



WATERLOO PARK

2020-22 Approved Operating Budget

MOVING FORWARD TOGETHER

APPROVAL: February 10, 2020

BUDGET 2020-22

THE CITY OF 
Waterloo

MEMORANDUM

To: Mayor Jaworsky, members of council and residents of Waterloo

Cc: Corporate management team, operational leadership team

Date: February 10, 2020

From: Keshwer Patel, Commissioner, Corporate Services, Chief Financial Officer and Treasurer;
Filipa Reynolds, Deputy Chief Financial Officer and Director of Financial Planning

Subject: 2020-2022 Operating Budget – Moving Forward Together

Council's Strategic Plan sets the foundation for the budget process as it identifies the highest priorities for the City and outlines actions necessary to reach those goals. The City of Waterloo 2019-2022 Strategic Plan was approved by Council on June 24, 2019. The plan's framework includes an updated corporate mission, vision and guiding principles. There are 6 strategic pillars, 6 goals, and 19 objectives. Nearly 11,000 members of our community including residents, business and education leaders, city council, post-secondary students and city staff provided input into the strategic plan. This new strategic plan will be mobilized through the 2020-2022 budget and business plans. In addition staff will continue to deliver exceptional core services while also implementing key initiatives as highlighted for 2020-2022.

Open and transparent government remains a priority for city council and staff. To continue to build on the momentum created by the public's involvement in the 2019-2022 strategic plan, city staff presented the 2020-2022 business plans for each service area during the month of January 2020 and citizens were welcome to participate in the discussion. A financial summary along with references to the associated operating and capital items is included in the business plans connecting the various budget documents together.

The City of Waterloo believes that public engagement is an important part of good governance. The 2020-2022 budget was informed by recent public engagement initiatives implemented by the city, most notably the 2019-2022 strategic plan engagement and the 2019 Asset Management project specific public engagement efforts. For the 2020-2022 budget process, staff increased promotion of the online engagement and used the City's website, social media channels, and traditional advertisements in the Waterloo Chronicle. Staff also used topics of interest as 'gateways' to promote the budget engagement in December and January, as suggested by Council during the previous budget debrief session. This engagement survey was launched on December 10, 2019 through to January 11, 2020 via *engageWaterloo*.

The Budget in Brief has been created to provide a quick snapshot of the 2020-2022 budget including the budget goals, key investments and budget allocations by major service delivery areas. This budget presentation tool has also been modified based on feedback from Council during the previous budget debrief session

As with all other cities, we are faced with competing pressures to address infrastructure needs and growth related needs, investing in services that enhance our community and keeping affordability in mind when setting budgets. The city is also faced with urban issues of affordable housing, enabling a modal shift to increased use of active transportation, and investing in neighbourhoods and communities. These challenges and the aspiration to address them is incorporated in council's 2019-2022 strategic plan.

Based on these factors, the 2020-2022 budget – moving forward together aims to work on these strategic priorities while delivering on our core services, through four main goals:

1. Support for existing programs & services
2. Operating funding to support new capital assets
3. Service delivery enhancements and additions as supported by the new strategic plan
4. Increased investment in infrastructure renewal

All of the 2020-2022 budget items can be viewed in more detail and are available on the city's website at [Budget 2020-22](#).

Operating budget highlights

The operating budget covers the day-to-day operations and maintenance of the city and funds important municipal services and programs such as:

- Recreation
- Fire protection services
- Snow removal
- Water and sewer services
- Municipal enforcement
- Road maintenance and repair
- Arts and culture programs



Key investments in the strategic plan

The 2020-2022 operating budget includes an investment of \$16.1 million towards the strategic priority areas. These commitments are funded by a combination of Tax Base and Enterprise funding. Investments include:

- Truth and Reconciliation Action Plan Implementation (S7) - Equity, inclusion and a sense of belonging
- SWR evolGREEN Funding Support (B22) - Sustainability and the environment
- Traffic Technician (B46) - Safe, sustainable transportation
- Neighbourhood Strategy Implementation (S5) - Healthy community & resilient neighbourhoods
- Increased Infrastructure Funding as per LTFP (CIRRF) (I6R) - Infrastructure renewal
- Municipal Accommodation Tax (Hotel Tax) Spending Plan (B27) - Economic growth & development
- Election Reserve Transfer Increase (B41) - Supporting the Strategic Plan Guiding Principles

In addition, on November 18, 2019 the City of Waterloo declared a climate emergency and formally adopted a Corporate emissions target of a minimum 80% reduction in GHG emissions below 2011 levels by 2050. Council directed staff to report back in 2020 with terms of reference for this plan and a proposed timeline for prompt implementation. Investments included in the 2020-2022 budget and future budget will be required to achieve this goal.

Efficiencies & Improvements

As part of each budget cycle, staff looks to include sustainable efficiencies and revenue opportunities to help deliver the important day-to-day services our residents have come to expect while maintaining a moderate tax rate increase. For 2020-2022, \$2.7 million in budget efficiencies and revenue opportunities have been included in the budget. Highlights include:

- ✓ B2 Municipal Accommodation Tax (Hotel Tax) Revenue \$(250,000)
- ✓ B6 Administrative Monetary Penalties Program \$(126,800)
- ✓ B11 Increased Investment Income Revenue \$(300,000)
- ✓ B17 Facilities Utilities/Energy Savings \$(300,000)
- ✓ B18 Streetlight Electricity Savings from LED Implementation \$(83,000)
- ✓ B19 Telephone Contract Savings \$(48,000)
- ✓ B20 Vacancy Rebate Program \$(160,000)

Key facts and figures

- 2020-2022 tax increases at or below inflation for Base Budget and Operating Impact of Capital & Growth
- 2020-2022 tax increases above inflation for Service Level Changes and Infrastructure Investments

Budget Category	2020 Budget (%)	2021 Budget (%)	2022 Budget (%)
Base Budget ¹	0.9%	1.1%	1.3%
Operating Impact of Capital	0.7%	0.8%	0.5%
Sub-Total	1.6%	1.9%	1.8%
Service Level Changes	1.1%	0.4%	0.1%
Infrastructure Investment	0.7%	1.2%	1.2%
TOTAL	3.4%	3.5%	3.1%

¹ Includes Assessment Growth

- Average annual property tax household increase over 2020-2022 of \$44 (rounded)

Utilities Rates:

Combined annual water, sanitary sewer and stormwater rate increase based on average household consumption:

Increase from	2020 (\$)	2020 (%)	2021 (\$)	2021 (%)	2022 (\$)	2022 (%)
City of Waterloo	\$27.00	2.5%	\$27.09	2.4%	\$23.39	2.0%
Region of Waterloo	\$14.87	1.4%	\$18.47	1.7%	\$20.29	1.8%
Total	\$41.87	3.9%	\$45.56	4.1%	\$43.68	3.8%

includes monthly service charge

Total operating budget:

For 2020-2022, the gross operating expenditures with gross revenues that result in a net operating budget are:

Description	2020 (millions)	2021 (millions)	2022 (millions)
Gross operating expenditures	\$190.7	\$197.9	\$204.8
Enterprise revenues (including transfer from Reserves)	(\$67.0)	(\$69.5)	(\$71.9)
User fees & other revenue	(\$44.2)	(\$45.0)	(\$45.9)
Net operating budget	\$79.4	\$83.3	\$87.0

**figures subject to rounding*

Respectfully,



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SECTION #1
Community Investment

