

## **Tax Base Menu Papers**

### **M1-M16**

This material is available in alternative accessible format upon request. Please contact Heather Lagonia, [Heather.Lagonia@waterloo.ca](mailto:Heather.Lagonia@waterloo.ca), 519-747-8774 or TTY 1-866-786-3941 a minimum of 3-5 business days before it is required.

---

Prepared For: Council  
Copies To: CMT, OLT  
Prepared By: Richard Hepditch  
[Richard.Hepditch@waterloo.ca](mailto:Richard.Hepditch@waterloo.ca)  
519-884-6030 x23332

**Status:** Information Sharing

**Approval:** Mark Dykstra,  
Commissioner Comm.  
Services

Date: December 10, 2018

**Page:** 1 of 2

---

## **BUDGET MENU PAPER: Medical Oversight Training**

### **Related Budget Request(s):**

- COMM.2019.016 - Medical Oversight Training

### **Issue/Background:**

In 2017 Fire Rescue Services responded to 3,743 medical and traumatic emergencies identified as high-priority calls by the Central Ambulance Communications Center; medical emergencies include response to suspected and confirmed drug overdoses and allergic reactions.

Fire stations in the City of Waterloo are strategically located for timely response to fire and medical emergencies where advanced medical interventions such as the administration of naloxone (for opioid overdoses), and epinephrine (for allergic reactions) can positively impact patient outcomes. At present, though firefighters have awareness training, Fire Rescue Services does not offer naloxone or epinephrine to medical patients as part of the tiered response program in the Region of Waterloo.

Since 2013 emergency medical response to opioid overdoses has increased from approximately 0.5 suspected overdoses per day to approximately 2.5. The Waterloo Region Integrated Drugs Strategy reported that during a 2 week period ending on Saturday November 3rd, 2018 there were 42 opioid related calls of which 3 patients required naloxone administration. This summary identified an increase of 15 overdose related calls (56% increase) and an increase of 2 calls where naloxone was administered (200% increase) compared to the prior two week period.

It is important to note that naloxone cannot only be administered to patients who have a suspected opioid overdose, but to firefighters as well who may be exposed to opioids at a medical emergency, or drug lab operation. Fire Rescue Services is seeking funding for advanced medical intervention in order to confirm training, medical oversight, and a high standard of quality of care and assurance under the license of a medical doctor; this budget request also includes medical oversight of defibrillation (as a best practice) which firefighters currently perform under existing Red Cross training, certification and performance standards.

Fire Rescue Services is requesting \$10,000 toward a phased-in service delivery approach within the 2019 proposed budget (via COMM.2019.016) to train frontline firefighters. Fire Rescue Services is also requiring an additional \$10,000 (Menu #1) to ensure all personnel, from captains through to platoon chiefs, are equipped to offer naloxone and epinephrine to medical patients.

If council decides not to advance this additional funding request for \$10,000 to increase advanced medical intervention training, it is anticipated that the advanced medical intervention training implementation will be delayed and a similar funding request will be required as part of the 2020-2022 budget process.

**Key Points:**

- Advanced medical interventions such as the administration of naloxone (for opioid overdoses), and epinephrine (for allergic reactions) can positively impact patient outcomes in our community.
- At present, though firefighters have awareness training, Fire Rescue Services personnel are not trained to administer naloxone or epinephrine when responding to medical emergencies in the City of Waterloo.
- Advanced medical interventions such as naloxone and epinephrine are considered delegated medical acts which require training, medical oversight, and a high standard of quality of care and assurance under the license of a medical doctor.
- Fire Rescue Services is seeking \$10,000 toward a phased-in approach in the 2019 proposed budget and will require an additional \$10,000 during the 2020-2022 budget process, unless the additional funding is advanced ensuring all firefighters and officers are trained.

Prepared For: Council  
Copies To: CMT, OLT  
Prepared By: Tracie Bell  
[Tracie.Bell@waterloo.ca](mailto:Tracie.Bell@waterloo.ca)  
519-886-2310 x30298

**Status:** Information Sharing

**Approval:** Keshwer Patel,  
Commissioner Corp.  
Services, CFO & Treasurer

Date: December 10, 2018

**Page:** 1 of 2

---

## **BUDGET MENU PAPER: Fleet Parts & Service Specialist**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

The City has a stockroom with approximately 2500 types of items that are used by various Divisions when performing their day-to-day operations. The stockroom is maintained and stock parts are ordered and managed by an Inventory Coordinator. Although 68% of city stocked items are for Fleet, this only represents 24% of the total parts required by Fleet Mechanics to complete their work. The remaining required parts are acquired directly by Fleet Mechanics.

Acquiring parts for a specific need on a specific model is very time consuming. Except for the routine repairs (i.e. fused bulbs, leaky hydraulic hoses), it takes catalogue reference, internet searches and phone inquiries to locate parts even for a seasoned technician. Waiting time for delivery is an added hindrance along with the additional waiting time challenges for off business hours repair requests. Productivity is impacted significantly as Fleet Mechanics continue to be responsible for the placement of non-stock part orders.

Fleet Mechanics also support customer service needs by transforming clients' requirements into technical work orders. This results in decreased "wrench in hand" time that impacts not only the effectiveness of the shop turnaround time, but also warranty repair timelines and proactive planning to source and obtain the necessary parts needed for repairs and service.

A Fleet Parts & Service Specialist would directly support Fleet Mechanics productivity and enhance the customer service experience. This position would act as a liaison person to generate work orders through Fleet Management Information System (FMIS) and proactively source the necessary parts so that the turnaround shop times are optimized and all Fleet Mechanics are able to focus on vehicle repairs and service.

The need for this position has recently been confirmed as part of the Fleet Review Study conducted by external consultants and supported by Fleet management staff and divisional areas supported by Fleet.

This position will immediately generate benefit in the following areas:

- i. The Parts & Service Specialist would discuss service and repair requirements with divisional staff while working closely with the Fleet Mechanics to ensure that divisional staff expectations are completed on schedule and to their satisfaction.
- ii. Verify warranty programs if any, develop estimates and create repair work orders.
- iii. Provide more “wrench in hand” time to mechanics, thereby increasing productivity and reducing turnaround time.

