Staff Report

Financial Services Department *www.kitchener.ca*

REPORT TO:	**Finance and Corporate Services Committee**
DATE OF MEETING:	**November 29, 2021**
SUBMITTED BY:	**Ryan Hagey, Director of Financial Planning, 519-741-2200 ext. 7353**
PREPARED BY:	**Ryan Hagey, Director of Financial Planning, 519-741-2200 ext. 7353**
WARD(S) INVOLVED:	**All**
DATE OF REPORT:	**November 4, 2021**
REPORT NO.:	**FIN-2021-60**
SUBJECT:	**2022 Capital Budget and 10-Year Forecast**

RECOMMENDATION:

For discussion.

Note: Final approval of the 2022 Capital Budget & 10-Year Forecast will take place as part of Final Budget Day, scheduled for December 16, 2021.

REPORT HIGHLIGHTS:

- Kitchener is ***Moving Forward*** on shared community priorities, as many of the constraints experienced throughout much of the pandemic begin to lift
- The Capital Budget includes $1M of unallocated funding with investment options in the areas of affordable housing, facilities infrastructure gap, and community trails.
- The Capital Budget and 10-Year Forecast includes total planned investments of $1.4B, with $134M expected in 2022

EXECUTIVE SUMMARY:

The City of Kitchener's proposed 2022 budget is about ***Moving Forward*** on our shared community priorities. This budget builds on investments made in each of the five goals outlined in our 2019-2022 Strategic Plan, and resumes the long-term capital investments in our infrastructure that will ensure consistent, reliable services to meet the needs of a rapidly growing city. As we begin to emerge from the pandemic, it's important to reflect back on what we have accomplished together as a City over the past few years, while ***Moving Forward*** with a focus on economic recovery, responding to community needs, supporting a growing city, and maintaining our commitment to core services and infrastructure that citizens rely on.

In addition to planned spending already included in the 2022 Capital Budget, there is also an opportunity to invest more in areas of importance to the community, namely affordable housing, reducing the City's facility infrastructure gap, and community trails. Through the budget process, Council will decide how much additional funding to allocate to each of these areas.

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

BACKGROUND:
The budget is the City of Kitchener's annual financial plan, and is the primary basis of financial decision making. The budget process allows Council to prioritize the programs and services delivered by the City and sets direction for the work to be completed over the upcoming year as well as future years referenced in the budget forecast.

The City's Capital Budget and 10-Year Forecast (referred to hereafter as the "Capital Budget") provides for investments in infrastructure (assets) that provide a long-term benefit to the community. Examples include parks, roads, and sanitary sewers. The projects included in the Capital Budget often take a number of years to construct, and could either create new assets or renew existing assets. The term of the budget is 10 years, which helps establish capital priorities for both the near future and the medium term. As part of the annual budget process, Council reviews, deliberates, and approves the Capital Budget.

The remainder of this report elaborates on the Capital Budget in the following sections:

- Moving Forward - Building On Citizen Priorities
- Moving Forward - Capital Investment Options
- Capital Budget Highlights
- Setting Capital Budget Priorities
- Identify major projects not yet included in the Capital Budget

REPORT:

1) Moving Forward - Building On Citizen Priorities

The proposed 2022 budget includes meaningful investments in a number of areas that are important to the citizens of Kitchener, including:

- Advancing Work on the Strategic Plan by investing in the items like the protected cycling network, and the Sustainable Urban Forest Strategy
- Focusing on Economic Recovery by investing in the Make It Kitchener 2.0 Strategy
- Supporting a Growing City by investing in amenities like Schlegel Park in developing areas of the city
- Responding to community by investing in Indigenous placemaking in Victoria Park, and the City's share of the regional Indigenous Reconciliation Action Plan
- Maintaining Foundational Commitments to Core Services by investing in existing facilities, roads, and utility pipes.

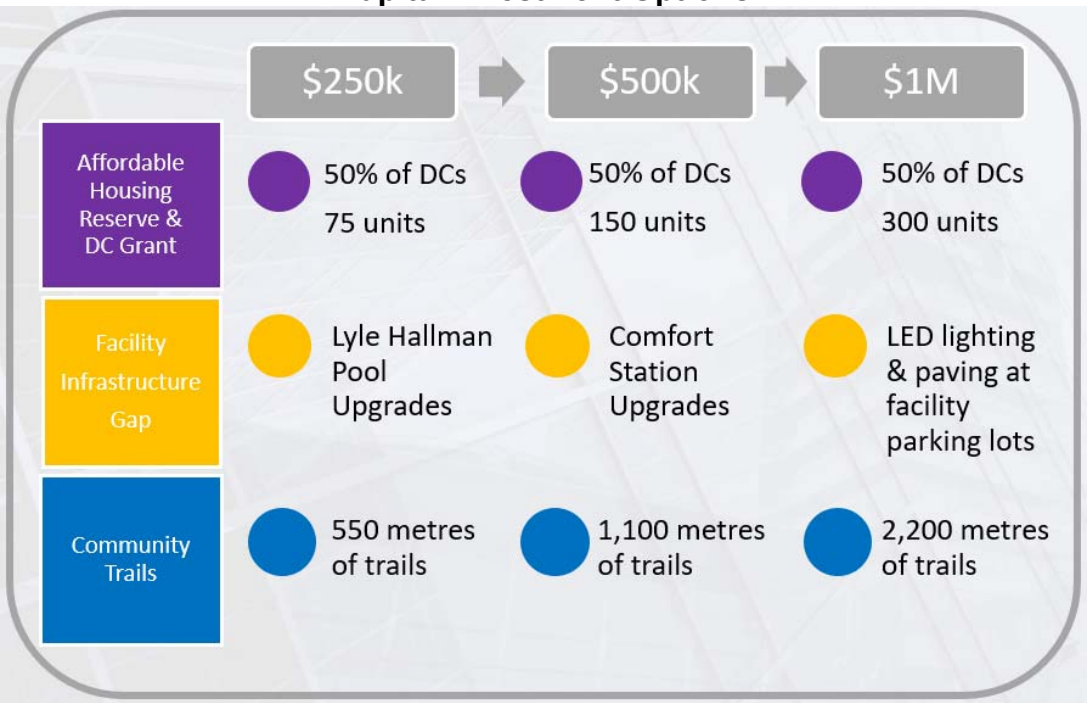
Several other investments are being made through the 2022 Capital Budget, and are highlighted through the materials included in the budget package.

2) Moving Forward - Capital Investment Options

In addition to the priority areas noted above, the 2022 Capital Budget also includes $1M of unallocated funding and some options of how to invest it. Staff have developed options based on previous budget discussions where Council has expressed a desire for further investment.

Options in a) affordable housing, b) reducing the City's facilities infrastructure gap, and c) community trails are provided at the funding levels of $250,000, $500,000 and $1,000,000. More detailed information about each of these options is provided in specific issue papers later in the budget package. Council will determine how to allocate the $1M through the 2022 budget process.

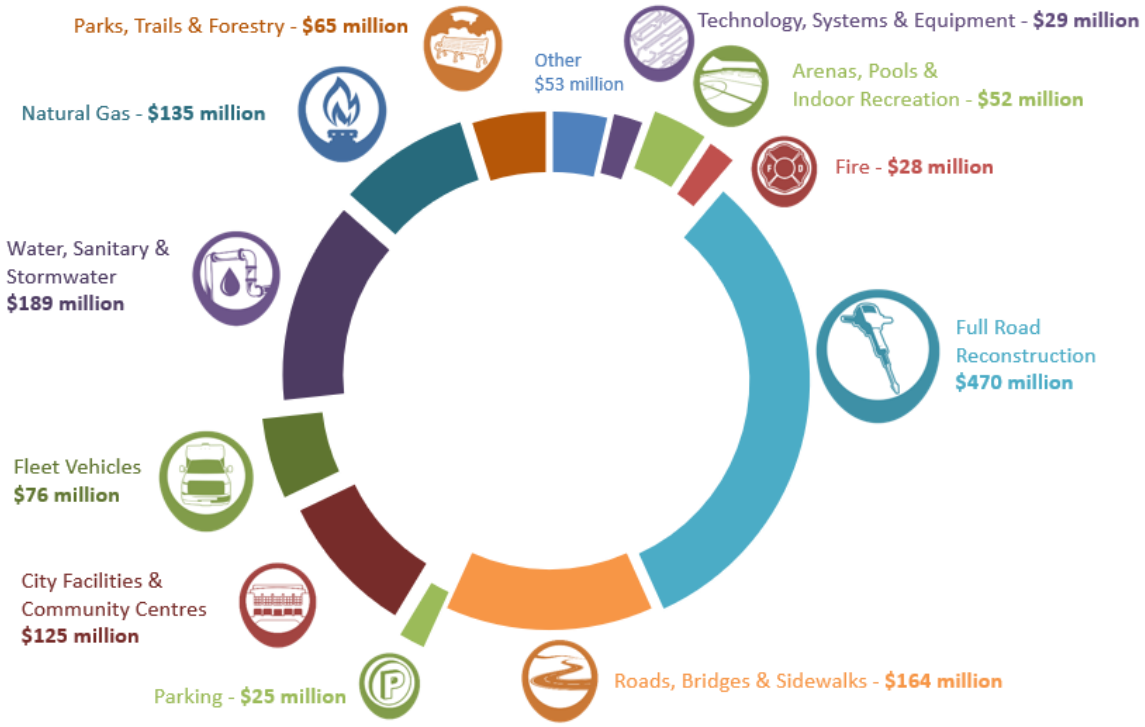
Capital Investment Options



3) Capital Budget Highlights

The proposed Capital Budget includes over 400 projects with a total cost of $1.4B over the 10 years. The City's capital budget makes long-term investments into infrastructure/assets for all City services. The graphic below shows these different areas and the overall investments planned over the next decade.

10-Year Capital Budget Investments by Service Area



Funding for the Capital Budget comes from sources internal to the City (e.g. utility/tax rates) as well as outside sources (e.g. Canada Community-Building Fund, grants, or development charge revenues). Sources of funding for the Capital Budget are shown in the table below.

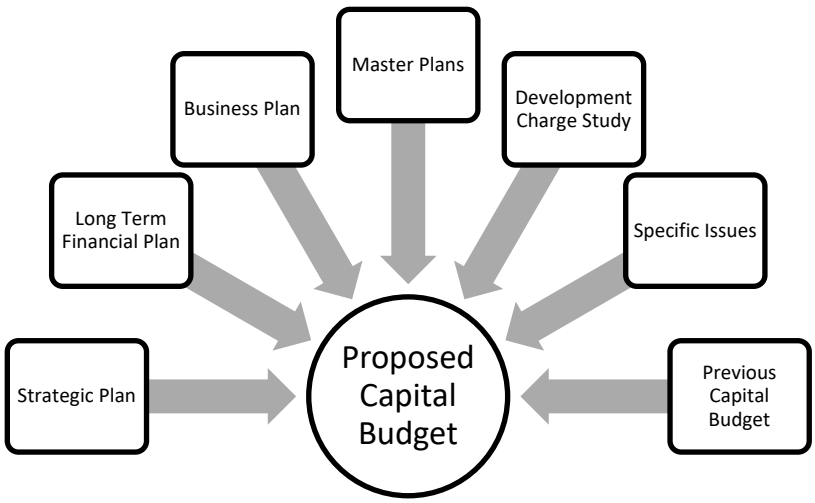
Capital Budget Funding Sources

%	Funding Source	Description
55%	Enterprises	These are self-funding business lines the City operates which are not supported by property taxes. They include Parking, Golf, Building, Water, Sanitary Sewer, Stormwater and Gas.
13%	Tax Supported Capital Pool	Funds from property taxes, issuing debt, and dividends from the City's ownership in the natural gas and hydro utilities.
14%	Development Charges	Funds collected from new development to help pay for growth related capital infrastructure such as roads, water mains, sewers, and indoor & outdoor recreation.
7%	Reserves	Funds from dedicated capital reserves.
5%	CCB Fund	Funds provided to the City from the Canada Community-Building Fund (formerly Federal Gas Tax).
4%	Grants	Funds provided to the City through grants.
2%	Facilities Infrastructure	Funds from a reserve dedicated to address the City's facilities infrastructure gap .

4) Setting Capital Budget Priorities

While it may seem that there is little public consultation done on the large financial commitments made through the Capital Budget, the reality is a great deal of consultation has already occurred in advance of the budget process. The Capital Budget reflects the priorities established by Council through a number of different consultation processes, many of which are shown in the graphic below and described further in the following table. Through these processes, and then ultimately the budget, Council determines which projects are completed first, within various constraints (e.g. funding & staff availability).

Priority Setting Processes Used to Provide Input to the Capital Budget



Priority Setting Processes Used to Provide Input to the Capital Budget

Council Process	Example of How Input Pertains to the Budget
Strategic Plan	The Strategic Plan is updated each term of Council and sets priorities to be addressed during the term. These priorities may require new capital/operating funding or staff resources to achieve the desired actions.
Long Term Financial Plan (LTFP)	The City adopted its first LTFP in 2019. The LTFP is a holistic document spanning all aspects of City finances. The recommendations from the LTFP identify specific actions that may adjust and/or reprioritize funding between City operations.
Business Plan	The Business Plan is updated each year and identifies key projects/programs to be worked on by the City's divisions. Resources for these priorities are then reflected in the budget.
Master Plans	Master Plans are undertaken periodically to help better understand and establish priorities for a certain topic. For example, the Cycling & Trails Master Plan (CTMP) seeks to establishes priorities for active transportation. Funding is allocated in the budget based on the Master Plan priorities.
Development Charge (DC) Study	DC Studies set priorities for the location and timing of growth related capital infrastructure such as roads, water mains, sewers, and indoor & outdoor recreation. DC Studies are valid for up to five years, and the City's latest version was updated in 2019. Projects identified in the DC Study are included in the capital budget.
Specific Issues	Periodically, specific issues arise outside of a more comprehensive review like a Master Plan. These specific issues are discussed and debated by Council, and often referred to the budget process for final approval. A recent example of this is the Facilities Infrastructure Program.
Previous Capital Budget	The City's capital budget identifies projects for the next 10 years, so there is already an established starting point for the new capital budget. Each year staff validate the timing, amount, and need for project funding before proposing the budget to Council for approval.

In preparing the Capital Budget each year, staff reviews the previous Capital Budget against new priorities identified within the past year through any of the other processes noted in the table above. If new priority projects have been identified, they are discussed by senior staff as part of the comprehensive internal review of the Capital Budget. Priority is placed on projects related to:

- Asset replacement and rehabilitation needs
- Growth related needs
- Strategic items

The requests for funding typically exceed its availability, so senior staff weighs the costs of projects against the benefits they will create before making a recommendation to Council. Ultimately, Council decides which priorities will move forward as part of the budget process.

5) Identify Major Capital Projects Not Included in the Capital Budget

It's not uncommon to have unfunded items identified, but not included in the capital forecast. The following areas are on staff's radar but not completely funded in the Capital Budget. As better information becomes available, Council will have to determine levels of investment into these areas.

Asset Management Plan Implementations

The City continues to collect better information about the state of its infrastructure. This information will help the City invest more wisely in the maintenance and replacement of its assets. Much work has already been completed on the City's Water Infrastructure Program (WIP) focusing on water, sanitary, and stormwater infrastructure. The City is leveraging the experience and knowledge gained from the WIP review to develop asset management plans beyond these utilities. Some of this work is already underway through Building Condition Assessments (BCAs) for City-owned facilities, and it will continue as additional BCAs and similar studies are completed for the other asset types. It is expected that as better information is gathered, it will reveal that additional infrastructure investments will be required.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Funding requirements for the Capital Budget have been included in the corresponding operating budgets and reserve funds.

COMMUNITY ENGAGEMENT:

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

CONSULT – Citizens have an opportunity to provide input about priority areas of the budget through a number of processes. Their input comes through public consultation efforts for comprehensive master plans (e.g. Leisure Facilities Master Plan), strategies (e.g. Urban Forestry Strategy, Customer Service Strategy), or specific issues (e.g. City Hall Outdoor Spaces). As part of those processes, staff considers the feedback received from the public as they make their recommendations and share it with Council when those recommendations are presented for approval. The budget is the process whereby Council affirms approved priorities and allocates funds to bring these concepts into reality.

In addition to the opportunities for input on specific topics, staff will continue to employ a suite of traditional and electronic engagement methods in an effort to effectively inform and consult citizens about the budget at large. Staff will proactively provide information about the budget process via media outreach and the City's website. Citizens are encouraged to provide their input by:

- Writing, emailing or phoning City Hall
- Attending a virtual public input sessions planned for November 15
- Responding to the City's Facebook/Twitter posts about the budget
- Utilizing Engage Kitchener online budget survey
- Contacting their ward councillor

PREVIOUS REPORTS/AUTHORITIES:

- FIN-21-58, 2022 Operating Budget

APPROVED BY: Jonathan Lautenbach, Chief Financial Officer, Financial Services

Definitions, Abbreviations & Acronyms

Definitions

Assessment growth refers to property taxes from new and/or expanded homes and/or businesses to pay for the services they receive.

Base Budget funds programs and services already offered to the public and includes the costs (e.g. staffing, materials, supplies) and revenues (e.g. user fees, recoveries) to deliver the program/service.

Boards are separate organizations established by the City to provide programs and services as allowed under the Municipal Act. For Kitchener, the Boards include Centre in the Square (CITS) and Kitchener Public Library (KPL).

Brownfield properties are formerly developed sites that are no longer being used for those purposes. In the City context, they are often former industrial or commercial sites with known or suspected pollution.

Capital Budget funds investments in municipal infrastructure (or assets) that provide a long-term benefit to the community. Examples of capital costs include building or replacing roads, water mains, vehicles, community centres and parks.

Capital out of Current is a funding transfer from the operating budget to the capital pool.

Capital Pool is used to fund tax supported capital projects. The capital pool is funded by a) capital out of current, b) debt, c) gas utility investment reserve, and d) hydro utility investment reserve.

Corporate Allocations are general expenses like debt charges and contributions to the capital budget.

Debt is funding the City has borrowed to complete capital projects.

Debt to Reserve Ratio is the amount of the City's debt divided by the amount the City has in reserves. The target debt to reserve ratio is 1:1; meaning the City would have one dollar saved in reserves for every dollar of debt it has issued.

Development Charges are fees imposed on development to fund growth related capital costs.

Enterprises are self-funding business lines operated by the City and are fully funded by their own user rates, not property taxes. The City's enterprises are Golf, Building, Parking, Natural Gas, Water, Sanitary Sewer, and Stormwater.

Existing Capital Balances are capital funding that have already been approved by Council, but have not been spent. Some capital projects take multiple years to complete (e.g. road reconstruction, building a new community centre), so the funding may accumulate for future spending.

Definitions, Abbreviations & Acronyms

Federal Gas Tax is annual funding provided to the City by the federal government for capital improvements.

Impacts Due to Growth are additional operating costs required to support the expansion of service areas as the city continues to grow.

Interdivision/Internal Charges are costs charged by one City division to another City division for work completed on their behalf. For instance, the Building enterprise pays other City divisions for financial, technological, and legal support.

Issue Papers are brief documents (typically 1-2 pages in length) that provide information about budget issues, usually relating to new items included in the proposed budget.

Net Tax Levy is the amount of funding required from property taxes. It equals all of the tax supported gross expenditures minus all other revenues.

Operating Budget funds the day-to-day costs of the municipality to provide its programs and services. Examples of operating costs include salaries and wages for city employees; utility costs, such as water and electricity; and operating supplies, such as road salt.

Reserve/Reserve Funds are used to set aside funding now to be used for a specific purpose in the future. The city maintains reserves for both operating purposes (e.g. rate stabilization reserve funds), capital purposes (e.g. fleet and equipment reserve fund) and as required by legislation (e.g. federal gas tax reserve fund).

Strategic Plan articulates a vision "together we will build an innovative, caring, and vibrant Kitchener" and mission "proudly providing valued services for our community", for the City. Following each municipal election, this document is updated with Council's new strategic goals and key activities for the upcoming term.

Strategic Initiatives are program/service enhancements that help achieve the goals of the City's Strategic Plan.

Tax Supported programs/services are funded in part or completely by property taxes. Examples include road & sidewalk maintenance, fire protection, and community centre programming.

User Fees are charges for programs and services provided by the City, which reduces dependence on property taxes as a funding source. Typically they are charged for programs/services where customers have a choice on whether or not to use them. Examples of user fees include swimming lessons and marriage licenses.

Definitions, Abbreviations & Acronyms

Acronyms & Abbreviations

AIRP – Accelerated Infrastructure Replacement Program
AMP – Asset Management Plan
CAO – Chief Administrative Officer's Department
CC – Capital out of Current
CITS – Centre in the Square
COR – Corporate Services Department
CPI – Consumer Price Index
CRM – Customer Relationship Management
CSD – Community Services Department
CVA – Current Value Assessment
DC – Development Charges
DSD – Development Services Department
DT – Downtown
EDIF – Economic Development Investment Fund
FIN – Financial Services Department
FTE – Full Time Equivalent
GHG – Green House Gas
GIS – Geographic Information System
INS – Infrastructure Services Department
KMAC – Kitchener Memorial Auditorium Complex
KOF – Kitchener Operations Facility
KPL – Kitchener Public Library
KU – Kitchener Utilities
LTFP – Long Term Financial Plan
MGMT - Management
MOE – Ministry of the Environment
MPAC – Municipal Property Assessment Corporation
MPI – Municipal Price Index
MTCE – Maintenance
MTO – Ministry of Transportation
PIL – Payment in Lieu of Taxes
PSAB – Public Sector Accounting Board
ROW – Region of Waterloo
SWM – Stormwater Management
TCA – Tangible Capital Asset
TIG – Tax Increment Grant
TSRF – Tax Stabilization Reserve Fund
VPP – Victoria Park Pavilion
WRHBA – Waterloo Region Homebuilders Association
WIP – Water Infrastructure Program
YTD – Year to Date

2022-2031 Capital Budget

Finance and Corporate Services Committee

November 29, 2021

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Email **budget@kitchener.ca**

Phone **519-741-2200 x 7700**

See more at **www.kitchener.ca/budget**

Overview by CFO

Budget Calendar

Date	Topic
November 8, 2021	User Fees
November 15, 2021	Operating Budget
November 15, 2021	Public Input
November 29, 2021	Capital Budget
November 30, 2021	Water & Gas Utility Rates
December 16, 2021	Budget Approval

Budget Overview

Operating Budget

- $445 million expenditures in total (i.e. tax supported + enterprises)
- $198 million expenditures excluding enterprises (i.e. tax supported)
- Annual delivery of programs and services for the community

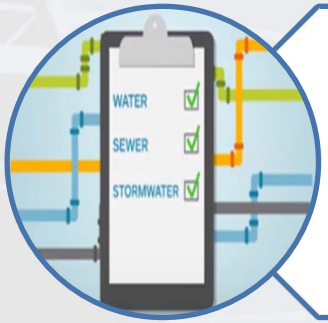
Capital Budget

- $133 million in first year
- $1.4 billion over the ten-year forecast
- Projects with defined scope that help address our asset replacement needs

Reserve and Reserve Funds

- $113 million in total Reserve Funds at end of 2021
- Rate Stabilization Reserves help mitigate risk and potential budget fluctuations
- Some Reserves are established for a specific purpose and use

Projects Identified/Prioritized Based On



Asset Replacement and Rehabilitation Needs

- Developed based on asset management pans and condition assessments
- Progress being made through the Water Infrastructure Program (WIP)
- Addressing the facility infrastructure gap continues to be a priority
- Preventative maintenance activities are also important

Growth Related Needs

- 2019 Development Charge Study reflected in Forecast
- Maintaining the concept of "Growth pays for growth"
- Update to DC Study expected in first half of 2022 to reflect recent legislative changes
- Community Benefit Charge framework is also being contemplated as part of the DC review

Strategic Items

- Implementation of items included in the Strategic Plan
- Priorities reflecting corporate and community needs

Moving Forward - Alignment with Strat Plan

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Examples of Capital Projects with Strat Plan Alignment

- $1.6M for Customer Service Enhancements
- $550k (over 3 years) for 40km Speed Limit
- $5.5M (over 10 years) for Urban Forest Implementation
- $350k for Indigenous Placemaking
- $3.6M for Downtown Infrastructure Improvements