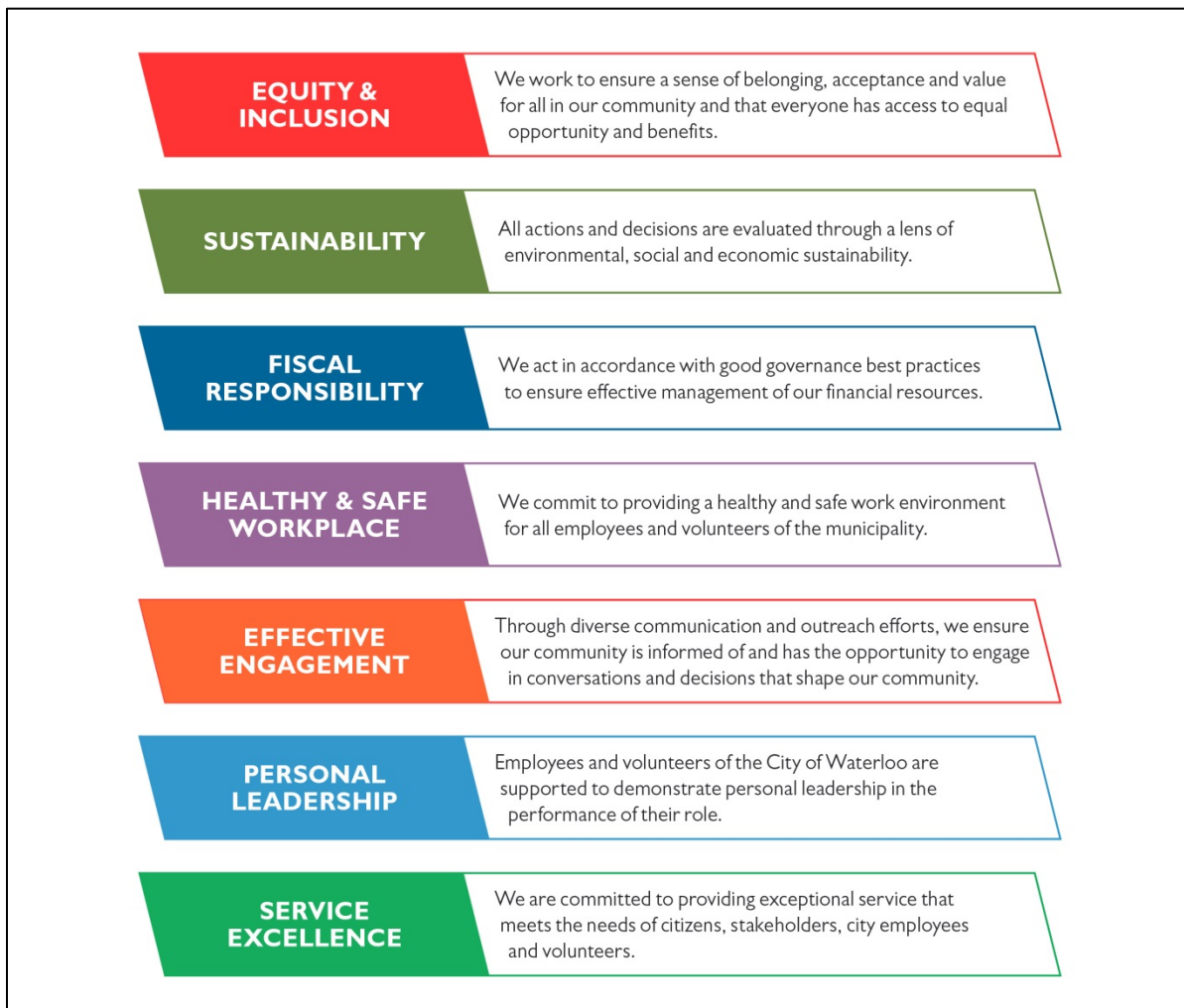
2020-2022 OPERATING BUDGET - STRATEGIC PLAN INVESTMENTS

The City of Waterloo 2019-2022 Strategic Plan was approved by Council on June 24, 2019. The plan’s framework includes an updated corporate mission, vision and guiding principles. There are seven Guiding Principles, six Strategic Pillars, and 19 Objectives. Council’s Strategic Plan sets the foundation for the budget process as it identifies the highest priorities for the City and outlines actions necessary to reach those goals. This new Strategic Plan will be mobilized through the 2020-2022 budget and business plans.

2019-2022 Strategic Plan

Our Guiding Principles

These seven principles serve as a common lens to guide our decision-making as we work to achieve the goals and objectives of our 2019-2022 Strategic Plan:



EQUITY & INCLUSION	We work to ensure a sense of belonging, acceptance and value for all in our community and that everyone has access to equal opportunity and benefits.
SUSTAINABILITY	All actions and decisions are evaluated through a lens of environmental, social and economic sustainability.
FISCAL RESPONSIBILITY	We act in accordance with good governance best practices to ensure effective management of our financial resources.
HEALTHY & SAFE WORKPLACE	We commit to providing a healthy and safe work environment for all employees and volunteers of the municipality.
EFFECTIVE ENGAGEMENT	Through diverse communication and outreach efforts, we ensure our community is informed of and has the opportunity to engage in conversations and decisions that shape our community.
PERSONAL LEADERSHIP	Employees and volunteers of the City of Waterloo are supported to demonstrate personal leadership in the performance of their role.
SERVICE EXCELLENCE	We are committed to providing exceptional service that meets the needs of citizens, stakeholders, city employees and volunteers.

Our Strategic Pillars

This strategic plan provides a common focus for council and staff. Here are our most important priorities for the next four years:

	EQUITY, INCLUSION AND A SENSE OF BELONGING Strengthen Waterloo as a diverse and inclusive community.
	SUSTAINABILITY & THE ENVIRONMENT Transform Waterloo to be an environmentally, economically and socially sustainable community.
	SAFE, SUSTAINABLE TRANSPORTATION Improve all modes of transportation to make Waterloo more mobile, accessible and connected.
	HEALTHY COMMUNITY & RESILIENT NEIGHBOURHOODS Position Waterloo as a strong and resilient community.
	INFRASTRUCTURE RENEWAL Focus on infrastructure needs through effective planning and engagement.
	ECONOMIC GROWTH & DEVELOPMENT Foster a robust and diversified economy.

Budget by Strategic Pillars

The 2020-2022 operating budget includes increased investment of \$16.1 million towards the strategic pillars. These community investments are funded by a combination of Tax Base (T) and Enterprise (E) funding.

Initiatives have been classified under one strategic plan pillar in order to avoid duplication of investments; however some initiatives are related to more than one area. For example the Waterloo Memorial Rec Complex Op Impacts (G10) has been classified as Healthy Community and Resilient Neighbourhoods. However G10 would also relate to Equity, Inclusion and a Sense of Belonging and Infrastructure Renewal.

2020-2022 Operating Budget - Strategic Plan Investments				
Strategic Priorities	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
Equity, inclusion and a sense of belonging	225,859	249,522	150,520	625,901
Sustainability and the environment	592,355	1,571,953	1,671,966	3,836,274
Safe, sustainable transportation	131,300	23,500	6,700	161,500
Healthy community & resilient neighbourhoods	1,183,292	856,156	766,339	2,805,787
Infrastructure renewal	2,924,257	2,290,409	2,245,422	7,460,088
Economic growth & development	270,154	9,757	78,882	358,793
Supporting the Strategic Plan Guiding Principles	380,300	324,272	125,000	829,572
Total Strategic Plan Investments	5,707,517	5,325,569	5,044,829	16,077,915

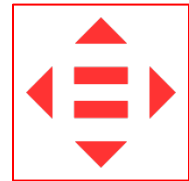
Note 1 – The 2020-2022 capital budget includes an investment of \$275.5 million towards the strategic pillars. Please see the 2020-2022 capital budget for further details.

Note 2 – Tax Base funded items shown as (T)

Note 3 – Enterprise funded items shown as (E)

Note 4 – Sustainability and the Environment shown net of savings

EQUITY, INCLUSION AND A SENSE OF BELONGING



Equity, Inclusion and a Sense of Belonging - In creating a city that supports a strong sense of belonging and access to opportunity for all, we recognize that our operations, programs and approach to service delivery should consider circumstances and solutions to respond to systemic barriers.

