acquisition and Upgrade Summary

Summary of Forecast Operations and Maintenance Costs

Figure 17-5 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 17.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 17-5 – Operations and Maintenance Summary

17.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 17-6 shows the forecasted condition of Water Utility assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$18.4 million per year to invest in the renewal of its Water Utility assets.

1. Planned Budget / Expected Performance (\$18.4 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to improve (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on their age relative to their estimated service life (55% of asset by replacement value)** (see Table 24.7 in Appendix O). For the remaining assets, the condition is determined based on staff reported condition. The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Planned Budget (\$18.4 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with Water Utility assets.



Additionally, the lifecycle average annual renewal need for Water Utility assets is approximately **\$38.0 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$18.4 million per year in the renewal of Water Utility assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

17.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Climate Change:** The City is a member of ONWarn which is an early warning system for issues. There is a formalized process for responding to frozen services and a backflow prevention program. There is also a plan to remove air relief chambers to reduce flooding impacts.
- **Overuse and Demand Growth:** The City works closely with the Region on water supply master planning and mitigation measures. The City is also working on an official plan that includes a plan to respond to infill development.
- Asset Criticality: There is a criticality rating system for all water assets and it is currently being updated in alignment with the Region's information. This work will identify high criticality pipes which will support targeted future investment.
Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.21 in Appendix O) with the probability of failure ratings for all infrastructure represented within Water Utility services. As shown in Figure 17-7, an estimated \$201.4 million (7.3%) of Water Utility assets currently have high-risk exposure.

		Risk expo	sure in ye	ar 2025 \$, m	illions				
nsequence f Failure	Catastrophic	\$913.6	\$218.7	\$108.6	\$10.1	\$3.0	Risk Exposure	\$	%
	Major	\$43.2	\$34.2	\$25.2	\$25.9	\$38.4	High	\$201.4	7.3%
	Moderate	\$405.8	\$372.0	\$481.4	\$57.0	\$15.3	Moderate	\$816.5	29.4%
o Coi	Minor	\$3.8	\$6.8	\$5.3	\$3.4	\$4.0	Low	\$1,757.9	63.3%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$2,775.8	100.0%
Probability of Failure									

Figure 17-7 – Risk Exposure Map for Water Utility Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan is shown in Table 17.3.

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Mains	Poor asset condition resulting in the inability to perform services	High	Renewal work to		\$121.7
Main Valves					\$49.8
Service Valves			perform any	Low	\$3.0
Chambers			repairs or		\$14.6
Hydrants			replacement of assets		\$9.6
Service Pipes					\$2.7

Table 17.3 – Risk Mitigation and Plans

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

17.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Water Utility asset management are shown in

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Asses the current condition of the "Unknown" condition assets Develop a condition grading program that converts current annual Hydrant inspections to a condition grade
Levels of Service	 Consider adding a metric for tracking the effectiveness of proactive maintenance programs like valve cycling and main cleaning Develop relationship between LOS metric data collection and asset management reporting and decision making
Lifecycle Management and Financial Summary	 Develop a more accurate method for budgeting growth due to development, rather than using a simple percentage increase Develop a more detailed work plan for water main renewal, particularly focusing on areas with known issues like the Forest Heights area
	 Establish an improved condition forecast that considers capital work as part of broader reconstruction projects to show the condition improvements to the portfolio
Risk Management	 Implement risk assessment for both asset management and project prioritization that aligns with Enterprise Risk Framework

18.0 APPENDIX I – SANITARY UTILITY SERVICES

The Sanitary Utility service area manages the collection and conveyance of wastewater to pumping stations, protecting public health and the environment through a reliable sewer network.

18.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's sanitary utility services. The sanitary utility assets covered by this AM Plan are shown in Table 18.1 and Table 18.2. The largest portion of the asset mix are Mains assets with a replacement value of \$2,035.4M (approximately 67% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
	Mains	\$2,035.4M	66.9%
Mains, Service Pipes	Force Mains	\$101.4M	3.3%
and Other Appurtenances	Service Pipes	\$791.1M	26.0%
	Plugs	\$0.3M	0.0%
Manholes	Maintenance Holes	\$116.3M	3.8%
TOTAL		\$3044.6M	100%

Table 18.1 – Linear Assets Inventory Summary

Table 18.2 – Vertical Assets Inventory Summary

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
	Stoke SPS	\$3.0M	3.0%
	Patricia SPS	\$1.2M	1.2%
	Moore SPS	\$0.7M	0.7%
	Oxford SPS	\$1.4M	1.4%
	Falconridge SPS	\$2.4M	2.4%
	Victoria/Breslau (Shirley) SPS	\$8.4M	8.4%
Pumping Stations	Carson SPS	\$2.4M	2.4%
	Manchester SPS	\$4.3M	4.3%
	Otterbein SPS	\$4.0M	4.0%
	Springmount SPS	\$3.0M	3.0%
	Bancroft SPS	\$1.6M	1.6%
	Apple Tree SPS	\$2.0M	2.0%
	Woolner Trail SPS	\$8.4M	8.4%

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
	Chandos SPS	\$2.3M	2.3%
	King Street SPS	\$7.6M	7.5%
	River Birch SPS	\$2.6M	2.6%
	Pioneer Tower SPS	\$2.6M	2.6%
	Homer Watson SPS	\$10.8M	10.8%
	Conestoga College SPS	\$1.9M	1.9%
	New Dundee SPS	\$9.7M	9.7%
	Nathalie SPS	\$7.4M	7.4%
	New Old Mill SPS	\$12.3M	12.3%
TOTAL		\$100.1M	100%

The age profile of the assets included in this AM Plan are shown in Figure 18-1 and

Figure 18-2.







Figure 18-2 – Vertical Asset Age Profile

Avg. Age Within Service Life

□ Avg. Remaining Service Life

Notes on the above Asset Age Profiles:

 Any assets missing information on install date have been excluded from the asset age profiles shown above.

Asset condition

The asset condition profiles by replacement cost for sanitary utility services is shown in



Figure 18-5. The asset condition profiles by asset category are shown in

Figure 18-4 and

Figure 18-6. The condition assessment of the City's sanitary utility assets provides insight into the reliability of its infrastructure. Overall, approximately 80% of the City's linear sanitary utility assets have a condition rating of fair or better and approximately 78% of the City's vertical sanitary utility assets have a condition rating of fair or better.

Approximately \$370.7 million of Linear Sanitary Utility assets are in unknown condition. These unknown assets are comprised of Service Pipes (\$355.8 million), Mains (\$12.9 million), and Maintenance Holes (\$2.0 million). Approximately \$19.7 million of Vertical Sanitary Utility assets are in unknown condition. These unknown assets are comprised of Nathalie SPS (\$7.4 million) and New Old Mill SPS (\$12.3 million).



Figure 18-3 – Linear Asset Condition Profile

Figure 18-4 – Linear Asset Condition Profile by Asset Category



Figure 18-5 – Vertical Asset Condition Profile



Figure 18-6 – Vertical Asset Condition Profile by Asset Category



Very Good Good Fair Poor Very Poor Unknown Condition

18.2 LEVELS OF SERVICE

Table 18.3 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

	Technical Focused Levels of Service							
LOS Community Leve		Performance		Performance		Target Performance	Netes	
Category	Service	Measure	2022	2023	2024	(value or Qualitative Trend)	Notes	
Capacity & Use	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.	Percentage of properties connected to the municipal wastewater system.	85%	85%	97%	>85% (Maintain current performance)		
Function	Maintain adequate number of FTEs and proper equipment to ensure customer complaints and requests are responded to in a quick and efficient manner	Ratio of reactionary work orders compared to total work orders	1,318 / 1,461	2,135 / 2,306	2,164 / 2,383	The City is tracking the cleaning of blockages for residential users. Some complaints are caused by issues on the private side. City is tracking this issue through work orders. Certain aspects of the maintenance programs will always be reactionary.		
Quality & Reliability	1. Description of how combined sewers in the municipal wastewater system are designed with	The number of events per year where combined sewer flow in the	City does not use combined sewers	City does not use combined sewers	City does not use	N/A		

Table 18.3 – Levels of Service

	Technical Focused Levels of Service							
LOS	Community Level of	Performance		Performance		Target Performance		
Category	Service	Measure	2022	2023	2024	(Value or Qualitative Trend)	Notes	
	overflow structures in place which allow overflow during storm events to prevent backups into homes. 2. Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches. 3. Description of how stormwater can get into sanitary sewers in the	municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system (Reported previously as # of times system capacity was exceeded)			combined sewers			
stormwater can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes. 4. Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events described in paragraph 3. 5. Description of the effluent that is discharged from sewage treatment plants in the municipal	connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system. (Currently reported as # of City issues out of total property connections in a given year)	1,369 (based on 87 blockages, 13 of which were city issues out of 63,488 property connections)	3,640 (based on 61 blockages, 47 of which were a city issues out of 64,097 property connections)	2,141 (based on 104 blockages, 50 of which were city issues, out of 65,881 property connections)	City is evaluating target for this measure and the inputs to evaluate its effectiveness. Generally target would be to decrease number of blockages.			

Technical Focused Levels of Service							
LOS	Community Lev <u>el of</u>	Performance		Performance		Target Performance	Neter
Category	Service	Measure	2022	2023	2024	(value or Qualitative Trend)	Notes
		The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system.	0 (this is likely tracked as number of environmenta l spills)	0 (this is likely tracked as number of environmental spills)	0 (this is likely tracked as number of environment al spills)	0	
	Reliability/resiliency of the infrastructure to provide consistent sanitary service.	Percentage of pipes inspected using CCTV	3.03%	0.62%	4.93%	Current cycle is set based on available budget. However, City would like to be on a cycle that is more consistent with the industry standard of approximately once every 5-years.	
	Assets are maintained in a state of good	Percentage of Mains in fair or better condition	N/A	N/A	89.8%	Maintain current performance	
	repair to provide reliable services to the community.	Percentage of Pumping Stations in fair or better condition	N/A	N/A	77.8%	Maintain current performance	

18.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

18.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 18-7. Of note is that the City will be assuming the Region's Spring Valley Sanitary Pumping Station (\$17.4M) and associated force main infrastructure in the coming years. The City is working closely with the Region to determine allocation of costs for the force main infrastructure. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.





Summary of Forecast Operations and Maintenance Costs

Figure 18-8 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 18.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 18-8 – Operations and Maintenance Summary

18.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 18-9 shows the forecasted condition of Sanitary Utility assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$25.7 million per year to invest in the renewal of its Sanitary Utility assets.

1. Planned Budget / Expected Performance (\$25.7 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to improve (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on their age relative to their estimated service life (60% of asset by replacement value)** (see Table 24.8 in Appendix O). For the remaining assets, the condition is determined based on staff reported condition. The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Planned Budget (\$25.7 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with Sanitary Utility assets.