This position would eliminate various bottle necks in the current process:

- i. Help build transparency with end users while narrowing down the diagnosis process by liaising with them right from the start.
- ii. Transform the end user needs into work orders by collaborating with Fleet Mechanics so that the requirements of all parties are met
- iii. Proactively facilitate the placement of non-stock orders and pull the required parts from stock.

If this position is not funded as part of the 2019 budget, Fleet Mechanics will need to continue to manage the part sourcing and ordering aspect of fleet repairs reducing productive “wrench in hand time”. A similar request would then be required as part of the 2020-2022 budget.

**Key Points:**

- ‘Wrench time’ of each Fleet Mechanic would increase (e.g. 15% to 20%) hence the cumulative increase of ‘wrench time’ would yield almost the equivalent of 1 FTE of Fleet Mechanic which would represent a significant increase in the shop productivity.
- The proposed position will significantly improve transparency and end user confidence.
- This position is not a certified Fleet Mechanic but has a strong knowledge in automotive parts, stockroom experience and great customer service and computer skills.

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Cassandra Pacey <a href="mailto:Cassandra.Pacey@waterloo.ca">Cassandra.Pacey@waterloo.ca</a> 519-747-8582 x11241	<b>Approval:</b>	Cameron Rapp, Deputy CAO & Commissioner of IPPW
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Asset Management - Data Mgmt Analyst**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

On November 14, 2016, Council approved the City of Waterloo's first Comprehensive Asset Management Plan (AMP) through IPPW2016-099 representing 14 asset classes. Examples of the assets classes are Transportation, Sanitary Sewer Collection, Parks and Fire Services. The AMP was developed internally and used the Asset Management Analytical System (system) developed by staff and GM BluePlan Engineering. One of the recommendations approved as part of IPPW2016-099 was the creation of an Asset Management (AM) section to continue to propel the City's asset management journey forward.

The AM section is important for the City to successfully operationalize and sustain asset management activities and information. Without appropriate resourcing, it will be too easy for asset management data to quickly fall out of relevancy (i.e. if data and systems fail to be updated and refined). The internal resourcing approved by Council included a team of four staff members – one permanently funded through the operating budget and three contract positions funded through capital funding, to be considered for inclusion in the operating budget during the 2019 budget cycle. The four positions are as follows:

- Manager (contract)
- Infrastructure Asset Management Analyst (permanent)
- Data Management Analyst (contract)
- Asset Management Analyst (contract)

Since Council's approval of the AMP in 2016, the Province of Ontario has passed the Asset Management Planning for Municipal Infrastructure regulation (O. Reg. 588/17) under the Infrastructure for Jobs and Prosperity Act, 2015. O. Reg. 588/17 identifies several requirements that each municipality must meet over the 2019-2024 timeframe.

Key examples include the requirement to provide an updated AM policy (in 2019), an AMP with Core Asset Levels of Service (in 2021), an AMP with Level of Services for all assets (in 2023), and AMPs that include lifecycle management and financial strategy (in 2024).

Securing a permanently funded and dedicated AM section to facilitate and generate the identified AMPs is critical to the City's ability to meet O. Reg. 588/17 requirements. Internally, it is also important that AM activities become a priority in the various asset areas (e.g. Transportation, City Utilities, Environment & Parks, Facilities) through the re-organization of duties to facilitate a portion of existing FTE's being assigned to asset-centric data management activities. These types of activities may include investigating data gaps, creation of Maximo work orders to specific assets rather than blanket work orders, working with the AM section to update and verify data, collecting Level of Service information, etc.

As the AM section currently includes 3 contract staff, those positions will be tabled before Council for permanent approval through the 2019 and 2020-2022 budget processes. Accordingly, the AM Manager is included in the proposed 2019 operating budget. However, due to funding restrictions, the Data Management Analyst has been deferred to the 2020-2022 budget cycle. The Data Management Analyst is a key position within the section and is responsible for the programming and data modeling aspects of the system. The system requires ongoing support to provide information and tools to enable fact-based decision making throughout the City. Permanent funding in 2019 will provide for cross training opportunities amongst the AM team members and will help ensure sufficient knowledge transfer, helps bring new ideas to the City, and reduces costs by leveraging internal talent.

**Key Points:**

- Council approval of the AM section was provided via IPPW2016-099 (Nov. 2016).
- Three positions were approved as contract positions, to be considered for permanent status through the 2019 budget process.
- Asset areas such as Transportation, City Utilities, Environment & Parks and Facilities need to increase the priority level of asset management in their areas to allow for the assignment of a portion of existing FTE's to AM activities.
- Due to funding restrictions, a request for permanent funding for the Data Management Analyst position has been deferred to the 2020-2022 budget process.
- Permanent funding through the 2019 budget process for the Data Management Analyst position will provide for cross training opportunities and will help ensure sufficient knowledge transfer within the existing AM section.

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Jim Bowman <a href="mailto:Jim.Bowman@waterloo.ca">Jim.Bowman@waterloo.ca</a> 519-747-8748	<b>Approval:</b>	Mark Dykstra, Commissioner Comm. Services
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Neighbourhood Development Coordinator**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

On May 14, 2018, Council approved the City of Waterloo's first Neighbourhood Strategy as the guiding document defining the City's role in supporting resident-led neighbourhood community-building. The need for the strategy was identified in the 2015-2018 Strategic Plan.

The Neighbourhood Strategy identifies the resources and tools that the City can provide our neighbourhood groups. These tools and resources will help facilitate and promote environments where community members are empowered to create connected and vibrant neighbourhoods.

As directed by Council in May 2018, the 2019 budget includes an initial operating increase to support implementation of elements of the strategy. Additional operating increases will be brought forward as part of the 2020-2022 budget process to support implementation of additional strategy recommendations.

The strategy calls for an expanded role and scope for neighbourhood services offered by the City of Waterloo. To support this work, an 18 month contract Neighbourhood Development Coordinator position has been hired, drawing on existing capital resources. Ongoing funding of this position will be required for the expanded programs and resources for neighbourhoods in order to develop and implement the work required for the Neighbourhood Strategy.

To ensure the Neighbourhood Strategy can be fully implemented and that the new programs and resources are sustainable and stable, staff is recommending an operating funding increase of \$110,000 to make the Neighbourhood Strategy Coordinator position permanent as part of the 2019 budget (menu item). If not funded in 2019, staff will bring forward this request as part of the 2020-2022 budget process.