For 2020-2022 the following investments in Equity, Inclusion and a Sense of Belonging are:

2020-2022 Operating Strategic Plan Investments - Equity, Inclusion and a Sense of Belonging							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B26R	CAO Administration	Physician Recruitment	T	20,000	20,000	20,000	60,000
B29	Comm. Prog. & Outreach	Agreement with City of Kitchener for Persons with Disabilities Services	T	50,000	-	-	50,000
B37	Human Resources	Sick Leave / Accommodation - Third Party Review	T	20,000	-	-	20,000
B38	Human Resources	Reference Checking - Third Party Service	T	20,000	-	-	20,000
S6	Comm. Prog. & Outreach	Diversity, Equity & Inclusion Community Support Resources	T	30,000	-	-	30,000
S7	Comm. Prog. & Outreach	Truth and Reconciliation Action Plan Implementation	T	50,000	-	-	50,000
M2R	Corporate Trans	Affordable Housing	T		100,000	-	100,000
M3	Comm. Prog. & Outreach	LHIN Programs Gap Funding	T	35,859	18,758	19,679	74,296
M7	City wide	Living Wage - Hourly/Part Time Wage Increase	T		110,764	110,841	221,605
TOTAL - Equity, Inclusion and a Sense of Belonging				225,859	249,522	150,520	625,901

Note – The 2020-2022 capital budget includes an investment of \$1.5 million in Equity, Inclusion and a Sense of Belonging. Please see the 2020-2022 capital budget for further details.

SUSTAINABILITY & THE ENVIRONMENT



Sustainability and the Environment - The City of Waterloo is committed to environmental, economic and social sustainability. It recognizes its leadership role in minimizing its environmental impact, prudently managing financial resources considering current and future needs; and creating processes, systems, and relationships that promote social sustainability and actively contribute to healthy and livable communities.

For 2020-2022 the following investments in Sustainability and the Environment are:

2020-2022 Operating Strategic Plan Investments - Sustainability and the Environment							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B17	Fac Design & Mgmt	Facilities Utilities/Energy Savings	T	-	(200,000)	(100,000)	(300,000)
B18	Fac Design & Mgmt	Streetlight Electricity Savings from LED Implementation	T	(83,000)	-		(83,000)
B22	Economic Development	SWR evolvGREEN Funding Support	T	45,000	45,000	45,000	135,000
G8R	Environment & Parks	Op Impacts of Park Services Capital Projects	T	-	194,762	155,582	350,344
S3	CAO Administration	Director of Innovation and Strategic Initiatives	T	183,681			183,681
G15	Fac Design & Mgmt / City Utilities	Op Impacts - Excavation & Fill Pile Storage Facility (Tax Base)	T/E	-	40,000	-	40,000
B62	City Utilities	Water Wholesale Purchase Increase	E	296,575	317,799	439,493	1,053,867
B63	City Utilities	Sanitary Sewer Wholesale Treatment	E	10,029	1,169,169	1,126,512	2,305,710
B66	City Utilities	Stormwater Credit Payouts	E	5,070	5,223	5,379	15,672
M1R	Fac Design & Mgmt	Energy Manager	T	110,000			110,000
M4	Recreation Services	Eliminate Sale of Bottled Water	T	25,000			25,000
TOTAL - Sustainability and the Environment				592,355	1,571,953	1,671,966	3,836,274

Note – The 2020-2022 capital budget includes an investment of \$21.6 million in Sustainability and the Environment. Please see the 2020-2022 capital budget for further details.

Note – Sustainability and the Environment shown net of savings.

SAFE, SUSTAINABLE TRANSPORTATION



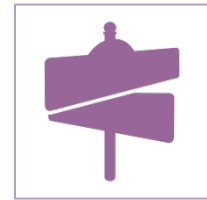
Safe, Sustainable Transportation - Safe, sustainable transportation exists when all users and all modes of transportation are able to share roadways and trail systems safely; when traffic speeds respect the safety of the community; when policy and planning supports the development and maintenance of sustainable infrastructure; and when more residents are able to rely on sustainable modes of transportation such as public transit or active transportation to get where they need to go.

For 2020-2022 the following investments in Safe, Sustainable Transportation are:

2020-2022 Operating Strategic Plan Investments - Safe, Sustainable Transportation							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B46	Transportation Services	Traffic Technician	T	105,300	-	-	105,300
B47	Transportation Services	Burnside Mobile Agreement	T	20,000	-	-	20,000
G18	Transportation Services	Op Impacts of Transportation Capital Projects	T	6,000	23,500	6,700	36,200
TOTAL - Safe, Sustainable Transportation				131,300	23,500	6,700	161,500

Note – The 2020-2022 capital budget includes an investment of \$9.7 million in Safe, Sustainable Transportation. Please see the 2020-2022 capital budget for further details.

HEALTHY COMMUNITY & RESILIENT NEIGHBOURHOODS



Healthy Community and Resilient Neighbourhoods - Investing in the capacity of people to work together to resolve challenges and maximize opportunities helps to build healthy, resilient neighbourhoods that collectively form our community. The city is committed to continuously creating and improving physical, cultural and social environments and to enhancing resources to foster collaboration, community pride, healthy neighbourhoods and a strong community.

For 2020-2022 the following investments in Healthy Community and Resilient Neighbourhoods are:

2020-2022 Operating Strategic Plan Investments - Healthy Community and Resilient Neighbourhoods							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B30	Environment & Parks	Supervisor of Park Operations	T	142,580	-	-	142,580
B34	Fire Rescue Services	Fire Prevention Officer	T	-	-	157,115	157,115
B36	Municipal Enforcement	Kitchener-Waterloo Humane Society Contract Renewal	T	-	-	9,500	9,500
B45	Planning	Heritage Reserve - Ongoing Funding	T	30,000	-	-	30,000
G1	Fac Design & Mgmt	East Side Branch Library Building and Site Maintenance	T	-	31,332	16,606	47,938
G2	Recreation Services	East Side Branch Library Occupancy Charge	T	134,106	87,651	46,455	268,212
G3	Library	ESBL Op Impacts - Use of Assessment Growth	T	-	87,440	85,000	172,440
G4	Library	Waterloo Public Library Funding Agreement	T	172,742	162,347	182,358	517,447
G5	Economic Development	Public Art Implementation Op Impacts of Capital	T	-	-	1,000	1,000
G7	Comm. Prog. & Outreach	Dedicated Museum Website Op Impacts of Capital	T	5,000	-	-	5,000
G10	Recreation Services	Waterloo Memorial Rec Complex Op Impacts	T	193,934	255,659	147,191	596,784

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2020-2022 Operating Strategic Plan Investments - Healthy Community and Resilient Neighbourhoods							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
S1	Economic Development	Canada Day Programming Event	T	100,000	-	-	100,000
S2	Library	ESBL Op Impacts - Tax Increase Above Inflation Funding	T	250,000	165,992	106,114	522,106
S5	Comm. Prog. & Outreach	Neighbourhood Strategy Implementation	T	139,930	15,735	-	155,665
S8	Recreation Services	AMCC Part-Time Customer Service	T	-	35,000	-	35,000
M6R	Recreation Services	Increase Foundational Grant Funding for Affiliated Groups	T	15,000	15,000	15,000	45,000
TOTAL - Healthy Community and Resilient Neighbourhoods				1,183,292	856,156	766,339	2,805,787

Note – The 2020-2022 capital budget includes an investment of \$37.5 million in Healthy Community and Resilient Neighbourhoods. Please see the 2020-2022 capital budget for further details.

INFRASTRUCTURE RENEWAL



Infrastructure Renewal - Careful, future-focused planning ensures that the city can respond to infrastructure needs today and into the future; ensuring that the city maintains existing infrastructure, while planning for new growth and development.