Additionally, the lifecycle average annual renewal need for Sanitary Utility assets is approximately **\$33.3 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$25.7 million per year in the renewal of Sanitary Utility assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

18.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Climate Change:** The Sanitary Master Plan outlines specific actions that support the City's approach to managing climate change for sanitary assets.
- **Demand Growth:** The Sanitary Master Plan outlines how the sanitary system plans to grow to respond to City population growth.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.22 in Appendix O) with the probability of failure ratings for all infrastructure represented within Sanitary Utility services. As shown in Figure 18-10 and

Figure 18-11, an estimated \$790.3 million (29.6%) of Linear Water Utility assets and \$30.1 million (37.5%) of Vertical Sanitary Utility assets currently have high-risk exposure.

		Risk exp	osure in ye	ear 2025 \$, n	nillions	
e e	Catastrophic	\$710.8	\$651.8	\$561.0	\$179.7	\$20.7
Consequer of Failur	Major	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Moderate	\$318.4	\$164.1	\$20.8	\$17.6	\$29.0
	Minor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain
		Probability of Failure				

Figure 18-10 – Risk Exposure Map for Linear Sanitary Utility Assets

 Risk Exposure
 \$
 %

 High
 \$790.3
 29.6%

 Moderate
 \$690.3
 25.8%

 Low
 \$1,193.3
 44.6%

 Total
 \$2,673.9
 100.0%

Figure	18-11 –	Risk Expo	sure Map	for Vertical	Sanitary	Utility A	ssets
.				j			

		Risk exp	osure in ye	ear 2025 \$, n	nillions	
nce e	Catastrophic	\$9.5	\$40.8	\$27.6	\$1.7	\$0.8
quei ailur	Major	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
nse of Fa	Moderate	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
ပိ	Minor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
		Dara	Unlikoly	Somewhat	Likoly	Almost
		Naie	Uninkery	Likely	Likely	Certain
		Probability of Failure				

Risk Exposure	\$	%
High	\$30.1	37.5%
Moderate	\$40.8	50.7%
Low	\$9.5	11.8%
Total	\$80.4	100.0%

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan are shown in Table 18.4.

Table 18.4 – Risk Mitigation and Plans

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Mains – 100 year					\$193.5
Mains – 80 year			Renewal		\$553.5
Force Mains – 100 year	Poor asset condition resulting in the inability to perform services	High	work to perform any necessary repairs or replacement of assets. Increase	Low	\$6.5
Force Mains – 80 year					\$7.7
Service Pipes – 100 year					\$0.1
Maintenance Holes			inspections.		\$28.9
Various assets at all pumping stations					\$30.1

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

18.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Sanitary Utility asset management are shown in Table 18.5.

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Develop a condition assessment program for the City's Force Mains Improve the condition assessment methodology for pipes without previous CCTV data, currently using age as a proxy Update the condition ratings to account for outdated CCTV information that may not reflect current conditions Develop a condition assessment program for pipes 600 millimetres and larger, which currently lack condition data Asses the current condition of the "Unknown" condition assets
Levels of Service	 Develop a more accurate tracking system for the percentage of properties connected to the municipal wastewater system Develop definitions for reactionary versus preventative maintenance work orders to enable future tracking of this ratio
Lifecycle Management and Financial Summary	 Develop a more accurate method for budgeting growth due to development, rather than using a simple percentage increase Include non-recoverable costs for spills in the financial planning Establish a budget line item specifically for addressing spills and their cleanup Account for the cost impact of contractor-caused main breaks, including the challenges of recouping costs
Risk Management	 Implement risk assessment for both asset management and project prioritization that aligns with Enterprise Risk Framework Consider the impact of the cathodic protection program on the condition assessment of assets

Table 18.5 – Improvement Recommendations – Sanitary Utility

19.0 APPENDIX J – STORMWATER SERVICES

The Stormwater service area manages surface water runoff through a network of pipes, ponds, ditches, and green infrastructure, mitigating flooding risks and enhancing water quality.

19.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's stormwater services. The stormwater assets covered by this AM Plan are shown in Table 19.1. The largest portion of the asset mix are Mains assets with a replacement value of \$1,101.1M (approximately 54% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
	Mains	\$1,101.1M	54.4%
Mains, Service Pipes	Service Pipes	\$265.4M	13.1%
Appurtenances	Valves	\$0.2M	0.0%
	Plugs	\$0.3M	0.0%
Ditabaa Cubuanta 9	Ditches	\$4.7M	0.2%
Other Conveyances	Culverts	\$0.3M	0.0%
other conveyances	Driveway Culverts	\$1.5M	0.1%
Maintenance Holes	Maintenance Holes	\$121.9M	6.0%
Catchbasins	Catchbasins	\$79.0M	3.9%
Quality Control Devices	Oil and Grit Separators	\$15.5M	0.8%
Stormwater Management	Stormwater Management Facilities	\$134.3M	6.6%
Facilities & Ponds	Stormwater Ponds	\$240.8M	11.9%
	Bioretention	\$0.1M	0.0%
	Permeable Pavement	\$0.1M	0.0%
Low Impact	Infiltration Galleries	\$25.8M	1.3%
Development	Holding Tanks	\$1.6M	0.1%
	Underground Facilities	\$0.2M	0.0%
	Storm Leads	\$16.2M	0.8%
	Storm Inlets	\$2.6M	0.1%
Storm Leads, Inlets,	Storm Outlets	\$5.4M	0.3%
	Storm Weirs	\$1.0M	0.1%
	Storm Forebays	\$5.5M	0.3%
TOTAL		\$2,023.5M	100%

Table 19.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 19-1.



Figure 19-1 – Asset Age Profile

Notes on the above Asset Age Profile:

 Any assets missing information on install date have been excluded from the asset age profile shown above.

Asset condition

The asset condition profile by replacement cost for stormwater services is shown in Figure 19-2. The asset condition profile by asset category is shown in

Figure 19-3. The condition assessment of the City's stormwater assets provides insights into the reliability of its infrastructure. Overall, approximately 77% of the City's stormwater assets have a condition rating of fair or better.

Approximately \$300.9 million (15%) of Stormwater assets are in unknown condition. These unknown assets are comprised primarily of Stormwater Ponds (\$240.8 million), Stormwater Management Facilities (\$33.2 million), Mains (\$8.0 million), Storm Forebays (\$5.5 million),

Ditches (\$4.7 million), Driveway Culverts (\$1.5 million), Service Pipes (\$1.2 million) and Storm Weirs (1.0 million).



Figure 19-2 – Asset Condition Profile





19.2 LEVELS OF SERVICE

Table 19.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
LOS	Community	Performance		Performance		Target/Proposed	
Category	Level of Service	Measure	2022	2023	2024	or Qualitative Trend)	Notes
	Description, which may include maps, of the user groups	Percentage of properties in municipality resilient to a 100-year storm	N/A	N/A	96.25%	Maintain current performance	
Capacity & Use	 the user groups or areas of the municipality that are protected from flooding, including the extent of the protection provided by the municipal stormwater management 	Percentage of the municipal stormwater management system resilient to a 5-year storm	92.35%	N/A	N/A	>92% as per the GRCA flood plain mapping	
Quality &	Assets are maintained in a state of good repair to provide reliable services to the community.	Number of SWM Facilities maintained through sediment removal per year	4 facilities, Sediment Volume = 659m ³	4 facilities, Sediment Volume = 335 m ³	4 facilities, Sediment Volume = 915 m ³	4-5 facilities cleaned per year	
Reliability		% of pipes inspected using CCTV	10.87%	0.53%	5.24%	The City is on a 12- year cycle for CCTV inspections (~8% per year)	

Table 19.2 – Levels of Service

	Technical Focused Levels of Service						
LOS	Community	Performance		Performance		Target/Proposed Performance (Value or Qualitative Trend)	
Category	Category Level of Service	Measure	2022	2023	2024		Notes
		Catch Basin Cleaning OGS Units Cleaned Out			Possible fut	ure metric	
		Percentage of stormwater mains in fair or better condition	N/A	N/A	94.1%	Maintain current performance	
		Percentage of other assets within service life	N/A	N/A	90.7%	Maintain current performance	

19.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

19.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 19-4. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.



Figure 19-4 – Yearly Acquisition Summary

Summary of Forecast Operations and Maintenance Costs

Figure 19-5 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 19.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 19-5 – Operations and Maintenance Summary

19.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 19-6 shows the forecasted condition of Stormwater assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$8.6 million per year to invest in the renewal of its Stormwater assets.

1. Planned Budget / Expected Performance (\$8.6 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to be improved (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on their age relative to their estimated service life (67% of asset by replacement value)** (see Table 24.9 in Appendix O). For the remaining assets, the condition is determined based on staff reported condition. The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Planned Budget (\$8.6 million per year average renewal investment from 2025 – 2034)

The proposed performance is the same as the expected performance, which improves asset condition over the next 10 years. As a result, there is no funding gap associated with Stormwater assets. This City may have the opportunity to additionally improve the overall condition of assets based on coordination of specific capital projects (i.e., road reconstructions).



Additionally, the lifecycle average annual renewal need for Stormwater assets is approximately **\$25.2 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$8.6 million per year in the renewal of Stormwater assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

19.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Climate Change:** A Master Plan is under development currently which will include recommended actions to address climate change impacts. The City uses InforWorks ICM to support improved hydraulic modelling. Additionally, IDF curve scenarios are expected to be included in the Master Plan to understand climate impacts.
- Blockages and Maintenance Issues: There is a Cityworks code in place to address blockages/maintenance issues and weekly checks are completed in addition to the service requests.

- **Human-Induced:** The City has robust standard operating procedures for how spills are managed and the impacts mitigated. Ponds are used as secondary containment when required.
- **Urbanization:** Permeable pavement is being installed in high-flooding-risk areas, pipes are being increased in size in urban areas, and the City has established a policy to help control stormwater at the source.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.23 in Appendix O) with the probability of failure ratings for all infrastructure represented within Stormwater services. As shown in Figure 19-7, an estimated \$196.1 million (11.4%) of Stormwater assets currently have high-risk exposure.

Figure 19-7 – Risk Exposure Map for Stormwater Assets

				.,					
e	Catastrophic	\$725.1	\$317.7	\$87.4	\$42.5	\$21.4	Risk Exposure	\$	%
quer iilur	Major	\$5.1	\$5.2	\$3.9	\$2.5	\$7.0	High	\$196.1	11.4%
nse of Fa	Moderate	\$275.4	\$113.3	\$29.1	\$51.7	\$35.3	Moderate	\$407.6	23.7%
ິິ	Minor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Low	\$1,118.9	65.0%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$1,722.7	100.0%
Probability of Failure									

Risk exposure in year 2025 \$, millions

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan are shown in

Table 19.3.