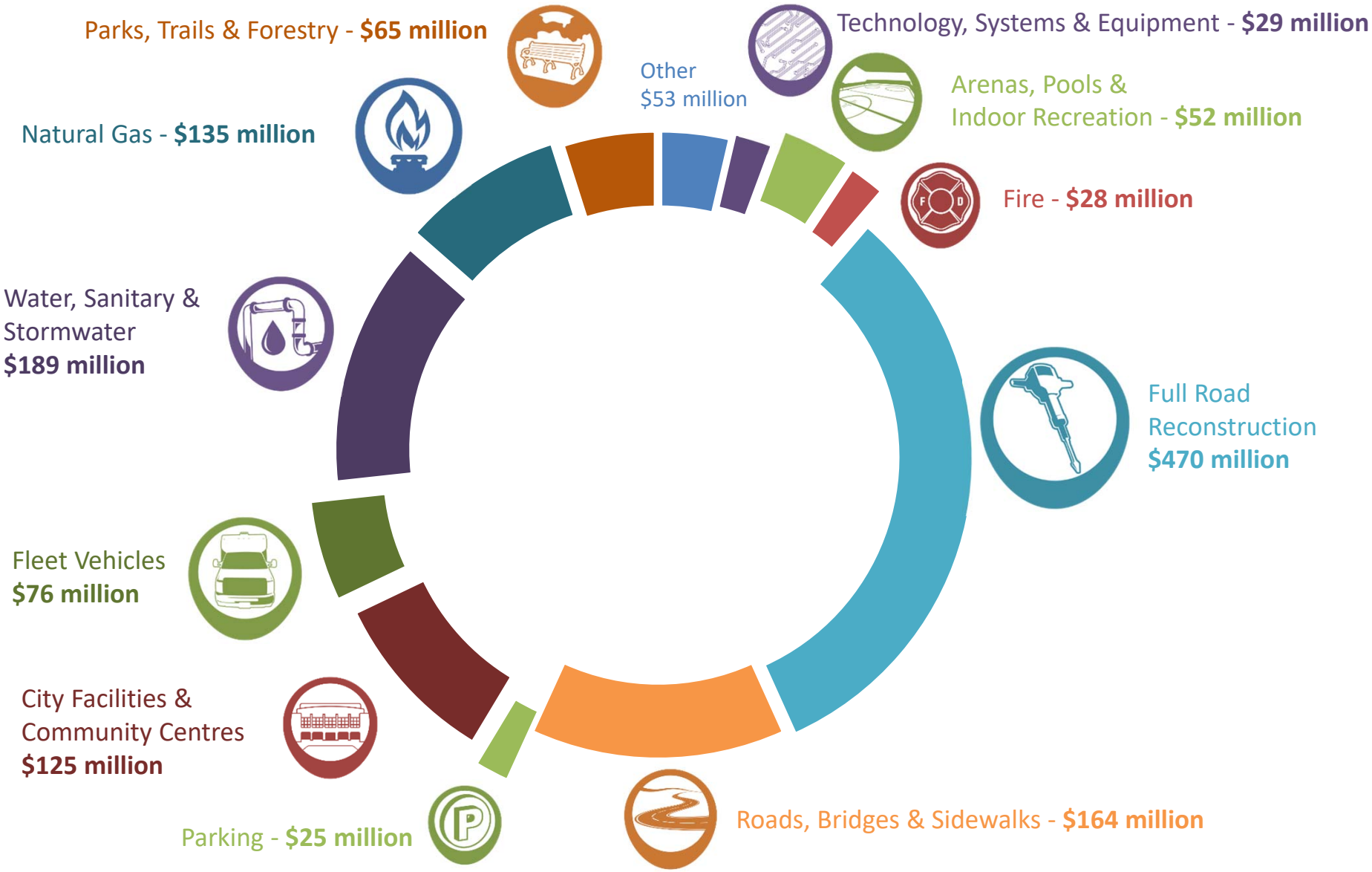
Moving Forward – Capital Investment Options

- $1M available in one-time capital funding
- 3 possible areas of strategic investment have been identified
- Strategic items proposed either align directly with strategic plan actions or reflect other important corporate priorities
- Options provided for each item reflecting different levels of possible investment
- Balance between available funding and level of investment (mix and match of options will be required)

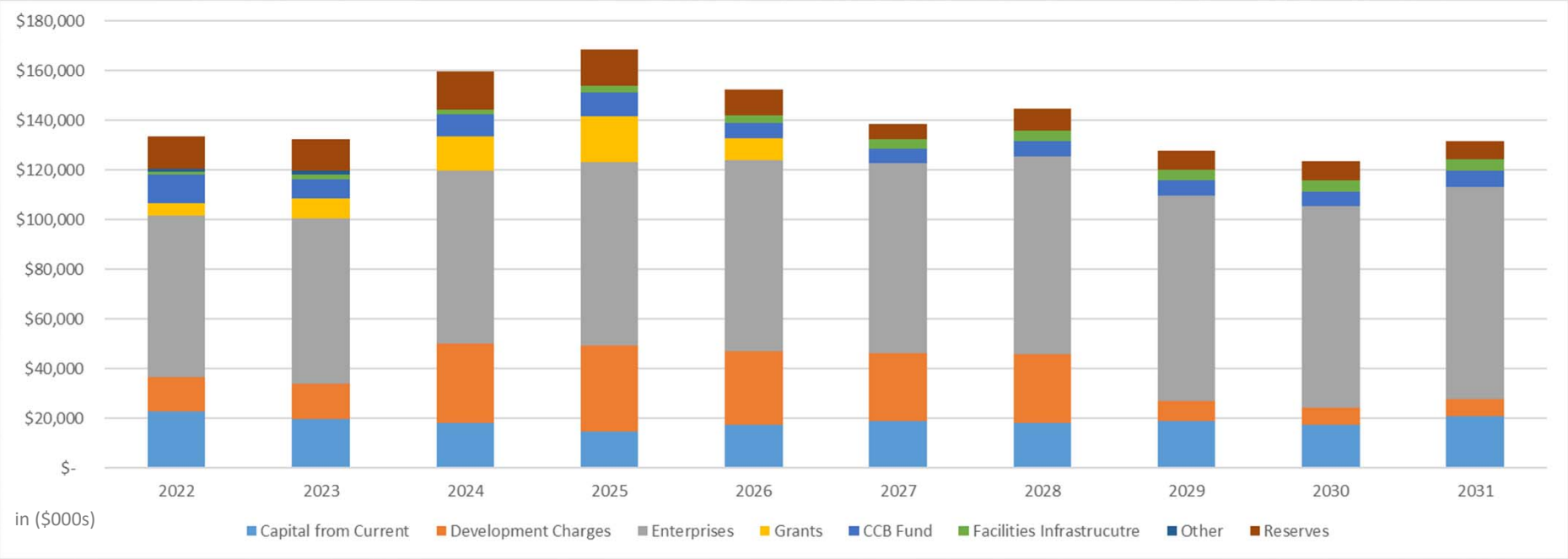
Moving Forward – Capital Investment Options

	$250k	$500k	$1M
Affordable Housing Reserve & DC Grant	50% of DCs 75 units	50% of DCs 150 units	50% of DCs 300 units
Facility Infrastructure Gap	Lyle Hallman Pool Upgrades	Comfort Station Upgrades	LED lighting & paving at facility parking lots
Community Trails	550 metres of trails	1,100 metres of trails	2,200 metres of trails

10-Year Capital Investments



10-Year Capital Funding Sources

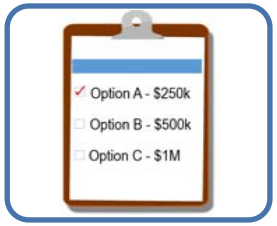


Final Thoughts

The City is *Moving forward* with long-term investments in infrastructure

Capital Budget includes many items aligned with the City's Strategic Plan

$1M available in one-time capital to allocate to important priorities



Grant funding leveraged where possible to advance infrastructure needs

Boards

Centre In The Square (CITS)

- Proposed budget is consistent with the prior year forecast
  - 10-year budget = $6,479,000
  - 2022 budget = $592,000

Centre In The Square (CITS)

- 2021 - Update
  - Washroom Renovation (phased) – in progress
    - Canada Infrastructure Program: Community, Culture and Recreation Funding has been approved
  - Replacement of Auditorium doors - completed
    - City partnership with CITS
  - Elevator control modernization – in progress
    - At CITS and KWAG
  - Rebuilding assembled air handling units – delayed due to cost

- 2022 - Planned
  - Washroom Renovation (phased) – to be completed
    - Canada Infrastructure Program: Community, Culture and Recreation Funding has been approved

City of Kitchener Capital Forecast 2022 - 2031

Department BOARDS

Division BOARDS

Section CENTRE IN THE SQUARE

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	350601000		CITS - GENERAL PROVISION	592	603	616	628	640	653	666	680	693	708	6,479
			Totals	592	603	616	628	640	653	666	680	693	708	6,479

Kitchener Public Library (KPL)

- 10 year budget = $6,535,000
- 2022 budget = $525,000
- Proposed budget is consistent with prior year budget with one addition
  - Integrated Library System
    - Annual cloud system maintenance fees beginning in 2028

City of Kitchener Capital Forecast 2022 - 2031

Department BOARDS

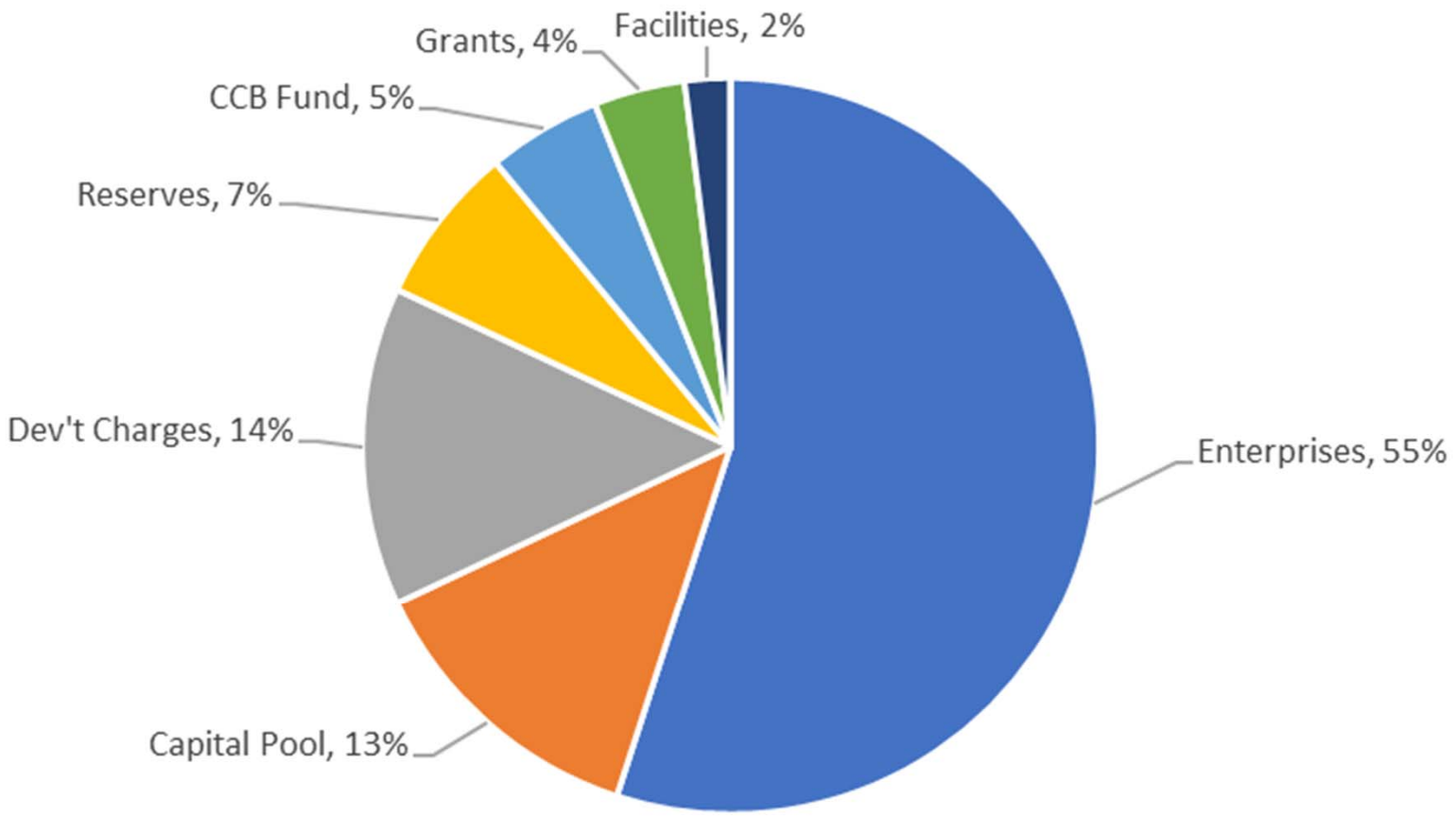
Division BOARDS

Section KITCHENER PUBLIC LIBRARY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	070401000		LIBRARIES - GENERAL PROVISION	102	104	106	108	110	113	115	117	119	122	1,116
	090102003		LIBRARY TECHNOLOGY UPGRADE	299	305	311	318	323	330	337	344	350	357	3,274
	090102008		WREPNET FIBRE PROJECT	35	36	36	37	38	39	39	40	41	42	383
	090102020		CUSTOMER NEEDS SURVEY		59				65				70	194
	090102027		INTEGRATED LIBRARY SYSTEM							61	62	63	65	251
	090102028		KPL ACCESSIBILITY FUND	30	30	31	32	32	33	33	34	35	36	326
	090102032		RESOURCES, FURNITURE & EQUIPMENT	59	60	61	62	63	64	66	67	69	70	641
	090102033		AUTOMATED CHECK IN/SORTER REPLACE						350					350
			Totals	525	594	545	557	566	994	651	664	677	762	6,535

Capital Funding Sources

10 Year Capital Funding Sources



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4%	Grants	Funds provided to the City through grants.
2%	Facilities Infrastructure	Funds from a reserve dedicated to address the City's facilities infrastructure gap .

10-Year Capital Funding Sources

Funding Source	(000's) 2021	2022	Variance
Capital Pool	170,338	187,769	17,431
Development Charges	225,377	201,727	(23,650)
Enterprises	721,486	756,594	35,108
Reserves	88,255	103,563	15,308
CCB Fund	67,434	74,823	7,389
Facilities Infrastructure	28,969	32,544	3,575
Grants	47,667	53,759	6,092
Other	3,395	2,700	(695)
Total	**1,352,921**	**1,413,479**	**60,558**

Tax Supported Capital Pool

- Includes:
  - Capital out of Current
  - Annual Debt Issue
  - Gas Utility Investment Reserve
  - Hydro Utility Investment Reserve
- Shown as “C/C” in the Capital Budget

Capital Pool Balancing ($000's)

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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Debenture Issue	5,024	2,388	1,967	1,566	2,507	4,221	4,249	3,470	5,415	7,220	38,027
Capital out of Current	2,094	2,332	2,585	2,854	3,139	3,441	3,761	4,101	4,461	4,842	33,610
	7,118	4,720	4,552	4,420	5,646	7,662	8,010	7,571	9,876	12,062	71,637
Gas Utility Investment Reserve Fund	9,375	8,120	6,582	6,720	6,743	7,097	6,903	7,000	6,848	6,848	72,236
Hydro Investment Reserve Fund	6,521	6,794	7,121	3,739	5,070	4,081	3,139	4,574	850	2,007	43,896
	23,014	19,634	18,255	14,879	17,459	18,840	18,052	19,145	17,574	20,917	187,769
Department Requests	23,014	19,634	18,255	14,879	17,459	18,840	18,052	19,145	17,574	20,917	187,769
Available/(Shortfall)	-	-	-	-	-	-	-	-	-	-	-

Adjusting the Capital Budget

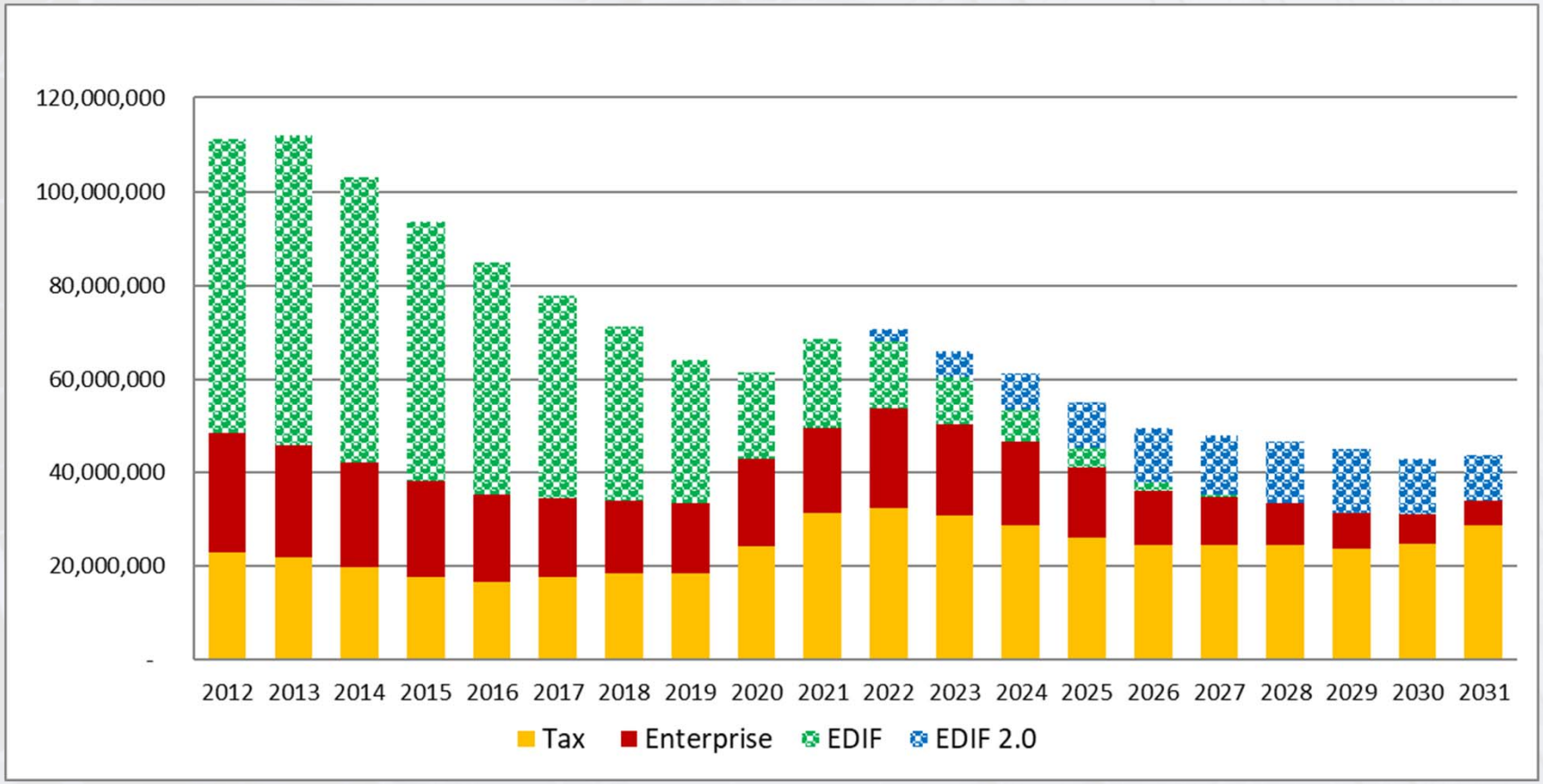
- Additions in one area require…
  - DECREASE to OTHER CAPITAL PROJECTS
    - Current project impact
  - INCREASE in RESERVE CONTRIBUTION
    - Future project impact
  - INCREASE in C/C
    - Current tax impact
  - INCREASE in DEBT
    - Future tax impact

Debt

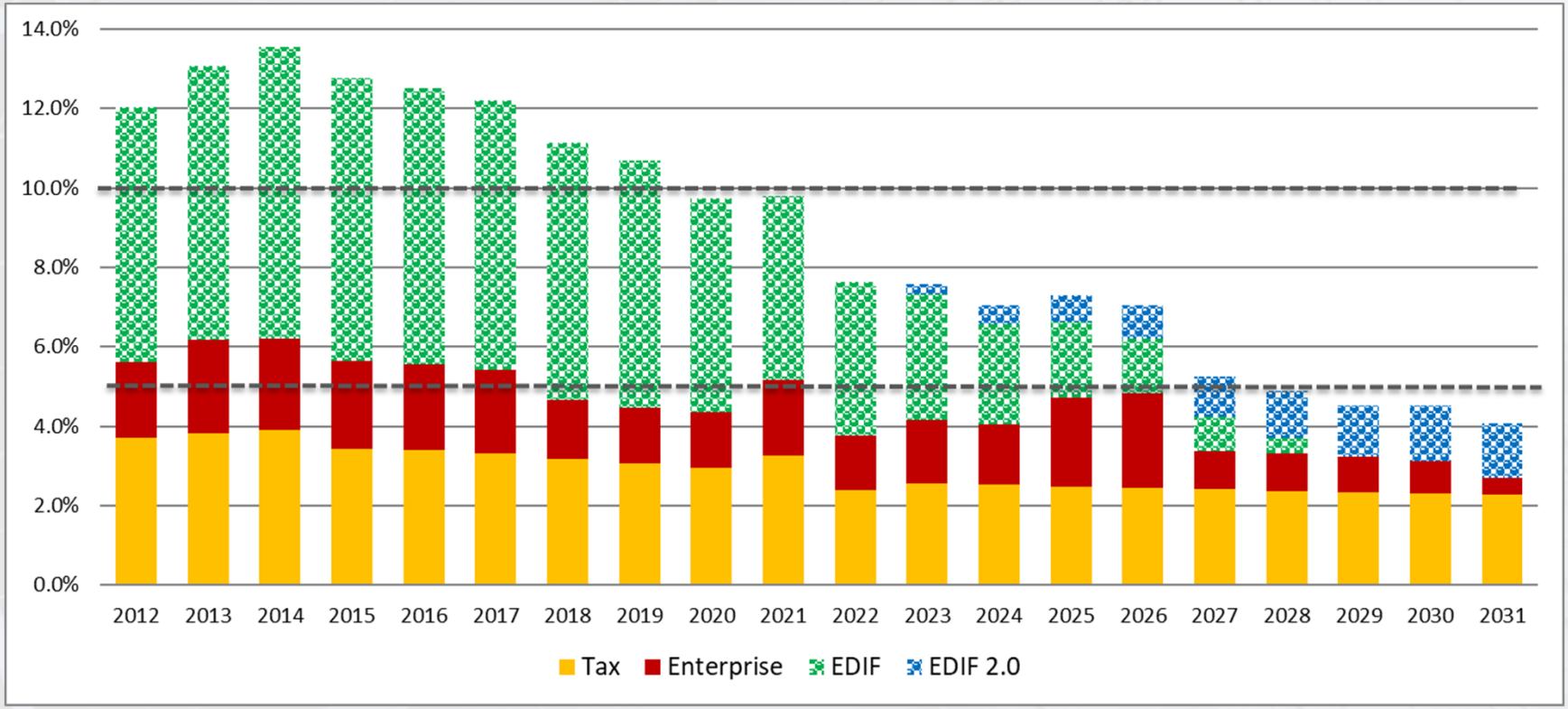
Debt

- Debt is funding the city has borrowed to complete capital projects
  - Similar to getting a mortgage to buy a house
- Debt levels are decreasing for the next few years before stabilizing near end of forecast
- The next few slides show debt graphs for the coming years