For 2020-2022 the following investments in Infrastructure Renewal are:

2020-2022 Operating Strategic Plan Investments - Infrastructure Renewal							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B24	Corp Trans	Contrib. to CRF and CIRRF from Assessment Growth	T	718,843	440,000	440,000	1,598,843
B31	Fac Design & Mgmt	Supervisor of Building Maintenance	T	142,580	-	-	142,580
B43	Corp Trans	Inflationary Contribution to CIRRF	T	165,205	235,506	257,248	657,959
B44	Corp Trans	Inflationary Contribution to CRF	T	158,953	101,237	101,429	361,619
G9	Fac Design & Mgmt	Facility Design & Management Op Impacts of Capital	T	-	-	13,500	13,500
G11	IMTS	Fibre Network Infrastructure Op Impacts of Capital	T	30,700	-	-	30,700
G12	IMTS	Infrastructure Virtualization Op Impacts of Capital	T	82,153	-	-	82,153
G13	City wide	Fleet Equipment Expansion Op Impacts of Capital	T	50,000	50,000	50,000	150,000
G16	Engineering Services	Op Impacts of Engineering Services Capital Projects	T	-	19,900	18,925	38,825
G17	Planning	Op Impacts of Planning Capital Projects	T	-	17,452	111,317	128,769
I1	Asset Mgmt	Asset Management Analyst	T	-	107,340	-	107,340
I2	Asset Mgmt	Data Management Analyst	T	107,340	-	-	107,340
I3	Environment & Parks	Increased Preventative Mtc Funding for Env & Parks	T	135,000	-	-	135,000
I4	Fac Design & Mgmt	Increase Preventative Maintenance Funding for Facilities	T	-	-	145,000	145,000
I5	Fleet & Procurement	Procurement Specialist Position	T	121,005	-	-	121,005
I6R	Corp Trans	Increased Infrastructure Funding as per LTFP (CIRRF)	T	601,993	721,832	816,000	2,139,825
I7	Transportation Services	Increased Preventative Mtc Funding for Transportation	T	-	140,000	-	140,000

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2020-2022 Operating Strategic Plan Investments - Infrastructure Renewal							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B67	City Utilities	City Utilities Operators - Wat	E	182,622	(1,000)	-	181,622
B68	City Utilities	City Utilities Operator - Sani	E	-	91,311	(500)	90,811
B69	City Utilities	City Utilities Field Staff - Swm	E	-	86,370	(500)	85,870
B70	City Utilities	Manager of Stormwater & Construction	E	165,462	(8,000)	-	157,462
B71	City Utilities	Supervisor of Stormwater & Construction	E	143,528	(3,000)	-	140,528
G19	City Utilities	Stormwater Debenture Payments	E	(31,704)	205,562	204,559	378,417
G20	City Utilities	Sanitary Sewer Inflationary Increases	E	32,833	33,474	34,395	100,702
G21	City Utilities	Water Distribution Inflationary Increases	E	28,651	29,208	30,188	88,047
G22	City Utilities	Stormwater Inflationary Increases	E	22,274	23,217	23,861	69,352
M10ab	City Utilities	Stormwater Inflationary Increases	E	66,819			66,819
TOTAL - Infrastructure Renewal				2,924,257	2,290,409	2,245,422	7,460,088

Note – The 2020-2022 capital budget includes an investment of \$133.3 million in Infrastructure Renewal. Please see the 2020-2022 capital budget for further details.

Note – Infrastructure renewal includes both rehabilitation and some growth related investments.

ECONOMIC GROWTH & DEVELOPMENT



Economic Growth & Development - The goal of economic growth and development is to create a diverse economy that works for all, where all can work. The city is committed to placing emphasis on fostering job growth that maximizes opportunities within the local labour market through the provision of employment that aligns supply and demand.

For 2020-2022 the following investments in Economic Growth & Development are:

2020-2022 Operating Strategic Plan Investments - Economic Growth & Development							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B27	Economic Development	Municipal Accommodation Tax (Hotel Tax) Spending Plan	T	250,000	-	-	250,000
B28	Strategic Initiatives	WLU CityStudio Program Funding	T	10,000	-	-	10,000
G6	Economic Development	Op Impacts of Capital - WSEL Servicing	T	-	-	68,926	68,926
G23	Economic Development	Parking Enterprise Inflationary Increase	E	10,154	9,757	9,956	29,867
TOTAL - Economic Growth & Development				270,154	9,757	78,882	358,793

Note – The 2020-2022 capital budget includes an investment of \$42.8 million in Economic Growth & Development. Please see the 2020-2022 capital budget for further details.

SUPPORTING THE STRATEGIC PLAN GUIDING PRINCIPLES



Supporting the Strategic Plan Guiding Principles – These principles serve as a common lens to guide our decision-making as we work to achieve the goals and objectives of the Strategic Plan.

- Equity & inclusion
- Sustainability
- Fiscal responsibility
- Healthy & safe workplace
- Effective engagement
- Personal leadership
- Service excellence

For 2020-2022 the following investments Supporting the Strategic Plan Guiding Principles are:

2020-2022 Operating Strategic Plan Investments - Supporting the Strategic Plan Guiding Principles							
Ref #	Division	Budget Request Name	T/E	2020 (\$)	2021 (\$)	2022 (\$)	TOTAL (\$)
B32	Fac Design & Mgmt	Real Estate and Property Management Position	T	-	89,972	-	89,972
B33	Fac Design & Mgmt	Waterloo City Hall Lease Revenue Reduction	T	66,000	-	-	66,000
B39	IMTS	IMTS Network Analyst Position	T	109,300	-	-	109,300
B40	IMTS	IMTS Systems Analyst Position	T		109,300	-	109,300
B41	Legislative Services	Election Reserve Transfer Increase	T	30,000			30,000
B42	City wide	Commissioner Special Projects	T	125,000	125,000	125,000	375,000
S4	Legal Services	Part-time Associate City Solicitor-Prosecutor	T	50,000	-	-	50,000
TOTAL - Supporting the Strategic Plan Guiding Principles				380,300	324,272	125,000	829,572

Note – The 2020-2022 capital budget includes an investment of \$29.1 million Supporting the Strategic Plan Guiding Principles. Please see the 2020-2022 capital budget for further details.

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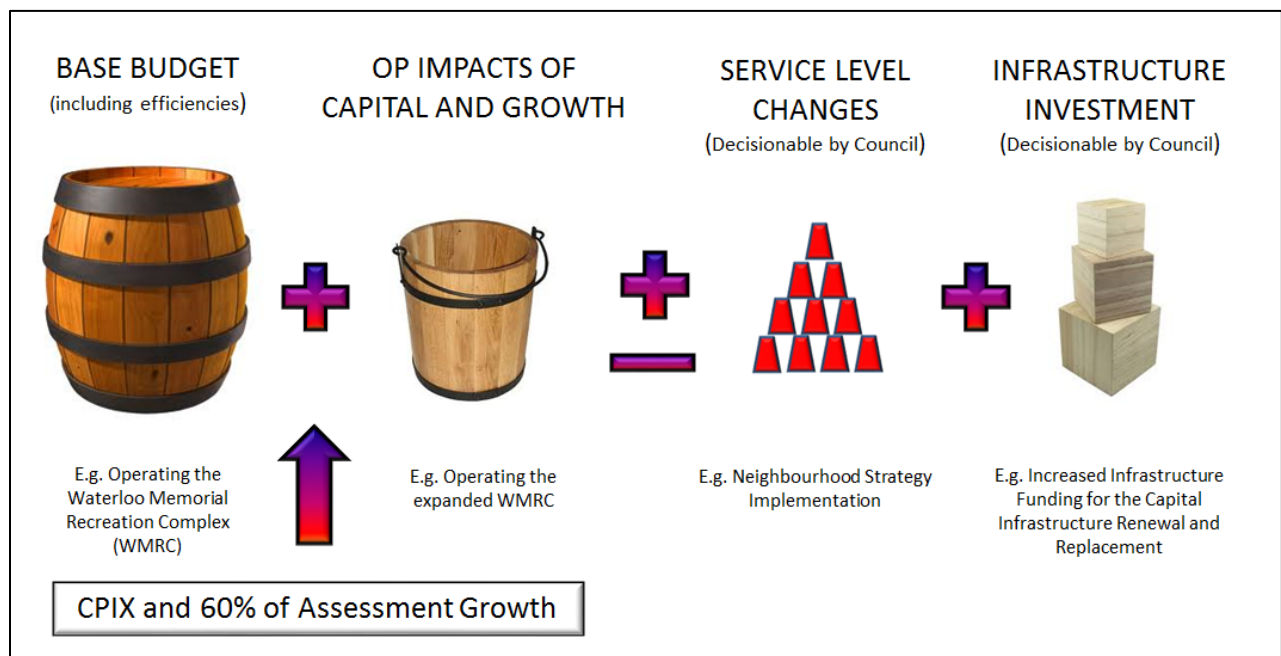
SECTION #2
Budget Highlights

2020-2022 BUDGET LEGEND

The operating budget has been categorized into four categories (with sub-categories) to enhance transparency, accountability, assist Council in decision making and to align with Corporate Policy FC-019 – Core Consumer Price Index (CPIX) which states:

- CPIX be used as a guideline for property tax increases.
- Staff are to strive to keep increases as close to inflation as possible for the **base budget** (including efficiencies) and **operating impacts of capital and growth**.