**Key Points:**

- Council approved Waterloo's first Neighbourhood Strategy in May 2018.
- The strategy calls for an expanded role and scope, including many new tools and resources, for the City of Waterloo to support resident-led community building in neighbourhoods.
- Additional staff is required to support implementation of the strategy. A Neighbourhood Strategy Coordinator was hired on a two year contract.
- To ensure the Neighbourhood Strategy can be fully implemented and that the new programs and resources are sustainable and stable, staff is recommending an operating funding increase of \$110,000 to make the Neighbourhood Strategy Coordinator position permanent.

Prepared For: Council  
Copies To: CMT, OLT  
Prepared By: Sunda Siva  
[Sunda.Siva@waterloo.ca](mailto:Sunda.Siva@waterloo.ca)  
519-886-2310 x30257

**Status:** Information Sharing

**Approval:** Mark Dykstra,  
Commissioner Comm.  
Services

Date: December 10, 2018

**Page:** 1 of 2

---

## **BUDGET MENU PAPER: Senior Project Engineer - Mechanical**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

The City of Waterloo's Strategic Plan clearly defines that Infrastructure renewal is a key goal. The Facility Design Management Services Division has responsibility for a significant portion of the hard infrastructure of city owned facilities and buildings. In addition, Council has passed clear mandates on Green Building policies.

This includes one hundred and twenty-two (122) building assets totaling 1.3 million gross square feet of Community Centres i.e. ice arenas, indoor soccer stadium, swimming pools, Fire Halls, libraries, heritage buildings, etc.

This infrastructure represents a valuable resource to the community and has an estimated replacement value of approximately \$300 million. Of that total approximately 40% of the assets (~\$120 million) would comprise mechanical, electrical and plumbing components. The proper operation and the assessment of adequate system capacity and their optimum use of energy are essential to provide service delivery without hindrance or extra costs.

In order to maintain \$120 million worth of mechanical & electrical systems, it is critical that adequate resources are in place not only for daily operation and maintenance but also to optimize system capacity by making prudent capital planning decisions with financial justifications for funding arrangements.

Presently, there has been a gap in facility management for capital planning & system assessment for mechanical and electrical disciplines. Through increased mechanical resources we can close the gap that is currently present compared to other infrastructure disciplines (i.e. roads, water system, sanitary system and storm system) which are all identified as City essential assets to deliver the core function of the City. Presently, unlike other disciplines, there is no in-house professional support for the City's mechanical assets that has an approximate value of \$120 million.

Here are some of the key functions that can be performed if a dedicated mechanical resource was available:

- A systemic assessment of the existing facilities particularly ice arenas in order to minimize energy use. Ice rink refrigeration units have undergone significant energy improvements both in terms of equipment performance and waste heat recovery, which was previously being emitted into the atmosphere. An ongoing in-house comprehensive assessment is important to determine the City needs and optimal performance.
- Performing heat storage from the refrigeration system, reduction of GHG emissions, introduction of energy efficiency and heat recovery systems; these are essential elements in new facilities or when renovating or replacing existing systems.
- Provide effective contract administration and project management with external consultants and contractors.
- This position will assess systemic deficiencies and formulate plans that would address facility mechanical issues in an integrated fashion with security and control systems.

If council decides not to advance this funding request for \$142,000 for a Senior Project Engineer - Mechanical it is anticipated that the current challenges being faced by Facility Design Management Services around the mechanical and electrical disciplines will continue in 2019, which is a very critical year from a facility expansion perspective (WMRC Expansion). A similar funding request will then be required as part of the 2020-2022 budget process and these services will be contracted externally for 2019 as required.

**Key Points:**

- There is approximately \$120 million invested in mechanical, electrical and plumbing assets across the City.
- There is presently an in-house gap in professional discipline for these groups of assets.
- All capital design and contract completion are presently performed through external consultants.
- The overall budget impact anticipated to provide the service is \$142,000 to create a senior engineer position with a mechanical / refrigeration engineering discipline.
- Unless advanced, a similar funding request will be required as part of the 2020-2022 budget process and these services will be contracted externally for 2019 as required.

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Jim Bowman <a href="mailto:Jim.Bowman@waterloo.ca">Jim.Bowman@waterloo.ca</a> 519-747-8748	<b>Approval:</b>	Mark Dykstra, Commissioner Comm. Services
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Implementation of the Museum & Collection Strategy**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

Since the approval of the Museum & Collection Strategy in 2015, staff have been implementing the recommendations in the strategy as resources have allowed. The strategy is intended to serve as a foundation for the Department/Division budget and business plans. The strategy implementation plan outlines 20 recommendations, with many of the short to medium term items being executed within existing budgets. In report COMM2015-025 it was identified that \$30,000 in additional operational funding would be brought forward for consideration in the 2016-2018 budget deliberations. A request was made in 2017 to continue the work of the strategy to address the budget shortfall, however based on other pressures was not approved.

The Museum strategy recommended placing an emphasis on programming and exhibitions that integrate the museum into community life. To move towards advancing the long-term recommendations of the strategy, an investment of \$30,000 will influence staff's ability to implement the strategy, applying it to the areas of exhibitions and programming. The two recommendations are intertwined. Heritage programming teaches us about who we are, contributes to the well-being of our community, and enriches the experiences of visitors to our museum. Museum programs help to build communities by fostering an appreciation for heritage and diversity by introducing youth to our past by creating links. Funding to support programming to better serve the community in the area of increased operational hours, education programming, participating in more outreach events will improve the community awareness, and address the challenges for offering greater programming penetration, and community frustration. The funds could be designed to grow into a modest cost recovery delivery program model.

The museum's exhibitions are the tangible links to our past and they ensure understanding and appreciation for various groups and cultures. They promote better understanding of our collective heritage and foster dialogue, curiosity, and self-reflection. Rising production costs for materials and outsourcing are putting a strain on the museum's staff's ability to maintain the design quality and presentation of the annual exhibition schedule. In the area of travelling exhibitions the museum is often unable to host more high tech shows due to the lack of funding to leverage grants. Since 2009 the museum's exhibition budget has not had an increase in funding. An action plan to address this must be implemented to keep the Museum at top of mind to maintain and grow markets. It is an essential function to encourage repeat visitation within the Mall market.