Total Debt Outstanding



Debt Charges as a % of Tax Levy

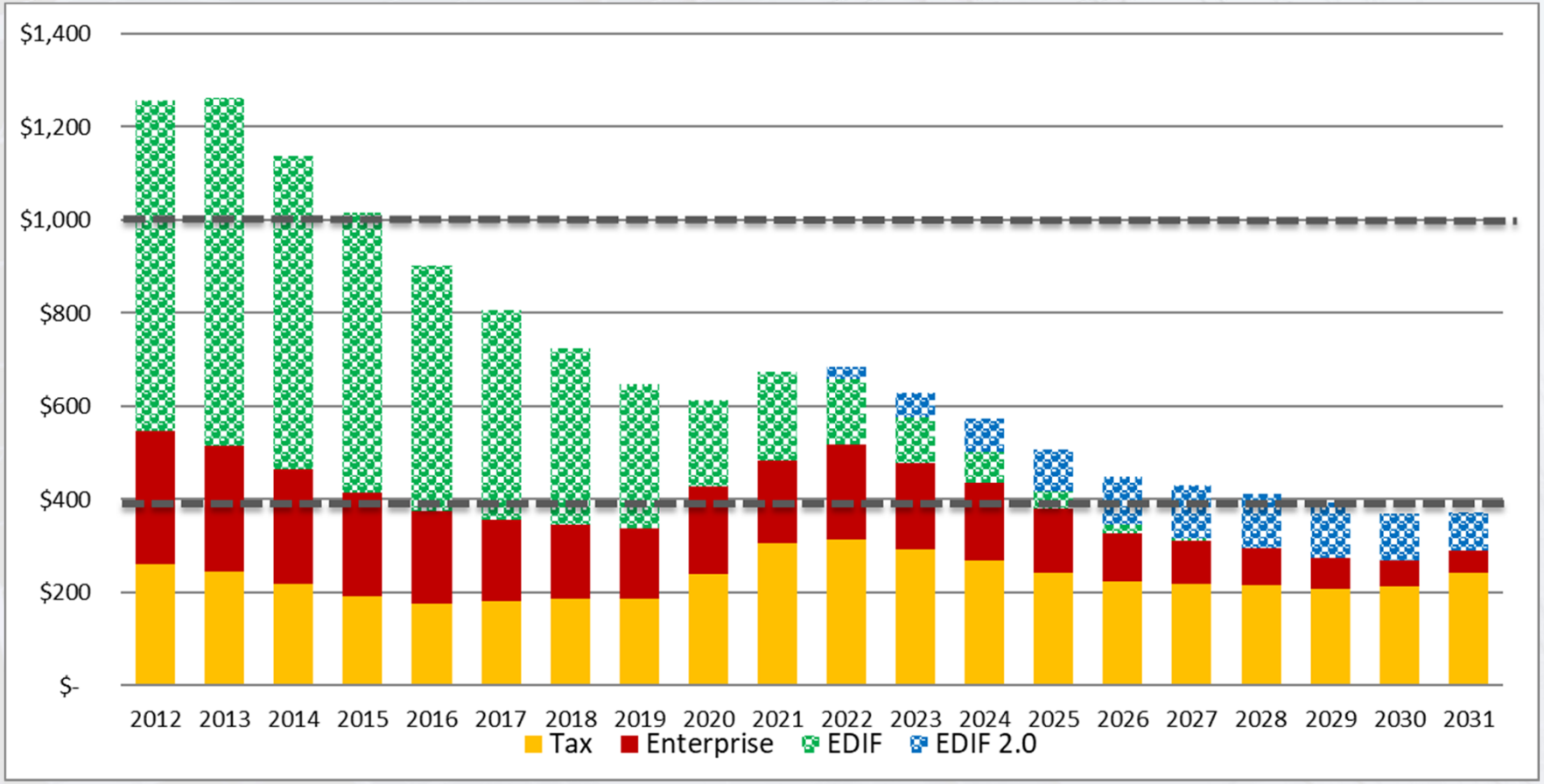


Target for credit rating agencies is 5% - 10%

Increased Enterprise debt charges in 2025 and 2026 relate to balloon payment on Charles and Benton Parking garage and Civic District Parking garage, respectively

- These will either be paid in those years or refinanced

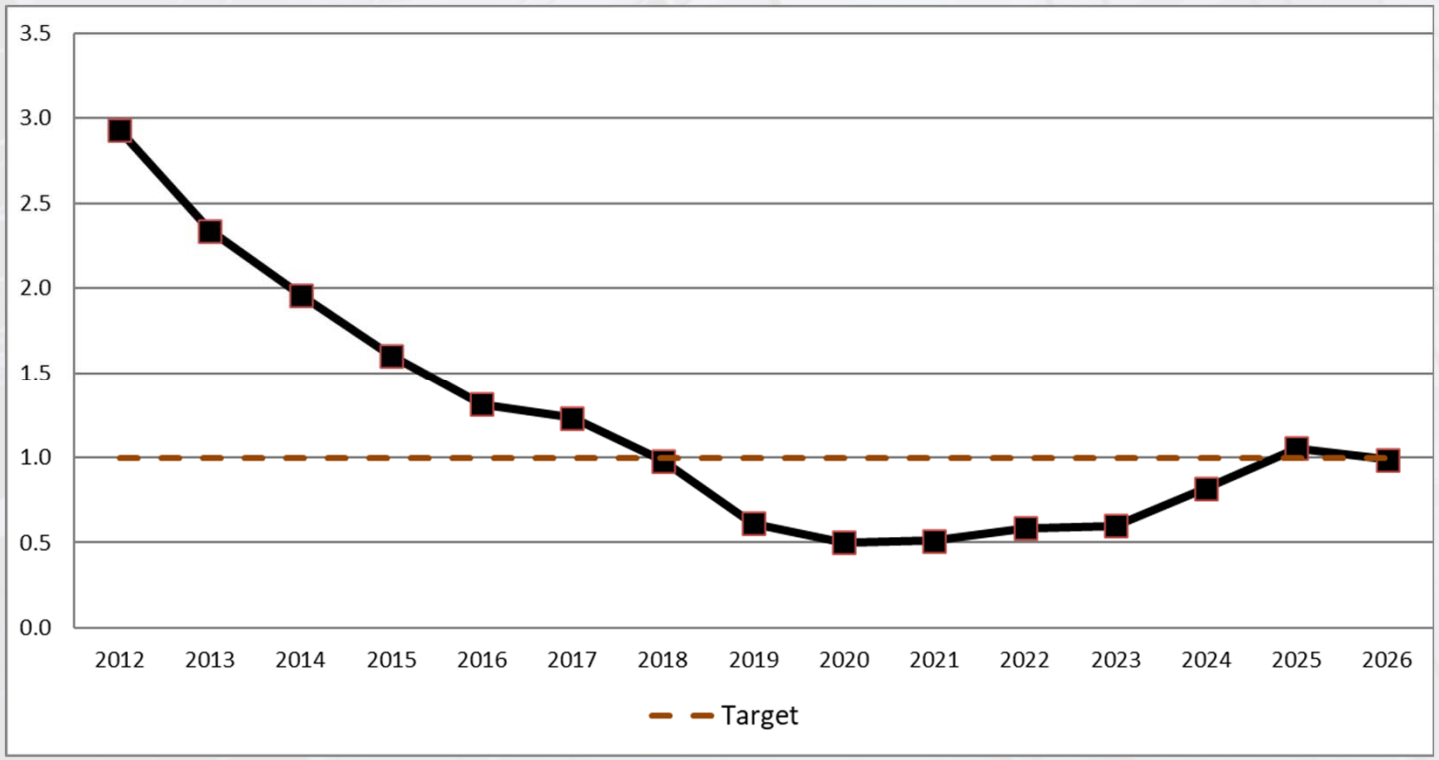
Debt Per Household



Moderate range is $400 - $1,000

Debt to Reserve

- Capital budget maintains the City's debt to reserve ratio below (better than) the 1:1 target



Debt Summary

- City's debt load was at its peak in 2013
- City's debt load is declining to be within/below target ranges
- City's debt to reserve ratio is below the target level of 1:1
  - City has more funding in reserves than debt

Reserve Funds

Reserve Funds

- Reserve funds are funds the City has raised for a specific purpose or an unanticipated event
  - Similar to a personal savings account or RRSP
- Reserve balances have generally been positive, but many are below the minimum funding targets
- The next few slides discuss the City's reserve framework and show reserve levels

Reserve Fund Policy Highlights

- Reserve funds will only be used for the specific or intended use for which it was established
- Individual reserve funds should not have a negative balance
- Target levels for each individual reserve fund and for reserve funds as a collective
- Five categories of reserve fund

Reserve Fund Categories

- Summaries on next few slides broken down into the 5 different categories

Reserve Fund Ratings

- Ratings are being provided for all reserves
  - Ratings indicate how the projected reserve balance compares to the minimum target balance

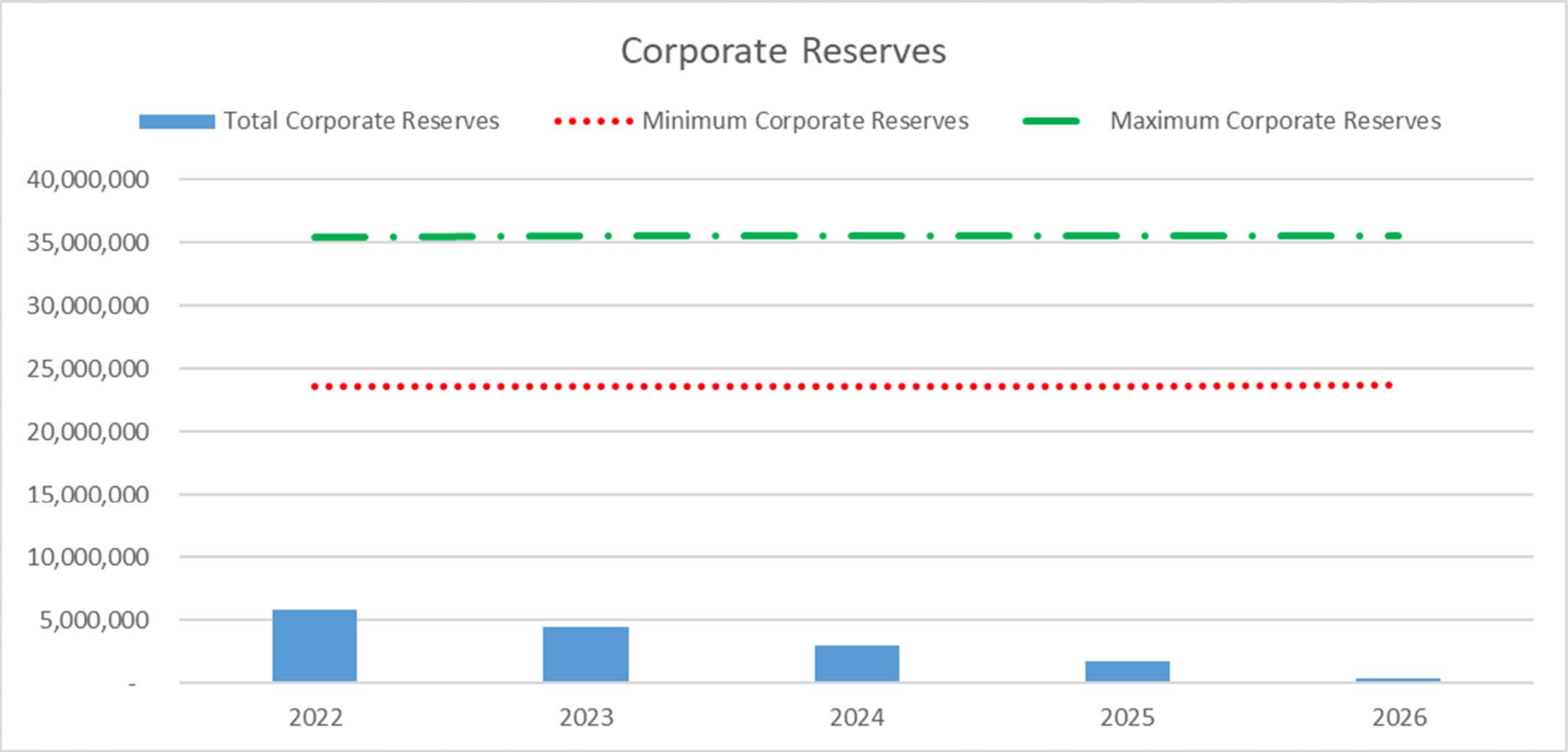
Rating Legend

- Reserve has a positive balance and is at or above the maximum reserve target
- Reserve has a positive balance and is at or above the minimum reserve target but below maximum target
- Reserve has a positive balance but is below the minimum reserve target
- Reserve has no balance or a negative balance

Reserve Fund Balances Corporate

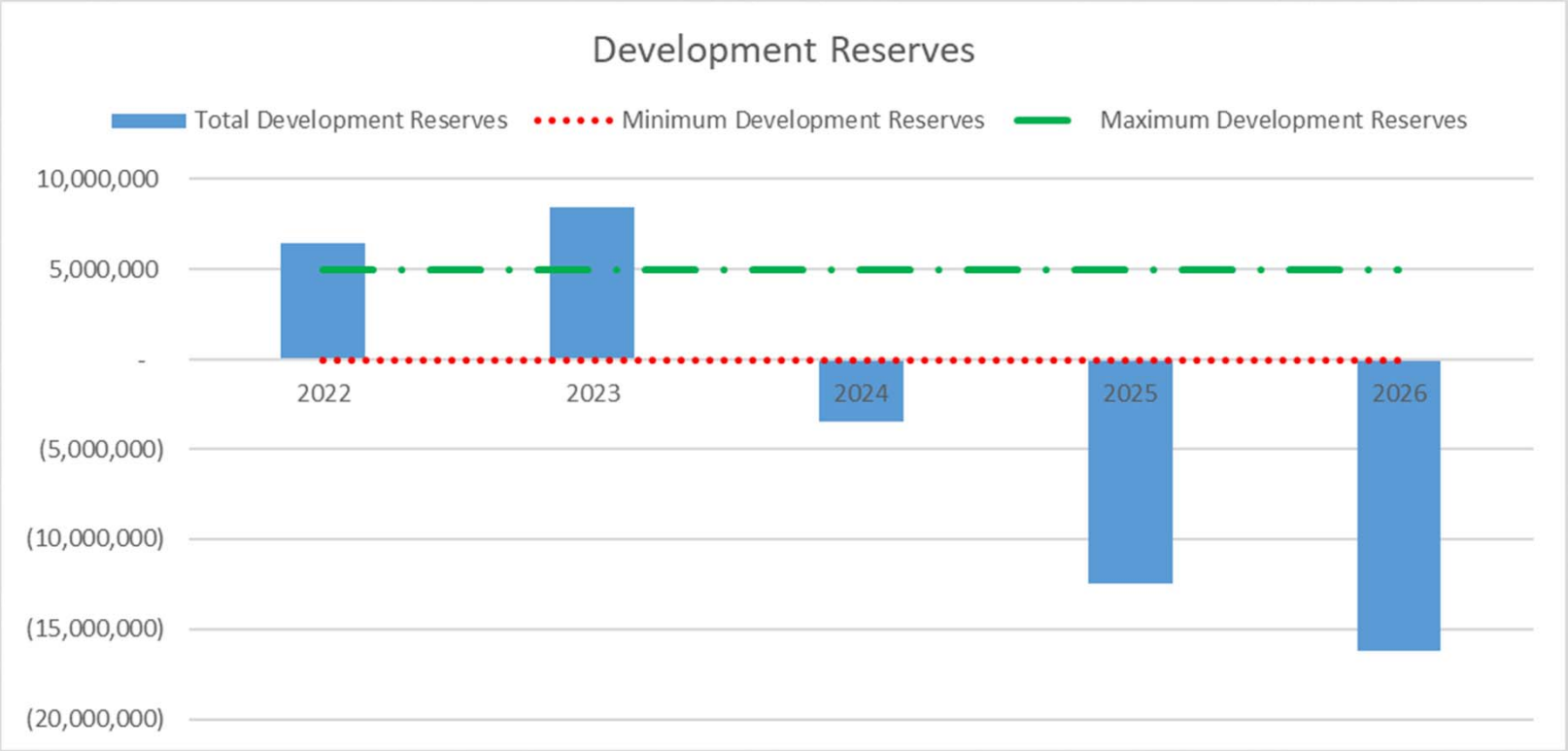
(000's)	2020 Actual	2021 Budget	2021 Projection	2022 Budget	2022 Rating
CORPORATE:					
Arbitration	105	67	57	7	Yellow
Insurance	1,591	1,927	1,817	2,140	Yellow
Mediation	28	29	23	24	Yellow
Sick Leave	5,433	4,793	2,855	2,854	Yellow
WSIB	3,608	2,633	1,894	455	Yellow
Learning & Development	327	332	347	350	Green
Total Corporate Reserves	11,092	9,781	6,993	5,830	Yellow
Minimum Corporate Reserves	*21,943*	*21,943*	*23,598*	*23,618*	
Maximum Corporate Reserves	*33,001*	*33,001*	*35,485*	*35,515*	

Reserve Fund Forecast Corporate



Reserve Fund Balance & Forecast Development

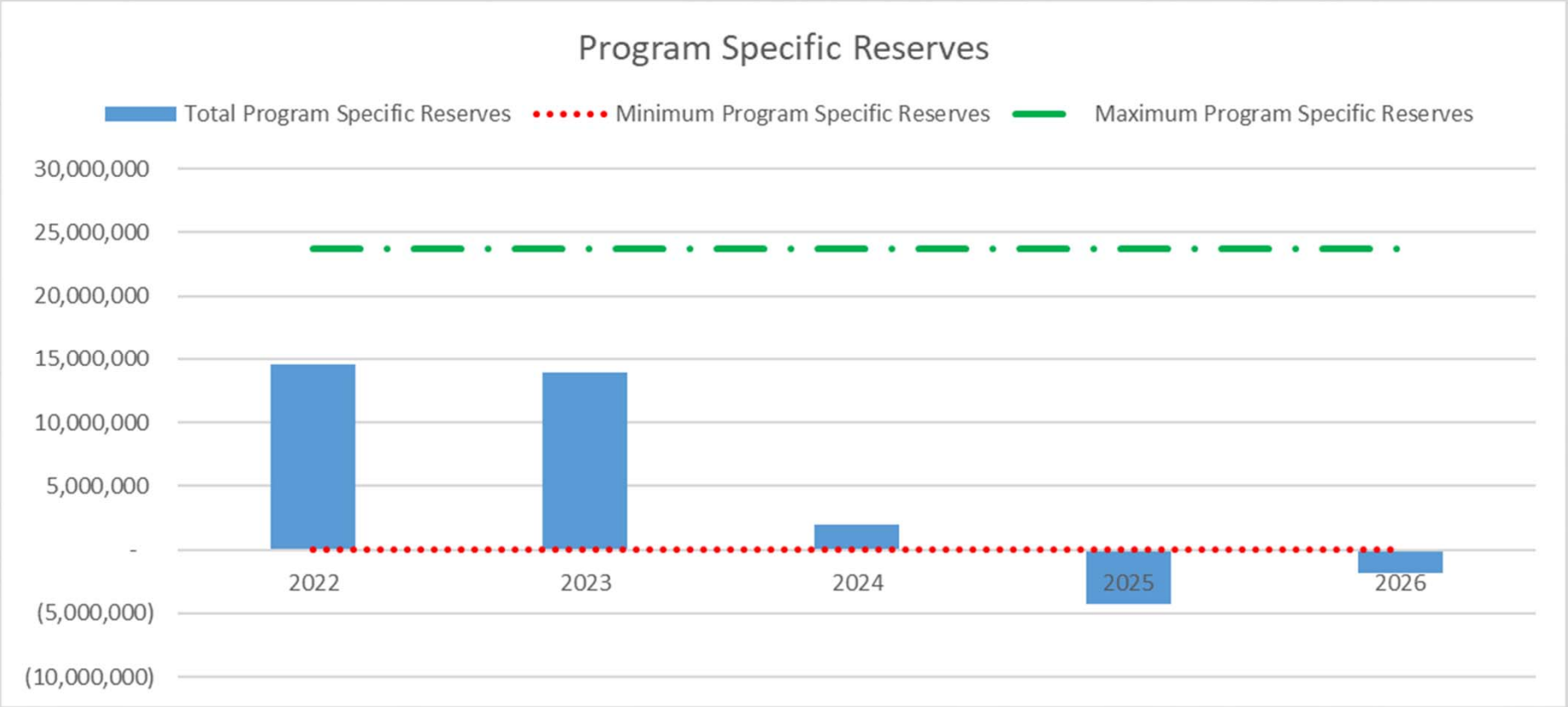
(000's)	2020 Actual	2021 Budget	2021 Projection	2022 Budget	2022 Rating
DEVELOPMENT:					
Development Charges	8,549	8,882	6,000	6,467	Black
Minimum Development Reserves	-	-	-	-	
Maximum Development Reserves	*5,000*	*5,000*	*5,000*	*5,000*	



Reserve Fund Balances
Program Specific

(000's)	2020 Actual	2021 Budget	2021 Projection	2022 Budget	2022 Rating
PROGRAM SPECIFIC:					
Activa Group Sportsplex	327	327	327	325	Green
Economic Development	8,656	1,501	1,463	760	Green
EDIF 2.0	-	2,603	6,332	13,036	Green
Election	265	392	396	3	Green
Oktoberfest	11	12	22	22	Green
Public Art	65	61	61	57	Green
Municipal Accommodation Tax	264	31	194	194	Green
Energy Retrofit	297	196	196	127	Green
Total Program Specific Reserves	9,885	5,123	8,991	14,524	Green
Minimum Program Specific Reserves	*15*	*15*	*15*	*15*	
Maximum Program Specific Reserves	*22,915*	*23,675*	*23,675*	*23,690*	

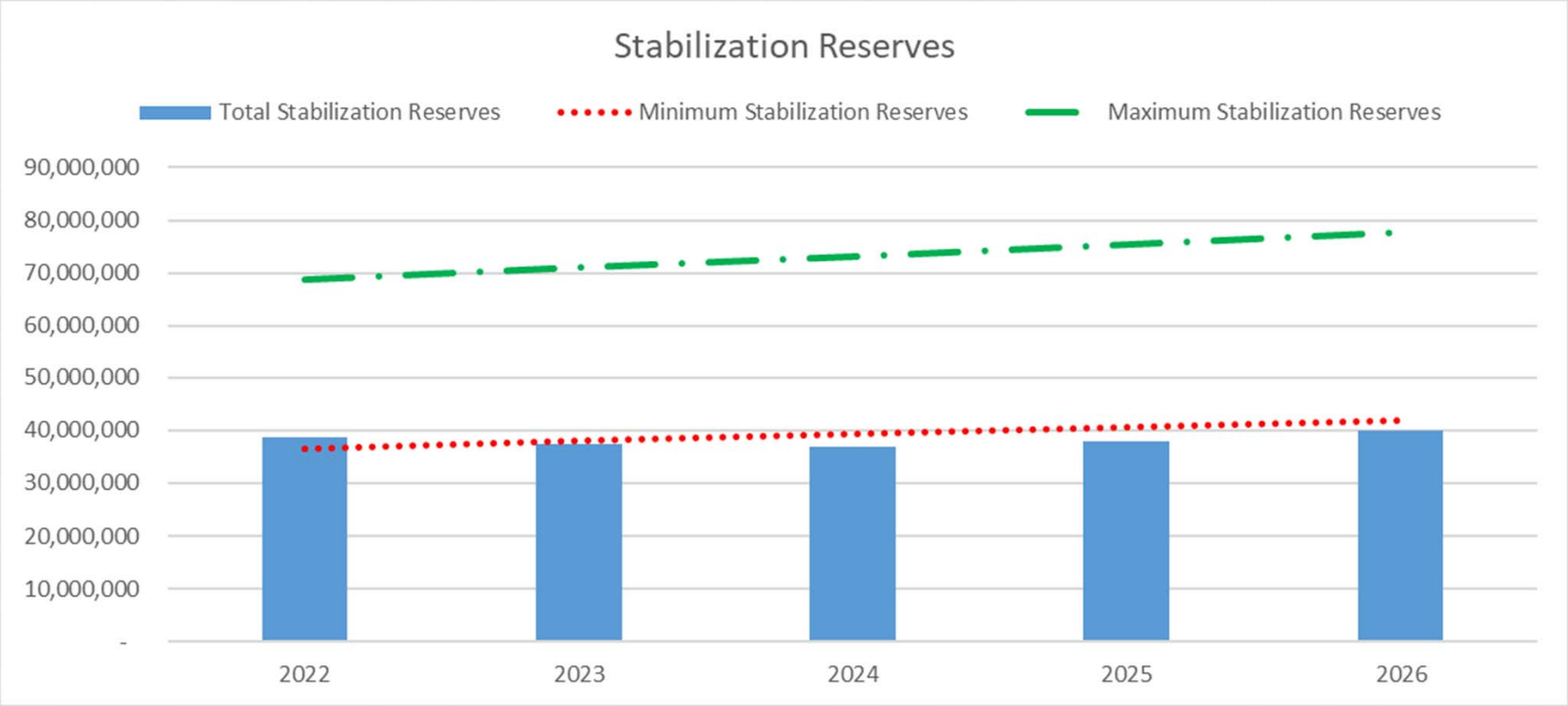
Reserve Fund Forecast
Program Specific



Reserve Fund Balances Stabilization

(000's)	2020 Actual	2021 Budget	2021 Projection	2022 Budget	2022 Rating
STABILIZATION:					
Building Enterprise Stabilization	13,711	12,502	13,631	12,364	Black
Gas Utility (Delivery) Stabilization	4,374	4,181	3,320	1,469	Yellow
Gas Utility (Supply) Stabilization	4,240	2,967	3,299	1,597	Yellow
Golf Enterprise Stabilization	(1,032)	(1,441)	(1,066)	(1,543)	Red
Parking Enterprise Stabilization	1,885	886	1,331	354	Yellow
Sanitary Sewer Utility Stabilization	9,349	8,901	9,185	9,115	Black
Storm Water Utility Stabilization	784	844	819	928	Yellow
Water Utility Stabilization	7,539	7,138	7,458	7,003	Green
Investment Stabilization	1,795	38	1,814	43	Green
Tax Stabilization	8,097	3,199	5,619	5,484	Yellow
Weather Events	2,011	2,031	1,906	1,926	Green
Total Stabilization Reserves	52,753	41,246	47,316	38,740	Green
Minimum Stabilization Reserves	*33,908*	*34,674*	*34,324*	*36,623*	
Maximum Stabilization Reserves	*64,274*	*65,606*	*64,974*	*68,668*	