Imagine: operating budget ‘buckets’:



The four categories are:

I. BASE BUDGET

Base budget requests include adjustments to maintain current service levels, adjustments to existing fee volumes, regular fee increases and efficiencies.

Sub-Categories

- Funding** – Funding increases associated with Department/Divisional fee increases (in line with CPIX), Assessment Growth and new revenue opportunities.
 - Example - Administrative Monetary Penalties Program (B6)
- Efficiency** - The savings incorporated into the operating budgets that are the results of new processes, procedures and projects that facilitate operational savings.
 - Example - Telephone Contract Savings (B19)

- c) Committed - Items committed through council resolution.
 - Example - SWR evolGREEN Funding Support (B22)
- d) Recommended - Items reviewed and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for council's approval.
 - Example – Supervisor of Park Operations (B30)

2. OPERATING IMPACT OF CAPITAL & GROWTH

Operating impact requests are the operating cost of capital projects. The impacts of capital are generated as a result of previously approved capital projects or capital projects included within the capital budget that will have an impact to the operating budget. It also includes growth related operating costs.

Sub-Categories

- a) Committed - Items committed through council resolution.
 - Example – East Side Branch Library – Use of Assessment Growth (G3)
- b) Recommended - Items reviewed and prioritized by the CMT/OLT Budget Committee to move forward for council's approval.
 - Example – Infrastructure Virtualization Op Impacts of Capital (G12)

3. SERVICE LEVEL CHANGES

Service level impacts are increases or decreases to existing service levels.

Sub-Categories

- a) Increase – Items that are increases in service level when compared to the prior year operating budget and prioritized by the CMT/OLT Budget Committee to move forward for council's approval.
 - Example - Truth and Reconciliation Action Plan Implementation (S7)
- b) Decrease - Items that are decreases in service level when compared to the prior year operating budget and prioritized by the CMT/OLT Budget Committee to move forward for council's approval.
 - Example – N/A

4. INFRASTRUCTURE INVESTMENT

Infrastructure Investment increases as recommended by the Long Term Financial Plan to address the City's infrastructure funding gap.

Sub-Categories

- a) Increase – Items that are increases in infrastructure investment recommended by the Long Term Financial Plan to address the City's infrastructure funding gap and phased in & prioritized by the CMT/OLT Budget Committee to move forward for council's approval.
- Example - Increased Infrastructure Funding as per LTFP (CIRRF) (I6R)

ONE-TIME REQUEST

In addition, there are occasions where the need for resources is temporary and one time only. In such situations, these requests have been funded from reserves or the tax rate one time only and reverse the following year. These requests have also been grouped into the above mentioned categories, but shown as One-Time on the budget request.

- Example - Physician Recruitment (B26R)

2020-2022 BUDGET CHANGES

2020-2022 Operating Budget Summary

Tax Supported Budget by Category:

Budget Category	2020 Spending (\$) ¹	Assessment Growth (\$) ²	2020 Property Tax Net (\$)	2020 Property Tax (%)
Base Budget	2,648,700	(1,950,343)	698,357	0.9%
Operating Impact of Capital & Growth	524,000		524,000	0.7%
Sub-Total	3,172,700	(1,950,343)	1,222,357	1.6%
Service Level Changes	788,548		788,548	1.1%
Infrastructure Investment	509,825		509,825	0.7%
TOTAL	4,471,073	(1,950,343)	2,520,730	3.4%

Budget Category	2021 Spending (\$) ¹	Assessment Growth (\$) ²	2021 Property Tax Net (\$)	2021 Property Tax (%)
Base Budget	1,945,972	(1,100,000)	845,972	1.1%
Operating Impact of Capital & Growth	667,216		667,216	0.8%
Sub-Total	2,613,188	(1,100,000)	1,513,188	1.9%
Service Level Changes	316,727		316,727	0.4%
Infrastructure Investment	916,683		916,683	1.2%
TOTAL	3,846,598	(1,100,000)	2,746,598	3.5%

Budget Category	2022 Spending (\$) ¹	Assessment Growth (\$) ²	2022 Property Tax Net (\$)	2022 Property Tax (%)
Base Budget	2,215,545	(1,100,000)	1,115,545	1.3%
Operating Impact of Capital & Growth	406,657		406,657	0.5%
Sub-Total	2,622,202	(1,100,000)	1,522,202	1.8%
Service Level Changes	106,114		106,114	0.1%
Infrastructure Investment	961,000		961,000	1.2%
TOTAL	3,689,316	(1,100,000)	2,589,316	3.1%

- 1) Includes approximately \$2.7 million in efficiencies and improvements over 2020-2022
- 2) Assessment Growth of \$1.95 million or 2.6% (2020), \$1.1 million or 1.4% (2021) and \$1.1 million or 1.3% (2022)

2020-2022 BUDGET CHANGES (CONTINUED)

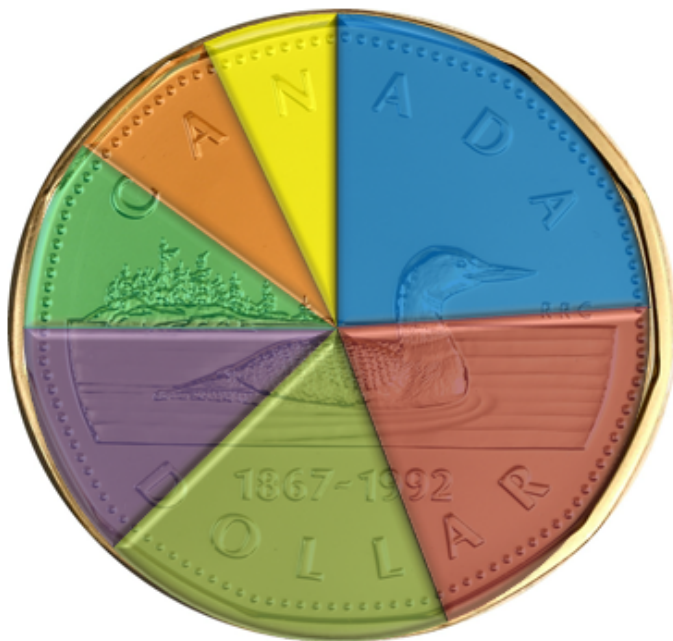
Tax Supported Investments by Major Service Delivery Areas:

Service Delivery Area	2020 (\$)	2020 (%)	2021 (\$)	2021 (%)	2022 (\$)	2022 (%)
Operating Transfers to Capital/Reserves	2,021,813	1.5%	1,188,905	1.1%	1,454,347	1.2%
Parks, Recreation, Community and Culture	1,470,337	1.1%	824,822	0.7%	396,187	0.3%
Transportation and Development Services	404,597	0.3%	409,068	0.4%	376,411	0.3%
Waterloo Public Library	172,742	0.1%	794,117	0.7%	517,196	0.5%
Fire Rescue and Municipal Enforcement	374,185	0.3%	415,920	0.4%	568,254	0.5%
Facility Design and Management	565,765	0.4%	145,479	0.1%	172,892	0.2%
Civic Administration	(538,365)	-0.3%	68,287	0.1%	204,029	0.2%
TOTAL	4,471,074	3.4%	3,846,598	3.5%	3,689,316	3.1%

WHAT SERVICES WILL YOUR 2020-2022 CITY TAX DOLLARS BUY?

Every day your tax dollars provide programs and services to improve the quality of life for you and your family. On a typical day, citizens receive good value for their property taxes by using city services or observing these services at work in the community. This value for money is illustrated below in Figure #1, which outlines how every \$1 of City property taxes is reinvested in the community.

