

REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: January 23, 2023

SUBMITTED BY: Ryan Hagey, Director of Financial Planning & Reporting, 519-741-2200 ext. 7353

PREPARED BY: Ryan Hagey, Director of Financial Planning & Reporting, 519-741-2200 ext. 7353

WARD(S) INVOLVED: All Wards

DATE OF REPORT: January 6, 2023

REPORT NO.: FIN-2023-041

SUBJECT: 2023 Capital Budget and 10 Year Forecast

RECOMMENDATION:

For discussion.

Note: Final approval of the 2023 Capital Budget will take place as part of Final Budget Day, scheduled for February 2, 2023.

REPORT HIGHLIGHTS:

- The 10-year proposed capital budget and forecast for 2023-2032 includes over 400 projects at a total cost of \$1.6B.
- Community engagement included Public Budget Night (January 9) and an online survey (closes January 17).
- This report supports the delivery of core services.

BACKGROUND:

The City's capital budget funds investments in infrastructure (assets) that offer 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 complete, either creating new assets or renewing 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.

REPORT:

The City's 2023 budget materials have been posted on the website ([kitchener.ca/budget](https://www.kitchener.ca/budget)) since early December and includes the following components:

- Proposed Budget Summary
- Appendix A - Operating Budget
- Appendix B - Capital Budget
- Appendix C - Issue Papers
- Appendix D - Reserve and Reserve Funds
- Appendix E - User Fee Schedule

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Funding for the capital program is included in the 2023 rate increases. The proposed tax rate increase of 4.8% is an impact of \$56 to the average home. The water utilities (water, sanitary, stormwater) rate increase of 4.5% approved by Council on December 12 is an impact of \$42 to the average home.

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 the Strategic Plan, 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 consider 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 continue to use multiple methods to effectively inform and consult citizens about the budget at large. Staff have proactively provided information about the budget via media outreach and the City’s website. They have also prepared videos explaining several budget/finance topics to better inform residents. Citizens have been encouraged to provide their input into the budget process by:

- Attending a public input sessions on January 9
- Completing the online budget survey on Engage Kitchener (closes January 17)
- Contacting their ward councillor

PREVIOUS REPORTS/AUTHORITIES:

- FIN-2022-482 2023 User Fees
- FIN-2022-188 2023 Water Utilities Rates
- INS-2022-486 2023 Natural Gas Rates
- FIN-2023-035 2023 Operating Budget

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