Reserve Fund Forecast Stabilization



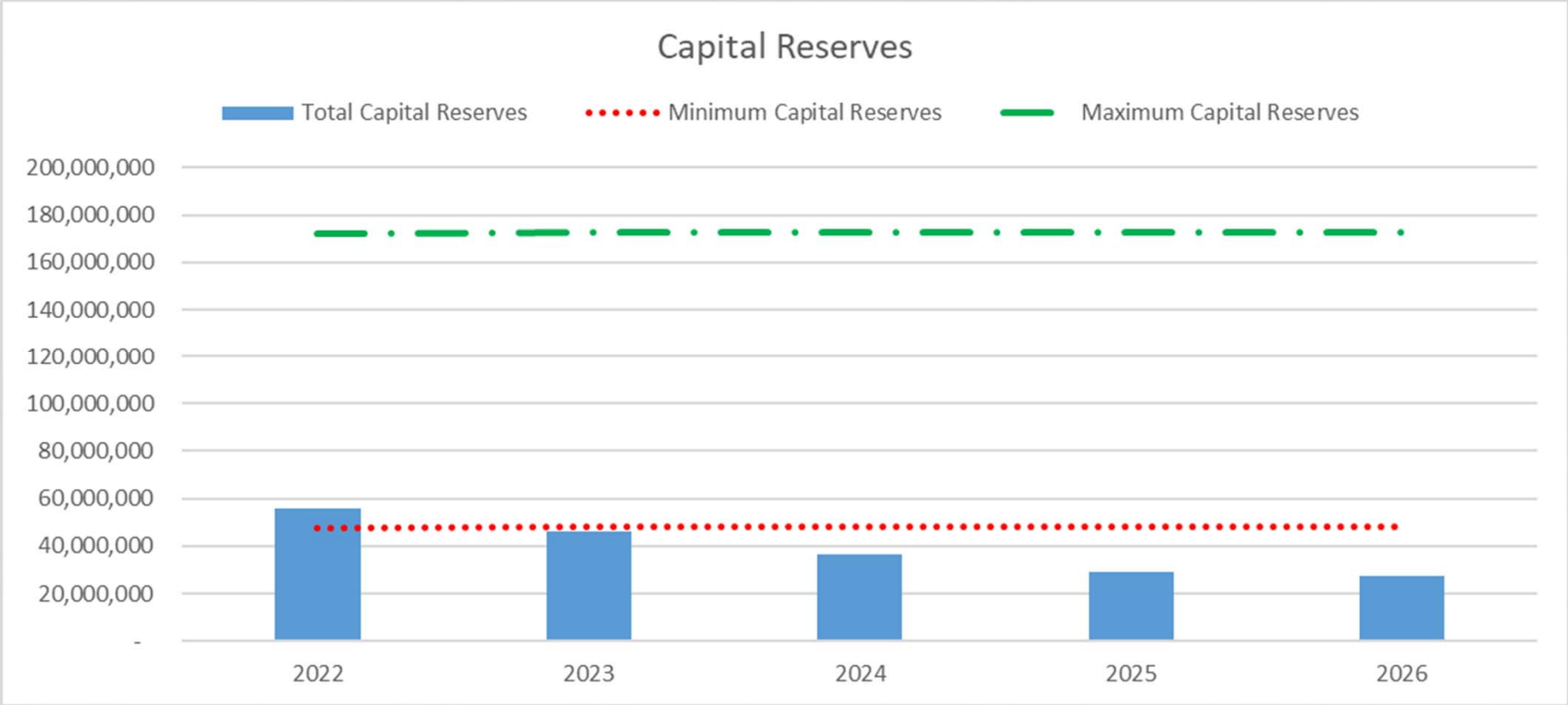
Reserve Fund Balances Capital

(000's)	2020 Actual	2021 Budget	2021 Projection	2022 Budget	2022 Rating
CAPITAL					
Building Enterprise Capital	7	7	7	7	Yellow
Gas Utility Capital	3,280	640	623	228	Yellow
Golf Enterprise Capital	68	(59)	(3)	(175)	Red
Parking Enterprise Capital	743	756	750	753	Yellow
Sanitary Sewer Utility Capital	6,396	4,910	12,463	10,913	Yellow
Storm Water Utility Capital	380	170	3,079	2,944	Yellow
Water Utility Capital	3,992	4,134	5,397	5,059	Yellow
Tax Capital	2,632	2,637	2,696	2,094	Green
DC Recovery	1,592	1,183	1,180	686	Green
Auditorium Ticket Sales	398	351	414	406	Green
Technology Infrastructure	1,660	1,674	1,615	1,204	Green
Equipment	7,966	5,507	5,389	1,821	Yellow

Reserve Fund Balances Capital

Facility Infrastructure	-	-	2	5	Yellow
Canada Community-Building	355	1,263	7,608	5,601	Black
Gas Utility Investment	4,293	7,452	7,402	4,360	Green
Hydro Investment	3,683	9,001	8,725	6,941	Green
Business Parks	(2,233)	1,692	(1,583)	2,982	Green
Land Inventory	755	1,859	1,879	2,254	Green
Recreational Land	4,273	4,573	7,015	7,457	Black
Total Capital Reserves	40,240	47,750	64,658	55,540	Green
Minimum Capital Reserves	*45,976*	*46,795*	*46,795*	*48,277*	
Maximum Capital Reserves	*165,247*	*167,866*	*167,866*	*172,110*	

Reserve Fund Forecast Capital



Reserve Fund Balances Total

(000's)	2020 Actual	2021 Budget	2021 Projection	2022 Budget	2022 Rating
Total Reserves:	122,519	112,782	133,958	121,101	Green
Minimum Total Reserves	*101,842*	*103,427*	*104,732*	*108,533*	
Maximum Total Reserves	*290,437*	*294,388*	*296,240*	*304,208*	

- Reserve balances are projected to be:
  - 127% of the minimum balance at the end of 2021
  - 111% of the minimum balance at the end of 2022

- The 2022 Budgeted Reserve Continuity Schedule is included in Issue Paper Cap 01

Reserve Fund Summary

- Overall reserve balances are positive but:
  - Some reserves with high balances mask the shortfalls in others
    - E.g. Building stabilization & Golf stabilization
  - Limitations in transferring between reserves
- Reserves will play a key role in helping the City manage the impacts of COVID-19
  - Federal/Provincial funding has funded deficits in 2020 & 2021

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 01 – Reserve Continuity Schedule**
FUND:	**Capital**
DEPARTMENT:	**All**
PREPARER:	**Joel Stapley, Investment & Treasury Analyst**
BUDGET ASK:	**None**

BACKGROUND:

One of the components of the capital budget process is a review of reserve balances. Reserves are funds set aside in the present for a future use (similar to a personal long-term savings account). Kitchener has a consolidated reserve policy that governs the use of all reserves maintained by the City.

RATIONALE / ANALYSIS:

The City has over 40 active reserves that collectively have a projected balance of $134M at the end of 2021, dropping to $121M at the end of 2022. Reserves will play a key role in helping the City maintain financial flexibility as it emerges from the COVID-19 pandemic, while avoiding more drastic measures like service reductions or significant rate increases.

The attached reserve continuity schedule shows summary information for each of the City's reserves for the upcoming year. This information includes:

- Opening balance
- Projected revenues
- Projected expenses
- Projected ending balance
- Minimum/Maximum target level

FINANCIAL IMPLICATIONS:

Reserves are maintained to set aside funds in advance of needing them. This helps avoid rate shock for significant expenses.

RECOMMENDATION:

For information.

2022 RESERVE FUNDS
Budget

	('000's)	Corporate Reserves						Development Charges
		Arbitration	Insurance	Mediation	Sick Leave	WSIB	Learning & Development	
A	**Opening Balance**	57	1,817	23	2,855	1,894	347	6,000
	Revenues							
	Transfer from Operating	40	-	-	3,075	1,477	272	-
	Transfer from Capital	-	-	-	-	-	-	-
	Transfer from Reserve Fund	-	-	-	-	-	-	-
	Transfer from Internal Charges	-	2,574	-	-	-	-	-
	Interest Income	-	8	-	34	14	4	126
	Other	-	68	-	-	12	-	14,902
B	**Subtotal Revenues**	**40**	**2,650**	**-**	**3,109**	**1,503**	**276**	**15,028**
	Expenses							
	Transfer to Operating	-	-	-	-	-	30	-
	Transfer to Capital	-	-	-	-	-	-	13,205
	Transfer to Reserve Fund	-	-	-	-	-	-	1,356
	Transfer to Internal Charges	-	-	-	-	-	-	-
	Direct Expenditures	90	2,326	-	1,954	2,668	242	-
	Other	-	-	-	1,156	274	-	-
C	**Subtotal Expenses**	**90**	**2,326**	**-**	**3,110**	**2,942**	**272**	**14,561**
D	**Net Change (B-C)**	**(50)**	**324**	**-**	**(1)**	**(1,439)**	**4**	**467**
E	**Ending Balance (A+D)**	**7**	**2,141**	**23**	**2,854**	**455**	**351**	**6,467**
	Reserve Fund Target Level							
	Minimum	65	2,310	25	10,631	10,338	250	-
	Maximum	98	3,465	125	15,946	15,506	375	5,000

2022 RESERVE FUNDS
Budget

		Program Specific Reserves							
	('000's)	Activa Group	Economic Development	EDIF 2.0	Election	Oktoberfest	Public Art	Municipal Accom Tax	Energy Retrofit
A	**Opening Balance**	327	1,463	-	396	22	61	194	196
									-
	Revenues								-
	Transfer from Operating	-	30	531	129	17	-	-	-
	Transfer from Capital	-	5	90	-	-	-	-	-
	Transfer from Reserve Fund	-	-	-	235	-	5	-	-
	Transfer from Internal Charges	-	-	-	-	-	-	-	-
	Interest Income	4	13	116	2	-	1	2	2
	Other	1	-	10,342	(1)	1	-	383	129
B	**Subtotal Revenues**	**5**	**48**	**11,079**	**365**	**18**	**6**	**385**	**131**
	Expenses								
	Transfer to Operating	-	-	-	760	-	-	-	-
	Transfer to Capital	-	687	4,375	-	-	-	-	-
	Transfer to Reserve Fund	-	5	-	-	-	-	-	-
	Transfer to Internal Charges	-	-	-	-	-	-	-	-
	Direct Expenditures	6	60	-	-	17	10	-	-
	Other	-	-	-	-	-	-	385	200
C	**Subtotal Expenses**	**6**	**752**	**4,375**	**760**	**17**	**10**	**385**	**200**
D	**Net Change (B-C)**	**(1)**	**(704)**	**6,704**	**(395)**	**1**	**(4)**	**-**	**(69)**
E	**Ending Balance (A+D)**	**326**	**759**	**6,704**	**1**	**23**	**57**	**194**	**127**
	Reserve Fund Target Level								
	Minimum	-	-	-	-	15	-	-	-
	Maximum	500	10,000	10,000	775	50	65	1,900	400

2022 RESERVE FUNDS
Budget

		Stabilization Reserves										
	('000's)	Building Enterprise	Gas Utility (Delivery)	Gas Utility (Supply)	Golf Enterprise	Parking Enterprise	Sanitary Sewer Utility	Storm Water	Water Utility	Investment Stabilization	Tax Stabilization	Weather Events
A	**Opening Balance**	13,631	3,320	3,299	(1,066)	1,331	9,185	819	7,458	1,814	5,619	1,906
	Revenues											
	Transfer from Operating	-	-	-	-	-	-	101	-	-	110	-
	Transfer from Capital	-	-	-	-	-	-	-	-	-	-	-
	Transfer from Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
	Transfer from Internal Charges	-	-	-	-	-	-	-	-	-	-	-
	Interest Income	142	35	34	(13)	14	96	9	78	19	57	20
	Other	-	-	-	-	-	-	-	(1)	-	-	1
B	**Subtotal Revenues**	**142**	**35**	**34**	**(13)**	**14**	**96**	**110**	**77**	**19**	**167**	**21**
	Expenses											
	Transfer to Operating	1,408	1,885	1,737	463	990	63	-	532	1,790	68	-
	Transfer to Capital	-	-	-	-	-	-	-	-	-	-	-
	Transfer to Reserve Fund	-	-	-	-	-	103	-	-	-	235	-
	Transfer to Internal Charges	-	-	-	-	-	-	-	-	-	-	-
	Direct Expenditures	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	-
C	**Subtotal Expenses**	**1,408**	**1,885**	**1,737**	**463**	**990**	**166**	**-**	**532**	**1,790**	**303**	**-**
D	**Net Change (B-C)**	**(1,266)**	**(1,850)**	**(1,703)**	**(476)**	**(976)**	**(70)**	**110**	**(455)**	**(1,771)**	**(136)**	**21**
E	**Ending Balance (A+D)**	**12,365**	**1,470**	**1,596**	**(1,542)**	**355**	**9,115**	**929**	**7,003**	**43**	**5,483**	**1,927**
	Reserve Fund Target Level											
	Minimum	6,444	4,135	3,379	247	763	6,077	2,331	4,863	-	6,766	1,620
	Maximum	9,666	6,202	5,069	371	1,144	9,115	3,496	7,295	2,775	20,297	3,239

2022 RESERVE FUNDS
Budget

		Capital Reserves							
	('000's)	Building Enterprise	Gas Utility	Golf Enterprise	Parking Enterprise	Sanitary Sewer Utility	Storm Water	Water Utility	Tax Capital
A	**Opening Balance**	7	623	(3)	750	12,463	3,079	5,397	2,696
	Revenues								
	Transfer from Operating	-	-	90	-	-	-	-	-
	Transfer from Capital	-	-	-	-	-	-	-	-
	Transfer from Reserve Fund	-	-	-	-	103	-	-	-
	Transfer from Internal Charges	-	-	-	-	-	-	-	-
	Interest Income	-	5	(1)	9	128	35	62	29
	Other	-	-	1	-	-	-	-	-
B	**Subtotal Revenues**	**-**	**5**	**90**	**9**	**231**	**35**	**62**	**29**
	Expenses								
	Transfer to Operating	-	-	-	-	-	-	-	-
	Transfer to Capital	-	400	-	6	1,782	170	400	630
	Transfer to Reserve Fund	-	-	-	-	-	-	-	-
	Transfer to Internal Charges	-	-	-	-	-	-	-	-
	Direct Expenditures	-	-	261	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
C	**Subtotal Expenses**	**-**	**400**	**261**	**6**	**1,782**	**170**	**400**	**630**
D	**Net Change (B-C)**	**-**	**(395)**	**(171)**	**3**	**(1,551)**	**(135)**	**(338)**	**(601)**
E	**Ending Balance (A+D)**	**7**	**228**	**(174)**	**753**	**10,912**	**2,944**	**5,059**	**2,095**
	Reserve Fund Target Level								
	Minimum	12	6,900	401	1,233	12,304	8,898	8,902	750
	Maximum	36	20,600	1,204	3,698	36,911	26,693	26,705	5,932

2022 RESERVE FUNDS
Budget

		Capital Reserves										
	('000's)	DC Recovery	Auditorium Ticket Sales	Technology Infrastructure	Equipment	Facility Infr	Canada Comm Bldg	Gas Utility Investment	Hydro Investment	Business Parks	Land Inventory	Recreational Land
A	**Opening Balance**	1,180	414	1,615	5,389	2	7,608	7,402	8,725	(1,583)	1,879	7,015
	Revenues											
	Transfer from Operating	-	285	-	3,762	1,185	-	15,536	-	-	-	94
	Transfer from Capital	-	-	-	996	-	-	-	-	-	269	-
	Transfer from Reserve Fund	1,356	-	-	-	-	-	-	-	642	-	-
	Transfer from Internal Charges	-	-	1,653	85	-	-	-	-	-	-	-
	Interest Income	11	5	7	43	-	79	70	93	8	25	86
	Other	-	(1)	30	387	-	7,397	-	5,992	3,915	132	849
B	**Subtotal Revenues**	**1,367**	**289**	**1,690**	**5,273**	**1,185**	**7,476**	**15,606**	**6,085**	**4,565**	**426**	**1,029**
	Expenses											
	Transfer to Operating	-	105	-	20	-	-	9,273	1,350	-	-	-
	Transfer to Capital	1,219	193	-	6,782	1,182	9,482	9,375	6,521	-	-	588
	Transfer to Reserve Fund	642	-	-	-	-	-	-	-	-	-	-
	Transfer to Internal Charges	-	-	-	-	-	-	-	-	-	-	-
	Direct Expenditures	-	-	2,050	-	-	-	-	-	-	50	-
	Other	-	-	50	2,038	-	-	-	-	-	-	-
C	**Subtotal Expenses**	**1,861**	**298**	**2,100**	**8,840**	**1,182**	**9,482**	**18,648**	**7,871**	**-**	**50**	**588**
D	**Net Change (B-C)**	**(494)**	**(9)**	**(410)**	**(3,567)**	**3**	**(2,006)**	**(3,042)**	**(1,786)**	**4,565**	**376**	**441**
E	**Ending Balance (A+D)**	**686**	**405**	**1,205**	**1,822**	**5**	**5,602**	**4,360**	**6,939**	**2,982**	**2,255**	**7,456**
	Reserve Fund Target Level											
	Minimum	-	163	705	3,010	-	-	2,500	2,500	-	-	-
	Maximum	5,000	489	2,115	9,030	-	3,699	7,500	7,500	5,000	5,000	5,000

Development Charges

Development Charges (DCs)

- Fees imposed on development to fund "growth-related" capital costs
  - Typically paid at the building permit stage
- Principle is that "growth pays for growth"
  - Financial burden is not borne by existing taxpayers

Development Charges Act

- DC Act sets out in detail the method of calculation
  - City updated DC by-law & background study in 2019, with new rates effective July 1, 2019
- DC Act was amended by Provincial government in July 2020
  - DC rate freezes & payment deferrals
  - No mandatory 10% reduction for “soft” services
  - Community Benefit Charge

DC Act Update Plan

- City is in the process of updating its DC bylaw with an effective date planned for mid-2022
  - Review also includes the consideration of a Community Benefit Charge (CBC)
- Will ensure compliance with updated DC Act and associated regulations
- Can also revisit some assumptions
  - Project timing and costing

Update on DC Projection

- The 2021 projected balance is a surplus, although not quite as good as what was budgeted
- Reserve remains positive until 2023 before turning to deficits starting in 2024 and due to large, expensive projects
  - Will look to mitigate through DC bylaw update
  - City may need to issue DC debt

Development Charges Projection ($000's)

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	2031 Budget
Revenues													
Developer Contribution	23,403	22,380	24,281	24,950	25,635	26,330	27,062	27,730	28,408	29,098	29,810	30,635	31,471
Downtown Exemption	64												
Credits/Refunds	(4,916)	(4,979)	(4,134)	(10,048)	(7,928)	(5,288)	-	-	-	-		-	-
Interest Income (Expense)	63	177	148	126	151	50	(162)	(291)	(337)	(352)	(157)	270	731
	18,614	17,578	20,295	15,028	17,858	21,092	26,900	27,439	28,071	28,746	29,653	30,905	32,202
Expenditures													
Transfer to capital projects	11,879	15,916	21,515	13,205	14,491	31,690	34,543	29,763	27,481	27,940	7,836	6,820	6,988
Transfer to DC Recovery reserve	431	1,329	1,329	1,356	1,383	1,339	1,366	1,393	1,421	1,450	1,897	1,935	1,973
	12,310	17,245	22,844	14,561	15,874	33,029	35,909	31,156	28,902	29,390	9,733	8,755	8,961
Balance beginning of year	2,244	8,548	8,548	5,999	6,466	8,450	(3,487)	(12,496)	(16,213)	(17,044)	(17,688)	2,232	24,382
Balance end of year	8,548	8,881	5,999	6,466	8,450	(3,487)	(12,496)	(16,213)	(17,044)	(17,688)	2,232	24,382	47,623

Capital Budget Format

Capital Budget Pages

- Pages are ordered by department, with divisional information provided as follows (as applicable):
  - Highlight of changes in capital forecast
  - Capital forecast
  - Issue papers

Capital Budget Pages

- For clarity, subprojects have been broken out from general provision accounts in first year
  - *Subproject titles are italicized in the Capital Forecast*

- For improved readability, projects/subprojects are shown by their total budget in a single line
  - Detailed version with funding sources is available

Capital Budget Pages

- New projects identified by a ☑

- Type Column
  - "T" = Triple funded projects
    - Funded by Stormwater, Water & Sanitary
    - Used for Full Road Reconstruction projects
  - "TS" = Triple funded projects with sidewalk infill

Quality of Estimates

- Estimate qualities identified for projects over $1M (excluding general provision accounts)

- Three classes of estimates (A, B & C) based on the quality of information available
  - If contingencies are built into budget, an upper case letter is used (A, B, C)
  - If contingencies are not built into budget, a lower case letter is used (a, b, c)

Quality of Estimate Classes

Class A

- Based on construction drawings from detailed design
- Typically includes a **contingency of 5% to 8%**

Class B

- Based on preliminary functional designs
- Typically includes a **contingency factor of 20% to 30%**

Class C

- Based on preliminary sketches/plans with minimum scope
- Typically includes a **contingency factor of 40% to 60%**

Moving Forward – Capital Investment Options

	$250k	$500k	$1M
Affordable Housing Reserve & DC Grant	50% of DCs 75 units	50% of DCs 150 units	50% of DCs 300 units
Facility Infrastructure Gap	Lyle Hallman Pool Upgrades	Comfort Station Upgrades	LED lighting & paving at facility parking lots
Community Trails	550 metres of trails	1,100 metres of trails	2,200 metres of trails

Capital Investment Option Issue Papers

I#	Title
Cap 02	Affordable Housing Reserve and Development Charges Grant
Cap 03	Reducing the City's Facilities Infrastructure Gap
Cap 04	Enhancing Community Trails

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 02 - Affordable Housing Reserve & Development Charges Grant**
FUND:	**Capital**
DEPARTMENT:	**Development Services – Planning**
PREPARER:	**Andrew Ramsaroop, Engagement and Program Manager – Affordable Housing**
BUDGET IMPACT:	**For Council's Direction**

BACKGROUND:

As part of the 2022 budget process, Council will be deciding on capital investment options in three different areas: affordable housing, facilities infrastructure gap, and community trails. Each area has three different funding levels, $250,000, $500,000, or $1,000,000. This issue paper deals with affordable housing.

In response to growing housing unaffordability, the City approved its first housing strategy - *Housing for All* in 2020. It contains over 40 actions for the City to help create more affordable housing opportunities in our community and support the Region's goals of ending homelessness. *Housing for All* identified the need for approximately 500 supportive housing units, over 5,000 community housing units, and a need for over 9000 affordable rental housing units in our city. Council identified addressing the need for more supportive housing as one of its priorities. It also identified working with the Region and School Boards to review the feasibility and implications of reducing the development charges for affordable housing development.

RATIONALE / ANALYSIS:

Currently, three policies support the development of affordable and supportive housing in Kitchener:

1. Waivers of application fees and building permit fees for affordable rental housing;
2. Deferral of development charge (DC) payments over a 20-year period; and
3. Waiver of interest on deferred DC payments interest policy.