Figure #1 - City Services per each \$1:

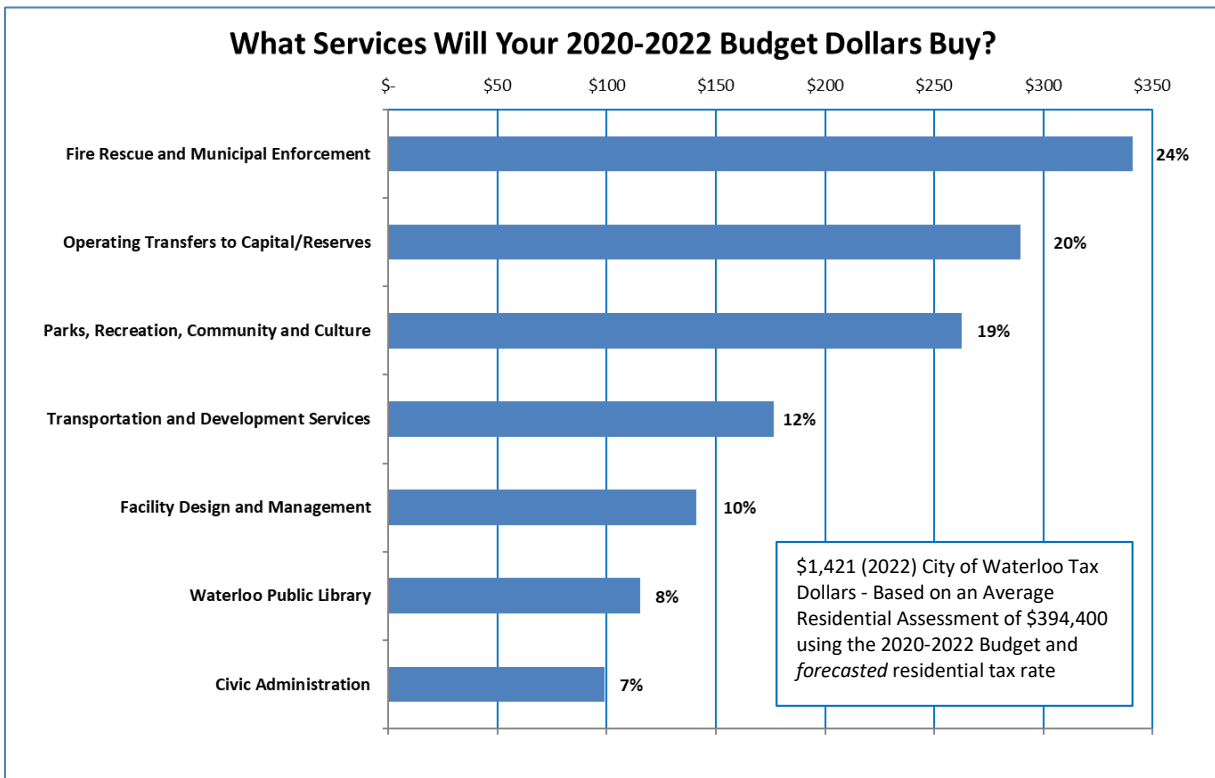


<u>Amount</u>	<u>Description</u>
24 ¢	Fire Rescue and Municipal Enforcement
20 ¢	Operating Transfers to Capital
19 ¢	Parks, Recreation, Community and Culture
12 ¢	Transportation and Development Services
10 ¢	Facility Design & Management
8 ¢	Waterloo Public Library
7 ¢	Civic Administration
\$1.00	

**Breakdown is of the 2022 net operating budget figures*

In 2019, the average assessed value for a City of Waterloo residential property was \$394,400. Using the 2022 net operating budget figure of \$87 million and the *forecasted* residential tax rate, the average residential Waterloo property owner will pay approximately \$1,421 in city taxes by 2022. This broken down below in Figure #2 by our seven major service delivery areas.

Figure #2 – City Property Taxes by Major Service Delivery Areas:



2020-2022 OPERATING BUDGET ANNUAL IMPACT PER AVERAGE HOUSEHOLD

Based on the 2019 average assessed value for a City of Waterloo household, the 2020-2022 operating budget will result in an annual increase of \$70.32 for 2020, \$73.14 for 2021 and \$66.23 for 2022 for the City of Waterloo portion of property tax and City Utilities increase.

2020-2022 Approved Operating Budget Annual Impact per Average Household						
	2020		2021		2022	
	\$ Impact	% Impact	\$ Impact	% Impact	\$ Impact	% Impact
*Property Tax Increase - City of Waterloo	\$ 43.32	3.3%	\$ 46.05	3.5%	\$ 42.84	3.1%
**City Utilities Increase to Average Household - City Portion	\$ 27.00		\$ 27.09		\$ 23.39	
Total Increase to Average Household - City of Waterloo	\$ 70.32		\$ 73.14		\$ 66.23	
City Utilities Increase to Average Household - Region Portion	\$ 14.87		\$ 18.47		\$ 20.29	
Total Annual Increase to Average Household	\$ 85.19		\$ 91.61		\$ 86.52	

* Based on 2019 average assessed value of \$394,400 as provided by the Region of Waterloo
 ** Based on average water consumption of 17 m3 per month
 ** Based on Medium Residential Stormwater Category

Local Municipal Rate Comparators - 2020

	Waterloo <i>Lower Tier</i>	Kitchener <i>Lower Tier</i>	Cambridge <i>Lower Tier</i>	Region of Waterloo <i>Upper Tier</i>	Guelph <i>Single Tier</i>
Property Taxes:					
Approved Tax Levy Increase	3.4%	2.1%	3.7%	3.8% ³	3.9%
Preliminary Budget Released Budget Approval Date	09-Dec-19 10-Feb-20	15-Nov-19 20-Jan-20	19-Nov-19 03-Feb-20	13-Nov-19 22-Jan-20	07-Nov-19 03-Dec-19
Utilities:					
Water Rate Increase	3.7%	2.9%	3.8%	1.9%	2.9%
Sewer Rate Increase	3.3%	3.3%	3.3%	3.9%	2.1%
Combined Rate Increase (Water/Sewer)	3.4%	3.1%	3.6%	3.0%	2.5%
HOUSEHOLD IMPACT (Water/Sewer)¹	3.5%	4.2%	4.5%	3.0%	2.1%
Storm Water Household Impact ²	6.9%	5.0%	n/a	n/a	13.7%
Utilities Approval Date Utilities (anticipated) Effective Dates	13-Jan-20 01-Feb-20	02-Dec-19 01-Jan-20	17-Dec-19 01-Jan-20	11-Dec-19 01-Jan-20	13-Nov-19 01-Jan-20

¹ Household Impact also include other fixed fees (if applicable) and takes into account the rate effective dates

² City of Waterloo, Kitchener and Guelph have a separate rate for SWM. Cambridge includes SWM in their property tax rate.

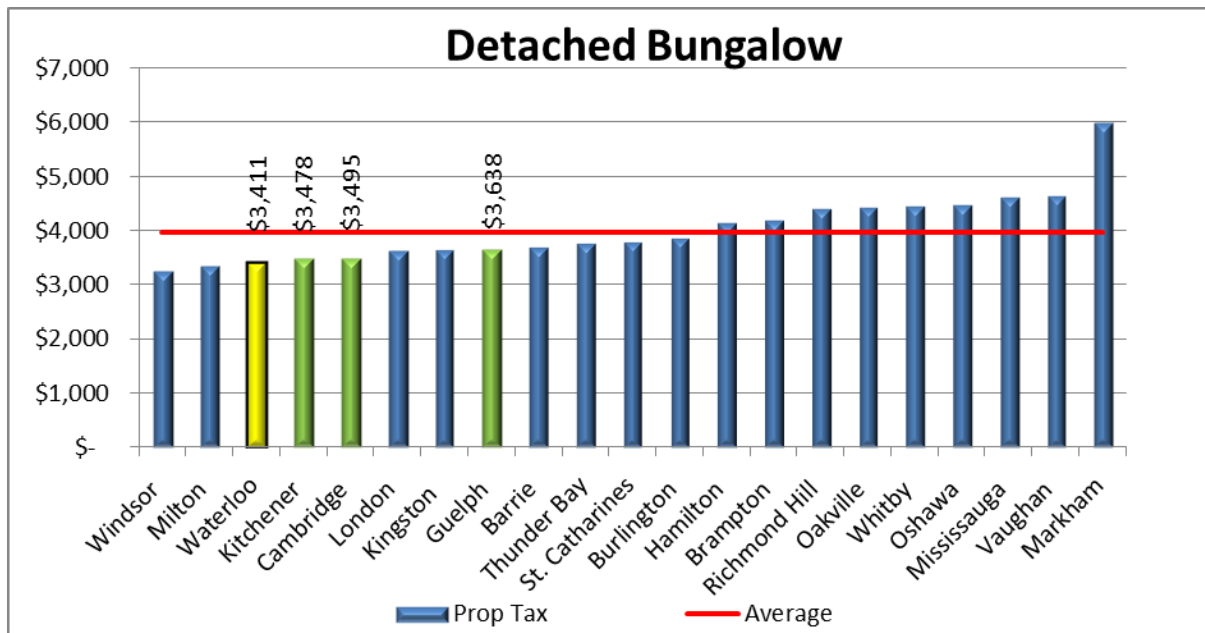
³ Region of Waterloo Tax Levy increase includes Police Services