Education and programming's main objective is to engage visitors in learning experiences to enhance their curiosity and interest on their objects and collections. Together they are the strengths of the museum; the ability to profile stories and themes that are reflected by the collection.

The Museum will turn 10 in 2019, and the museum's current budget limits the expanded focus and wider range of stories told at the City of Waterloo Museum. A funding increase would provide an opportunity to mount a greater range and variety of community and cultural programs.

If council decides not to advance this funding request for \$30,000 to increase exhibition and programming funding, it is projected that the current level of public services which we offer individuals and families free, will need to be reduced. If the museum is to remain relevant more support for the presentation of exhibitions and programming has been identified as key resource to keep the strategy moving forward and a similar funding request will be required as part of the 2020-2022 budget process.

**Key Points:**

- Current implementation of the Museum & Collections Strategy has been implemented as resources allow.
- The Museum strategy recommended placing an emphasis on programming and exhibitions that integrate the museum into community life.
- To move towards advancing the long-term recommendations of the strategy, an investment of \$30,000 will influence staff's ability to implement the strategy.
- The Museum will turn 10 in 2019, and the museum's current budget limits the expanded focus and wider range of stories told at the City of Waterloo Museum.
- A funding increase would provide an opportunity to mount a greater range and variety of community and cultural programs.
- If the museum is to remain relevant more support for the presentation of exhibitions and programming has been identified as key resource to keep the strategy moving forward.

Prepared For: Council  
Copies To: CMT, OLT  
Prepared By: Tim Anderson  
[Tim.Anderson@waterloo.ca](mailto:Tim.Anderson@waterloo.ca)  
519-747-8702  
Date: December 10, 2018

**Status:** Information Sharing  
**Approval:** Tim Anderson,  
Chief Administrative  
Officer  
**Page:** 1 of 2

---

## **BUDGET MENU PAPER: Director of Strategic Initiatives**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

The Director of Strategic Initiatives was originally created as part of the 2013 Forward review. The position had been vacant since 2015 as a result of retirement of the previous incumbent. In consideration of the financial pressures being experienced by the City, the budgeted position was reduced and converted to the Executive Officer to the CAO role as part of the 2016 budget.

This position was identified as a key resource to drive the project management culture of the organization, overall Environmental Coordination of the corporation and to resource significant projects/partnership development opportunities for the City of Waterloo. Project Management has been reallocated into the IPPW portfolio and the Corporate Environmental Coordination effort is now provided through the Planning Division.

More recently, this position was identified by KPMG as part of the City of Waterloo Organizational Review Update October 2018. This review provided the foundation for possible opportunities to continuously improve the overall effectiveness and efficiency of the City's organizational structure, processes and service delivery model. It identified the Director of Strategic Initiatives position as one that should be considered for budgetary reinstatement.

If reinstated, the responsibilities of the Strategic Initiatives Director would include but are not limited to:

- Leadership of the Strategic Plan Development and Monitoring Requirements
- Driving the Continuous Innovation Strategy for the Corporation
- Transformation initiatives for the corporation
- Sustainability Planning (Social-Environmental-Economic)
- Primary Intergovernmental and Academic Liaison

- Project Management responsibilities to drive City Building in response to our vision and mission
- External and Cross Department convener, collaborator and capacity builder

If this position is not funded as part of the 2019 budget, staff will review the position as part of the 2020-2022 budget prioritization process.

**Key Points:**

- Director of Strategic Initiatives was originally created as part of the 2013 Forward review.
- Position was identified as a key resource to drive the project management culture of the organization and develop partnership opportunities for the City.
- More recently, this position was identified by KPMG as part of the City of Waterloo Organizational Review Update October 2018 for reinstatement.

Prepared For: Council  
Copies To: CMT, OLT  
Prepared By: Jim Bowman  
[Jim.Bowman@waterloo.ca](mailto:Jim.Bowman@waterloo.ca)  
519-747-8748

**Status:** Information Sharing

**Approval:** Mark Dykstra,  
Commissioner Comm.  
Services

Date: December 10, 2018

**Page:** 1 of 2

---

## **BUDGET MENU PAPER: Increase Community Cash Grant Funding for Non-Affiliated Organizations**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

The Community Services Department administers the Community Cash Grants Program which encourages grass root volunteer and not-for profit organizations to provide recreation and leisure opportunities to the residents of Waterloo and surrounding areas. Applications are assessed by a committee of Council based on the Community Cash Grants Policy, and funding distributions are based on the Council approved operating budget.

Community Gash Grants are key funding sources for many of the applicants and contribute to a cost effective approach to program delivery, thereby improving quality of life in Waterloo.

As the City of Waterloo continues to grow and become more diverse, the amount of funding being requested through the Community Cash Grants program continues to increase and the committee is unable to accommodate all requests. For example, in 2018 there was a total of \$68,105 in budget funding available. In this same year (2018) 53 applications were received requesting a total of \$219,484 (\$182,816 eligible after review). In 2017, there was \$71,604 available for allocation compared to \$252,809 (\$197,735 eligible after review) in funding support requested.

As a result of the disparity between funding available and funding requested the grant committee has typically provided only a portion of the requested amount to each applicant in order to provide some level of funding support to as many applicants as possible. As a result many groups are challenged to pursue other funding sources, or may need to scale back or change their initiative.

In order to better align with community need for grant funding, staff are recommending a funding increase of \$100,000 for the Community Cash Grants program be considered as part of the 2019 budget (menu item). This increase would allow funding for more groups, and more appropriate levels of funding to successful applicants. In turn, this increase would demonstrate the City's commitment to supporting community organizations and the key role they play in quality of life in Waterloo.

If this funding is not included in the 2019 budget, staff will continue to manage the amounts given to groups per the current budget and a similar request will be made as part of the 2020-2022 budget process.

**Key Points:**

- Community Cash Grant Program provides financial support to grass root and not-for profit organizations that provide valuable recreation and leisure opportunities to Waterloo residents.
- Each year, requests for funding are much larger than available funding.
- In 2018 there were 53 applications requesting a total of \$219,484 and only \$68,105 was available.
- Staff is requesting an increase of \$100,000 to better support community initiatives through this program.