These policies help make affordable and supportive housing developments more feasible, however, the cost of having to pay the City's portion of DCs has been identified by non-profits as being a barrier to providing and developing supportive housing. Under current legislation, affordable and supportive housing developments like all other residential developments are subjected to paying DCs. These fees cannot be waived and must be paid in order to satisfy legislated requirements. However, the City could provide a grant to qualifying developments to partially or fully offset their DC costs, thereby improving the financial viability of these projects.

Although a full DC grant would have the largest impact on a project, partial DC grants would also improve project viability. In providing financial relief from paying DCs (full or partial), the non-profit housing provider is able to allocate the savings into other aspects of the development that may have shortfalls that they would otherwise need to fundraise for, or seek further support. This is especially important for affordable and supportive housing developments that have not received Rapid Housing Initiative funding or other Federal and Provincial funding and will help to bring more units to occupancy within *Housing for All's* timeframe.

Currently, The Region of Waterloo has a Regional Development Charge Grant for affordable housing projects for its share of DCs as available funds permit. Providing relief from development charge requirements has a direct impact on affordable housing locally and lifting people out of homelessness. It also better enables the City to reach its goals of seeing more affordable and supportive housing units created in Kitchener.

As part of the 2022 budget process Council can approve the creation of an Affordable Housing reserve, which was one of the actions identified through the *Housing for All* strategy, and allocate funding to be transferred into the reserve. Then through a separate report to come back in the first half of 2022, Council could approve a DC grant policy and the specific parameters of the Affordable Housing reserve. This will allow adequate time for research and consultation instead of trying to complete all of that work in the midst of the 2022 budget process.

FINANCIAL IMPLICATIONS:

The table below shows the number of units that could potentially receive a development charge (DC) grant but is for illustrative purposes only. As noted above, if funding is approved for this initiative, staff would come back in the first half of 2022 with a policy which would provide Council with an opportunity to determine how much of a grant to provide to qualifying developments.

As can be seen in the table, the number of units that could benefit from this program ranges from 25 to 600. For instance, if Council approved $250,000 during the budget process, and later through the policy discussion chose a grant of 25%, 100-150 units could benefit from the program, depending on whether they were built in the central neighbourhoods or in the suburbs as shown in this part of the calculation table.

25% Grant		2021 DC Rate	Grant 25%	Units @ $250,000	Units @ $500,000	Units @ $1,000,000
Suburban	Multiple	$ 9,831	$ 2,458	100	200	400
Central	Multiple	$ 6,585	$ 1,646	150	300	600

50% Grant		2021 DC Rate	Grant 50%	Units @ $250,000	Units @ $500,000	Units @ $1,000,000
Suburban	Multiple	$ 9,831	$ 4,916	50	100	200
Central	Multiple	$ 6,585	$ 3,293	75	150	300

100% Grant		2021 DC Rate	Grant 100%	Units @ $250,000	Units @ $500,000	Units @ $1,000,000
Suburban	Multiple	$ 9,831	$ 9,831	25	50	100
Central	Multiple	$ 6,585	$ 6,585	37	75	150

RECOMMENDATION:

For Council's direction.

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 03 – Reducing the City's Facilities Infrastructure Gap**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services – Facilities Management**
PREPARER:	**Asad Qureshi, Director Facilities Management**
BUDGET IMPACT:	**For Council's Direction**

BACKGROUND:

As part of the 2022 budget process, Council will be deciding on capital investment options in three different areas: affordable housing, facilities infrastructure gap, and community trails. Each area has three different funding levels, $250,000, $500,000, or $1,000,000. This issue paper deals with the facility infrastructure gap.

The City of Kitchener owns 255 facilities varying in function and age. The Facilities Management (FM) division is responsible for operating and maintaining these buildings in a state of good repair (SOGR). The current 10-Year facility infrastructure gap has been calculated at $185M. Investment in SOGR program will result in reduction of infrastructure deficit.

RATIONALE / ANALYSIS:

Closing the facilities infrastructure gap and ensuring City facilities are accessible and energy efficient is a high priority for the City. FM staff have reviewed the most immediate unfunded needs and have identified the following projects which could be completed in 2022/2023.

Several components at Lyle Hallman pool are reaching the end of their useful lives and require replacement. The work will include replacing the existing windows in the pool area with more energy efficient models, replacing the existing walkway and installing tactile indicators to improve accessibility, and replacing the overhang at the entrance of the building.

Comfort stations at City facilities are heavily used by the public. A review of these facilities has identified four (Victoria Park, Huron Natural Area, Wilson park and Breithaupt park) that require extensive refurbishing/upgrading. The work will include any needed structural or cosmetic repairs, accessibility improvements (where applicable), as well as replacing existing fixtures with more energy/water efficient fixtures.

The City has already replaced its streetlights with more energy efficient LED models. While the lighting at some City parking lots have been upgraded, there are still many other where an upgrade to more energy efficient LEDs is required. At the same time, the pavement in several City parking lots is also in need of repair. The work will include the conversion of conventional lights to LEDs and upgrades to pavement at several City facilities such as community centres, arenas and fire stations. FM has prepared a prioritized list of parking lots based on current condition and could complete the work over the next two years.

FINANCIAL IMPLICATIONS:

Project budget estimated cost is summarized below:

Lyle Hallman pool	$250,000
Comfort station upgrades	$500,000
LED lighting upgrades and repaving of parking lots	$1,000,000

RECOMMENDATION:

For Council's direction

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 04 – Enhancing Community Trails**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services – Parks and Cemeteries**
PREPARER:	**Niall Lobley, Director of Parks and Cemeteries**
BUDGET IMPACT:	**For Council's Direction**

BACKGROUND:

As part of the 2022 budget process, Council will be deciding on capital investment options in three different areas: affordable housing, facilities infrastructure gap, and community trails. Each area has three different funding levels, $250,000, $500,000, or $1,000,000. This issue paper deals with community trails.

The Cycling & Trails Master Plan (CTMP) was completed in 2020 and is expected to be a catalyst for building a city where people willingly and joyfully choose active transportation for recreation and getting around. With a focus on planning and designing for "all ages and abilities," the City is making it safer and more comfortable for everyone to get out walking, rolling and cycling. The CTMP identifies the need for additional funding in both the short and long term to achieve the goals identified in the plan.

RATIONALE / ANALYSIS:

The Community Trails General provision supports the development of trails within the City of Kitchener. Three principal project types are funded by the Community Trails General Provision:

1. Repair and replacement of pedestrian bridges. The City owns and maintains 65 pedestrian bridges serving our trails network. Investment, repair and replacement is largely reactionary and driven by the findings of the OSIM (Ontario Structure Inspection Manual) Bridge Inspections undertaken on a biannual basis.
2. Development of new trail. New trail is informed by the Cycling and Trails Master Plan and largely focuses on developing alternative routes or infilling gaps within the trails network.
3. Upgrade of existing walkways and trails to meet the needs of Kitchener's growing and changing community as directed by the Cycling and Trails Master Plan. The focus of this work is on upgrading existing granular trails and walkways to asphalt trails and is directed by the Cycling and Trails Master Plan

Funding for trails is also supported by individual Capital Budget requests (such as for the recent upgrades to the Iron Horse Trail) and by grant funding ($2M of improvements to the Walter Bean Trail are supported by DMAF, $650,000 of Federal Gas Tax money has recently been allocated toward bridge replacements, and Council endorsed a successful application for $1.55M of stimulus funding to support trail and bridge projects).

A project list stemming from priorities within the Cycling and Trails Master Plan has been developed, and funding allocated from the Community Trails General provision toward completing this work.

Between 2022 and 2030, approximately 9.2km of trail upgrades are planned and approximately 2.5km of new trail is planned. Four bridges are currently being replaced (in Vanier Park, in Victoria Park, at Rothsay Avenue, and Lynn Valley) and an additional five are tentatively scheduled for replacement between 2022 and 2030.

The Cycling and Trails Master Plan indicates the need for 70km of off-road trail to be constructed to meet the needs for a connected community; 13km of this is considered an immediate or short term (by 2030) need. An additional 17km is identified as a medium term priority and 40km as a long term priority.

The Cycling and Trails Master Plan provides a construction estimate of $450 per meter for trails. The nature of construction, landscape and works required alongside trail construction (such as grading, drainage etc.) all have an impact on trail costs, so in some cases this will be a generous allowance, in others, it may be under-reflective of true costs, but broadly speaking, this provides a reasonable number on which budget estimates can be proposed.

Three options for consideration are outlined below under financial implications and show an approximate number of linear meters of trail that will be constructed in each scenario and an operating impact of these additional trail lengths. In all scenarios, staff will rely on direction provided within the Cycling and Trails Master Plan to inform project priority and so investment will expedite the delivery of priorities within the Plan.

Trail construction requires planning and design work as well as permit approvals and site analysis. Staff already have a full construction plan in 2022. It is anticipated that projects to the value of $250,000 could be added to the 2022 work plan, however, larger projects which are more complex could be planned in 2022, but construction would be in 2023.

FINANCIAL IMPLICATIONS:

The additional increase to the Community Trails General provision for each option is outlined below alongside the estimated Operating Impacts. Operating impacts occur in year following trail construction; 2022 capital works impact 2023 onwards operating budget.

	2022	2023	Additional Meters	Operating Impact
Option 1	$ 250,000	$ -	550	$ 6,000
Option 2	$ -	$ 500,000	1100	$ 12,000
Option 3	$ -	$ 1,000,000	2200	$ 24,000

RECOMMENDATION:

For Council’s direction.

Capital Forecast and Issue Papers

Highlighted Budget Changes

- Changes >$250,000 are highlighted on the following slides, with the following exceptions:
  - General provision accounts
  - Approved projects that have been closed out and rebudgeted
  - Boards
  - Updates related to a Development Charge Study
- Changes of $1M are also accompanied by an issue paper, except for items noted above and:
  - DC items added in year 10
  - Restatements between capital & operating

General Expense

Project	Comment
Environmental Remediation	Adjustments made to better balance the overall capital budget in every year

City of Kitchener Capital Forecast 2022 - 2031

Department GENERAL EXPENSES

Division GENERAL EXPENSES

Section OTHER GENERAL EXPENSES

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	070101000		GENERAL CAPITAL CONTINGENCY	145	149	203	207	211	216	220	224	229	233	2,037
	701201008		ENVIRONMENTAL REMEDIATION	750	1,100	600	1,350	1,500	950	2,475	1,275	1,301	1,327	12,628
	800401009		DEVELOPMENT CHARGE ACT STUDY			270					298			568
			Totals	895	1,249	1,073	1,557	1,711	1,166	2,695	1,797	1,530	1,560	15,233

CAO Administration

Project	Comment
Capacity-Building through Strategic Planning	Added $300K in 2022 to build organizational capacity in resiliency, long-term infrastructure planning, adaptability to emerging trends, and accountability to citizens through enhanced performance measurement and reporting.

City of Kitchener Capital Forecast 2022 - 2031

Department OFFICE OF THE CHIEF ADMINISTRATOR

Division ADMINISTRATION

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	150302001		COMPASS KITCHENER COMM ENGAGE	150			124				135			409
	170101001		CORPORATE PLAN	212	64	65	65	66	67	69	70	72	73	823
			Totals	362	64	65	189	66	67	69	205	72	73	1,232

Areas With No Highlighted Changes

- Financial Services
  - Financial Operations
  - Revenue

City of Kitchener Capital Forecast 2022 - 2031

Department FINANCIAL SERVICES

Division FINANCIAL OPERATIONS

Section ACCOUNTING & PAYROLL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
☑	300202001		AUTOMATION OF ACCOUNTS PAYABLE	20										20
			Totals	20	0	0	0	0	0	0	0	0	0	20

City of Kitchener Capital Forecast 2022 - 2031

Department FINANCIAL SERVICES

Division REVENUE

Section PROPERTY TAXES

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	300601003		EQUIPMENT AND SOFTWARE UPGRADES	19	19	19	19	19	19	19	19	19	19	190
	300601005		REPLACMENT OF POS						200					200
			Totals	19	19	19	19	19	219	19	19	19	19	390

Financial Services
Financial Planning & Reporting

Project	Comment
Budgeting and Variance Implementation	Added $300K to 2022 for the implementation of a budgeting/variance reporting software.

City of Kitchener Capital Forecast 2022 - 2031

Department FINANCIAL SERVICES

Division FINANCIAL PLANNING & REPORTING

Section BUDGETS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
☑	300301003		BUDGETING AND VARIANCE IMPLEMENTAI	300										300
			Totals	300	0	0	0	0	0	0	0	0	0	300

Financial Services
Asset Mgmt & Business Solutions

Project	Comment
Decision Support Software	Added $497K throughout the 10-year forecast to acquire and maintain Decision Support Software.

City of Kitchener Capital Forecast 2022 - 2031

Department FINANCIAL SERVICES

Division ASSET MANAGEMENT & BUSINESS SOLUTIONS

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	070101052		CITYWORKS SOFTWARE UPGRADE	31	31	31	31	31	31	31	31	31	31	310
✓	300401003		DIMENSION LICENSES	57										57
✓	300401004		DECISION SUPPORT SOFTWARE	154	37	37	37	37	37	38	39	40	41	497
	300501005		ENHANCEMENTS TO SAP SYSTEM	590	207	216	225	229	234	239	243	249	252	2,684
	800401004		CONDITION STUDY FOR ROADS/SW	214	97	223	101	232	105	241	109	251	116	1,689
			Totals	1,046	372	507	394	529	407	549	422	571	440	5,237

Areas With No Highlighted Changes

- Corporate Services Communications
  - Communications
  - Office of the Mayor & Council
  - Human Resources
  - Legislated Services
  - Legal Services
  - Equity, Anti-Racism & Indigenous

City of Kitchener Capital Forecast 2022 - 2031

Department CORPORATE SERVICES

Division COMMUNICATIONS

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	150201002		PRINTSHOP EQUIPMENT	460					500					960
	150201004		WEBSITE REFRESH					53					300	353
☑	400201001		INTRANET REFRESH	35					98					133
			Totals	495	0	0	0	53	598	0	0	0	300	1,446

City of Kitchener Capital Forecast 2022 - 2031

Department CORPORATE SERVICES

Division MAYOR & COUNCIL

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	100101001		HOME TECHNOLOGY		58				58				58	174
			Totals	0	58	0	0	0	58	0	0	0	58	174

City of Kitchener Capital Forecast 2022 - 2031

Department CORPORATE SERVICES

Division HUMAN RESOURCES

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	150401002		MARKET SALARY ANALYSIS			40			40			40		120
	200201003		PEOPLESOFT HR/PAYROLL SYSTEM	234	117	47	49	50	51	52	54	54	55	763
			Totals	234	117	87	49	50	91	52	54	94	55	883

City of Kitchener Capital Forecast 2022 - 2031

Department CORPORATE SERVICES

Division LEGISLATIVE SERVICES

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	300501006		MAIL SERVICES EQUIPMENT		28		81			29			29	167
	500105015		RECORDS MANAGEMENT - GENERAL	96	9	9	9	9	9	10	10	10	10	181
			Totals	96	37	9	90	9	9	39	10	10	39	348

City of Kitchener Capital Forecast 2022 - 2031

Department CORPORATE SERVICES

Division EQUITY, ANTI-RACISM & INDIGENOUS

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
☑	401401001		INDIGENOUS RECONCIL ACTION PLAN	50	50									100
			Totals	50	50	0	0	0	0	0	0	0	0	100

Corporate Services
Technology Innovation & Services

Project	Comment
Video Conferencing and Hybrid Meeting Room Technology	Added $325K in 2022 to upgrade meeting room technology to allow for collaborative meetings for both in-person and remote attendees.
Infrastructure Maintenance	Added $3.63M to this general provision throughout the 10-year forecast to address increasing technology needs.

Corporate Services
TIS (Cont'd)

Project	Comment
AZURE Client Access Licenses for City Staff Without Existing Network Access	Added $495K throughout the 10-year forecast to acquire AZURE Server Client Access Licenses for all staff that do not currently have access to the City network.

City of Kitchener Capital Forecast 2022 - 2031

Department CORPORATE SERVICES

Division TECHNOLOGY INNOVATION & SERVICES

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	070101003		GEOGRAPHIC INFORMATION SYSTEM	241	244	246	249	252	254	257	262	267	273	2,545
	070101028		WEB INFRASTRUCTURE	54	56	57	58	59	60	61	63	64	65	597
	200201000		SOFTWARE	580	588	605	622	630	637	647	657	667	677	6,310
	200201002		COMPUTER INFRASTRUCTURE PROVISION	646	652	957	722	736	751	766	781	797	813	7,621
	300701001		WREPNET FIBRE PROJECT	265	275	278	280	285	290	296	302	308	314	2,893
☑	401001010		VIDEO CONFERENCING/HYBRID MEETING	325										325
			Totals	2,111	1,815	2,143	1,931	1,962	1,992	2,027	2,065	2,103	2,142	20,291

Areas With No Highlighted Changes

- Community Services
  - Administration
  - Neighbourhood Programs & Services
  - Corporate Customer Service
  - Fire
  - Bylaw

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division ADMINISTRATION

Section ADMINISTRATION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	620101004		MASTERPLANS, STUDIES & PROJECTS	69	70	72	73	75	76	78	80	81	83	757
			Totals	69	70	72	73	75	76	78	80	81	83	757

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division NEIGHBOURHOOD PROGRAM & SERVICES

Section ADMINISTRATION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	070101013		SAFE & HEALTHY ADVISORY COMMITTEE	11	12	12	12	12	13	13	13	14	14	126
	070101042		COPORATE ACCESSIBILITY FUND	115	117	119	122	124	127	129	132	134	137	1,256
	620301004		LOVE MY HOOD IMPLEMENTATION	150	150	150	150	150	150	150	150	150	150	1,500
	700101009		COMMUNITY DEV INFRASTRUCTURE PROGRAM	13	13	13	13	14	14	14	14	15	15	138
			Totals	289	292	294	297	300	304	306	309	313	316	3,020

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division NEIGHBOURHOOD PROGRAM & SERVICES

Section COMMUNITY RESOURCE CENTRES

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	601101010		COMMUNITY CENTRES - GENERAL PROVISION	134	137	143	145	148	151	154	157	161	164	1,494
	601101016	C	ROSENBERG COMMUNITY CENTRE -SOUTH ENI	367	2,966	3,599								6,932
	620304006	C	MILL COURTLAND CC ADDITION	2,106	2,148									4,254
	620304011	C	ROCKWAY CENTRE REDEVELOPMENT	250	500	3,000	3,000							6,750
	620304014		FOREST HEIGHTS CC ADDITION			57	287	151	2,760	2,816				6,071
			Totals	2,857	5,751	6,799	3,432	299	2,911	2,970	157	161	164	25,501

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division NEIGHBOURHOOD PROGRAM & SERVICES

Section VOLUNTEER RESOURCES

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	600101001		KITCHENER IN BLOOM	9	9	10	10	10	10	10	11	11	11	101
	601101011		NEIGHBOURHOOD FESTIVAL DEVELOP	40	40	40	40	40	41	42	43	44	45	415
			Totals	49	49	50	50	50	51	52	54	55	56	516

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division CORPORATE CUSTOMER SERVICE

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	150101004		CRM SOFTWARE	25	25	25	25	95	25	25	25	25	25	320
☑	620401003		APPOINTMENT BOOKING TECHNOLOGY	209										209
			Totals	234	25	25	25	95	25	25	25	25	25	529

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division FIRE

Section ADMINISTRATION - FIRE

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	400101000		FIRE VEHICLE MTCE	56	57	58	59	60	61	63	64	65	66	609
	400101007		FIRE - MAJOR EQUIPMENT/FLEET	3,750	2,725	1,700	400	2,180	2,111	1,592	1,624	1,656	1,689	19,427
	621506003		*ADDITIONAL FLEET VEHICLE*				974							974
	400101009		FIRE EQUIPMENT HALLS	105	108	111	113	115	118	120	122	125	127	1,164
	400101010		FIRE COMPUTER MTCE	33	34	35	35	36	37	38	38	39	40	365
	400101019		DEFIBRILLATOR AND MEDICAL EXPENSE	45				83						128
	400101022		FIRE RADIO SYSTEM UPGRADE	75	75	75	75	77	78	80	81	83	84	783
	400201000		AERIAL LADDER TESTING				16	17						33
	400402001		HAZARDOUS MATERIALS RESPONSE	17	18	18	18	19	19	20	20	20	21	190
	621506002		FIRE COMMUNICATIONS EQUIPMENT	75	115	117	119	120	122	124	127	130	132	1,181
	621506004		FIRE TECHNOLOGY	128	131	133	136	139	142	144	147	150		1,250
	700607003		PERSONAL PROTECTIVE EQUIPMENT	268	208	212	211	187	211	213	220	220	204	2,154
			Totals	4,552	3,471	2,459	2,156	3,033	2,899	2,394	2,443	2,488	2,363	28,258

Community Services Sport

Project	Comment
Dom Cardilo Arena Floor (IP Cap 05)	Added $2M to 2031 for the lifecycle replacement of the Dom Cardilo arena floor.

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division SPORT DIVISION

Section KMAC & ARENAS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	601203001		KMAC - GENERAL PROVISION	155	269	274	280	536	291	296	302	308	314	3,025
✓	*620202068*		*KINSMEN COMPRESSOR REPLACEMENT*	108										108
	601302001		ARENAS -GEN RENOV/UPGRADING	69	420	311	317	324	330	337	344	350	357	3,159
✓	*620202069*		*REFRIGERATION OVERHAULS*	95										95
✓	*620202070*		*ACTIVA FLOORING*	65										65
✓	*620202071*		*SPORTSWORLD BRINE PUMPS*	63										63
	601302006		CIVIC SQUARE RINK	15	15	16	16	16	17	17	17	18	18	165
	620202006		CONCESSION UPGRADES/KMAC	60	61	62	63	64	65	67	68	69	71	650
	620202021		EVENT RECRUITMENT	51	52	27	28	28	29	30	30	31	31	337
	620202023		PAVING/CURBING - AUD	10	10	245	10	10	10	135	140	10	10	590
	620202058		COMMUNITY ARENA PAVING						110	50				160
✓	620202072		DOM CARDILO ARENA FLOOR										2,026	2,026
			Totals	691	827	935	714	978	852	932	901	786	2,827	10,443

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 05 – 2031 Dom Cardillo Arena Floor Replacement**
FUND:	**Capital**
DEPARTMENT:	**Community Services – Sport Division**
PREPARER:	**Jeremy Dueck, Manager, The Aud**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

The Dom Cardillo Arena floor was last replaced in 1996. The current industry standard for the life expectancy of a rink floor is 25 to 30 years. Floor replacement also includes the header trench.

RATIONALE / ANALYSIS:

The Dom Cardillo Arena floor is used extensively for ice rentals and major special events. Taking into consideration the current industry standard for floor life expectancy (i.e., 25-30 years), the Dom Cardillo Arena floor will be 35 years old in 2031.

FINANCIAL IMPLICATIONS:

Funding of $2M has been included in 2031 for this replacement project.

RECOMMENDATION:

For information.