UPDATED: February 11, 2020

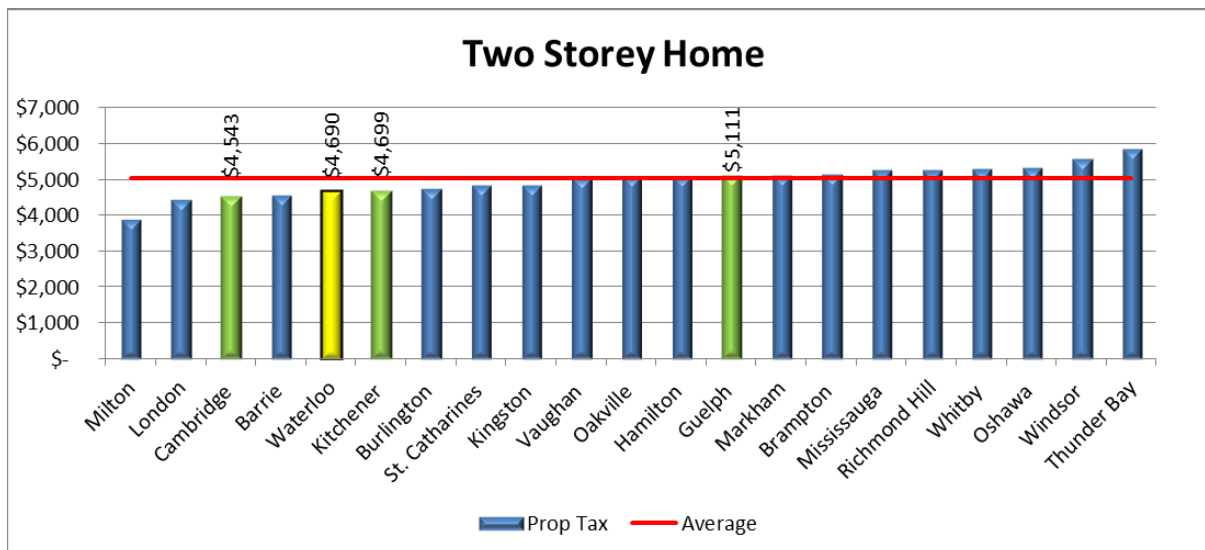
PROPERTY TAX COMPARATORS

Based on the results of the 2018 BMA Municipal Study, annual property taxes for municipalities across Ontario (by four different property types) are shown below. The property taxes shown below include the City, Region and School Board shares. The following four charts provide a visual comparison of four different types of property and where the City of Waterloo is situated (yellow bar).