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Cassandra Pacey <a href="mailto:Cassandra.Pacey@waterloo.ca">Cassandra.Pacey@waterloo.ca</a> 519-747-8582 x11241	<b>Approval:</b>	Cameron Rapp, Deputy CAO & Commissioner of IPPW
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Asset Management - Asset Management Analyst**

### **Related Budget Request(s):**

- N/A

### **Issue/Background:**

On November 14, 2016, Council approved the City of Waterloo's first Comprehensive Asset Management Plan (AMP) through IPPW2016-099 representing 14 asset classes. Examples of the assets classes are Transportation, Sanitary Sewer Collection, Parks and Fire Services. The AMP was developed internally and used the Asset Management Analytical System (system) developed by staff and GM BluePlan Engineering. One of the recommendations approved as part of IPPW2016-099 was the creation of an Asset Management (AM) section to continue to propel the City's asset management journey forward.

The AM section is important for the City to successfully operationalize and sustain asset management activities and information. Without appropriate resourcing, it will be too easy for asset management data to quickly fall out of relevancy (i.e. if data and systems fail to be updated and refined). The internal resourcing approved by Council included a team of four staff members – one permanently funded through the operating budget and three contract positions funded through capital funding, to be considered for inclusion in the operating budget during the 2019 budget cycle. The four positions are as follows:

- Manager (contract)
- Infrastructure Asset Management Analyst (permanent)
- Data Management Analyst (contract)
- Asset Management Analyst (contract)

Since Council's approval of the AMP in 2016, the Province of Ontario has passed the Asset Management Planning for Municipal Infrastructure regulation (O. Reg. 588/17) under the Infrastructure for Jobs and Prosperity Act, 2015. O. Reg. 588/17 identifies several requirements that each municipality must meet over the 2019-2024 timeframe.

Key examples include the requirement to provide an updated AM policy (in 2019), an AMP with Core Asset Levels of Service (in 2021), an AMP with Level of Services for all assets (in 2023), and AMPs that include lifecycle management and financial strategy (in 2024).

Securing a permanently funded and dedicated AM section to facilitate and generate the identified AMPs is critical to the City's ability to meet O. Reg. 588/17 requirements. Internally, it is also important that AM activities become a priority in the various asset areas (e.g. Transportation, City Utilities, Environment & Parks, Facilities) through the re-organization of duties to facilitate a portion of existing FTE's being assigned to asset-centric data management activities. These types of activities may include investigating data gaps, creation of Maximo work orders to specific assets rather than blanket WOs, working with the AM section to update and verify data, collecting Level of Service information, etc.

As the AM section currently includes 3 contract staff, those positions will be tabled before Council for permanent approval through the 2019 and 2020-2022 budget processes. Accordingly, the AM Manager is included in the proposed 2019 operating budget. However, due to funding restrictions, the Asset Management Analyst has been deferred to the 2020-2022 budget cycle. The Asset Management Analyst is a central position within the section and is responsible for financial components of asset management, working with subject matter experts to confirm asset inventory data and providing asset needs analysis to assist fact based decision making throughout the City. Permanent funding in 2019 will provide for cross training opportunities amongst the AM section and will provide additional flexibility to respond to information requests.

**Key Points:**

- Council approval of the AM section was provided via IPPW2016-099 (Nov. 2016).
- Three positions were approved as contract positions, to be considered for permanent status through the 2019 budget process.
- Asset areas such as Transportation, City Utilities, Environment & Parks and Facilities need to increase the priority level of asset management in their areas to allow for the assignment of a portion of existing FTE's to AM activities.
- Due to funding restrictions, a request for permanent funding for the Asset Management Analyst position has been deferred to the 2020-2022 budget process.
- Permanent funding through the 2019 budget process for the Asset Management Analyst position will ensure asset inventory data is maintained for fact based decision making throughout the City.

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Dean Vieira <a href="mailto:Dean.Vieira@waterloo.ca">Dean.Vieira@waterloo.ca</a> 519-747-8779	<b>Approval:</b>	Mark Dykstra, Commissioner Comm. Services and Cameron Rapp, Commissioner IPPW
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: LED Streetlighting Electricity Savings**

### **Related Budget Request(s):**

- IPPW.2019.004 - LED Streetlighting Electricity & Maintenance Savings

### **Issue/Background:**

In June, 2017 work began on the replacement of old high-pressure sodium cobra-head streetlights with new energy efficient LED streetlights. The City of Waterloo had an estimated 8000+ existing high-pressure sodium cobra-head streetlights converted to LED as part of this project. This work was substantially completed by December 2017. There are two components to the savings realized through this conversion project; streetlight maintenance costs (Transportation Services within IPPW) and electricity usage (Facility Design Management Services within COMM Services).

The operating savings associated with this project were estimated to be; \$420,000 with 50% or \$210,000 of the savings being realized in 2018 (approved as part of the 2018 budget – IPPW.2016.049) and the remaining \$210,000 starting in 2019 (included in the 2019 proposed budget – IPPW.2019.004).

### **Budget Considerations**

As a part of the 2016-2018 budget IPPW.2016.049 identified anticipated annual operating savings from converting to LED streetlights of \$210,000 in 2018 (\$164,000 from electricity usage and \$46,000 from maintenance) with an additional savings of \$210,000 in 2019 (\$164,000 from electricity usage and \$46,000 from maintenance). Budget request IPPW.2019.004 is included in the 2019 proposed budget to incorporate the remaining estimated savings of \$210,000 into the 2019 budget.

Table 1 details the amount of additional potential savings remaining, that once verified will be submitted as a part of the 2020-2022 budget process.

**Table 1: Streetlight Electricity Usage and Cost Savings**

Year	Electricity Savings (\$)	Maintenance Savings (\$)	Total Savings (\$)
*2018 Forecasted Streetlight Savings	(\$451,000)	(\$99,000)	(\$550,000)
2018 Budgeted Streetlight Savings (IPPW.2018.049)	\$164,000	\$46,000	\$210,000
2019 Budgeted Streetlight Savings (IPPW.2019.004)	\$164,000	\$46,000	\$210,000
<b>Savings to be verified for 2020 budget</b>	<b>(\$123,000)</b>	<b>(\$7,000)</b>	<b>(\$130,000)</b>

\*Note – estimate based on Jan-Sept 2018 Actuals.