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division SPORT DIVISION

Section ADMINISTRATION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	620201002		LEISURE FACILITIES MASTER PLAN		220				243				262	725
			Totals	0	220	0	0	0	243	0	0	0	262	725

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division SPORT DIVISION

Section AQUATICS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	600802000		BREITHAUPT CENTRE	27	28	28	29	29	30	30	31	32	32	296
	600901002		AQUATICS - GENERAL PROVISION	52	53	54	55	56	57	58	59	61	62	567
	620308001		KIWANIS PARK GEN PROV	84	85	87	89	91	93	95	96	98	100	918
			Totals	163	166	169	173	176	180	183	186	191	194	1,781

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division SPORT DIVISION

Section SPORT DEVELOPMENT

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	620308002		BUDD PARK INDOOR GEN PROVISION	5	5	5	5	5	5	5	5	5	5	50
	620702001		ACTIVE NET REGISTRATION SYSTEM	15	15	15	15	16	16	16	17	17	17	159
			Totals	20	20	20	20	21	21	21	22	22	22	209

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division SPORT DIVISION

Section ROCKWAY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	680201000		ROCKWAY - GENERAL MTCE	22	19	19	21	27	28	31	31	32	33	263
	680201001		ROCKWAY - COURSE IMPROVEMENTS	26	26	25	31	31	31	31	32	35	35	303
			Totals	48	45	44	52	58	59	62	63	67	68	566

City of Kitchener Capital Forecast 2022 - 2031

Department COMMUNITY SERVICES

Division SPORT DIVISION

Section DOON

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	680101000		DOON - GENERAL MTCE	28	25	25	31	31	31	32	33	35	35	306
	680101001		DOON - COURSE IMPROVEMENTS	171	170	28	25	27	27	31	33	33	33	578
			Totals	199	195	53	56	58	58	63	66	68	68	884

Areas With No Highlighted Changes

- Development Services
  - Administration
  - Economic Development
  - Parking
  - Planning
  - Building

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ECONOMIC DEVELOPMENT

Section ADMIN - ECONOMIC DEVELOPMENT

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	150501001		BROWNFIELD TIG PROGRAM	1,000	1,350	1,356	1,163	1,569	1,201	1,191	1,206	1,221	1,245	12,502
	700101015		DOWNTOWN IMPROVEMENTS	93	49	88	90	92	94	96	98	99	101	900
	700101022		DOWNTOWN INCENTIVES FUNDING - DT	45	97	99	101	103	105	107	109	112	114	992
			Totals	1,138	1,496	1,543	1,354	1,764	1,400	1,394	1,413	1,432	1,460	14,394

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ECONOMIC DEVELOPMENT

Section MARKET

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	601201001		KITCHENER MARKET	24	24	25	25	26	26	27	27	28	29	261
			Totals	24	24	25	25	26	26	27	27	28	29	261

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ECONOMIC DEVELOPMENT

Section SPECIAL EVENTS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	600803000		CITY HALL/VPP PROGRAMMING	39	40	40	41	42	43	44	45	46	47	427
			Totals	39	40	40	41	42	43	44	45	46	47	427

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ECONOMIC DEVELOPMENT

Section ARTS & CULTURE

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	600802001		INDUSTRIAL ARTIFACTS	17	18	18	18	19	19	19	20	20	21	189
	600802002		PUBLIC ART MAINTENANCE	15	16	16	16	17	17	17	18	18	18	168
			Totals	32	34	34	34	36	36	36	38	38	39	357

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division TRANSPORTATION SERVICES

Section PARKING

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	500201070		CHARLES BENTON PARKING GARAGE	38	39	39	40	41	42	43	44	44	45	415
	500201080		CIVIC DISTRICT PARKING GARAGE	37	38	39	39	40	41	42	43	44	44	407
	500203001		DUKE & ON PARKING GAR - MTCE	38	39	39	40	41	42	43	43	44	45	414
	500203006		CITY HALL PARKING GARAGE - MTCE	55	56	57	58	60	61	62	63	65	66	603
	701206004	c	INNOVATION DISTRICT PARKING						5,858	5,976				11,834
	701206018		CHARLES & BENTON GARAGE MONITORIN			13			14			14		41
	701206019		CIVIC DISTRICT GARAGE MONITORING		12			13			13			38
	701209002		TRANS DEM MGMT INITIATIVES	227	232	237	241	246	251	256	261	266	272	2,489
	800501003		DUKE/ONT GARAGE MONITORING - DT	10			11			11			12	44
	800501006		CITY HALL GARAGE MONITORING	7			8			8			9	32
	800501008		PARKING LOT RESURFACING - DT	45	40	40	40	20	20	21	21	22	22	291
	800501026		MARKET GARAGE MONITORING - DT		10			11			11			32
	900303001		STRUCTURAL PROVISION - GARAGES	1,059	1,069	1,078	508	518	528	539	550	561	572	6,982
	901102005		PARKING EQUIPMENT	100	100	100	100	100	102	104	106	108	110	1,030
			Totals	1,616	1,635	1,642	1,085	1,090	6,959	7,105	1,155	1,168	1,197	24,652

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division PLANNING

Section ADMIN

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	621301001		PLANNING STUDIES - GROWTH	498	469	428	381	435	455	476	488	498	507	4,635
	621301002		PLANNING STUDIES - GENERAL	14	14	14	14	14	15	15	15	16	16	147
	700101002		HERITAGE RESOURCES: PLANNING/ASSESSME	19	20	20	20	21	21	22	22	22	23	210
	700101013		HERITAGE RESOURCES: IMPLEMENTATION	14	14	14	15	15	15	16	16	16	17	152
	700101021		COMMUNITY ENVIRONMENTAL IMPROVEMENT (	6	6	7	7	7	7	7	7	8	8	70
	700101029		HERITAGE PROPERTY GRANT PROGRAM	33	33	34	34	35	36	37	37	38	39	356
	700201002		HERITAGE IMPACT ASSESSMENTS	12	13	14	14	14	15	16	16	16	16	146
	700201003		HERITAGE TAX REFUND PROGRAM	5	5	6	6	6	6	6	7	7	7	61
	700201005		URBAN DESIGN IMPROVEMENTS	76	77	78	81	82	84	86	88	89	91	832
	700201014		PLANNING AWARDS	15		16		16		17		18		82
			Totals	692	651	631	572	645	654	698	696	728	724	6,691

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division BUILDING

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	621401003		TECHNOLOGY UPGRADES	18	74		20	79		22	84			297
			Totals	18	74	0	20	79	0	22	84	0	0	297

Development Services Engineering

Project	Comment
Road Reconstruction Projects (WIP Road Reconstruction Program) NOTE: These are projects with type "T" or "TS"	Adjustments made based on priority of projects and funding constraints. Significant components of the infrastructure that comprises these projects have been identified as being at the end of its life cycle, and requires replacement. The program increases by approx. 6.1% each year.

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section STUDIES

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701201012		MONITOR/UPDATE PROG - UPPER BLAIR	107	110	112	114	116	119	121	123	126	128	1,176
	800401000		MISC LEGAL SURVEYS	6	6	6	6	6	6	6	6	6	6	60
	800401007		GEN PROV/SMALL PROJECTS & EQUIPMENT	14	14	15	15	15	16	16	16	16	17	154
	800401013		ENGINEERING STUDIES	194	198	202	206	210	214	219	223	228	232	2,126
	901001002		MASTER PLAN/FEASIBILITY STUDIES	79	80	82	83	85	87	88	90	92	94	860
			Totals	400	408	417	424	432	442	450	458	468	477	4,376

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section REGIONAL & CITY FULL RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701202004	T	5497-LANCASTER-VICTORIA TO EXPRESSWAY		5,200	2,051								7,251
	801002001	T	5750-COURTLAND AVE - HAYWARD AVE TO XPY	342										342
✓	801002005	T	5703 - BLEAMS RD - STRASBURG TO MANI				5,098							5,098
	901002009	T	5702-VICTORIA ST - LAWRENCE TO PAULANDER				128							128
	901002012	T	5612-FREDERICK ST - DUKE TO WEBER					410						410
			Totals	342	5,200	2,051	5,226	410	0	0	0	0	0	13,229

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section REGIONAL & CITY SURFACE RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701202006		5487-KING ST E-SPORTSWORLD DR TO HWY401	50										50
☑	801003003		5675 - WESTMOUNT RD - FH TO BLOCK LIN		250									250
	901002004		5658-FREDERICK ST - LANCASTER TO KING		50									50
	901002006		5381-BENTON ST - CHARLES TO COURTLAND		50									50
			Totals	50	350	0	0	0	0	0	0	0	0	400

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES
Division ENGINEERING CAPITAL PROJECTS
Section FULL RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701205020	T	AVONDALE/DUNBAR			207	826							1,033
	701205048	TS	SPADINA - BELMONT TO PATRICIA		62	251		1,568						1,881
	701205050	TS	EARL - GLAS. TO UNION/ROCK - EARL TO	6										6
	701205070	T	CLAREMONT - WESTMOUNT TO BELMONT				148	592						740
	701205078	T	PATRICIA - QUEEN TO HIGHLAND	3,378		35								3,413
	701205099	TS	MILL ST / HEIMAN ST	135										135
	701205103	T	MERNER AVE - FREDERICK TO KRUG				497							497
	701205119	T	RUSHOLME RD - WESTMOUNT TO DUNBAR		96	384		2,404						2,884
	701205124	T	FLOYD ST - GUELPH TO FAIRFIELD				255							255
	701205125	TS	GAGE AVE - BELMONT TO WAVERLY					119						119
	701205129	TS	STIRLING / MAUSSER	10										10
	701205157	T	CRESTWOOD ST - GUELPH TO FAIRFIELD					262						262
	800401024	T	WIP ROAD RECONSTRUCTION GENERAL ACCOI	-2,478	-184	-203	443	-485	47,797	50,713	53,806	57,088	60,570	267,067
	800407080	TS	HEBEL/PETER	319										319
	801004001	T	ST. GEORGE ST - QUEEN TO BENTON		713		17							730
	801004002	T	KING ST. E - STIRLING TO OTTAWA			3,483		110						3,593
	801004003	T	DEERPARK CRES - FOREST HILL TO FORE		76	304		1,900						2,280
	801004004	TS	STEWART ST / JOSEPH ST	2,635		52								2,687
	801004005	T	SHADYWOOD NEIGHBOURHOOD				387	1,548						1,935
☑	801004006	T	HERBERT ST - PINE TO C OF WATERLOO		552		12							564
☑	801004007	T	BECKER - FIFE - ANN		2,149		65							2,214
☑	801004008	T	MONTROSE - CARLTON - METZLOFF	122	490		3,058							3,670
☑	801004009	T	LAWRENCE AVE - VICTORIA TO KARN	309		1,548		43						1,900
☑	801004010	T	SOUTH DR - QUEEN'S BLVD TO BELMONT				99	394						493

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section FULL RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	801009030	T	DMAF-WIP ROAD RECONSTRUCTION	0	0	0	0	0						0
	901003018	TS	SOUTHILL DR /THALER ST / WINDOM ST		93									93
	901003020	TS	JOHNSTON - PATRICK - WELLINGTON	191	764		4,774							5,729
	901003023	T	CAMBRIDGE ST - BRUCE TO SHERWOOD	3,911		79								3,990
	901003028	T	SECOND AVE - KINGSWAY TO CONNAUGH	2,690		52								2,742
	901003030	TS	BOEHMER / VALEWOOD		106									106
	901003033	T	FALESY / KRAFT / HAROLD / JEAN					1,065						1,065
	901003035	TS	CENTREVILLE NEIGHBOURHOOD	126										126
	901003036	T	DELAWARE AVE / HIGHLAND RD		4,791		152							4,943
	901003038	T	ISLINGTON / ROSEMOUNT / SHERWOOD		2,981		80							3,061
	901003039	T	ADMIRAL/MARLBOROUGH/ROXBOROUGH	1,049		6,480		158						7,687
	901003042	T	FREDERICK ST - BRUCE TO VICTORIA	1,317		8,230		270						9,817
	901003043	T	BECKER ST - FIFE TO KRUG		54									54
	901003044	T	EAST AVE - FREDERICK TO KRUG			3,544		109						3,653
	901003046	T	FERGUS AVE - WEBER TO THALER	499	95									594
	901003047	T	QUEEN'S BLVD - WESTMOUNT TO BELMO		752		4,705							5,457
	901003048	T	SCOTT ST - DUKE TO WEBER	1,145		13								1,158
	901004010	TS	HOFFMAN - OTTAWA TO E. CUL-DE-SAC	211										211
	901004011	T	SHERWOOD - BECKER TO ROSEMOUNT		5,519		148							5,667
	901004012	T	ROSS - WILFRED TO FRANKLIN				103	409						512
	901004013	TS	WILSON - NORTH END TO FAIRLAWN	1,432		8,951		213						10,596
	901004015	T	GREENFIELD - TRAYNOR	3,552		72								3,624
	901004016	TS	PERTH RD/ CORAL CRES	131										131
	901004017	T	BLUERIDGE - QUEEN TO LAKESIDE		130	519		3,245						3,894

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section FULL RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	901004018	T	PATTANDON AVE - BORDEN TO OTTAWA		51									51
	901004019	T	SYDNEY ST S - KING TO WEBER	2,133		49								2,182
	901004020	T	MCKENZIE AVE - OTTAWA TO SHELDON		1,325		35							1,360
	901004021	T	WESTWOOD CRESCENT	489	2,097		56							2,642
	901004022	TS	ROSSFORD CRESCENT	4,504		74								4,578
	901004023	T	RAMBLEWOOD WAY - ELMRIDGE TO BRO				119	476						595
	901004026	T	BIRCH - CLIFTON - ASH				269	1,076						1,345
	901004027	TS	MILL ST - STIRLING TO OTTAWA	84	157									241
	901004028	TS	EPHRAIM ST/ ETHEL ST	71										71
	901004029	T	BRUCE ST - FIFE TO HEATHER		1,518		41							1,559
	901004030	T	CHAPEL / MELROSE / SHERIDAN		548		3,426							3,974
	901004032	TS	DELTA -SYDNEY-MAURICE		96									96
	901004034	TS	STIRLING AVE-MAUSSER TO GREENBROOK	336										336
	901004035	TS	BROADVIEW AVE - S END TO PROSPECT	64	255		1,594							1,913
	901004036	TS	OXFORD ST - ELIZABETH TO N END				123	493						616
	901004044	T	OAKWOOD/RIDGEWOOD/PRUETER/ELMW					148						148
	901004047	TS	ROLAND ST - W END TO DAVID					57						57
	901004049	TS	WILFRED / EMERALD - WEBER TO PROSP					82						82
	901004051	TS	STIRLING AVE - GREENBROOK TO AVALON				113	455						568
	901004055	T	FRANKLIN ST - KINGSWAY TO WILSON	4,311		141								4,452
	901004056	TS	DIXON / ROCKWAY		165	662		4,139						4,966
	901004057	T	MASSEY AVE - BONIFACE TO VANIER				145	578						723
	901004058	T	CHELSEA RD - SUFFOLK TO BELLEVIEW		90	357		2,231						2,678
	901004060	TS	EDWIN ST - LEONARD TO NORTH END					204						204

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section FULL RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	901004061	TS	EDWIN ST - BLUCHER TO LOUISA	56										56
	901004062	TS	SOUTHDALE AVE - KEHL TO HOFFMAN	1,957		58								2,015
	901004064	T	FAIRFIELD AVE - MARGARET TO RIDGEWO	81	323		2,020							2,424
	901004065	T	CONWAY DR / WAYNE DR		4,057		109							4,166
	901004066	TS	GUELPH ST - MAPLE TO RIVERBEND				194	777						971
	901004068	T	DUNBAR/BALMORAL/KATHERINE/BRANDO		317	1,268		7,922						9,507
	901004069	T	GUELPH ST / ENGLEWOOD PL		76									76
	901004071	TS	GAGE AVE - WESTMOUNT TO BELMONT				183	730						913
	901004072	T	UNION BLVD / GOLFVIEW PL				123	491						614
	901004079	T	WESTWOOD DR - GLASGOW TO WESTWO	296	1,185		7,407							8,888
	901004085	T	CONNAUGHT ST - NINTH TO TRAYNOR	81	323		2,020							2,424
	901004087	T	OVERLEA NEIGHBOURHOOD					356						356
	901004088	T	BRADLEY / ASKIN / BRADLEY				309	1,239						1,548
	901004089	T	OLYMPIC DR - PATTANDON TO HOFFMAN		356		2,224							2,580
	901004092	T	FARRIER NEIGHBOURHOOD		339	1,357		8,478						10,174
	901004095	T	HAZELGLEN DR - MARKWOOD TO VICTORI					207						207
	901004097	T	CHARLES ST - SHELDON AVE				144	575						719
			Totals	35,153	32,517	37,967	36,423	44,638	47,797	50,713	53,806	57,088	60,570	456,672

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section SURFACE RECONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701205059		PAVEMENT SURFACE TREATMENT	142	145	147	150	154	156	159	163	166	170	1,552
	800405000		RESURFACING CITY STREETS	2,417	2,765	2,932	3,085	3,147	3,211	3,274	3,340	3,406	3,475	31,052
	800405048		NEW SIDEWALK INFILL	189	193	196	200	204	208	212	217	220	225	2,064
	901004003		LANEWAY REHABILITATION PROGRAM	489	499	508	519	529	540	550	562	573	584	5,353
	901005017	B	QUEEN ST PLACEMAKING	238										238
	901005018		ONTARIO ST - KING TO CHARLES	103										103
			Totals	3,578	3,602	3,783	3,954	4,034	4,115	4,195	4,282	4,365	4,454	40,362

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section BRIDGE REHABILITATION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701205023		ROAD BRIDGE REPAIRS		283		373		545		567		589	2,357
	800405002		LEGISLATED BRIDGE INSPECTION	44	45	46	47	48	49	50	51	52	53	485
	801006001		KENT AVENUE CULVERT						60		300		312	672
	901005006		STIRLING COURTLAND CULVERT - 812	120	190									310
	901006002		DOON VILLAGE RD BRIDGE - 802	200	350									550
	901006003		DOON VILLAGE RD BRIDGE - 803	200	350									550
	901006005		COUNTRY HILL DR BRIDGE - 834	24		120								144
	901006007		WILLIAMSBURG RD CULVERT - 837		60		300							360
			Totals	588	1,278	166	720	48	654	50	918	52	954	5,428

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section NEW CONSTRUCTION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701203021	B	BORDEN GREENWAY TRUNK SAN SEWER				1,003							1,003
	701203025	B	FALCONRIDGE SPS CAPACITY UPGRADES			62	1,152							1,214
	701203026	B	OTTERBEIN SPS CAPACITY UPGRADES			235	4,344							4,579
	800401003		CITY SHARE SUBDIVISIONS	1,001	1,021	1,041	1,062	1,083	1,105	1,127	1,149	1,172	1,196	10,957
	800401010		INTENSIFICATION ALLOWANCE	265	270	276	282	287	293	299	305	311	317	2,905
	801007001	C	BIEHN DR & SAN TRUNK SEWER EXT	4,007										4,007
	801007002	C	BLAIR CREEK DR ROAD & WM EXT	218			184	4,992						5,394
	801007003	A	DODGE DR TRUNK SAN SEWER						382	7,084				7,466
	801007004	C	DOON SOUTH SPS - FORCEMAIN					119	204	4,428				4,751
	801008001	C	UPPER HIDDEN VALLEY SPS & FORCEMAIN					416	11,255					11,671
	901005011	B	HURON RD IMPROVEMENTS & WM EXT				658	12,192						12,850
	901007006	C	AMAND DR ROAD & WM EXT			253	206	5,555						6,014
	901007008	B	STRASBURG ROAD SOUTH & WM EXT		824	8,325	8,491							17,640
			Totals	5,491	2,115	10,192	17,382	24,644	13,239	12,938	1,454	1,483	1,513	90,451

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division ENGINEERING CAPITAL PROJECTS

Section SANITARY NETWORK REMEDIATION & IMPROVEMENTS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701203010		LIFT STATION REPLACEMENT			1,125	1,148	1,171	1,194	1,218	1,242	1,267	1,292	9,657
	801008002	C	*CARSON SPS REHAB*	1,959										1,959
	801008003		*WOOLNER SPS REHAB*	584										584
	801008004		*SPS SCADA IMPLEMENTATION*	300										300
	801008006	C	*STOKE SPS REHAB*	249	1,272									1,521
	801008007	C	*OTTERBEIN SPS REHAB*	221	1,129									1,350
	801008008		*CONESTOGA COL SPS REHAB*	35	176									211
	701203024		SCADA	123	131	133	136	133	136	139	141	144	147	1,363
	800403009		PUMPING STATIONS GENERAL MTCE	114	116	118	121	123	125	128	130	133	136	1,244
	800403017		TRENCHLESS REHABILITATION	439	448	457	466	476	485	495	505	515	525	4,811
	800404022		SUMP PUMP CONNECTIONS	84	85	87	88	91	92	94	96	98	100	915
			Totals	4,108	3,357	1,920	1,959	1,994	2,032	2,074	2,114	2,157	2,200	23,915

Development Services Transportation

Project	Comment
40 km/h Neighbourhood Speed Limit Implementation (IP Cap 06)	Added $550K over 3 years to replace signs and engage and educate the public for the speed limit reduction

City of Kitchener Capital Forecast 2022 - 2031

Department DEVELOPMENT SERVICES

Division TRANSPORTATION SERVICES

Section TRANSPORTATION

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701206002		TRAFFIC CALMING	210	215	220	225	229	234	238	243	248	253	2,315
	701206013		STREET LIGHTING MAINTENANCE	265	271	276	282	287	293	299	305	311	317	2,906
	801101001		CYCLING INFRASTRUCTURE	1,402	819	836	853	869	887	904	922	940	960	9,392
	801101002		GAUKEL STREET CLOSURE	100										100
✓	801101004		NEIGHBOORHOOD SPEED REDUCTION	183	183	184								550
	901005014		INT IMPVT-STRASBURG & HURON RD			678								678
	901101001		SMALL SCALE TRAFFIC CALMING	69	69	19	19	19	19	19	20	20	20	293
	901101002		LED LIGHTING CONVERSION	108	110	113	115	117	120	122	124	127	129	1,185
			Totals	2,337	1,667	2,326	1,494	1,521	1,553	1,582	1,614	1,646	1,679	17,419

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 06 – 40 km/h Neighbourhood Speed Limit Implementation**
FUND:	**Capital**
DEPARTMENT:	**Development Services Department – Transportation Services**
PREPARER:	**Barry Cronkite, Director of Transportation Services**
BUDGET IMPACT:	**For Council Direction**

BACKGROUND:

The City of Kitchener piloted and evaluated a neighbourhood speed limit reduction program that reduced the speed limits in residential neighbourhoods from 50km/h to 40km/h. Through the use of "gateway" signs at their entry and exit points of the neighbourhoods, road users were informed of the new default speed limit (40 km/h) within the areas. The City also reduced the speed limit in school zones within the pilot areas to 30 km/h.

The evaluation results showed a reduction of up to 5 km/h in operating speeds in the neighbourhoods under review, with an average reduction of 3km/h. Based on this evaluation, Council approved implementation of a neighbourhood speed limit on all residential neighbourhoods within the City of Kitchener. As a part of this project, the speed limit in all school zones and shared neighbourhood bikeways within the City of Kitchener will be reduced to 30 km/h. Council also requested that the implementation be brought back during the 2022 budget process for consideration of a 2-year implementation, rather than the 3 year implementation presented by staff.

RATIONALE / ANALYSIS:

Staff recommended a 3-year implementation plan primarily given the challenges and constraints related to staff capacity. The City has been divided into 64 "Neighbourhood Speed Limit Areas" for implementation. These areas are mostly bounded by arterial streets and regional roads. Within each unique area, staff must locate and remove all existing signage as well as premark for, manufacture and install new signage. Initially, Transportation staff will locate existing signs and determine the location of all new signs. Operations – Roads and Traffic will then remove, manufacture and install based on the implementation plan. There are over 400 removals and 1350 new installations that are required. This is over and above staff's typical workload. Additionally, community engagement is a primary consideration and will include social media posts on City accounts, pamphlets and posters at city-run facilities, direct mailing to residents and regular webpage updates for information and ongoing feedback.

Staff are confident that all works required for the neighbourhood speed limit area project can be completed within the 3-year timespan recommended. The project could be completed over a 2-year timeframe, however, there risks that staff may not be able to adequately address the general day to day maintenance needs, that also have signage and pavement marking impacts (adjustments to on-street parking, etc.).

FINANCIAL IMPLICATIONS:

The total cost to implement the speed limit reduction is $550,00, regardless of whether project is implemented over two or three years. The implementation costs are summarized in the table below and would generally be split evenly amongst the number of years associated with the project.

Capital Cost (Signage, removal and installation)	$430,000
Capital Cost (Education and engagement initiatives)	$70,000
Contingency (10%)	$50,000
Total Cost	**$550,000**

If the project were implemented over two years instead of three (as proposed in the 2022 budget), there is adequate funding in reserves to fund the accelerated project timeline.

RECOMMENDATION:

For Council direction.

Areas With No Highlighted Changes

- Infrastructure Services
  - Roads & Traffic

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division OPERATIONS - ROADS & TRAFFIC

Section CONCRETE MAINTENANCE

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	800405003		MAJOR SIDEWALK REPAIR/REPLACE	622	634	647	660	673	686	700	714	728	743	6,807
			Totals	622	634	647	660	673	686	700	714	728	743	6,807

Infrastructure Services
Facilities Management

Project	Comment
FM Capital Budget Restructure	The 10-year capital forecast for FM has been restructured to consolidate many small general provisions into a larger State of Good Repair (SOGR) provision. By removing the compartmentalized budget structure, the highest priority asset lifecycle activities can be funded by the resources assigned overall.

Infrastructure Services
Facilities Management

Project	Comment
South End Turf Facility	The timing of this facility was shifted forward by two years in the capital forecast to align with the construction of the aquatic's facility.
Security Assessment	$307K has been added to the forecast in 2022 to support the Security Operations Centre (SOC) relocation.