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Mains – 100 year					\$92.8
Mains – 80 year	Poor asset condition resulting in the inability to perform services		Renewal work to perform any necessary repairs or replacement of assets	Low	\$46.1
Mains – 50 year		High			\$3.7
Holding Tanks					\$0.5
Maintenance Holes					\$14.8
Storm Inlets					\$0.9
Storm Leads					\$6.4
Storm Outlets					\$2.2

Table 19.3 – Risk Mitigation and Plans

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Stormwater Management Facilities					\$8.9
Catchbasins					\$19.8
Oil Grit Separators					\$0.2

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

19.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Stormwater asset management are shown in

Table 19.4.

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Improve data collection for ditches, culverts, and driveway culverts which currently have unknown condition due to missing installation dates and condition assessments Develop a more robust inspection program for stormwater assets to reduce reliance on age-based condition assessments Asses the current condition of the "Unknown" condition assets
Levels of Service	 Improve data collection for resilience metrics, particularly for the percentage of properties resilient to 100-year storms and percentage of municipal stormwater system resilient to 5-year storms Utilize GRCA mapping and hydraulic model results to better determine resilience levels for stormwater infrastructure Implement tracking for maintenance activities in City Works and GIS to improve data reliability for performance metrics Develop metrics for cleaning programs such as catch basin and OGS cleanouts once data becomes available
Lifecycle Management and Financial Summary	• Develop a more accurate method for budgeting growth due to development, rather than using a simple percentage increase

Table 19.4 – Improvement Recommendations – Stormwater

AM Plan Section	Improvement Recommendation
Risk Management	 Implement risk assessment for both asset management and project prioritization that aligns with Enterprise Risk Framework

20.0 APPENDIX K – BRIDGES & CULVERTS SERVICES

The Bridges & Culverts service area includes the inspection, maintenance, and rehabilitation of bridge and culvert structures that ensure connectivity and safe passage over waterways and other obstructions.

20.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's bridges and culverts services. The bridge and culvert assets covered by this AM Plan are shown in Table 20.1. The largest portion of the asset mix are Road Bridges assets with a replacement value of \$391.3M (approximately 81.7% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Bridges	Road Bridges	\$391.3M	81.7%
	Rail Bridges	\$8.2M	1.7%
	Pedestrian Bridges	\$5.8M	1.2%
Culverts	CSP Culverts	\$8.5M	1.8%
	Other Culverts	\$65.3M	13.6%
TOTAL		\$479.1M	100%

Table 20.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 20-1.





Notes on the above Asset Age Profile:

• CSP Culverts have an average age that has surpassed their average service life.

Asset condition

The asset condition profile by replacement cost for bridges and culverts services is shown in Figure 20-2. The asset condition profile by asset type is shown in Figure 20-3. The condition assessment of the City's bridges and culverts assets provides insight into the reliability of its infrastructure. Overall, 100% of the City's bridges and culverts assets have a condition rating of fair or better.



Figure 20-2 – Asset Condition Profile





20.2 LEVELS OF SERVICE

Table 20.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service									
LOS Category	Community Level of Service	Performance Measure	Performance		Target/Proposed				
			2022	2023	2024	Performance (Value or Qualitative Tr <u>end)</u>	Notes		
Function	Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists)	Percentage of bridges in the municipality with loading or dimensional restrictions	0%	0%	0%	Maintain current LOS (the City noted that they have some historical bridges that may need restrictions in the future)			
Quality &Quality &Reliability1. Description orimages of thecondition ofbridges and howthis would affectuse of the bridges2. Description orimages of thecondition ofculverts and howthis would affectuse of the culverts	For bridges in the municipality, the average bridge condition index value.	N/A	74	75.0 (weighted by Replacement Value)	Maintain current service level (~75.0 BCI)				
	use of the bridges 2. Description or images of the condition of culverts and how this would affect use of the culverts	For structural culverts in the municipality, the average bridge condition index value.	N/A	73	73.2 (weighted by Replacement Value)	Maintain current service level (~73.0 BCI)			

Table 20.2 – Levels of Service

20.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

20.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. However, the City has no planned growth or expansion of bridge and culvert assets during the analysis period.

Summary of Forecast Operations and Maintenance costs

Figure 20-4 shows the operations and maintenance costs that were forecasted to remain steady as there is no plan to increase the Bridge portfolio in the next 10 years, with the exception of regular inflation increases.



Figure 20-4 – Operations and Maintenance Summary

20.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.
Figure 20-5 shows the forecasted condition of Bridges & Culverts assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$0.7 million per year to invest in the renewal of its Bridges & Culverts assets.

Planned Budget / Expected Performance (\$0.7 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to be maintained based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based on OSIM condition assessments.** The OSIM condition assessment was an independent assessment of bridge and culvert condition and deterioration.



Proposed LOS: Planned Budget (\$0.7 million per year average renewal investment from 2025 – 2034)

The proposed performance is to complete the rehabilitation recommendations found in the OSIM report over the next 10 years. Since the planned budget is sufficient to fund the OSIM rehabilitation recommendations, there is no funding gap associated with Bridges & Culverts assets.



Additionally, the lifecycle average annual renewal need for Bridges & Culverts assets is approximately **\$6.5 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$0.7 million per year in the renewal of Bridges & Culverts assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

20.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Extreme Weather Events:** OSIM inspections are completed every 2 years to track any asset deterioration that might have been caused by extreme weather.
- **Traffic Overload:** Average Annual Daily Traffic (AADT) counts are being reviewed and monitored to understand their impacts on asset condition.
- **Cost Escalation:** Staff reviews cost estimates on an ongoing basis and tracks all tender values with the MTO and Construction Statistics Canada information.
- **Outdated Design Standards:** All load restriction bridges are known and the OSIM inspections that are conducted every two years will identify any new restrictions.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.24 in Appendix O) with the probability of failure ratings for all infrastructure represented within Bridges & Culverts services. As shown in Figure 20-6, an estimated \$2.9 million (0.6%) of Bridges & Culverts assets currently have high-risk exposure.



Risk Exposure	\$	%
High	\$2.9	0.6%
Moderate	\$389.9	81.4%
Low	\$86.3	18.0%
Total	\$479.1	100.0%

Figure 20-6 – Risk Exposure Map for Bridges & Culverts Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk, and mitigation costs of implementing the selected mitigation plan are shown in

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Park St. Railway Underpass (Asset ID – 916)	Poor asset condition resulting in the inability to perform services	High	Renewal work to perform any necessary repairs or replacement of assets	Low	\$2.9

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

20.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for bridge and culvert asset management are shown in Table 20.4.

Table 20.4 – Improvement Recommendations	s – Bridges & Culverts
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AM Plan Section	Improvement Recommendation
State of Local Infrastructure	• N/A
Levels of Service	 Establish clear aspirational targets for Bridge Condition Index (BCI) values to guide long-term planning Establish a consistent methodology for tracking and reporting on loading or dimensional restrictions for both road and pedestrian bridges
Lifecycle Management and Financial Summary	 Develop a bridge lifecycle model that algins with the OSIM inspections to forecast the required operations, maintenance, and renewal activities needed to meet specified conditions Develop a long-term capital investment forecast to better understand rehabilitation / replacement needs for current
	bridges and culverts outside of the 10-year forecast.
Risk Management	• N/A

21.0 APPENDIX L – ROADS & SIDEWALKS SERVICES

The Roads & Sidewalks service area manages the condition and functionality of municipal roadways, sidewalks, and related infrastructure to support accessibility and safe movement for vehicles and pedestrians.

21.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's roads and sidewalks services. The road and sidewalk assets covered by this AM Plan are shown in Table 21.1. The largest portion of the asset mix are Roads assets with a replacement value of \$1,827.2M (approximately 91% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
Roads	Roads	\$1,827.2M	90.5%
Sidowalka	Sidewalks	\$178.9M	8.9%
Walkways and Crosswalks	Walkways	\$0.6M	0.0%
	Crosswalks	\$0.2M	0.0%
Pathways	Pathways	\$0.1M	0.0%
Cycling	Cycling	\$10.0M	0.5%
Network Links	Network Links	\$0.0M	0.0%
Guiderails	Guiderails	\$1.6M	0.1%
TOTAL		\$2,018.6M	100%

Table 21.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 21-1.



Figure 21-1 – Asset Age Profile

Notes on the above Asset Age Profile:

 Guiderails are not included in the analysis above because they are missing information on install date.

Asset condition

The asset condition profile by replacement cost for roads and sidewalks services is shown in Figure 21-2. The asset condition profile by asset category is shown in Figure 21-3. The condition assessment of the City's roads and sidewalks assets provides insight into the reliability of its infrastructure. Overall, approximately 91% of the City's road and sidewalk assets have a condition rating of fair or better (excluding assets in unknown condition).

Approximately \$18.2 million (1%) of Roads & Sidewalks assets are in unknown condition. These unknown assets are comprised of Roads (16.0 million), Guiderails (1.6 million) and Sidewalks (0.6 million).



Figure 21-2 – Asset Condition Profile





21.2 LEVELS OF SERVICE

Table 21.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
LOS	Community Performance		Performance			Target/Proposed	
Category	Level of Service	Measure	2022	2023	2024	Performance (Value or Qualitative Trend)	Notes
	Description, which may include maps, of the road network in the municipality and its level of connectivity.	Number of lane- kilometres of each of arterial roads, collector roads and local roads as a proportion of square kilometres of land area of the municipality.	Arterial: 572.8 Lane-km Collector: 417.3 Lane- km Local: 1,066.8 Lane-km City Area: 138.31 km ²	Arterial: 572.4 Lane-km Collector: 420.0 Lane- km Local: 1,071.8 Lane-km City Area: 138.31 km ²	Arterial: 572.3 Lane-km Collector: 420.3 Lane- km Local: 1,078.5 Lane-km City Area: 138.31 km ²	Target performance will be determined based on Transportation Master Plan (to be completed in 2025)	
Capacity & Use	Provide a network of sidewalks with good connectivity	Roads with 1 or 2 sides of sidewalk	1 Side: 6% 2 Sides: 61.9%	1 Side: 5.8% 2 Sides: 61.9%	1 Side: 5.7% 2 Sides: 62.9%	All roads to have sidewalks on both sides (Sidewalk infill policy)	
P n A (/ II v c	Provide a network of All Ages and Abilities (AAA) Cycling Infrastructure with good connectivity	Total length of uninterrupted AAA network	48.0 km	52.0 km	53.8 km	Increase to meet Cycling and Trails Master Plan	

Table 21.2 – Levels of Service

Technical Focused Levels of Service							
LOS	Community	Performance		Performance		Target/Proposed	
Category	Level of Service	Measure	2022	2022 2023 2024		or Qualitative Trend)	Notes
Function	Meet customer needs while limiting health, safety, and natural impacts	Number of lane- kilometres of on-road cycling routes	159.3	162.9	164.5	Increase to meet Cycling and Trails Master Plan	
Quality & Reliability	Description or images that illustrate the different levels of road class pavement condition.	 For paved roads in the municipality, the average pavement condition index value. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor). 	78.3 (2021)	N/A	75.4 (weighted by replacement value)	70	
	Assets are maintained in a state of good repair to provide reliable services to the community.	Percentage of Active Transportation Assets in fair or better condition (excl. Roads)	N/A	N/A	70.6%	N/A	

21.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

21.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. Forecast acquisition asset costs are summarized in Figure 21-4. The City assumes that there will be at least a 0.5% growth in the asset portfolio annually to account for assets assumed through development. City teams are working to develop a more accurate assessment of future growth requirements for each asset portfolio.