**Future Budget Considerations:**

To date the operating savings achieved as part of the LED streetlight conversion project have been positive. Based on 2018 forecasted info (includes 3 months of forecast) it is anticipated that the electricity savings will exceed the original estimates. Based on 2018 forecasted information (includes 3 months of forecast) it is anticipated that the maintenance savings may achieve its target.

At this time, there are still some unknowns regarding the final electricity and maintenance savings to be realized as part of the LED streetlight conversion project. As such staff has incorporated the original 2019 estimated savings of an additional \$210,000 into the 2019 budget (IPPW.2019.004 - LED Streetlighting Electricity & Maintenance Savings). Staff are recommending that once the final savings over above this original estimate are confirmed in March/April 2019, that the additional savings also be incorporated into the operating budget as part of the 2020-2022 budget. For 2019, should Council wish to advance a portion of the potential additional savings, a maximum of \$50,000 would be recommended by staff (2019 menu item).

**Key Points:**

- A 2019 operating budget reduction is being recommended based on the original estimated electricity savings and reduced maintenances costs: savings of \$210,000 in 2019.
- The total budgeted savings is \$420,000 from 2018 and 2019 from the conversion.
- Final savings, once verified are likely to exceed this amount and additional savings will be incorporated into the 2020-2022 budget.
- Should Council wish to advance a portion of the potential additional savings, a maximum of \$50,000 would be recommended by staff.

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Angela Schneider <a href="mailto:Angela.Schneider@waterloo.ca">Angela.Schneider@waterloo.ca</a> 519-747-8508	<b>Approval:</b>	Keshwer Patel, Commissioner Corp. Services, CFO & Treasurer
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Fleet and Equipment Operating Pressure**

### **Related Budget Request(s):**

- CORP.2019.010 - Fleet & Equipment Operating Pressures

### **Issue/Background:**

The city maintains a fleet comprised of over 350 vehicles and equipment. The tax-based operating budget uses over 75% of the city fleet to deliver services, in the areas of Parks (for grounds maintenance, horticulture and forestry), Transportation (for snow plowing/sanding and road maintenance), Facilities (for mechanical/electrical maintenance), Fire Services (rescue and prevention), Municipal Enforcement and Festivals & Events. The other 25% of the city fleet is used by enterprises (City Utilities, Cemetery and Building Standards) and because enterprises are funded through user-rates (and don't rely on tax-based funding) they are not included in the overall fleet and equipment operating pressure discussed in this menu paper.

Please reference the Budget Issue Paper #5 - Fleet and Equipment Operating Pressure for context and understanding of the overall tax-based budget pressure in this area.

A 2019 budget request for \$275,000 is being submitted to address the shortfall that exists for fleet and equipment operating expenses in Parks, Fire, Facilities, Municipal Enforcement and Festivals & Events. This funding request is based on the deficit average in these divisions over the period from 2015-2017. However under a CPIX budget cap, this historical budget pressure could not be resolved and was therefore not funded. Should Council wish to reduce this request, a potential decrease of \$75,000 is provided on the 2019 budget menu list.

A potential decrease of \$75,000 to the budget request would result in a revised budget request of \$200,000 as illustrated below.

Fleet & Equip. Operating Expense to Budget Variance (in 000's)				3 Yr Avg.	2019	2019	Potential
Area	2017 Expense	2017 Budget	(Deficit)/Surplus	(Deficit)/Surplus	*LTFP Funding	Budget Request	Reduced BR
Parks	1,282	1,055	(227)	(162)	30	125	75
Transportation	1,049	890	(159)	(94)	85		
Fire	266	179	(87)	(72)		60	50
Facilities	197	125	(73)	(77)		65	55
Municipal Enforcement	36	26	(10)	(16)		20	20
Festivals & Events	14	9	(5)	(15)		5	
Recreation Services	168	173	5	13			
Engineering	37	38	1	10			
<b>Total (000's)</b>	<b>3,049</b>	<b>2,495</b>	<b>(555)</b>	<b>(412)</b>	<b>115</b>	<b>275</b>	<b>200</b>

\*CORP2018-011 LTFP - Staff Scenarios approved \$115,000 for Winter Control (Parks \$30,000 and Transportation \$85,000)

\*\* Excluding Regional Road Maintenance (does not impact the tax base bottom line)

A reduction to the budget request would cause the fleet and equipment budgets to continue to be overspent or a reduction in service levels would need to occur.

**Key Points:**

- General operating costs for vehicles and equipment (maintenance, repair, fuel, etc.) continues to increase and exceed budget each year.
- Purchase prices for vehicles and equipment continues to increase due to inflation, foreign exchange and market pressures, increasing the need to set more aside each year for capital replacement.
- The 2015-2017 average fleet and equipment operating deficit is over \$400,000
- \$275,000 is being requested in the 2019 operating budget to address the shortfall.
- A \$75,000 reduction to this amount would mean the fleet and equipment budgets will continue to be overspent or require a reduction in service level.

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Jim Bowman <a href="mailto:Jim.Bowman@waterloo.ca">Jim.Bowman@waterloo.ca</a> 519-747-8748	<b>Approval:</b>	Mark Dykstra, Commissioner Comm. Services
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Fee Assistance Program Increase**

### **Related Budget Request(s):**

- COMM.2019.017 - Fee Assistance

### **Issue/Background:**

The City of Waterloo administers a fee assistance program, available to local children and adults who would like to participate in City of Waterloo programming but who may not have the financial means to do so. All applicants are reviewed and assessed by city staff and decisions to support the program are approved through an eligibility criteria process. Eligible Waterloo residents receive an annual maximum credit of \$300 per person towards direct city recreational programs and affiliated minor sports and arts programs.

The program is jointly funded by the Canadian Tire Jumpstart Program and the City of Waterloo, as well as by donations from the community. Historically, the Region of Waterloo contributed \$12,000 to support this program but as of 2018, this amount has been redirected to other social programs in the region. In addition the Canadian Tire Jumpstart Program has a limited annual budget and there are times each year that this program informs staff that they have reached their annual budget amount and are not able to support the city's fee assistance program any further for that given year.