Infrastructure Services
Facilities Management

Project	Comment
Centreville Chicopee SOGR Site Remediation (IP Cap 07)	$1.8M has been added to the 2022 capital budget to support repairs or replacements on end-of-life cycle site elements identified in the 2020 Building and Site Condition Assessment.
Conrad Centre (IP Cap 08)	$1.35M has been added to the 2022-2023 capital budget to address immediate capital replacements and repairs at the Conrad Centre, including a full roof replacement, HVAC, and fire/life safety replacements.

Infrastructure Services
Facilities Management

Project	Comment
Registry Theatre Roof	$440K has been added to the 2022 capital budget funded from additional fed gas tax dollars to complete needed work on the Registry roof.
Facilities Assessment Program	$250K/year has been added to the capital budget between 2022-2024 to complete Building Condition Assessments to meet the O. Reg 588/17 deadline by July 1, 2024.
Service Counter Project (IP Cap 09)	$1.659M has been added to the forecast in 2022 for the construction of a centralized main-floor service centre at City Hall.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division FACILITIES MANAGEMENT

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	500201005		SECURITY/PUNCTURE PROOF VESTS			34					38			72
	500201012		CITY HALL RENOVATIONS	110	114	114	119	118	124	126	129	131	134	1,219
	500201020		AUDITORIUM - MTCE	200	204	208	212	216	220	225	229	234	239	2,187
	500201057	C	CITY HALL SPANDREL GLASS REPLACE	538	1,500									2,038
	500201065		CITY HALL FURNISHINGS & FINISHES	321	114	114	119	118	124	126	129	131	134	1,430
	500203002		KOF MAINTENANCE	358	440	446	455	468	478	487	497	507	516	4,652
	900401036		*KOF MTCE - SPACE PLANNING*	69										69
	500203005		CITY HALL COMPLEX - MTCE	210	214	219	223	228	232	237	241	246	251	2,301
	500203084		FACILITIES MANAGEMENT TOOLS	20	20	20	20	20	20	20	21	21	22	204
	600901001	C	NEW INDOOR POOL - SOUTH END	617	318	11,600	11,832							24,367
	620308004	C	INDOOR TURF FIELD - SOUTH END	542	192	6,843	6,980							14,557
	900401005	A	CITYHALL OUTDOOR SPACES	500	500									1,000
	900401006		SECURITY ASSESSMENT	307										307
	900401007	B	91 MOORE - SUSTAINABLE BUILDING IMPR	424	433	442								1,299
	900401029		STATE OF GOOD REPAIR (SOGR)	1,709	4,512	5,039	5,656	6,195	6,743	7,209	7,689	7,835	8,016	60,603
✓	*900401030*	C	*CENTREVILLE CHICOPEE-SOGR PROJECTS*	1,800										1,800
	900401031		*GRAND RIVER ARENA - SOGR PROJECTS*	130										130
	900401032		*BREITHAUPT CC - SOGR PROJECTS*	400										400
	900401037		*CITS WASHROOM REFURB - SOGR PROJ*	478										478
	900401040		*KIT FACILITIES ASSET MGMT PLAN*	69										69
✓	*900401042*	C	*CONRAD CENTRE SOGR*	800	550									1,350
✓	*900401043*		*REGISTRY THEATRE ROOF (SOGR)*	440										440
	900401044		*FACILITIES HVAC REPLACEMENTS*	673										673
	900401045		*GRAND RIVER WALKWAY&GREENSPACE*	100										100

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division FACILITIES MANAGEMENT

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	900401046		*GRAND RIVER WINDOW REPLCMTS*	137										137
	900401047		*ALARM PANEL REPLACEMENTS*	166										166
✓	*900401049*		*BMO BUILDING*	90										90
✓	900401041		FACILITIES ASSESSMENT PROGRAM	250	250	250								750
✓	900401048	B	CITY HALL SERVICE COUNTER	1,659										1,659
✓	900401050		ELECTRIC ICE RESURFACER INFRASTRUC	100										100
			Totals	13,217	9,361	25,329	25,616	7,363	7,941	8,430	8,973	9,105	9,312	124,647

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 07 – Centreville Chicopee Community Centre Site Remediation**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services – Facilities Management**
PREPARER:	**Chris Oke, Manager Project Delivery, Facilities Management** **Asad Qureshi, Director Facilities Management**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

The Centreville Chicopee Community Centre (CCCC) was originally built in 1980, additions were done in 1987 and 2001. The Community Centre is a single storey structure with multipurpose rooms, administration space and a small kitchen. A dedicated childcare area is part of the facility. An outdoor splash pad area, paved basketball court and playground structure complete the facility. In 2020, the City commissioned a Building and Site Condition Assessment to determine the present physical condition of the facility and site with respect to structural/architectural components, building envelope, mechanical and electrical systems, fire/life safety systems and predictive 30-year renewal costs. As a result, several recommendations were identified to repair or replace end of life cycle site elements.

RATIONALE / ANALYSIS:

Currently a Site Remediation Study is underway to determine the scope, budget and operating costs of the site elements to be replaced and upgraded to modern standards through consultant review and public engagement.

A preliminary budget has been set based on the recommendations from the 2020 Building and Site Condition assessment. The Community Centre serves a diverse and active population. Several site elements are beyond their useful life cycle and costly repairs are required each year to just maintain a working condition. We have an opportunity to upgrade the elements to modern standards and provide additional programming to the public.

Site elements to be replaced and re-designed include the splash pad, play structure, basketball /play surfaces, surrounding parking lot and access walkways to meet accessible standards.

FINANCIAL IMPLICATIONS:

The projected cost included in the budget is $1.8M and includes detailed design and construction.

RECOMMENDATION:

For information.

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 08 –Conrad Centre Capital and Operating Needs**
FUND:	**Capital and Operating**
DEPARTMENT:	**Infrastructure Services Dept. – Facilities Management**
PREPARER:	**Lynda Stewart Manager, Projects and Energy Management**
	Jim Edmondson, Manager Facilities Management
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

The City acquired the Conrad Centre for the Performing Arts at 36 King Street West after the 2021 budget process. Given the condition of the building, Facilities Management requires funding to address immediate needs.

RATIONALE / ANALYSIS:

The Conrad Centre was acquired in early 2021 and supports the strategic goal of "Vibrant Economy" by retaining key downtown locations to meet a future development vision and to continue to provide space for the performing arts and creative industries. This property was gifted to the City by the CONRAD family. Economic Development is strategizing opportunity for the current tenant lease agreement with the Kitchener-Waterloo Symphony and other office leased space options for arts and creative industry markets.

Facilities Management supported Economic Development by commissioning a Baseline Property Condition Assessments (BPCA) at this location prior to purchase to identify immediate building risks. A more in-depth Building Condition Assessment (BCA) for the building is also planned.

The BPCA shows a significant deferred capital maintenance backlog exists, with some repairs needed immediately. BPCA data shows the known needs in the next 10 years will cost an estimated $1.80M. In 2022, critical repairs are expected to be $800,000, the most critical needs are a full Roof Replacement, HVAC replacements, and Fire and Life Safety System upgrades. In 2023, a full elevator rehabilitation and upgrades to the plumbing systems are required at an estimated cost of $550,000 (2021 values).

Best practice in asset management and the ISO standard suggests that a percentage of current replacement value (CRV) be targeted annually for capital reinvestment funding where detailed asset data is not readily available. The current replacement value of the Conrad Centre is $23.98M. This is calculated using 2021 construction values, replacing the performing arts facility as it currently exists (no allowance for upgrades) and with no additional land value added. A reinvestment of 1.7% of CRV annually would be $407,592 or $4.6M over 10 years with a yearly cost escalation of 2.5%.

FINANCIAL IMPLICATIONS:

To address immediate capital replacements and repairs at the Conrad Centre, funding of $1.35M has been included in 2022/2023 to address this issues identified above.

RECOMMENDATION:

For information.

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 09 – Centralized & Improved In-Person Service at City Hall**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services Department – Facilities Management**
PREPARER:	**Asad Qureshi, Director, Facilities Management**
	Jana Miller, Director, Corporate Customer Service
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

On June 14, 2021, Council unanimously approved the vision for a centralized main-floor service centre at Kitchener City Hall. The service centre will permanently relocate eight existing service counters on six floors to a new centralized, main-floor service centre where all in-person service can be delivered to the public in one easily accessible location. Funding for the project was referred to the 2022 budget process.

RATIONALE / ANALYSIS:

While other City service channels, including online service and telephone service, have undergone substantial improvements with the introduction of the MyKitchener online service portal (2021) and the Corporate Contact Centre which has been providing 24-7 service since 2014, in-person service has remained the same since City Hall was opened 28 years ago – with multiple service counters on multiple floors of the building.

The global pandemic forced staff to reimagine in-person service and create a temporary centralized in-person service model at City Hall that ensured both safety and ease of use for customers, and it was very well received by members of the public. Efforts to create a permanent main floor service centre at City Hall expand on this success but, more importantly, are a direct response to community feedback received through the extensive engagement process that informed the 2018 Customer Service Review (including a statistically-representative Environics Survey) and the 2020 Development Services Review.

The Environics Survey, which informed the 2018 Customer Service Review, revealed that 42 per cent of interactions with the City are still performed in person, and that at least one-quarter of citizens who don't use the City's online services say this is because they prefer to interact in person. Additionally, through these reviews, citizens have repeatedly said that navigating in-person service at City Hall is very difficult due to bouncing between service counters and staff to submit fees, applications, or to get answers to their questions, or status updates on projects.

The Vision

The creation of a centralized main floor service centre will see up to 30 existing service staff and subject matter experts relocated to serve customers in this single location during peak times. The new counter will ensure service is always delivered right to the customer, eliminating the need for them to find their way around multiple counters on multiple floors. With the new service centre customers will arrive at one place on the main floor – that is easy to find, even if you've never been to City Hall before – and it will always be the right place to receive service and information. Customers will enjoy a simplified and centralized experience with a more consistent service philosophy, business practices and application of policy, across service areas.

The vision for the service centre includes three key components:

General Information/Customer Check-In Counter

Signage at all entrances to City Hall, including at parking garage elevators, will drive customer traffic to the new check-in station where an existing staff person will direct them for both pre-booked appointments and walk-in service. A new software platform that enables appointment booking and management, and electronic ticketing for walk-ins, (similar to Service Ontario or the Passport Office), will assist with managing customer queues and required staff resources. General inquiries will also be handled at this desk, which will be located where Security staff are currently located in the Rotunda.

Expanded Service Counter

Upon leaving the Check-In counter, walk-in customers will have an electronic ticket that will guide them to the queue they need to be in for the service area they need. Those with pre-booked appointments will be directed to a lounge area where they will be personally greeted by the staff person they'll meet with at their appointment time. The expanded and fully accessible service counter will be located where the current Information Desk counter is, in front of the Small Business Centre. The counter will include seats for service representatives from frontline areas including: Legislated Services, Revenue, Planning, Building, Engineering, Transportation Services, and help with registration for Community Services programs activities. Existing customer service staff will be relocated from their current counters on other floors to serve at the counter each day. Additionally, for the first-time, new public access computers will be available for members of the community to use near the expanded counter.

Service Support Centre

When customers have a more complex inquiry, or when escalations or further technical expertise is needed to serve a customer at the service counter, technical experts will be available from each service area for assistance – on demand. Working out of the newly constructed support centre, located directly behind the expanded service counter, technical experts representing each of the service areas can easily be called on to come to support counter staff. The support centre will also include meeting rooms equipped with technology, for appointments and/or confidential or sensitive matters, additional areas for quick informal discussions with customers.

FINANCIAL IMPLICATIONS:

Capital funding of $1,659,000 ($1,183,000 tax based, $476,000 enterprises) has been included in the 2022 budget to build the new Service Centre (including the service counter and support centre). Staff have completed a cost estimate for this construction that includes a design and finishes for all of the work that are aligned with the well-established architectural standards for City Hall.

A new Support Centre Supervisor position has been requested as part of the operating budget.

RECOMMENDATION:

For Information.

Infrastructure Services Fleet

Project	Comment
Replacement Equipment	Added $3.1M over the 10 year budget based on the results of the annual equipment replacement review process to fund lifecycle replacement of items in final years of the budget. Funded from the Equipment reserve.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division FLEET

Section GENERAL

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	300801001		REPLACEMENT EQUIPMENT	6,802	4,065	6,987	7,124	6,387	4,767	5,966	6,354	6,225	6,041	60,718
	500401000		EQUIP ACQUISITIONS & UPGRADES	2,039	1,281	1,336	1,400	1,444	1,530	1,426	1,457	1,480	1,498	14,891
			Totals	8,841	5,346	8,323	8,524	7,831	6,297	7,392	7,811	7,705	7,539	75,609

Infrastructure Services
Gas Utility

Project	Comment
Gas Meters (IP Cap 10)	Added $1,000,000 between 2022 and 2026 to fund expected shortfalls within the program in the near term.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division GAS UTILITY

Section GAS DELIVERY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	870201001		DEMAND SIDE MGMT	300	300	300	300	300	300	300	300	300	300	3,000
	870203000		GAS PIPELINES	8,589	8,785	8,987	9,128	9,270	9,415	9,563	9,715	9,909	10,107	93,468
	870204001		NEW TOOLS	124	126	129	132	136	139	142	145	148	151	1,372
	900702010		REGULATED GATE STATION SECURITY MANAGI	25	25	25	25	25	25	25	25	25	26	251
	900702024		GAS METER INSTALLATION	3,025	2,624	2,622	2,663	2,703	2,551	2,599	2,648	2,701	2,755	26,891
	900702025		GAS CAPACITY PROJECTS	1,050	882	908	1,354	987	777	486	1,190	841	1,751	10,226
			Totals	13,113	12,742	12,971	13,602	13,421	13,207	13,115	14,023	13,924	15,090	135,208

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 10 – Gas Meters**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services - Utilities**
PREPARER:	**Parmi Takk – Manager of Gas Measurement and Service**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

A gas utilities' use and management of an inventory of gas meters is administered and enforced by Measurement Canada through the statutes that regulate trade measurement, specifically the *Electricity and Gas Inspection Act and Regulations*. The *Electricity and Gas Inspection Act and Regulations* set the rules for the purchase and sale of electricity and natural gas and defines units for energy measurement. The Act requires that:

- electricity and natural gas meters be approved for use in Canada,
- only approved and verified meters are used to determine the amount of electricity or natural gas consumed, and
- the accuracy of electricity and natural gas meters be verified in accordance with the time periods stipulated in the Regulations.

For each class of gas meter, Measurement Canada has stipulated the "seal" period for the meters. Once a meter has been sealed or re-sealed, it has a predetermined period of time to be in service before it must be removed, tested, re-furbished or retired from service, as circumstances dictate.

RATIONALE / ANALYSIS:

The City of Kitchener has approximately 75,733 meters in our distribution system that are administered under the Act mentioned above. The number of meters that require replacement fluctuate per year based on their age and type/size of gas meter.

In 2020, additional funding of one million dollars was requested, approved and spent to support the meter replacement backlog. However, after a thorough quality analysis of both meters and instruments/modules (required for all large customers) it was determined that in 2022 there is a large quantity of overdue meters from previous years that require replacement which was not forecasted in 2020. Additional funding is required to exchange these overdue gas meters as well as test the meters that are due in 2023. A new process of sampling meters in the year before they are due will assist with budgeting and workforce planning. The capital account is expected to be in a deficit by end of 2021 and to limit the impact on gas rates, the funds will be spread over five years.

Looking forward, ongoing analysis is needed of the meters and instruments coming due to begin building metrics in pass and failure rates to better forecast meter replacement. The gas meter department currently does not have the capacity to complete this work and a separate request for a staff position has been requested in 2022 to assist with this as well as other requirements of the Gas Meter Group to meet our code and regulatory obligations.

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

FINANCIAL IMPLICATIONS:

Total funding of $1M ($200,000/year) has been added from 2022-2026 based on the projected need to replace meters. These additional funds will allow for the backlog of the overdue meters and instruments/modules to be replaced as long as all seal groups that are sent for testing pass.

RECOMMENDATION:

For information.

Infrastructure Services
Parks & Cemeteries

Project	Comment
Downtown Maintenance (IP Cap 11)	$3.58M has been added to the capital budget as detailed in the issue paper to support the maintenance and improvement of the downtown streetscape with a focus on trees, horticulture, garbage receptables and pavers.
Community Trails	$493K has been added to the 10-year capital budget for trails which represents a 10% increase or approximately 100 meters.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section ADMIN SUPPORT

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	901301001		DOWNTOWN MAINTENANCE	2,005	1,055	65	65	65	65	65	65	65	65	3,580
			Totals	2,005	1,055	65	65	65	65	65	65	65	65	3,580

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 11 – Downtown Kitchener Streetscape**
FUND:	**Capital**
DEPARTMENT:	**INS – Parks & Cemeteries**
PREPARER:	**Niall Lobley, Director, Parks & Cemeteries,** **Cory Bluhm, Executive Director, Economic Development**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

During 2021, associated with a refreshed approach to the operational management of the downtown area, initial investments were made to address tree canopy losses in the downtown and review street tree management and provision and to address critical needs in respect to failing and ageing paving along King Street. Based on this initial work, staff have identified additional capital needs in the downtown area.

RATIONALE / ANALYSIS:

The downtown streetscape is more than a decade old, and, over the past decade minor investments have been made in respect to providing for upkeep in the downtown. This has included replacement of street trees, replacement of street furniture and repairs to paving, alongside other elements. However, dedicated maintenance and reinvestment has been reactive in nature, responding to concerns and complaints; there is no dedicated funding or program to maintain the enhanced streetscape of King Street and the downtown.

Since 2020, staff have been working to establish a more proactive approach to the downtown reflecting the significant public and political attention of the area and the value of the core as an economic driver for Kitchener. This approach was formalized in 2020 when a new downtown operations team was initiated to explore an alternative approach and identify the required resourcing, to support the downtown area, and in 2021, capital investment is being made to start the replacement of trees and addressing areas of paving needing replaced.

Staff have identified additional needs throughout the downtown and are seeking support for specific capital investment needs and an annual general provision allocation to support needs as they arise and provide the financial flexibility to respond to needs in a timely manner. Capital investment is broadly grouped into three areas of existing infrastructure that need investment:

Tree and Planter Replacement and Enhancement Program

In 2021 staff planned and initiated a comprehensive review and replacement of trees in the downtown. An analysis of existing tree health and condition was undertaken and a review of existing infrastructure to support trees in both the granite planters and tree wells was completed. This resulted in work being prepared and tendered for early 2022 completion on the south side of King Street, between Young and Water to eliminate some trees and replace others (work was combined with paver replacement).

In addition to this 2021 work, the following needs have been identified:

- Tree decommission in 32 locations has been recommended. This would see 32 tree locations 'retired' and tree wells restored to surrounding pavement conditions. These trees have been selected based on past growth challenges and conflicts with King Street uses such as patios.
- Tree replacements in 35 locations. These are trees which have either been removed already and not replaced or additional trees identified for removal to be replaced. Soil and planting enhancements would be included.
- Granite Planters in 18 locations. In these locations raised soil conditions with replacement inlets of outlets from King Street storm infrastructure with replacement trees (2 per planter) would be addressed. This work would include repairs to electrical and would improve horticultural planting conditions.

Paver Replacement
Through work in 2021, staff have identified that the paving, particularly on King Street, is in increasingly poor condition. Acute areas of need were identified and replaced in 2021, but there are challenges throughout King Street of uneven, cracked and cut pavers. Staff are exploring alternatives to the existing paver system through 2021 and 2022, with a view to exploring if an alternative, high quality option exists that is comparable, or exceeds, in aesthetic, to the pavers.

An estimate was developed for the additional Federal Gas Tax in 2021, for the complete replacement of pavers along King Street. It is estimated that this is between $5M and $6M to complete. Through successive phases it is hoped that the pavers are replaced throughout all of King Street on a ten to fifteen-year cycle.

This issue paper addresses the next phase of work (Phase 2: $1.75M), reflecting the highest priority areas. Phases 1 and 2 will complete the replacement of all trees identified for replacement and all pavers along King Street on both north and south sides between Water and Ontario streets, including a high quality concrete treatment opposite City Hall extending the Carl Zehr Square design elements to the south side of King Street.

- Phase 1 (award 2021, construct 2022) – Paver replacement south side of King Street, Water to College and south side of King, Young to approximately Bobby O'Brien's.
- Phase 2 (2022 – 2024) – Concrete replacement south side of King Street, opposite City Hall, south side of King Street Bobby O'Briens to Ontario Street

Project Management Costs are included in final budget estimates to provide short term project initiation and ongoing project management support as needed.

General Provision
A relatively meager general provision, with annual funding of $65,000 has been included to support the three areas of investment. This account will allow for ongoing repairs to garbage units (including replacement when needed), repair to granite slabs on planters, and replacement trees as required.

Project Management support for the initial 2 – 3 years is considered critical to set up the program for success. This is estimated at approximately 10% of the capital costs and is included in the cost estimates.

FINANCIAL IMPLICATIONS:

Funding for this initiative has been included in the proposed budget including:

- Tree & Planter and Replacement Program: $1.18M over 2022/23
- Phase 2 paver replacement: $1.75M in 2022/23
- General Provision: $650k over 10 years

Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Downtown Infrastructre Gen	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 650,000
Paver Replacement Program - Phase 2	$ 1,750,000										$ 1,750,000
Tree Replacement	$ 190,000	$ 190,000									$ 380,000
Downtown Hoticulture		$ 800,000									$ 800,000

RECOMMENDATION:

For information.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section COMMUNITY TRAILS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	600609000		COMMUNITY TRAILS GNRL PROVISION	50	46	1,108	980	1,147	1,280	1,316	1,393	1,421	1,439	10,180
	901306003		*PED BRIDGES-INSPECT & MTCE*	66	113	69	120	72	123	75	126	78	131	973
	901306004		*PED BRIDGE 881 - MONTGOMERY CR*	204										204
	901306006		*PED BRIDGE 898 MELITZER CR TRAIL*	25	312									337
	901306007		*PED BRIDGE 903 IDLEWD CR TRAIL*			20	138							158
	901306014		*ROLLING MEADOWS TRAIL*	395										395
	901306015		*ERINBROOK TO CNTRYSIDE TRAIL*		235									235
	901306005	C	DMAF-WALTER BEAN TRAIL	1,125	375		300							1,800
			Totals	1,865	1,081	1,197	1,538	1,219	1,403	1,391	1,519	1,499	1,570	14,282

Infrastructure Services
Parks & Cemeteries

Project	Comment
New Neighborhood Parks	$610K has been added to the 2022 capital budget to support the demand for developer-built parks.
Parks Naturalization	$310K has been added to 2022-2026 capital budget to support the Park Naturalization project which will demonstrate and assess the viability of transitioning away from traditional maintenance practices toward ones that are more sustainable and environmentally beneficial.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section NEW NEIGHBOURHOOD PARKS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	900616002		NEW NEIGHBOURHOOD PARKS	1,459	866	883	901	919	938	956	976	994	1,014	9,906
			Totals	1,459	866	883	901	919	938	956	976	994	1,014	9,906

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section NATURAL AREAS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	620403001		EARTH DAY BEE CITY & NAT AREA EVNTS	66	68	69	70	72	73	75	76	78	78	725
	620910004		KITCHENERS NATURAL AREAS PROGRAM (KNA	128	130	133	137	141	145	148	150	154	157	1,423
✓	901309002		PARK NATURALIZATION	80	80	50	50	50						310
			Totals	274	278	252	257	263	218	223	226	232	235	2,458

Infrastructure Services
Parks & Cemeteries

Project	Comment
Indigenous Placemaking in Victoria Park	$350K has been added to the Capital Budget in 2022 to support the development of an Indigenous Placemaking Project at Victoria Park
Urban Forestry – Tree Planting/Canopy Review (IP Cap 12)	$1.1M has been added across the 10-year capital budget. • $950K to continue a partnership with REEP Green Solutions to support private tree planting as well as park tree planting. • $75K has been added in 2024 and 2029 to implement a five-year cycle of tree canopy reviews.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section CITYWIDE PARKS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	901310002		CITYWIDE PARKS GENERAL PROVISION	197	406	414	422	430	439	447	456	466	475	4,152
	901310004		*MCLENNAN PARK IMPROVEMENTS*	200										200
	901310006		*ROCKWAY GARDENS - RECONSTRUCTION*	150										150
	901310007		*ROCKWAY GARDENS ANNUAL REPAIRS*		10	11	11	11	11	11	12	12	12	101
☑	901310009		INDIGENOUS PLACEMAKING VICPARK	350										350
			Totals	897	416	425	433	441	450	458	468	478	487	4,953

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section URBAN FORESTRY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	901311001		*TREE PLANTING*	275	385	279	392	286	399	293	407	303	418	3,437
	901311002		*TREE STUMPING*	95	95	96	96	97	97	98	99	100	102	975
	901311003		*TREE & RISK INSPECTIONS & MITIGATION*	50	50	51	52	52	53	54	55	55	57	529
	901311004		*TREE CANOPY & PROTECTION*	20	50	126	52	52	53	54	130	55	57	649
			Totals	440	580	552	592	487	602	499	691	513	634	5,590

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 12 – Urban Forestry**
FUND:	**Capital**
DEPARTMENT:	**Parks & Cemeteries, INS**
PREPARER:	**Niall Lobley, Director, Parks & Cemeteries**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

In 2019, City Council approved Kitchener's Sustainable Urban Forestry Strategy (SUFS) and during 2021, staff, Council and the community will shape a Tree Canopy Target. The Tree Canopy Target will inform future actions to sustain and potentially grow the Forest Canopy.