Figure 21-4 – Yearly Acquisition and Upgrade Summary

Summary of Forecast Operations and Maintenance Costs

Figure 21-5 shows the forecast operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 21.3.1 for related growth costs). Regular increases due to inflation were not included.

If renewal projects are deferred, leading to deterioration of the asset portfolio over the 10year period covered in this AM Plan, there will be a need to increase the spending on O&M to account for the increased reactive maintenance to manage the deteriorated asset condition (i.e., fixing potholes, repairing cracks, etc.).



Figure 21-5 – Operations and Maintenance Summary

21.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 21-6 shows the forecasted condition of Roads & Sidewalks assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$22.6 million per year to invest in the renewal of its Roads & Sidewalks assets.

1. Planned Budget / Expected Performance (\$22.6 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to deteriorate (% of assets in very poor condition) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based primarily on staff reported condition (90% of assets by replacement value).** For the remaining assets, the condition is determined based on their age relative to their estimated service life (see Table 24.11 in Appendix O). The forecast then estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Planned Budget (\$22.6 million per year average renewal investment from 2025 – 2034)

The proposed performance is to follow the planned budget which will result in minor deterioration of the road portfolio over the next 10 years. This deterioration would lead to an increase in operations and maintenance costs and the City will be managing this deterioration through improved planning and coordination of preventive maintenance activities.



Additionally, the lifecycle average annual renewal need for Roads & Culverts assets is approximately **\$27.0 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$23.6 million per year in the renewal of Roads & Sidewalks assets from 2025 – 2034, may be insufficient to address renewal need in the years beyond the analysis period.

21.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- Extreme Weather Events: Any changes to road conditions are captured through roads needs studies conducted every two years or through the road patrol in the interim time between road studies.
- **Cost Escalations:** Procurement bids are evaluated against MTO, tender prices changes, and Statistics Canada information. The procurement team typically has a plan in place if costs unexpectedly escalate for tenders.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.25 in Appendix O) with the probability of failure ratings for all infrastructure represented within Roads & Sidewalks services. As shown in Figure 21-7, an estimated \$169.8 million (8.5%) of Roads & Sidewalks assets currently have high-risk exposure.

		Risk exp	osure in	year 2025 \$,	millions	;			
nce e	Catastrophic	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Risk Exposure	\$	%
quei	Major	\$370.2	\$781.3	\$668.9	\$142.8	\$27.0	High	\$169.8	8.5%
nse(of Fa	Moderate	\$1.5	\$6.0	\$1.2	\$1.4	\$0.0	Moderate	<mark>\$1,452.9</mark>	72.6%
C OI	Minor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Low	\$377.7	18.9%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$2,000.3	100.0%
			Duck	- 1. 1114 6 - F -	11				

Figure 21-7 – Risk Exposure Map for Roads & Sidewalks Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk,

and mitigation costs of implementing the selected mitigation plan are shown in Table 21.3
Table 21.3 – Risk Mitigation and Plans

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Roads	Poor asset condition resulting in the inability to perform services		Renewal work to perform any	Low	\$113.0
Sidewalks		High	necessary repairs or replacement of assets		\$56.7

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

21.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for road and sidewalk asset management are shown in Table 21.4.

Table 21.4 – Improvement Recommendations – Roads & Sidewalks

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	• Determine condition of assets currently reported in unknown condition
Levels of Service	• N/A
Lifecycle Management and Financial Summary	 Incorporate improved deterioration modelling to assess and plan road repair, rehabilitation, and reconstruction projects
	 Develop a forecast for O&M spending that accounts for deterioration of the road and sidewalk assets
	• Develop a more accurate method for budgeting growth due to development, rather than using a simple percentage increase
Risk Management	 Implement risk assessment for both asset management and project prioritization that aligns with Enterprise Risk Framework

22.0 APPENDIX M – GAS UTILITY SERVICES

The Gas Utility service area oversees the delivery and maintenance of the municipal gas distribution system, ensuring safe, reliable, and efficient energy service to customers.

22.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's gas utility services. The gas utility assets covered by this AM Plan are shown in Table 22.1. The largest portion of the asset mix are Mains assets with a replacement value of \$1,259.0M (approximately 58% of the total replacement value).

Asset Category	Asset Types	Replacement Value (2025\$, M)	%
	Mains	\$1,259.0M	58.0%
	Service Pipes	\$790.7M	36.4%
	Valves	\$11.5M	0.5%
Distribution System	Service Valves	\$1.9M	0.1%
	Gas Casings	\$0.5M	0.0%
	Regulator Pits	\$0.0M	0.0%
	Regulator Stations	\$3.0M	0.1%
Meters	Meters	\$59.9M	2.8%
Water Heaters	Water Heaters	\$44.9M	2.1%
TOTAL		\$2,171.5M	100%

Table 22.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in Figure 22-1.



Figure 22-1 – Asset Age Profile

Asset condition

The asset condition profile by replacement cost for gas utility services is shown in Figure 22-2. The asset condition profile by asset category is shown in Figure 22-3. The condition assessment of the City's gas utility assets provides insight into the reliability of its infrastructure. The condition of gas utility assets was based on the age of each asset. The gas utility team implements risk mitigation measures, as indicated in the Risk section, for any infrastructure assets that are having performance issues. Overall, approximately 97% of the City's gas utility assets have a condition rating of fair or better (excluding assets in unknown condition).

Approximately \$0.1 million (\$70K) of Gas Utility assets are in unknown condition. These unknown assets are comprised of Gas Casings (\$52K) and Water Heaters (\$18K).



Figure 22-2 – Asset Condition Profile





22.2 LEVELS OF SERVICE

Table 22.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
LOS C Category Lev	Community	Performance	Performance			Target/Proposed	
	Level of Service	Measure	2022	2023	2024	Performance (Value or Qualitative Trend)	Notes
Capacity & Use The City aims to ensure reliable and efficient delivery of natural gas to meet customer and contractual obligations.	The City aims to ensure reliable	Number of hours below 20 PSI	0	0	0	0	
	Number of times exceeding contractual demand (Enbridge Gas Inc.) by more than 3% per year	0 (the last exceedance was in 2019)	0	0	0		
Quality &The City is committed to delivering safe, reliable, and efficient natural gas services through proactive asset management and maintenance.	% assets within service life	N/A	N/A	98.0%	>75%		
	The City is9committed totdelivering safe,rreliable, anddefficient naturalggas servicesdthroughgproactive assetgmanagement andgmaintenance.g	% unplanned down time and % of service returning in 8 hours during heating season or 24 hours outside of heating season	N/A	N/A	N/A	0% down time (100% service returning within timeframe)	
		% of leak surveys completed annually	Met target	Met target	Met target	33.3% (1/3) of system annually	
		% of meters with valid Measurement Canada seal	100%	100%	100%	100%	

Table 22.2 – Levels of Service

22.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

22.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social, or environmental needs. There is limited forecast growth beyond 2031 as the Gas Utility is in the process of exploring and studying the impact of the energy transition to their business. This transition will be explored in a separate project and incorporated into future AM Plans. Forecast acquisition asset costs are summarized in Figure 22-4.



Figure 22-4 – Yearly Acquisition Summary

Summary of Forecast Operations and Maintenance Costs

Figure 22-5 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased relative to the growth of the overall asset portfolio (See Section 22.3.1 for related growth costs). Regular increases due to inflation were not included.



Figure 22-5 – Operations and Maintenance Summary

22.3.2 Summary of Forecast Renewal Costs

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed, and/or budgets are reprioritized.

Figure 21-6 shows the forecasted condition of Gas Utility assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$8.3 million per year to invest in the renewal of its Gas Utility assets.

1. Planned Budget / Expected Performance

(\$8.3 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to deteriorate (% of assets beyond expected service life) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast determines the current condition of each asset **based on its age relative to its estimated service life** (see Table 24.12 in Appendix O) and estimates the planned replacement year based on when the asset has reached end of life. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Maintain Current Condition (\$14.4 million per year average renewal investment from 2025 – 2034)

The proposed performance is to maintain the overall condition of assets similar to the current state over the next 10 years. **This results in a funding gap of approximately \$6.1 million per year.** The Gas Utility will be exploring increasing user rates over the next 10-years to support the long-term maintenance of asset condition to meet the proposed LOS.



Additionally, the lifecycle average annual renewal need for Gas Utility assets is approximately **\$36.4 million per year**. This value is determined by taking the sum of the replacement value of each asset in the portfolio divided by its estimated service life. **The purpose of this value is to evaluate if there is potential renewal investment needed outside of the analysis period (2035 onward).** Therefore, the City's proposed renewal investment of \$14.4 million per year in the renewal of Gas Utility assets from 2025 – 2034, will be insufficient to address renewal need in the years beyond the analysis period.

22.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

- **Supply Chain Disruptions:** Gas meters are ordered at least one year in advance and the City maintains a surplus inventory of pipe. There are also many options for suppliers of gas utility assets.
- **Electrification Trends:** Staff use a gas demand model that reviews capacity in the pipes and evaluated growth needs. Staff are looking at future demand in the 5–10-year timeframe to try to forecast needs.
- **Peak Load:** Staff are challenged in determining future load demands and are working to be more strategic in the long-term investments to manage load demands.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk exposure framework shown in Section 7.0 combines the consequence of failure ratings (see Table 24.26 in Appendix O) with the probability of failure ratings for all infrastructure represented within Gas Utility services. As shown in Figure 22-7, an estimated \$280.2 million (12.9%) of Gas Utility assets currently have high risk exposure.

		Risk exposur							
e	Catastrophic	\$338.3	\$708.7	\$212.1	\$0.0	\$0.0	Risk Exposure	\$	%
quer ailure	Major	\$209.1	\$302.3	\$232.7	\$32.3	\$30.7	High	\$280.2	12.9%
of Fa	Moderate	\$9.2	\$22.3	\$6.8	\$2.0	\$5.1	Moderate	\$1,252.5	57.7%
ပိ	Minor	\$27.5	\$31.4	\$0.6	\$0.3	\$0.1	Low	\$638.7	29.4%
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain	Total	\$2,171.4	100.0%
Probability of Failure									

Figure 22-7 – Risk Exposure Map for Gas Utility Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk and mitigation costs of implementing the selected mitigation plan are shown in Table 22.3. The City has a robust monitoring program to mitigate the probability of failure of gas utility assets to keep the public safe.