In recent years the program has seen a trend of more applications for support from refugee families, seniors, young adults and a large number of families who are on social assistance programs. This has put increased pressure on the City's ability to support all eligible applicants. Over the past few years the program has supported the below number of applicants:

- 958 applicants supported in 2015
- 1,023 applicants supported in 2016
- 1,174 applicants supported in 2017

On average, the City has been providing approximately \$140,000 in fee assistance support annually compared to the current budget of \$70,000. Historically the fluctuating Canadian Tire Jumpstart Program, community donations and Regional support have not fully covered this pressure. As such in response to the recent changes that have occurred in regards to Regional funding support, increasing number of requests and the number of individuals within families requesting support, a \$25,000 increase in funding for Fee Assistance program has been included in the staff recommended 2019 budget via COMM.2019.017. Should council wish to bring the budget increase in line with CPIX, this service level increase would not be recommended to be funded. If this request for a \$25,000 increase to the fee assistance budget was not approved, it is anticipated that the program would be able to support approximately 80 fewer residents requesting fee assistance on an annual basis.

**Key Points:**

- The Fee Assistance program is available to support local children and adults to participate in Waterloo recreation programming, who may not have the financial means to do so.
- The program is jointly funded by Canadian Tire's Jumpstart Program and the City of Waterloo, as well as by donations from the community.
- Prior to 2018 the Region provided \$12,000 annually to support the program, but this funding has been altered to meet other social needs in the community.
- At the same time, requests for support are increasing, and the number of supports within families is increasing. These increases have been growing in recent years.
- The 2019 staff recommended budget includes a \$25,000 increase for the fee assistance program.
- Should council choose to not approve this increase, approximately 80 fewer residents will be able to be supported by fee assistance program per year.

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Steve Heldman <a href="mailto:Steve.Heldman@waterloo.ca">Steve.Heldman@waterloo.ca</a> 519-884-5363 x17257	<b>Approval:</b>	Mark Dykstra, Commissioner Comm. Services
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Conversion of Casual Life Guards to Aquatic Lead**

### **Related Budget Request(s):**

- COMM.2019.005 - Conversion of Casual Life Guards to Aquatic Lead

### **Issue/Background:**

Staff is proposing the conversion of part-time staff resources to a seasoned full-time aquatic lead position at a net cost of \$15,000 to support ongoing programming needs and more importantly, to better assist in ensuring deck leadership and a healthy and safe environment for aquatic customers. Duties of the position would include but are not limited to:

- Head instructor guard duties on the pool deck during peak evening and weekend swim lesson programming. This will minimize the required number of part-time head instructor/guards.
- Instructing advanced leadership courses, minimizing the need to hire contract staff to instruct these courses.
- Assisting with staff recruitment, training and oversight which will lessen pressure on existing staff resources and assist in ensuring a safe environment
- Providing consistent mentoring of the part-time staff to develop the best possible swim program to the community.
- Potential delivery of new services such as water fitness and therapeutic recreation

For the past three years, these accountabilities have been supported via a contract staff person through a pilot project that has proven to be successful. Historically, part-time support staff has assumed many of these accountabilities. A shortage of part-time casual staff, coupled with increased staff turnover prompted the creation of this contract position.

The Lifesaving Society of Canada and PRO Aquatics confirm that Ontario is facing a shortage of qualified aquatic staff which will continue for the next several years. The shortage is likely occurring for many reasons, including but not limited to competition from private and service industries that compensate at a similar hourly wage, without requiring the certification and more heightened accountability.

Staff turn-over and scheduling adjustments make consistent delivery of health and safety standards as well as customer service more challenging. A shift to a full-time Aquatic Lead will better assist in ensuring a healthy and safe environment for aquatic customers and will also create efficiencies by reducing the demand on both aquatic and human resources staff required to recruit and train qualified staff on a session to session basis.

In response to these challenges, staff is recommending the conversion of casual life guards to Aquatic Lead in the 2019 budget via COMM.2019.005. The net cost of this request is \$15,000. Should council wish to bring the budget increase in line with CPIX, this service level increase would not be recommended to be funded. If this request is not approved, the duties as required will continue to be supported via a pool of part-time staff resources. A similar request would likely be submitted as part of the 2020-2022 budget process.

**Key Points:**

- Staff is proposing the conversion of part-time staff resources to a seasoned full-time aquatic lead.
- A full-time Aquatic Lead will better assist in ensuring a healthy and safe environment for aquatic customers

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Joel Cotter <a href="mailto:Joel.Cotter@waterloo.ca">Joel.Cotter@waterloo.ca</a> 519-747-8543	<b>Approval:</b>	Cameron Rapp, Commissioner IPPW
Date:	December 10, 2018	<b>Page:</b>	1 of 2

---

## **BUDGET MENU PAPER: Senior Planner**

### **Related Budget Request(s):**

- IPPW.2019.025 - Senior Planner

### **Issue/Background:**

The Planning Division is a small division managing a substantial and complex workload with limited staff resources. In addition to files carried over from previous years, in 2018 (to the end of October), the Division:

- received 19 Zoning By-Law Amendments, some with Official Plan Amendments
- processed and evaluated 5 subdivision applications, along with registrations
- processed and evaluated 22 condominium applications and 7 pre-submissions
- received 19 site plan applications, as well as numerous addendum applications
- completed 28 site plan pre-consultations
- processed and evaluated over 70 committee of adjustment applications
- processed and evaluated 15 demolition control applications
- is actively engaged in 7 Local Planning Appeal Tribunal (LPAT) hearings
- is actively engaged in 3 legal proceedings before the courts

In addition to regular development files, staff are working on important corporate projects including:

- implementation of the comprehensive Zoning By-Law Review
- implementation of Station Area Planning
- updating the Urban Design Manual
- evaluating improvements to planning notices and engagement practices
- updating the City's Site Plan Control Agreement
- implementing electronic approvals for delegated matters, such as demolition control
- freedom of information requests, which consume a large amount of staff time

The 2018 organizational refinements reduced the FTE complement in the Planning Division by 1, resulting in:

- The Planning Approvals section having 2 senior planners and 2 junior planners to manage the substantive application volumes, legal proceedings, and strategic initiatives (such as updating the Urban Design Manual), often within the short legislated timeframes as set out in the Planning Act; and
- The Growth Management section having 2.5 policy planners, 1 environmental planner, and 1 heritage planner to manage the significant policy planning work of the City, including reviewing and evaluating Provincial policy initiatives and legislative changes, participating in the Regional Municipal Comprehensive Review, updating the Official Plan and District Plans as required, undertaking subwatershed planning and environmental monitoring, advancing the Uptown Public Realm Strategy, planning for affordable housing and inclusionary zoning, advancing the City's Cultural Heritage Landscape Study, to name only a few.