RATIONALE / ANALYSIS:

The Sustainable Urban Forest Strategy (SUFS) is a key action under the Environmental Leadership strategic goal. The early priorities of SUFS by Council were embedded in the Strategic Plan to:

- Establish a tree canopy target
- Eliminate the street tree planting backlog from 2018

Both these objectives are on target to be completed by the end of 2021.

<u>Private Property Tree Planting & Stewardship</u>

In 2019, a partnership with REEP Green Solutions was established to support tree planting on private property. The greatest opportunity for increasing urban tree canopy remains on private property and more than half of the existing urban canopy is under private ownership. Investing in private canopy delivers widespread community benefits and contributes toward supporting an Urban Tree Canopy.

Funding of $40,000 a year was dedicated to delivering tree planting with REEP whereby homeowners would be able to plant a subsidized tree on their property, receiving advice on species selection and care and maintenance. This program has been extremely successful; after limited initial promotion after budget 2019, no further promotional work has been undertaken and word of mouth and the REEP website have generated an ongoing waitlist. In Kitchener alone:

- More than 375 applications have been submitted to REEP
- More than 150 consultations have been completed
- Almost 200 trees planted by the end of 2021
- Approximate 80 residents remain on the waiting list

Despite COVID-19, more than 150 in person attendees were at workshops in 2019 and 2020, and more than 1,500 participants (between 40% and 50% from Kitchener) attended webinar stewardship and educational sessions in 2020 and 2021. REEP now operate similar programs in Cambridge, Waterloo and Guelph and are seeking external funding through the Federal 'Two Billion Tree' program having secured several external partners.

Kitchener provided funding for an initial three-year period, this funding runs out in 2021. Staff are seeking to extend and enhance this program over the next 10 years in support of the Urban

Forest, increasing the stewardship and educational activities that REEP can provide to communities in Kitchener. REEP have confirmed ability to deliver an enhanced program and welcome the opportunity to continue working with the City.

Park Tree Planting

Staff have been able to operate an enhanced tree planting program to address street trees over the past three years to eliminate the backlog of street tree planting from 2018. This has led to outstanding tree replacements being completed and an accelerated annual planting of approximately 800 trees over each of the past 3 years (normal rate is around 300 – 400). While the street tree program has been able to 'catch up' and, sufficient funding is sustained within Capital to continue to replace street trees within 3 years of removal, staff have not been able to replace trees lost in parks and open spaces. It is estimated that over the past decade, as many as 2000 park trees have been lost without replacements. Funding is requested to support an enhanced tree planting program to begin to address park tree replacements.

Tree Canopy Review

In 2019 staff were able to complete a comprehensive review of the Urban Forest Canopy. This data showed that over the period 2014 – 2019, tree canopy had been able to increase in Kitchener (INS-20-17). This work is informing the Tree Canopy Target work ongoing. In order to ensure that this data remains up to date and of value to managing the Urban Forest, staff recommend that a review of tree canopy coverage occur every 5 years.

FINANCIAL IMPLICATIONS:

A total of $1.1M has been added over the 10-year forecast in the following areas:

- Private property tree planting and stewardship = $400,000 total ($40k/year)
- Park tree planting = $550,000 total ($110k every other year starting in 2023)
- Tree canopy review = $150,000 total ($75k per review in 2024 & 2029)

RECOMMENDATION:

For information.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section PARKS MASTERPLANS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	620910009		NATURAL AREA ACQUISITION FUND	100	100	100	100	100	100	100	100	100	100	1,000
	901302001	C	CITYWIDE PARK MSTRPLN IMPLEMENTATI					287	58	2,987				3,332
	901302002	C	VIC PARK MSTRPLN IMPLEMENTATION	53	2,706									2,759
	901302003		OPEN SPACE STRATEGY	54										54
			Totals	207	2,806	100	100	387	158	3,087	100	100	100	7,145

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section PARKS & SPORTSFIELDS

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	620912016	C	RBJ SCHLEGEL PARK	531	703		2,590		1,406					5,230
	901308003		PARKS & SPORTSFIELDS GEN PRV	193	755	1,401	1,429	1,483	1,512	1,542	1,573	1,604	1,636	13,128
	901308004		*BUILDG REPAIRS - WOODSIDE PARK*	150										150
	901308009		*PARK REHAB - IDLWD/KINZIE/CHICOPEE*	850										850
	901308010		*PARK REHAB - ALPINE*	500										500
	901308011		*SHOEMAKER (DMAF)*	150										150
	901308012		*PROSPECT PARK (DMAF)*		776									776
	901308013		*COUNTRYSIDE (DMAF)*	100										100
	901308014		*MILLWOOD PARK (DMAF)*	105										105
			Totals	2,579	2,234	1,401	4,019	1,483	2,918	1,542	1,573	1,604	1,636	20,989

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division PARKS & CEMETERIES

Section CEMETERIES

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	601401001		CEMETERIES - MTCE	88	44	45	46	46	87	89	91	93	95	724
	620205005		LAND ACQUISITION (91 MOORE)	269		464		265	219					1,217
	901312001		OUTDOOR COLUMBARIUM							36	109			145
	901312003	C	ADDITIONAL FACILITIES/EXPANSION			1,656					1,829			3,485
			Totals	357	44	2,165	46	311	306	125	2,029	93	95	5,571

Infrastructure Services
Sanitary Utility

Project	Comment
Trunk Sewer Rehab (IP Cap 13)	Funding of $9.9M has been added to the forecast for the rehabilitation of the Montgomery Trunk Sewer.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division SANITARY AND STORM UTILITY-CAPITAL PROJECTS

Section SANITARY UTILITY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701203002		SANITARY FLOW MONITORING	106	108	110	112	115	117	119	122	124	126	1,159
	800401012		CCTV SEWER INSPECTION	317	339	362	386	394	402	410	418	427	435	3,890
✓	901401002		TRUNK SEWER REHAB		1,500	3,000	3,000	2,400						9,900
			Totals	423	1,947	3,472	3,498	2,909	519	529	540	551	561	14,949

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 13 – Sanitary Trunk Rehab General Provision Account**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services Department – Sanitary and Stormwater Utilities**
PREPARER:	**Nick Gollan, Manager, Planning and Programs**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

There have been no major capital infrastructure rehabilitation works completed on sanitary trunk sewers in several decades. Preliminary analysis completed on existing background information as part of the Integrated Sanitary Master Plan (ISAN-MP) indicates the need to begin allocating funding to critical trunk sanitary sewer infrastructure rehabilitation.

RATIONALE / ANALYSIS:

The City of Kitchener formally initiated the ISAN-MP in May 2021. Since that time, extensive work has gone into reviewing background information and developing a hydraulic model analysis platform to assist in making long term strategic decisions around sanitary infrastructure investments to maintain existing sanitary services and prepare for the increasing development pressures being experienced in the community. One element of consideration is the existing condition of current sanitary assets such as trunk sewers which service large sewer sheds in the city by transporting sewage to the Region's Wastewater Treatment Plant in Kitchener.

One example of a trunk sewer which will require rehabilitation in the near term is the Montgomery Trunk Sanitary Sewer. This work will involve the replacement of high-risk, poor condition sections of the existing trunk sewer (~1.3 km identified in preliminary study), which will address risks of structural failure as well as reduce inflow and infiltration (I&I). This scope of work will also include the removal of existing siphons, which are currently not easily maintained and pose an operational risk.

Similar rehabilitation works for the City's ~106 km of sanitary trunk sewers will be needed over the next several years and will be prioritized through the Sanitary Master Plan work being conducted currently (to be completed in Fall 2022). These rehabilitation works will require substantial budget to complete.

FINANCIAL IMPLICATIONS:

$9,900,000 has been included in the budget from 2023 to 2026. This is a high-level estimate for the rehabilitation works needed for the Montgomery Trunk Sewer project. Additional budget beyond 2026 will be secured in future years once the full scope of rehabilitation works for the City's remaining trunk sewers is determined through the development of the Sanitary Master Plan.

RECOMMENDATION:

For information.

Infrastructure Services
Stormwater Utility

Project	Comment
SWM Monitoring Program	Funding of $450K has been added ($150K/year for 2022 to 2024) to match historical costs. This surface water quality monitoring program has been in place since 2001 and formed the basis for the Stormwater Master Plan and the successful DMAF application.

Infrastructure Services
Stormwater Utility

Project	Comment
Various DMAF Projects	In 2019, the City secured a $49.9M Disaster Mitigation and Adaptation Fund (DMAF) grant, to be received over 10 years. The capital forecast has been adjusted to reflect revised project timing and grant cashflow. In addition, a 10% contingency amount has been added to DMAF watercourse and park/SWM enhancement projects, to more accurately reflect the cost of work.

Infrastructure Services Stormwater Utility

Project	Comment
REEP DMAF Support	Reduction of $350K within the forecast, as new terms have been agreed upon between the City and REEP.
Hydraulic Modelling	Funding of $285K was added to the forecast to update the hydraulic modelling of the stormwater trunk sewer in addition to the conversion of the existing sanitary model into the same software, to provide a comprehensive single data source for the City's drainage networks.

Infrastructure Services
Stormwater Utility

Project	Comment
Low Impact Development (LID) Implementation	Funding of $260K has been added to support additional LID works planned as part of the SWM Master Plan.
DMAF – Strasburg Creek at Old Huron	Project has been removed from the forecast, as it has been completed as part of nearby development work.
Drainage Risk Evaluation Program	Project has been removed from the forecast as it has been combined with the Hydraulic Modelling project as noted in the previous slide.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division SANITARY AND STORM UTILITY-CAPITAL PROJECTS

Section STORM UTILITY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701204001		SWM MONITORING PROGRAM	261	264	267	120	123	125	130	133	136	138	1,697
	701204016		MISC. CREEK REHABILITATION	128	131	133	136	139	142	144	147	150	153	1,403
	701204021		WATERCOURSE IMPRVMT PROGRAM	400	408	840			875	450	459	468	478	4,378
	701204022		SWM FACILITY RETROFITS PROGRAM	250	255	260	265	271	276	282	287	293	299	2,738
	701204025		DRAINAGE IMPRVMT PROGRAM	138	145	152	160	168	175	184	193	197	201	1,713
	801009001	C	HIDDEN VALLEY CREEK IMPROVEMENTS						207	5,591				5,798
	801009002	C	LAUREL CREEK WATERCOURSE					382	390	420				1,192
	801009003	C	SCHNEIDER CREEK WATERCOURSE			6,153								6,153
	801009006		DMAF-SCHNEIDER CREEK AT MANITOU IMPROV	180										180
	801009007		DMAF-STONEGATE CREEK IMPROVEMENTS		735									735
	801009009		DMAF-BORDEN CREEK AT HWY85 IMPROVT	94			376							470
	801009010	C	DMAF-BORDEN CREEK AT CONCORDIA IMPVT	370			1,478							1,848
	801009011	C	DMAF-LOWER LAUREL CREEK IMPROVEMENTS		550		2,420	3,300						6,270
	801009012	C	DMAF-VOISIN CREEK AT GREENBROOK DR	358	358			2,860						3,576
	801009013	C	DMAF-MIDDLE STRASBURG NATURALIZATION		688	688	2,772	2,772						6,920
	801009017	C	SWM 61&7 OUTLET REPAIRS	600										600
	801009018	C	SWMF 61 AT BATTLER RETROFIT	575	1,000	1,000								2,575
	801009019	C	DMAF-PROSPECT PARK SWM ENHANCEMENTS		1,815									1,815
	801009020	C	DMAF-SANDROCK HYDRO CORRIDOR SWM				3,520							3,520
	801009021	C	DMAF-CHERRY PARK SWM ENHANCEMENT			1,100								1,100
	801009022		DMAF-COUNTRYSIDE PARK SWM ENHANCEMT	132			528							660
	801009023		DMAF-COUNTRY HILL PARK SWM ENHANCEMEN	132			528							660
	801009024	C	DMAF-IDLEWOOD GREENWAY SWM ENHANCEM					1,386	594					1,980
	801009025		DMAF-MILLWOOD PARK SWM ENHANCEMENT	83					330					413

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division SANITARY AND STORM UTILITY-CAPITAL PROJECTS

Section STORM UTILITY

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	801009026	C	DMAF-VICTORIA PARK SWM ENHANCEMENT			704	2,629	3,710						7,043
	801009027	C	BIEHN PARK SWM ENHANCEMENT								4,000			4,000
	801009028	C	DMAF-BRIDGEPORT DIKE	1,500	3,000									4,500
	801009029		DMAF-CREEK NATURALIZATION	5,370	5,929	4,421	2,332	2,250	1,394					21,696
	801009031	A	REEP DMAF SUPPORT	144	147	164	169	173	176					973
	901009011		SEDIMENT MANAGEMENT PROGRAM	301	307	313	319		657	339	345	352	359	3,292
	901009012		MARKET INCENTIVE PROGRAM	548	810	824	90	91	93	95	97	99	101	2,848
	901009016		PARK / SWM ENHANCEMENTS		500	765	1,030		1,608	828	845	862	879	7,317
	901402001		DMAF-CRITICAL INFRASTRUCUTRE GRANT	0	0		0	0						0
	901402002		DMAF-SWM FACILITIES GRANT	0	0	0	0	0						0
✓	901402003		HYDRAULIC MODELLING	175	26	27	28	29						285
✓	901402004		LID IMPLEMENTATION	50	51	52	53	54						260
			Totals	11,789	17,119	17,863	18,953	17,708	7,042	8,463	6,506	2,557	2,608	110,608

Infrastructure Services
Water Utility

Project	Comment
Hydrant and Service Replacements (IP Cap 14)	Funding of $1.1M ($100K/year plus inflation) has been added for hydrant and service replacements occurring outside of full road reconstruction projects.

Infrastructure Services
Water Utility

Project	Comment
Watermain Replacements – Stirling Ave – Courtland to King East Ave – Cameron to Eugene George Way (IP Cap 15)	Funding of $7.3M has been added for the replacement of watermains. These watermains are cast iron and date back to the 1940s. As the surrounding infrastructure is in good condition, these two watermains require replacement in isolation.

City of Kitchener Capital Forecast 2022 - 2031

Department INFRASTRUCTURE SERVICES

Division WATER UTILITY

Section ADMIN

New	Project Number	Type	Project Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
	701205144	C	HIGHWAY 7 EXTENSION - SECNDRY WATE	250	2,250									2,500
	870102001		REPLACEMENT WATER METERS	942	958	978	998	1,017	1,037	1,058	1,079	1,101	1,123	10,291
	870103000		MINOR EQUIPMENT	50	51	52	53	54	55	56	57	58	59	545
	870103005		LEAD SERVICE REPLACEMENTS	52	52	52	52	52	52	52	52	52	52	520
	870104003		UNCOMMITTED WATER PROJECTS	64	65	66	67	68	69	70	71	72	74	686
	900701005	C	KING STREET - BACKFEED ON RIVER RD E			234								234
	900701025	C	VICTORIA ST - FREDRICK TO BRUCE				885							885
	900701041		VALVE REPLACEMENT	675	675	675	675	675	675	675	675	675	675	6,750
	900701045	C	OTTAWA - FISCHER HALLMAN TO HOWE	250										250
	900701046	C	KENT - HURST AVE TO SCHNIEDER CREEK	320										320
	900701053	C	DEERIDGE/SPORTSWORLD BACKFEED	900	1,007									1,907
	900701054	C	FAIRWAY RD N - BRIARMEADOW - KING							511	1,296	500		2,307
	900701055	C	FISCHER HALLMAN - FOREST HILL EXPRW				1,150	250						1,400
	900701056	C	HOWE DRIVE			224								224
	900701058	C	WESTMOUND RD OTTAWA TO GREENBRO			1,000	800							1,800
	900701060	C	TRENCHLESS EASMENTS		35	535								570
	900701062	C	MORRISON RD LOOPING	200										200
☑	901501002		HYDRANT & SERVICE REPLACEMENTS	100	102	104	106	108	110	112	114	116	118	1,090
☑	901501003		PRESSURE ZONE CHANGES		200									200
☑	901501004	C	STIRLING AVE-COURTLAND TO KING WM				270	2,800	1,030					4,100
☑	901501005	C	EAST AVE-CAMERON-EUGENE GRG WAY	310		1,400	1,500							3,210
			Totals	4,113	5,395	5,320	6,556	5,024	3,028	2,534	3,344	2,574	2,101	39,989

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 14 – Water Hydrant and Water Service Replacement**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services – Gas and Water Utilities**
PREPARER:	**Angela Mick, Manager – Quality Management and Water Programs**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

Council endorsed the Water Infrastructure Program (WIP) and five-year rate forecast at a strategic session on September 25, 2017. Watermains, services and hydrants have the same estimated lifespan and are replaced as part of capital reconstruction project. There are instances when the services or hydrants fail before the watermain can be replaced so they need to be replaced in advance of a reconstruction project.

RATIONALE / ANALYSIS:

Kitchener Utilities is responsible for water distribution maintenance on 900 km of distribution watermains, 4,565 fire hydrants and over 62,000 services.

It is critical that hydrants are in good working condition to fight fires. Fire hydrants are also required as a means to maintain adequate disinfection levels and clean watermains, maintaining drinking water quality. Hydrants are used to determine pressure/flow in the system to confirm that adequate supply is available to support infill and new development. Protected hydrants (with a backflow prevention box and meter) are provided for large construction projects to provide a continual and protected water supply. Protected hydrants are also accessed for other City maintenance programs to provide water supply for storm/sewer inspection work, sewer flushing, and street sweeping/leaf clean up. Hydrants are strategically placed to ensure adequate coverage, so it is important to ensure that all hydrants are in service.

Generally, water hydrants and services are anticipated to last until all the water infrastructure is replaced as part of a full reconstruction project. Although hydrants are maintained annually, there are instances where the hydrant needs to be replaced due to vehicle damage or inability to repair.

Similarly, the intent is to replace services (from main to property line) as part of reconstruction projects but there are some instances where the services must be replaced because they cannot be repaired due to the poor condition of the pipe. There is a specific regulatory account to replace lead services and new services are installed/funded by development; however, there is not a capital account for water service replacement. Service replacement costs can vary greatly depending on the size of the service.

Due to the critical nature of fire hydrants, there is a regulatory requirement to operate every municipal hydrant annually. As part of the operating checks, there are repairs that need to be complete and on occasion, hydrants need to be replaced.

The 5 year average (2016-2020) for hydrant replacements was $94,000, which does not include restoration costs. It should be noted that the 2020 costs were more than double the average as there was a backlog of hydrants out of service which were addressed in 2020. New dashboard

tools were created to monitor any hydrants that are out of service to prevent future backlogs. There is also a new mobile inspection program scheduled for implementation in 2022 to promote timely follow-up repairs/replacements of hydrants.

Prior to 2021, hydrant replacement was funded from the maintenance account. Due to the volume of replacement hydrant work in 2020 and a review of CityWorks work orders it was determined that, to abide by accounting principles, the work should be capital in nature. This would be consistent with the capital valve replacement account, where only repairs are maintenance, replacements are capital.

FINANCIAL IMPLICATIONS:

Funding of $1.1M ($100,000/year + inflation) has been added to the capital budget.

RECOMMENDATION

For information.

CITY OF KITCHENER
2022 BUDGET ISSUE PAPER

ISSUE:	**Cap 15 – Watermain Replacement – Stirling Ave S and East Ave**
FUND:	**Capital**
DEPARTMENT:	**Infrastructure Services – Gas and Water Utilities**
PREPARER:	**Angela Mick, Manager, Quality Management and Water Programs**
BUDGET IMPACT:	**None (included in the proposed budget)**

BACKGROUND:

Watermain replacement projects are selected based on watermain condition (probability of failure) and the criticality of the watermain (consequence of failure).

Watermain condition is calculated based on:

- Material
- Age
- History of breaks (40% of score)
- Suspected lead services
- Shallow infrastructure
- History of frozen services

A criticality score, from 1-10, with 10 being highest risk, is calculated based on:

- Proximity to environmental features
- MTO road class – roadway impacts
- Customer class - hospitals, industrial/commercial/institutional, multi-family
- Other critical infrastructure impacts - LRT tracks, transmission gas mains
- Potential damage to private/public property
- System impacts – the results of the watermain being isolated from the system - non-looped pipes, difficulty to repair (e.g., under the expressway) and fire flow impacts

Although not specifically calculated as part of the score, other considerations like undersized infrastructure, exposed infrastructure, water quality issues (potential for looping) and other planned projects which may impact the watermain, extension of existing project limits to prevent isolated sections of metallic mains are reviewed.

Reconstruction projects are selected when all or most of the infrastructure (water, storm and sanitary) are in poor condition because it is most cost effective to replace all the infrastructure together. There are streets across the City where only the water is in poor condition. For example, in previous decades, there were more single utility projects, which results in infrastructure not lining up for a full reconstruction project.

There are also areas where the watermain is failing prematurely due to a combination of corrosive soils and thin-walled pipe. In some of these areas, watermain relining has been completed to extend the life of these pipes to line up with other infrastructure. In the City's experience, watermain relining has been expensive and comparable to open cut replacement, however we are open to this method to improved technologies and decreasing costs over time.

A structural reline lasts approximately 40 years so it is not an option for mains which are beyond their useful life, particularly for thin-walled cast iron with an estimated pipe life of 50 years.

There are several projects where the watermain requires replacement in isolation since the other infrastructure is in good condition. Two high priority projects are:

- Stirling Ave S - Courtland Ave E to King St E - 700m of cast iron watermain from the 1940s
- East Ave - Cameron St N to Eugene George Way -800m of cast iron watermain from 1939-1949

RATIONALE / ANALYSIS:

East Ave – Cameron St N to Eugene George Way

The existing watermain is from 1939-1949, has experienced 5 breaks and is in poor condition. The watermain supplies fire protection to the Aud via a hydrant. The City is completing a full reconstruction project on East Ave between Frederick St and Krug St. This section of East Ave does not qualify for a complete reconstruction. It would be advantageous to include the additional water-only scope onto the existing East Ave project scheduled for 2024. There will be cost savings relating to extending limits of an existing project rather than a separate standalone project. The criticality of the watermain is a 7/10 for most of the length. East Ave was identified as the fourth highest priority project; however, two higher priority streets are awaiting more condition information on other infrastructure which may move those streets to full reconstruction projects.

Stirling Ave S - Courtland Ave E to King ST E

The existing watermain is from the 1940s, has experienced over 10 breaks and is in very poor condition. In addition, the watermain is shallow and is suspected to contain lead services. The sanitary and storm infrastructure is newer and is in good condition so the project would be a water only replacement. Stirling Ave S is within the LRT PARTS boundary where development is expected to occur. The watermain is critical, with a score of 7-8, and should be upsized to support future development. The combination of poor condition and criticality has identified this project as the highest priority water project.

FINANCIAL IMPLICATIONS:

Funding of $7.3M has been added to the capital budget for the following projects:

- East Ave – Cameron St N to Eugene George Way - $3.21M total
    - $310,000 in 2022 for design and $2.9M for construction in 2024 and 2025
- Stirling Ave S – Courtland Ave E to King St E - $4.1M total
    - $270,000 in 2025 for design and $3.83M for construction in 2026 and 2027

RECOMMENDATION:

For information.

Resolution

Capital Budget Resolution

- Resolution to be passed by Committee regarding follow up items for staff