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Mains	Poor asset condition resulting in the inability to perform services		Renewal work to perform any High necessary Low repairs or replacement		\$212.1
Service Pipes					\$56.7
Valves		High		Low	\$2.8
Service Valves					\$0.5
Water Heaters	rs		of assets		\$5.1

Table 22.3 – Risk	Mitigation	and Plans
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Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

22.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for gas utility asset management are shown in

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	 Develop a more robust inspection program for Gas Utility assets to reduce reliance on age-based condition assessments
	 Develop a more robust system for tracking and reporting the number of hours below 20 psi to ensure service reliability Implement a formal tracking system for instances of
Levels of Service	exceeding contractual demand with associated costs and penalties
	 Establish a formal system to track and distinguish between planned maintenance outages and unplanned downtime Formalize the tracking of the valve turning program to
	ensure all valves are exercised according to schedule
	 Develop more comprehensive documentation of preventative maintenance programs and their financial impacts
Lifocuclo Managomont	 Create a dedicated capital budget line for statutory meter replacements to ensure compliance with regulatory requirements
and Financial Summary	 Develop a more detailed lifecycle costing model that accounts for the unique characteristics of gas utility assets, including regulatory requirements
	 Implement a system to track maintenance costs by asset type to better inform lifecycle management decisions
	 Confirm service life for gas pipes to better forecast replacement needs

Table 22.4 – Improvement Recommendations – Gas Utility

AM Plan Section	Improvement Recommendation
	 Develop a more comprehensive approach to identifying critical assets
	 Develop methods to quantify safety risks associated with gas asset failures to better prioritize investments
Risk Management	 Incorporate environmental risk considerations into the asset management decision-making process
	 Implement risk assessment for both asset management and project prioritization that aligns with Enterprise Risk Framework

23.0 APPENDIX N – FACILITIES SERVICES

The Facilities service area manages the lifecycle of City-owned buildings and structures, including community centers, administrative offices, and operations buildings, ensuring they remain safe, accessible, and functional.

23.1 STATE OF LOCAL INFRASTRUCTURE

Asset inventory and valuation

A variety of assets support the delivery of the City's facilities services. The facility assets covered by this AM Plan are shown in Table 23.1. The largest portion of the asset mix are Arenas, with a replacement value of \$487.8M and a total building area of 590,303 square feet. Arenas account for approximately 24.3% of the replacement value of all facilities assets.

Service Area	Dimension (sq ft)	Replacement Value (2025\$, M)	%
Administration	227,378	\$212.6M	10.6%
Aquatics	97,636	\$123.0M	6.1%
Arenas	590,303	\$487.8M	24.3%
Arts & Culture	278,740	\$248.7M	12.4%
Cemeteries	34,464	\$20.6M	1.0%
Commercial	101,473	\$151.5M	7.5%
Community Centres	185,076	\$159.6M	8.0%
Fire	62,304	\$101.2M	5.0%
Golf	45,210	\$20.8M	1.0%
Operations	387,725	\$221.4M	11.0%
Parking Garages	518,776	\$149.3M	7.4%
Parks & Open Spaces	75,701	\$28.1M	1.4%
Residential	7,828	\$2.2M	0.1%
Sport	111,431	\$81.2M	4.0%
TOTAL	2,724,045	\$2,007.9M	100%

Table 23.1 – Assets Inventory Summary

The age profile of the assets included in this AM Plan are shown in

Figure 23-1. Asset Age Profile was calculated using a weighted average age of assets based on current replacement value (CRV). All table and figure values are shown in current day dollars.

Residential assets are the oldest City facilities with an average age of 84.3 years against a useful life expectancy of 80 years. This suggests that these assets have, on average, met or exceeded their anticipated lifespan, potentially warranting closer attention and investment in maintenance, refurbishment, or disposal to ensure the continued well-being and safety of residents. In contrast, parking garages exhibit a notably lower average age of 21.7 years against a useful life expectancy of 80 years, emphasizing recent investments in this area.



Figure 23-1 – Asset Age Profile

Asset condition

The asset condition profile by replacement cost for facilities services is shown in Figure 23-2. The asset condition profile by asset category is shown in Figure 23-3. The condition assessment of the City's facilities assets provides insight into the reliability of its infrastructure. Overall, approximately 51% of the City's facilities assets have a condition rating of fair or better.



Figure 23-2 – Asset Condition Profile





23.2 LEVELS OF SERVICE

Table 23.2 shows the current service levels and planned target for each LOS. The lifecycle activities and resulting costs were developed to meet the target service levels identified within this section.

Technical Focused Levels of Service							
	Community Level	Performance		Performan	Proposed Performance		
LUS Category	of Service	Measure	2022	2023	2024	(Value or Qualitative Trend)	
Functional	To promote a sustainable and energy efficient community by minimizing energy	Percentage of critical facilities (SFU 3, 4, 5) with accessibility audits completed	32.9%	36.6%	36.6%	100%	
	consumption and greenhouse gas (GHG) emissions across all City Facilities	GHG emissions for buildings	6685 tCO2e	6133 tCO2e	5773 tCO2e	3,550 tCO2e by 2034 (0 by 2050)	
		GHG emissions for buildings per sq.m.	33.02 kgCO2e/m 2	30.29 kgCO2e/m2	28.52 kg CO2e/m2	17.55 kg CO2e/m2 by 2034 (0 by 2050)	
Quality & Reliability	Provide facilities in acceptable condition and cleanliness by following and providing proper maintenance standards and inspections.	Facility Condition Index	76%	9.9%	12.6%	Maintain current FCI of 12.6% by 2034, at \$36.7M/yr	
		Ratio of Planned versus Unplanned Work (by cost)		30% planned (July 2022 – June 2023)	22% planned (Jan 2024 – Dec 2024)	-	
Financial Sustainability	Promote cost effective and resource efficient facilities services	Facility asset renewal budget as a percentage of replacement value	N/A	N/A	0.6%	1.8%	

Table 23.2 – Levels of Service

To address the demands due to the increasing population, the City is currently developing an Arenas Strategy that will be examining whether to maintain older facilities or build new multi-pad facilities. This strategy as well as other studies will address capacity-related issues for existing facilities and inform future measures for inclusion in the next AM Plan

Kitchener Public Library has been included in the calculation of the GHG emissions measures, as the City will manage these service levels by applying emissions reductions activities across all facilities. Kitchener Public Library has been excluded from all other measures, and from all other sections of the AM Plan.

It is not possible to determine a proposed performance for, or the impact of available funding on, the ratio of planned versus unplanned work measure at this time. The City is optimizing the work order and planning process to be more efficient, and will monitor how the performance of this measure will change over the next few years.

23.3 LIFECYCLE MANAGEMENT AND FINANCIAL SUMMARY

23.3.1 Summary of Forecast Acquisition Costs

Acquisition reflects new assets that did not previously exist within the inventory. They may result from growth, demand, social or environmental needs. Forecast acquisition asset costs are summarized in Figure 23-4.





Growth projects for facilities typically span over several years. Expenditures for the 2024 and prior funded portions of growth projects total \$80.5M, and are not included in Figure 23-4. Upgrade needs are concentrated in 2025 because future upgrade needs have not yet been identified. There is an estimated minimum \$2 million per year need to meet the GHG emissions reductions targets, which the City expects to refine further through future audits.

Summary of Forecast Operations and Maintenance Costs

Figure 23-5 shows the operations and maintenance costs that are forecasted to increase over the next 10 years. Operations and maintenance costs were increased according to the growth projections outlined in Figure 23-4.



Figure 23-5 – Operations and Maintenance Summary

Forecast renewal costs are projected to increase over time as the asset inventory increases, renewal schedules are delayed and/or budgets are reprioritized.

Figure 21-6 shows the forecasted condition of Facilities assets over the next 10 years, based on two scenarios:

- 1. The planned budget
- 2. The proposed LOS the City has chosen

Based on the planned budget outlined in the 2025 – 2034 Capital Plan, the City has approximately \$12.3 million per year to invest in the renewal of its Facilities assets.
1. Planned Budget / Expected Performance (\$12.3 million per year average renewal investment from 2025 – 2034)

The condition of assets is expected to deteriorate (an increase in % FCI) based on the currently available budget for capital renewal over the next 10 years. The renewal forecast is determined **based on condition assessments**, which forecast the planned replacement year for each asset, based on condition and estimated remaining service life. Table 24.13 in Appendix O provides typical service lives of building elements. Renewal of certain assets have been deferred in order to align the forecast with the planned budget.



Proposed LOS: Maintain Current Condition (\$36.7 million per year average renewal investment from 2025 – 2034)

The proposed performance is to maintain the overall condition of assets similar to the current state over the next 10 years, at an FCI of 12.6% by 2034. The cost to maintain this service level is \$36.7 million per year. With an available budget of \$12.3 million per year, achieving this proposed service level results in a funding gap of approximately \$24.5 million per year.

The City is managing this shortfall and the potential deterioration in condition through seeking grant opportunities, improved planning and maintenance processes, prioritizing preventive and predictive maintenance over reactive maintenance, and developing an improved project prioritization process. To manage building condition while in a funding deficit, the City will continue to conduct condition assessments to identify critical repairs and leverage existing asset management tools to streamline operations. The City will also continue with strategic planning initiatives to help extend building life and reduce long-term costs. Consideration of outsourcing specialized tasks and adopting a prioritization framework will optimize maintenance by ensuring limited resources are focused on the most urgent and impactful needs.



23.4 RISK MANAGEMENT PLAN

Risk to Capacity & Function Levels of Service

The City is expected to grow significantly over the next 10-years and they are enhancing their service delivery through targeted improvements to service function (i.e., environmental, accessibility, performance, etc.). The capacity growth and functional improvements yield multiple risks that need to be managed by the City including:

• **Provision of Services:** The City has committed to adding several new facilities and expanding spaces at existing facilities, as noted in Figure 22-4, to provide sufficient capacity of services and manage the risks associated with population growth. Future capacity needs and associated risks will be evaluated through master planning and ongoing service reviews.

• **GHG Emissions:** The City has set an aspirational target of net zero emissions by 2050. To help achieve this, the City will continue to refine estimates on the need to reduce emissions through future audits and GHG pathway studies on high emission facilities. The City will pursue grants from higher levels of government for projects related to reducing GHG emissions.