An additional Senior Planner is needed to:

- advance strategic corporate planning and urban design initiatives
- allocate more resources to legal matters to defend City planning at Local Planning Appeal Tribunal (LPAT) hearings and before the courts
- balance workloads to meet legislative timeframes
- relieve pressure and excessive staff workload
- ensure development activity can be processed in a timely manner leading to increased Planning related revenue

In response to these challenges, staff is recommending an additional Senior Planner in the 2019 budget via IPPW.2019.025. The net cost of this request is \$132,000. Should council wish to bring the budget increase in line with CPIX, this request would not be recommended to be funded. If this request is not approved, the challenges being faced by the Planning Division will continue. A similar request would likely be submitted as part of the 2020-2022 budget process.

**Key Points:**

An additional Senior Planner is needed to:

- advance strategic corporate planning and urban design initiatives
- allocate more resources to legal matters to defend City planning at Local Planning Appeal Tribunal (LPAT) hearings and before the courts
- balance workloads to meet legislative timeframes
- relieve pressure and staff workload
- ensure development activity can be processed in a timely manner leading to increased Planning related revenue

---

Prepared For:	Council	<b>Status:</b>	Information Sharing
Copies To:	CMT, OLT		
Prepared By:	Julie Koppeser <a href="mailto:Julie.Koppeser@waterloo.ca">Julie.Koppeser@waterloo.ca</a> 519-747-8560	<b>Approval:</b>	Keshwer Patel, Commissioner Corp. Services, CFO & Treasurer
Date:	December 10, 2018	<b>Page:</b>	1 of 3

---

## **BUDGET MENU PAPER: Annual Capital CRF & CIRRF Inflationary Increase**

### **Related Budget Request(s):**

- TRAN.2019.010 - Annual Capital CRF Inflationary Increase
- TRAN.2019.011 - Annual Capital CIRRF Inflationary allocation

### **Issue/Background:**

On April 16, 2018, in conjunction with CORP2018-011 Long Term Financial Plan - Staff Scenario, Council approved the revised financial control policy FC-012 Capital Budget. This policy now requires that expenditures in the capital budget funded through CRF or CIRRF be inflated according to the third quarter, Toronto construction price index, and that this index be updated with each budget process. This index for the third quarter of 2017 is 2.96%.

This approval brought the Capital Budget Policy in alignment with the DC Background Study and By-law, ensuring that all major capital funding sources are being inflated consistently and in line with the actual level of inflation being incurred by capital projects. Prior to this approval, non-DC sources of capital were inflated at 2% annually.

Included in the proposed 2019 operating budget, is a 2.96% increase in annual base funding transfer from operating to CRF and CIRRF to fund this capital inflationary increase. This is in line with policy and direction received from Council as part of the LTFFP, however the 2.96% capital inflationary increase is significantly higher than the proposed 1.9% operating budget increase (or CPIX 1.31%). This major expenditure is included in the proposed 2019 operating budget increase of 1.9% and is a critical investment in infrastructure rehabilitation and growth ensuring we are appropriately inflating our funding transfer from operating to CRF and CIRRF. Should council wish to bring the budget increase in line with CPIX, this level of capital inflationary increase would not be recommended to be funded.

Council could chose to only increase the annual transfer to CRF and CIRRF by 1.31% (CPIX). This would result in a 2019 capital transfer reduction of:

Reserve	2.96% Inflation	1.31% Inflation	Reduction (\$)
CRF	216,775	95,938	(120,837)
CIRRF	119,000	52,666	(66,334)
<b>TOTAL</b>	<b>335,775</b>	<b>148,604</b>	<b>*(187,171)</b>

\* or 0.3% tax decrease

For CRF, by reducing the proposed 2019 inflationary funding increase of \$216,775 to \$95,949, no changes would be required to the CRF funded capital program, however the reserve fund would be reduced to \$0 by the end of the 10 year projection limiting our ability to undertake any discretionary projects.

For CIRRF, by reducing the proposed 2019 inflationary funding increase of \$119,000 to \$52,666, the CIRRF funded capital program would need to be reduced by \$700,000 over the 10 year projection in order for the reserve fund to maintain the required minimum balance of \$2 million.

For capital forecasting purposes, the capital inflationary increase of 2.96% is also applied annually to 2020-2028. It is also important to note that if the inflationary funding for the 2020-2028 forecast was also reduced from 2.96% to 1.31% this would have a very material impact to both reserve funds:

- For CRF a \$3.3 million reduction to the 2020-2028 forecast would be required
- For CIRRF a \$7.7 million reduction to the 2020-2028 forecast would be required

These material impacts as a result of reducing the annual capital inflation amounts for CRF & CIRRF from 2.96% to 1.31% would result in the need for significant reductions to the 2020-2028 Proposed Capital Forecast. As such if Council chooses to reduce the annual capital inflation transfers to CRF & CIRRF **only** the 2019 Capital Budget will be able to be approved. The 2020-2028 capital forecast would need to be significantly reduced to align with the reduced level of funding and brought back for approval as part of the 2020-2022 budget cycle, impacting both the approved development charge program, as well as the rehabilitation and replacement of existing assets.

**Key Points:**

- In April 2018, policy was approved to inflate capital expenditures using the 3rd, Toronto Construction Price Index (2.96%).
- Annual transfer increases to the Capital Reserve Fund and Capital Infrastructure Reinvestment Reserve Fund from operating are needed to match the increased level of capital inflation encountered on capital projects.
- The 2019 proposed operating budget increase of 1.9% includes a capital inflationary increase of 2.96% for both CRF & CIRRF.
- This level of increase investment in infrastructure rehabilitation couldn't be accommodated under a CPIX budget.
- Significant reductions in the CRF & CIRRF funded capital program would be required if the inflationary transfers were reduced.
- This would impact the approved development charge program, as well as the rehabilitation and replacement of existing assets.