Risk to Reliability Levels of Service

The Reliability LOS refers to the City's aim to ensure that its assets are kept in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition. The risk map shown in Figure 23-7 combines the consequence of failure ratings with the probability of failure ratings for all infrastructure represented within the service area. To align with the corporate risk framework, assets with an SFU (Supporting Functional Use) score of 1 and 2 have been reclassified as a Minor consequence of failure.

	Risk exposure in year 2025 \$, Millions							
Consequence of Failure	Catastrophic	\$0.0	\$12.5	\$220.8	\$260.3	\$0.0		Risk Exposure
	Major	\$0.0	\$10.5	\$0.0	\$295.6	\$0.2		High
	Moderate	\$276.7	\$156.3	\$325.9	\$337.4	\$58.2		Moderate
	Minor	\$13.3	\$2.9	\$8.8	\$14.7	\$13.9		Low
		Rare	Unlikely	Somewhat Likely	Likely	Almost Certain		
Probability of Failure								

Figure 23-7 – Risk Exposure Map for Facilities Assets

Critical risks are those assessed with a risk rating of High. The mitigation plan, residual risk and mitigation costs of implementing the selected mitigation plan are shown in Table 23.3 for High-risk assets.

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Fire Station 1	Poor facility condition resulting in facility closure and disruption of critical services	High	Renewal work including: Roof replacement, HVAC replacements	Moderate	\$7.2M

Table 23.3 – Risk Mitigation and Plans

\$

\$ 835.1

\$ 686.3

\$ 486.6

\$2,008.0

%

42%

34%

24%

100%

Asset	Risk	Risk Rating	Risk Mitigation Plan	Residual Risk *	Treatment Costs (\$M)
Fire Station 2	Poor facility condition resulting in facility closure and disruption of critical services	High	Renewal work including: Roof replacement, HVAC replacements, Roadway pavement replacement	Moderate	\$1.8M
Fire Station 3 and Ambulance Station	Poor facility condition resulting in facility closure and disruption of critical services	High	Renewal work including: LED lighting	Moderate	\$2.2M
Kitchener City Hall	Poor facility condition resulting in facility closure and disruption of critical services	High	Renewal work including: Major rehabilitation of Berlin Tower (glass curtain walls), replacement of lighting, elevator modernization, replacement of exterior aluminum wall panels	Moderate	\$59.6M

Note * The residual risk is the risk remaining after the selected risk mitigation plan is implemented.

23.5 AM PLAN IMPROVEMENT AND MONITORING

It is vital in any AM Plan to recognize areas of future improvements to ensure effective asset management and informed decision making. The improvement recommendations for Facilities asset management are shown in Table 23.4.

AM Plan Section	Improvement Recommendation
State of Local Infrastructure	Continue to conduct regular building condition assessments
Levels of Service	 Consider past safety issues and incorporate added safety elements into corporate facility design standards

Table 23.4 – Improvement Recommendations – Facilities

AM Plan Section	Improvement Recommendation			
	 The overarching corporate goal is to net zero emissions by 2050. Develop costs related to GHG reduction and energy consumption 			
	 Complete accessibility audits and determine accessibility upgrade needs 			
Lifecycle Management and Financial Summary	• Determine funding gap related to planned maintenance and implement formal preventive maintenance activities as required to lower unplanned maintenance and risk of unexpected service disruptions			
	• Develop strategies regarding disposals, acquisitions, temporary facilities, replacement versus rehabilitations of old facilities as part of overall approaches to manage the funding gap			
	 Improve the alignment of the facilities risk assessment with Enterprise Risk Framework 			
Risk Management	 Monitor potential impacts on accelerated deterioration of facility elements due to extreme weather events, and account for added costs in renewal forecasts 			

24.0 APPENDIX O – ADDITIONAL ASSET DATA

24.1 ESTIMATED SERVICE LIVES

Table 24.1 – Estimated Service Lives - Fleet

Asset	Estimated Service Life (years)
Cars	8
Pickups	8
Vans	8
Crew Cabs	8
Small Dumps (10,000 to 18,000 lb. GVW)	7
Single Axle Dump Trucks (30,000 to 39,000 lb. GVW)	8
Tandem Dump Trucks (50,000 to 55,000 lb. GVW)	9
Tridem	11
Flushers	16
Sweepers (large and small)	6
Rollers	13
Tractor Loaders	11
Tractor Loader Backhoes	10
Heavy Loaders	16
Graders	16
Turf Tractors LCG	13
Tar Kettles	16
Self-Propelled Gang Mowers	11
Trailer-Mounted Compressors 160 CFM	11
Ice Machines	11
Self-Propelled Rotary and Reel Mowers	8
Diesel Garden Tractor	13

Table 24.2 – Estimated Service Lives - Cemeteries

Asset	Estimated Service Life (years)
Ossuary/Scattering Gardens	100
Statues	100
Art/Artifacts	100
Stone Walls	100
Reflection Stones	100
Memorial Plaques	100
Memorial Trees	100
Memorial Benches	15
Burial Greens	10
Urn Tables	10
Columbarium	40

Asset	Estimated Service Life (years)
Horticultural Beds	100
Roadways & Parking Lots	30
Fences	50
Gates	10
Cemetery Bollards	10
Cemetery Garbage Cans	10
Fountains	15
Cemetery Benches	15
Wetland Gazebo	30
Wetland Bridge	30
Pond Bridge	30
Dedication Centre Pergola	30
Serbian Pergola	30
Trail Entrance Feature	30
Lowering Units	15

Asset	Estimated Service Life (years)
Irrigation Systems	40
Lighting	20
Golf Bike Racks	10
Entrance Features	20
Flag Poles	20
Golf Benches	10
Bunkers	30
Fairways	30
Greens	30
Rough	30
Practice Greens	30
Tee Complexes	15
Short Course Greens	30
Short Course Tees (Synthetic)	10
Practice Ranges (Synthetic)	15
Practice Ranges (Natural)	15
Ball Washers	15
Golf Carts (Gas)	8
Golf Carts (Lithium)	8
Golf Cart Bridges	50
Practice/Driving Range Tee	20
Golf Cart Path	50

Table 24.4 – Estimated Service Lives - Parking

Asset	Estimated Service Life (years)
Surface Lots	35
Pay by Plate Units	15
EV Charging Stations	15
Parking Bike Racks	10
Light Standards	30
Parking Bollards	10
Parking Gates	10

Table 24.5 – Estimated Service Lives – Parks, Open Spaces & Trails

Asset	Estimated Service Life (years)
Ball Diamond	40
Cricket Pitch	40
Lawn Bowling	40
Soccer Field	40
Outdoor Rink	10
Tennis Court	20
Basketball Court	20
Volleyball Court	20
Bike Park	20
Skateboard Park	20
Playground	15
Boardwalk	15
Bridge	30
Shuffleboard Court	15
Disc Field	40
Field Hockey Pitch	40
Dog Park	40
Parks Bike Racks	15
Parks Garbage Containers	15
Huron Natural Area Picnic Shelter	15
Picnic Tables	15
Parks Bollards	15
Parks Benches	15
Trails	30
Pickleball Court	20

Asset	Estimated Service Life (years)
Streetlight Pole	50
Streetlight	20
Railing	50
Road Islands	50
Raised Crosswalk	50
Speed Hump	50
Pedestrian Crossing	15
Transportation Bollards	15
Street Benches	15
Pedestrian Pad	50
Traffic Signs	15

Table 24.6 – Estimated Service Lives – Transportation

Table 24.7 – Estimated Service Lives – Water Utility

Asset	Estimated Service Life (years)
Mains	100 (HDPE, HDPE in CI, PVC, PVCB, PVCF, PVCO)
Service Pipes	80 (DI, COP, CPP, ST) 50 (AC, CI)
Pipe Casings	100 (HDPE)
Chambers	50
Hydrants	Same as Mains
Main Valves	55 (100mm Dia.)
	55 (150mm Dia.)
Service Valves	50 (200mm Dia.)
	45 (Remaining Sizes)
Permanent Bulk Water Stations	25
Temporary Bulk Water Stations	15
Meters	15 (3/4", 5/8") 12 (1")
Meters	10 (Remaining Sizes)

Table 24.8 – Estimated Service Lives – Sanitary Utility

Asset	Estimated Service Life (years)
Mains	
Force Mains	80 (AC, DIP, PE, SP, VCP, XXX)
Service Pipes	
Plugs	50
Manholes	50
* Estimated Convice Lives for Monticel Assets your by building source and	

*Estimated Service Lives for Vertical Assets vary by building component

Asset	Estimated Service Life (years)
Mains	100 (CP, CSB, CSU, HDPE, PVC, RVC)
	80 (AC, PE, VCP)
Service Pipes	50 (CSP)
Valves	50
Plugs	50
Ditches	50
Culverts	50
Driveway Culverts	50
Manholes	50
Catchbasins	50
Oil and Grit Separators	50
Stormwater Management Facilities	80
Stormwater Ponds	80
Bioretention	25
Permeable Pavement	25
Infiltration Galleries	25
Holding Tanks	25
Subsurface Facilities	25
Storm Leads	50
Storm Inlets	50
Storm Outlets	50
Storm Weirs	50
Storm Forebays	50

Table 24.9 – Estimated Service Lives – Stormwater

Table 24.10 – Estimated Service Lives – Bridges & Culverts

Asset	Estimated Service Life (years)
Road Bridges	75
Rail Bridges	75
Pedestrian Bridges	50
CSP Culverts	50
Other Culverts	75

Table 24.11 – Estimated Service Lives – Roads & Sidewalks

Asset	Estimated Service Life (years)
Roads	20 (Surface) 40 (Base)
Sidewalks, Walkways & Crosswalks	80 (Concrete)
Pathways	30 (Asphalt/Other)

Asset	Estimated Service Life (years)
Cycling	
Network Links	
Guiderails	50

Asset	Estimated Service Life (years)
Mains	80
Service Pipes	60
Valves	40
Service Valves	40
Gas Casings	80
Regulator Pits	60
Regulator Stations	60
Meters	24
Water Heaters	9

Table 24.13 – Estimated Service Lives – Facilities

Asset Category	Estimated Service Life (years)
Substructure	40
Floor Construction	40
Roof Construction	40
Exterior Walls	40
Exterior Windows	30
Exterior Doors and Grilles	30
Exterior Horizontal Enclosures	20
Interior Partitions	50
Interior Doors	30
Interior Specialties	10
Stairs	50
Wall Finishes	20
Flooring	20
Ceiling Finishes	20
Stair Finishes	20
Conveying	25
Plumbing	30
HVAC	30
Fire Protection	30
Electrical Service	30
Lighting	30

Asset Category	Estimated Service Life (years)
Other Electrical	30
Communications, Electronic Safety and Security and Integrated Automation	10
Equipment and Furnishings	10
Special Construction	50
Sitework	30

24.2 COF RATINGS

Table 24.14 – COF Ratings - Fleet

Asset Category	COF Rating
Misc Small Equipment	1
Lawn/Turf Equipment	1
Off Road Equipment	3
Licensed Equipment	3
Arena Equipment	2
Dump/Fire Trucks	4

Table 24.15 – COF Ratings - Cemeteries

Asset	COF Rating
Ossuary/Scattering Gardens	1
Statues	1
Art/Artifacts	1
Stone Walls	2
Reflection Stones	2
Memorial Plaques	1
Memorial Trees	1
Memorial Benches	1
Burial Greens	1
Urn Tables	1
Columbarium	3
Horticultural Beds	1
Roadways & Parking Lots	2
Fences	1
Gates	1
Cemetery Bollards	1
Cemetery Garbage Cans	1
Fountains	1
Cemetery Benches	1
Wetland Gazebo	2
Wetland Bridge	2
Pond Bridge	3
Dedication Centre Pergola	2
Serbian Pergola	2
Trail Entrance Feature	2
Lowering Units	4

Table 24.16 – COF Ratings - Golf

Asset	COF Rating
Irrigation Systems	2
Lighting	2
Golf Bike Racks	1
Entrance Features	1
Flag Poles	1
Golf Benches	1
Bunkers	2
Fairways	2
Greens	2
Rough	2
Practice Greens	1
Tee Complexes	1
Short Course Greens	1
Short Course Tees (Synthetic)	1
Practice Ranges (Synthetic)	1
Practice Ranges (Natural)	1
Ball Washers	1
Golf Carts (Gas)	2
Golf Carts (Lithium)	2
Golf Cart Bridges	3
Practice/Driving Range Tee	1
Golf Cart Path	2

Table 24.17 – COF Ratings - Forestry

Asset Category	COF Rating
Street Trees	3
Park, Cemetery, Golf & Other Trees	2

Table 24.18 – COF Ratings - Parking

Asset Category	COF Rating
Surface Lots	2
Pay by Plate Units	1
EV Charging Stations	1
Parking Bike Racks	1
Light Standards	1
Parking Bollards	1
Parking Gates	1

Asset Category	COF Rating
Ball Diamond	2
Cricket Pitch	2
Lawn Bowling	2
Soccer Field	2
Outdoor Rink	2
Tennis Court	2
Basketball Court	2
Volleyball Court	2
Bike Park	4
Skateboard Park	4
Playground	3
Boardwalk	4
Bridge	4
Shuffleboard Court	2
Disc Field	2
Field Hockey Pitch	2
Dog Park	2
Parks Bike Racks	1
Parks Garbage Containers	1
Picnic Tables	1
Parks Bollards	1
Parks Benches	1
Trails	2
Pickleball Court	2

Table 24.19 – COF Ratings – Parks, Open Spaces & Trails

Table 24.20 - COF Ratings - Transportation

Asset Category	COF Rating
Streetlight Pole	3
Streetlight	3
Railing	2
Road Islands	1
Raised Crosswalk	2
Speed Hump	1
Pedestrian Crossing	3
Transportation Bollards	1
Street Benches	1
Pedestrian Pad	1
Traffic Signs	Warning – 3 Other - 2

Table 24.21 - COF Ratings - Water Utility

Asset Category	COF Rating
Mains	4
Service Pipes (>4")	4
Service Pipes (<=4")	2
Pipe Casings	1
Chambers	3
Hydrants	2
Main Valves	3
Service Valves	2
Permanent Bulk Water Stations	1
Temporary Bulk Water Stations	1
Meters	1

Asset Category	COF Rating
Mains	4
Force Mains	4
Service Pipes	2
Plugs	2
Manholes	2
Stoke SPS	4
Patricia SPS	4
Moore SPS	4
Oxford SPS	4
Falconridge SPS	4
Victoria/Breslau SPS	4
Carson SPS	4
Manchester (Lift Station) SPS	4
Otterbein SPS	4
Springmount SPS	4
Bancroft SPS	4
Apple Tree SPS	4
Woolner Trail SPS	4
Chandos SPS	4
King Street SPS	4
River Birch SPS	4
Pioneer Tower SPS	4
Homer Watson SPS	4
Conestoga College SPS	4
New Dundee SPS	4

Table 24.22 – COF Ratings – Sanitary Utility

Asset Category	COF Rating
Nathalie SPS	4
New Old Mill SPS	4

Asset Category	COF Rating
Mains	4
Service Pipes	2
Valves	3
Plugs	2
Ditches	2
Culverts	4
Driveway Culverts	2
Manholes	2
Catchbasins	2
Oil and Grit Separators	2
Stormwater Management Facilities	4
Stormwater Ponds	4
Bioretention	2
Permeable Pavement	2
Infiltration Galleries	2
Holding Tanks	2
Subsurface Facilities	2
Storm Leads	3
Storm Inlets	3
Storm Outlets	3
Storm Weirs	3
Storm Forebays	4

Table 24.24 – COF Ratings – Bridges & Culverts

Asset Category	COF Rating
Mains	4
Service Pipes	2
Valves	3
Plugs	2
Ditches	2
Culverts	4
Driveway Culverts	2
Manholes	2
Catchbasins	2

Asset Category	COF Rating
Oil and Grit Separators	2
Stormwater Management Facilities	4
Stormwater Ponds	4
Road Bridges	4
Rail Bridges	4
Pedestrian Bridges	3
CSP Culverts	3
Other Culverts	4

Table 24.25 – COF Ratings – Roads & Sidewalks

Asset Category	COF Rating
Roads	4 (Class 1 & 2) 3 (Class 3, 4 & 5)
Sidewalks, Walkways & Crosswalks	3
Pathways	3
Cycling	3
Network Links	3
Guiderails	2

Table 24.26 - COF Ratings - Gas Utility

Asset Category	COF Rating
Mains	4
Service Pipes	3
Valves	3
Service Valves	3
Gas Casings	2
Regulator Pits	2
Regulator Stations	3
Meters	1
Water Heaters	2

*Note that COF ratings for Facilities vary by individual facility

Staff Report

Financial Services Department



REPORT TO:	Finance and Corporate Services Committee
DATE OF MEETING:	June 16, 2025
SUBMITTED BY:	Saleh Saleh, Director, Revenue Division, 519-904-6308
PREPARED BY:	Saleh Saleh, Director, Revenue Division, 519-904-6308
WARD(S) INVOLVED:	ALL
DATE OF REPORT:	May 14, 2025
REPORT NO.:	FIN-2025-274
SUBJECT:	Fee For Paper Billing

RECOMMENDATION:

That staff be directed to enhance the City's e-billing promotion efforts (Option #3) through targeted marketing campaigns to further increase the adoption of paperless billing.

REPORT HIGHLIGHTS:

- The purpose of this report is to provide Council with options to reduce postage costs related to paper billing and promote the City's e-billing platform.
- Postage and paper costs continue to rise requiring the City to explore options to reduce or eliminate paper billing.
- The City of Kitchener has one of the highest e-billing adoption rates at approximately 50% of customers enrolled, when compared to other municipalities around the Province.
- This report supports the delivery of core services.

BACKGROUND:

As postage and paper costs continue to rise, the City of Kitchener is committed to exploring ways to mitigate the increased costs. This includes exploring strategies to further encourage the use of electronic bill presentment and considering the implementation of a user fee for receiving paper bills. On January 20, 2025, Council passed the following motion related to the delivery of paper bills:

"WHEREAS the City of Kitchener acknowledges the importance of environmental sustainability, cost efficiency, and promoting advancement in technology in its operations, and;

WHEREAS approximately 50% or the City's residents are currently enrolled in the City's ebilling platform for property tax and utility billing, and;

> *** This information is available in accessible formats upon request. *** Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

WHEREAS Canada Post has notified the City that postage charges will increase by 25% starting in 2025, which will result in a significant cost increase for both property tax and utility customers, and;

WHEREAS enrollment on e-billing offers numerous benefits such as reducing paper waste, lowering costs, and providing customers with a faster, more secure and more convenient access to their bills, and;

THEREFORE BE IT RESOLVED that the City of Kitchener staff consider the feasibility of grandfathering existing customers who are currently not enrolled on e-billing and provide options for council to consider for any new customers who sign up for services with the City, and report back to the Finance and Corporate Services committee in the second quarter of 2025."

This report provides information and options for consideration as it related to reducing postage and paper costs.

REPORT:

Current Situation

Canada Post previously announced that postage costs will increase by 25% in 2025. In 2024 the City spent approximately \$1M in postage. A large percentage (80%) of the postage budget relates to costs of mailing out property tax and utility bills. Other paper invoices (20%) that are mailed out include, collection letters, miscellaneous accounts receivable invoices and other letters or notices across the organization to customers.

Approximately 50% of our customers and residents have enrolled on e-billing for their utility and property tax accounts.

On average the cost to mail out one paper bill is equal to approximately \$1.50 which includes postage, an inserting fee and paper. It is expected that this fee will continue to rise as the price of commodities and inflation increases.

Staff have also continued to leverage the City's e-billing solution by encouraging customers to enroll on e-billing and have investigated other options to deliver invoices through e-billing such as:

- Mailing of Accounts Receivable invoices to customers who provide an e-mail address.
- Promoting e-billing through social media channels including the City's website.
- Monthly contests with prizes through Kitchener Utilities.
- Communication through in-person and telephone interactions.
- Inserts in utility and property tax bills.

Current Legislation

The Municipal Act, 2001 (Act), provides guidance to municipalities on methods of delivery specific to property tax bills. There are a few relevant sections of the Act which relates to mailing out of property tax bills:

- Section 343 (1) of the Act requires the Treasurer to send a tax bill to every taxpayer at least 21 days before any taxes shown on the bill are due.
- Section 343 (6) requires the Treasurer to send a tax bill to the taxpayer's residence or place of business or to the premises in respect of which the taxes are payable.
- Section 343 (6.1) allows the Treasurer to send a tax bill to the taxpayer electronically if the taxpayer has chosen to receive the tax bill in that manner.
- Section 343(7) requires that where a taxpayer directs the treasurer in writing to send the taxpayer's tax bill by registered mail, the treasurer shall comply with the direction and shall add the cost of the registration to the tax roll and the amount shall be deemed to be part of the taxes for which the tax bill was sent.

The legislation is not clear on whether municipalities may charge a fee for providing a paper tax bill. However, it's clear that under section 343 (1) the Treasurer has an obligation to provide a tax bill to every taxpayer, and under section 343 (6.1) taxpayers cannot be forced to receive their bills electronically.

Staff have reviewed the legislation and are of the opinion that there are requirements outlined in the Act which require a Treasurer of a municipality to present a bill to a ratepayer. However, there is no explicit language in the Act which either authorizes or prohibits charging a fee for the delivery of a paper bill except for section 343(7) above which speaks to the cost associated with registered mail.

The Act does not include any specific language related to fees for delivery of paper utility bills. The Ontario Energy Board (OEB) serves as the provincial regulator for gas and electricity utilities in Ontario. In 2020, the OEB ruled that Enbridge could not charge customers for paper bills or automatically enroll them in electronic billing when opening a new account. The Kitchener utility bill includes charges for <u>gas</u>, water, sewer, stormwater, and rental water heaters. While Kitchener Utilities is not directly rate-regulated by the OEB, it adheres to the Board's decisions. As a result, if the City were to introduce a fee for paper utility bills, it would likely not be consistent with the OEB decision. Currently, Enbridge promotes e-billing and does not charge a fee for paper bills.

Survey of Other Municipalities

A survey of other municipalities indicated that currently only two; the City of Quinte West and Sioux Lookout, charge a fee for mailing of paper property tax and utility bills. The Township of Wilmot through their 2025 Budget process also approved the implementation of a fee for the mailing of paper bills.

A survey was also conducted with municipalities to understand whether customers are enrolling on e-billing or changing their preferences as it relates to paper billing. The results of the survey are shown in the next table:

Municipality	% of Customers	% of Customers	Fee Charged for
	enrolled on e-	enrolled on e-	Paper Bills
	billing (TAX)	billing (UTILITY)	(Yes/No)
	J	j	()

City of Markham	33%	45%	No
City of Mississauga	20%	N/A	No
City of Waterloo	26%	40%	No
City of Cambridge	7%	34%	No
City of Kitchener	49%	49%	No
City of Guelph	4%	N/A	No
City of Hamilton	7%	N/A	No
City of Toronto	10%	12%	No
City of London	0%	N/A	No
City of Ottawa	46%	49%	No

The survey results demonstrate that the majority of municipalities do not currently charge a fee for mailing paper property tax and utility bills. Furthermore, e-billing adoption rates for the City of Kitchener are the highest when compared to other municipalities.

Other considerations

As the City explores implementing a paper billing fee for new utility customers, it is important to evaluate the policy to ensure fair and accessible service delivery for all residents.

While encouraging digital billing aligns with the City's environmental and fiscal goals, the City must recognize and address potential barriers that could disproportionately impact specific communities.

There are a few considerations for Council to be aware of as it relates to these factors:

- **Digital Access and Affordability** Low-income households and seniors for example may not have regular access to computers or smartphones, affordable internet or may not have the digital literacy or comfort with online systems. A fee for paper bills could unintentionally penalize customers who are unable to transition to e-billing due to systemic barriers.
- Seniors and Technological Comfort- Older adults may be less comfortable navigating digital billing platforms or may prefer the familiarity of paper bills as a method of account management. Charging a fee for paper bills to this demographic may be viewed as exclusionary or insensitive to aging populations.
- **Customers with Disabilities** Although the City's e-billing platform meets the requirements of the Accessibility for Ontarians with Disabilities Act, customers with cognitive, visual, or other impairments may still face challenges in using digital billing platforms.
- **Newcomers to Canada** Customers who are new to Canada and speak English as a second language may also be impacted if they cannot afford the costs of paper bills and may also have difficulty navigating an online system which is in English.

Any proposed approach to implementing a paper billing fee must be developed with careful

attention to the equity and accessibility concerns outlined above. It is crucial that the City consider these factors to avoid creating unintended hardship for residents.

Options

It is expected that increased postage costs and the threat of postal service disruptions will continue to be a factor due to inflation and labour uncertainty. Staff have developed three options for Council's consideration.

Option #1: Charge \$2 for Every Paper Bill to Be Mailed Out

This option considers charging customers \$2 for every paper bill that is mailed out. By introducing a direct cost to customers who choose to continue receiving paper bills, the City can reduce its operating expenses while encouraging greater adoption of the free, more efficient e-billing platform.

Advantages of this option includes recovery of postage charges, additional revenue for the utility base and a benefit to the environment. It would likely also accelerate the transition to digital billing, which not only lowers operational costs over time but also supports the City's environmental sustainability goals by reducing paper consumption and greenhouse gas emissions associated with mail delivery.

A major disadvantage of this option is the increased cost to the customer for receiving a paper bill and especially on customers who prefer to rely on paper billing such as seniors, residents without regular internet access, or those unfamiliar with online billing systems. This fee will not be consisted with previous OEB decisions related to a fee for paper billing. Further, the Act may also limit the ability of the City to charge a fee on property tax bills.

Staff are aware of the following municipalities who are charging for paper bills or are moving towards charging a fee to deliver a paper bill to their customers:

Municipality	Fee per bill	Property Tax and Utilities	Population (Approx)
City of Quinte West	\$1.50	Utility Bills only	50,000
Sioux Lookout	\$3.00	Property Tax and Utility Bills	6,000
Township of Wilmot	\$2.50	Approved during the 2025	22,000
		Budget deliberations	

Note: These municipalities apply the fee exclusively to water utility bills, as they do not offer gas services and are not subject to OEB rulings.

Conclusion: Introducing a \$2 fee for each mailed paper bill presents a practical way for the City to recover increasing postage and other costs, while also promoting broader adoption of the City's e-billing service. This approach supports environmental objectives and long-term operational efficiency by reducing reliance on paper-based communication.

However, while financially and environmentally beneficial, this option may disproportionately impact vulnerable populations; particularly seniors, low-income residents, and those with limited digital access or literacy. To ensure fairness and accessibility, any implementation of this fee should be accompanied by a well-defined exemption process for those facing systemic or financial barriers.

The authority for the City to impose a fee for paper billing is uncertain. Additionally, charging a fee for paper utility bills is not aligned with the OEB's previous decisions on this matter.

Option #2: Grandfather existing customers on paper billing and charge new customers a fee for paper bills starting on January 1, 2026

Under this option, all current customers who receive paper bills would be "grandfathered in," meaning they could continue receiving paper statements without incurring any additional fees. However, beginning January 1, 2026, any new customers establishing utility accounts or existing customers changing account ownership or creating new service addresses, would be required to pay a monthly fee if they choose to receive a paper bill rather than opting into e-billing.

The paper billing fee would be designed to cover the actual costs of printing, mailing, and processing paper bills, and would serve both as a cost recovery mechanism and a financial incentive for customers to choose digital billing. This approach also aligns with the City's environmental goals by promoting reduced paper consumption and lower carbon emissions. Over time, as new customers opt for e-billing or accept the paper fee, the number of paper bill recipients is expected to decline, resulting in long-term cost savings and improved operational efficiency. One potential drawback of this approach is that it does not directly incentivize current paper bill users to switch to digital billing, which may slow the pace of overall e-billing adoption. It also requires changes to the billing system to track account status and apply the fee accurately. This fee will not be consistent with previous OEB decisions related to a fee for paper billing. The Act may also limit the ability of the City to charge a fee on property tax bills.

Should Council choose to proceed with this option, a clearly defined exemption policy would be necessary to address barriers related to equity and accessibility, ensuring customers with financial hardship, limited digital access, or accessibility needs are not unfairly impacted.

Conclusion: Over time, as more customers enroll in e-billing, the City will benefit from reduced mailing costs, lower carbon emissions, and improved service delivery. Additionally, this approach acknowledges the needs of current residents, avoiding abrupt changes that could cause customer dissatisfaction.

The authority for the City to impose a fee for paper billing is uncertain. Additionally, charging a fee for paper utility bills is not aligned with the OEB's previous decisions on this matter.

Option #3: Enhance Promotion of E-Billing Through Targeted Marketing Campaigns

This option involves a more robust and sustained effort to promote the City's e-billing program by implementing strategic marketing initiatives. These initiatives would include redesigned bill inserts, dedicated social media outreach, email campaigns, and increased engagement with customers about the benefits of e-billing; both during in-person interactions at service counters and on the phone. The marketing campaign would emphasize the core benefits of e-billing:

- Convenience 24/7 access to billing information from any device
- Security Reduced risk of mail theft or lost bills
- Environmental sustainability Lower paper usage and carbon footprint
- Efficiency Faster bill delivery and easier account management

The primary benefits of this approach include a reduction in postage and paper costs, improved operational efficiency, and enhanced customer satisfaction through digital self-service options. Leveraging the City's existing e-billing infrastructure also ensures that the transition can be supported without major system overhauls.

A key challenge with this option is the gradual nature of customer adoption. As the City already has a relatively high percentage of residents enrolled in e-billing compared to other municipalities, further growth may be incremental. Further, the continued rise in postage costs poses a financial pressure which will result in higher property tax and utility rate increases.

Conclusion: A proactive marketing campaign to promote e-billing offers a cost-effective path to long-term savings and sustainability. While growth in adoption may be gradual, the cumulative benefits; financial, operational, and environmental, make this an essential strategy for modernizing the City's customer service approach.

This option aligns with past OEB decisions on paper billing fees and does not appear to conflict with any provisions of the Act applicable to the City.

Recommendation

Staff recommend proceeding with **Option #3**: **Enhanced Promotion of E-Billing Through Targeted Marketing Campaigns**. This option offers a balanced approach that aligns with the City's environmental sustainability goals and long-term cost containment strategy while remaining sensitive to the diverse needs of residents. Unlike the other options, this approach avoids creating new financial barriers for vulnerable or equity-deserving groups, such as lowincome residents, seniors, newcomers, and individuals with disabilities.

To maximize the impact of **Option #3**, staff will develop and launch a multi-channel communications strategy. Examples include:

- Offering incentives such as contests or bill credits to encourage participation
- Inserts in utility and property tax bills
- Targeted social media ads and video content
- Outreach via local community groups, senior centres, and newcomer organizations
- In-person and telephone support for residents needing help enrolling in e-billing
- Possible translation of promotional and instructional materials into commonly spoken languages in the City

Option #3 is the most inclusive, fiscally responsible, and environmentally sustainable option currently. It supports the City's goal of increasing e-billing adoption while ensuring no resident is unfairly penalized for circumstances beyond their control. A strengthened marketing campaign,

combined with monitoring and future flexibility, positions the City to modernize service delivery thoughtfully and equitably.

The recommended **Option #3** aligns with the OEB's past decision related to not charging a fee for a paper bill and does not appear to conflict with any provisions of the Act regarding the Treasurer's responsibility for issuing a bill to a ratepayer.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has minimal impact on the Operating Budget. Any expenditures related to the promotion of e-billing will be recovered through decreased postage and other costs.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

Community engagement also included outreach to peer municipalities, review of customer behaviors, and an internal analysis through an equity and accessibility lens.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

- <u>FCS-14-095-</u> Postage Rate Increase
- Municipal Act, 2001
- Ontario Energy Board

APPROVED BY: Jonathan Lautenbach, CFO, General Manager of Financial Services

ATTACHMENTS: None