I. Detached Bungalow¹

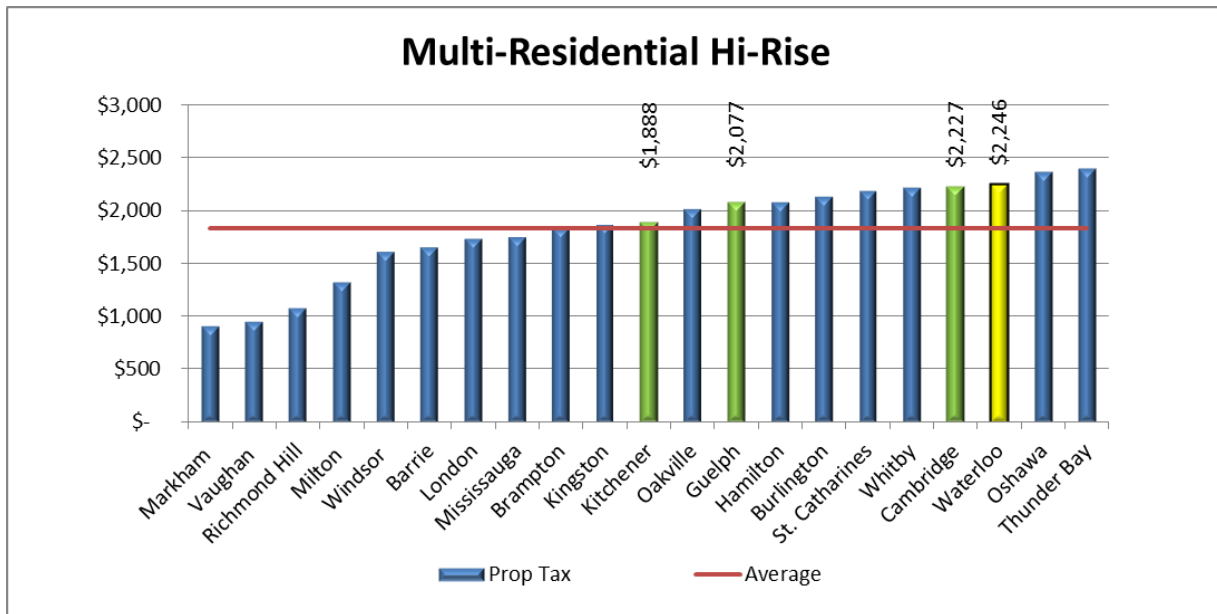


2. Two Storey Home¹

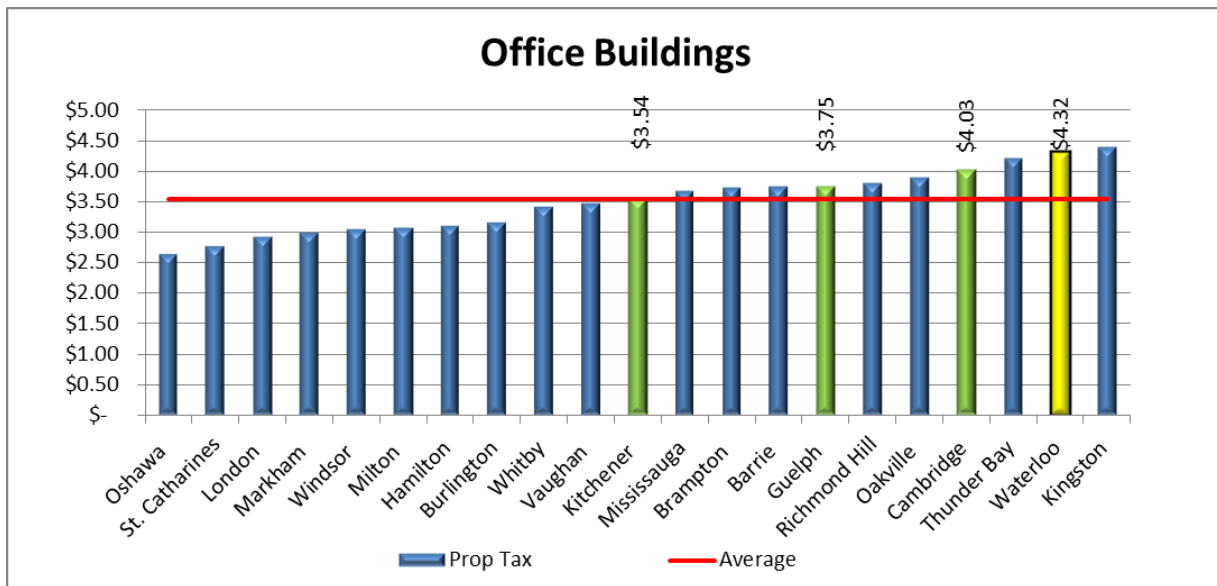


¹ Source BMA Management Consulting Inc., Municipal Study - 2018

3. Multi-Residential Hi-Rise¹



4. Office Building¹



¹ Source BMA Management Consulting Inc., Municipal Study - 2018

2020 City of Waterloo Budget (in 000's)

Department/Division	2019			2020			\$CHANGE 20-19	%CHANGE 20-19
	EXP	REV	NET	EXP	REV	NET		
Chief Administration Office (CAO)	842	(130)	712	1,140	(30)	1,110	398	0.5%
Economic Development	3,933	(1,775)	2,158	4,346	(2,047)	2,299	141	0.2%
Legal Services	650	(68)	581	710	(68)	642	61	0.1%
Total CAO Dept.	5,425	(1,974)	3,451	6,196	(2,145)	4,051	600	0.8%
Comm. Commissioner Office	371	(38)	333	378	(40)	338	5	0.0%
Community Programming & Outreach	5,325	(1,179)	4,146	5,722	(1,199)	4,523	377	0.5%
Environment & Parks	8,884	(2,157)	6,728	9,299	(2,163)	7,136	408	0.5%
Facility Design & Management	9,207	(1,399)	7,808	9,513	(1,333)	8,180	372	0.5%
Fire Rescue	18,641	(342)	18,299	19,025	(345)	18,681	381	0.5%
Municipal Enforcement	4,614	(3,450)	1,164	5,061	(3,904)	1,157	(7)	0.0%
Recreation Services	10,471	(9,825)	646	11,089	(9,899)	1,189	544	0.7%
Total Community Services Dept.	57,512	(18,389)	39,124	60,087	(18,882)	41,204	2,081	2.8%
CFO & Corp. Commissioner Office	363	(49)	315	366	(47)	320	5	0.0%
Communications	1,095	(169)	926	1,110	(169)	941	15	0.0%
Finance	4,076	(1,187)	2,889	4,137	(1,203)	2,934	45	0.1%
Fleet & Procurement	1,930	(1,331)	598	2,083	(1,352)	731	133	0.2%
Human Resources	1,890	(213)	1,678	1,985	(238)	1,747	70	0.1%
Information Systems	4,520	(520)	4,000	4,781	(520)	4,261	261	0.3%
Legislative Services	1,605	(146)	1,459	1,630	(146)	1,484	25	0.0%
Total Corporate Services Dept.	15,479	(3,614)	11,865	16,093	(3,675)	12,419	554	0.7%
IPPW Commissioner Office	834	(938)	(104)	847	(939)	(92)	12	0.0%
Building Standards	3,217	(3,217)	-	3,259	(3,259)	-	-	0.0%
City Utilities	55,910	(55,910)	-	58,492	(58,492)	-	-	0.0%
Engineering Services	3,415	(683)	2,732	3,521	(683)	2,839	107	0.1%
Planning	2,400	(901)	1,498	2,440	(903)	1,537	39	0.1%
Transportation	7,262	(1,884)	5,378	7,533	(1,897)	5,637	259	0.3%
Total Int. Planning & Public Works Dept.	73,038	(63,534)	9,504	76,093	(66,173)	9,920	417	0.5%
Library	5,559		5,559	5,732		5,732	173	0.2%
Corporate Transactions	24,489	(19,027)	5,462	26,517	(20,407)	6,109	647	0.9%
Total Other	30,048	(19,027)	11,021	32,249	(20,407)	11,841	820	1.1%
GRAND TOTAL BUDGET	181,502	(106,538)	74,965	190,717	(111,282)	79,436	4,471	
Tax Increase							2,521	3.4%
Assessment Growth							1,964	2.4%
Prior Year Assessment Growth adjustment							(14)	0.0%
Total Change							4,471	

2021 City of Waterloo Budget (in 000's)

Department/Division	2020			2021			\$CHANGE 21-20	%CHANGE 21-20
	EXP	REV	NET	EXP	REV	NET		
Chief Administration Office (CAO)	1,140	(30)	1,110	1,271	(30)	1,242	131	0.2%
Economic Development	4,346	(2,047)	2,299	4,401	(2,074)	2,327	28	0.0%
Legal Services	710	(68)	642	722	(68)	653	11	0.0%
Total CAO Dept.	6,196	(2,145)	4,051	6,393	(2,171)	4,222	171	0.2%
Comm. Commissioner Office	378	(40)	338	385	(40)	345	7	0.0%
Community Programming & Outreach	5,722	(1,199)	4,523	5,866	(1,248)	4,617	94	0.1%
Environment & Parks	9,299	(2,163)	7,136	9,694	(2,168)	7,526	390	0.5%
Facility Design & Management	9,513	(1,333)	8,180	9,575	(1,370)	8,205	25	0.0%
Fire Rescue	19,025	(345)	18,681	19,440	(348)	19,091	411	0.5%
Municipal Enforcement	5,061	(3,904)	1,157	5,210	(4,047)	1,163	5	0.0%
Recreation Services	11,089	(9,899)	1,189	11,635	(10,134)	1,502	312	0.4%
Total Community Services Dept.	60,087	(18,882)	41,204	61,804	(19,355)	42,449	1,245	1.6%
CFO & Corp. Commissioner Office	366	(47)	320	373	(47)	327	7	0.0%
Communications	1,110	(169)	941	1,131	(170)	961	20	0.0%
Finance	4,137	(1,203)	2,934	4,220	(1,223)	2,996	63	0.1%
Fleet & Procurement	2,083	(1,352)	731	2,126	(1,379)	748	16	0.0%
Human Resources	1,985	(238)	1,747	2,020	(238)	1,782	34	0.0%
Information Systems	4,781	(520)	4,261	4,945	(520)	4,426	165	0.2%
Legislative Services	1,630	(146)	1,484	1,664	(146)	1,518	34	0.0%
Total Corporate Services Dept.	16,093	(3,675)	12,419	16,480	(3,722)	12,758	339	0.4%
IPPW Commissioner Office	847	(939)	(92)	862	(939)	(77)	15	0.0%
Building Standards	3,259	(3,259)	-	3,313	(3,313)	-	-	0.0%
City Utilities	58,492	(58,492)	-	60,845	(60,845)	-	-	0.0%
Engineering Services	3,521	(683)	2,839	3,598	(683)	2,915	76	0.1%
Planning	2,440	(903)	1,537	2,494	(905)	1,588	51	0.1%
Transportation	7,533	(1,897)	5,637	7,825	(1,906)	5,919	282	0.4%
Total Int. Planning & Public Works Dept.	76,093	(66,173)	9,920	78,935	(68,591)	10,344	424	0.5%
Library	5,732		5,732	6,526		6,526	794	1.0%
Corporate Transactions	26,517	(20,407)	6,109	27,764	(20,781)	6,983	874	1.1%
Total Other	32,249	(20,407)	11,841	34,290	(20,781)	13,509	1,668	2.1%
GRAND TOTAL BUDGET	190,717	(111,282)	79,436	197,903	(114,621)	83,282	3,847	
Tax Increase							2,747	3.5%
Assessment Growth							1,100	1.4%
Total Change							3,847	

2022 City of Waterloo Budget (in 000's)

Department/Division	2021			2022			\$CHANGE 22-21	%CHANGE 22-21
	EXP	REV	NET	EXP	REV	NET		
Chief Administration Office (CAO)	1,271	(30)	1,242	1,297	(30)	1,268	26	0.0%
Economic Development	4,401	(2,074)	2,327	4,474	(2,118)	2,356	29	0.0%
Legal Services	722	(68)	653	734	(68)	665	12	0.0%
Total CAO Dept.	6,393	(2,171)	4,222	6,505	(2,216)	4,289	67	0.1%
Comm. Commissioner Office	385	(40)	345	392	(40)	352	7	0.0%
Community Programming & Outreach	5,866	(1,248)	4,617	5,957	(1,298)	4,659	42	0.1%
Environment & Parks	9,694	(2,168)	7,526	10,045	(2,172)	7,873	347	0.4%
Facility Design & Management	9,575	(1,370)	8,205	9,806	(1,439)	8,366	161	0.2%
Fire Rescue	19,440	(348)	19,091	20,006	(351)	19,655	563	0.7%
Municipal Enforcement	5,210	(4,047)	1,163	5,359	(4,191)	1,167	5	0.0%
Recreation Services	11,635	(10,134)	1,502	12,103	(10,623)	1,480	(21)	0.0%
Total Community Services Dept.	61,804	(19,355)	42,449	63,668	(20,115)	43,553	1,104	1.3%
CFO & Corp. Commissioner Office	373	(47)	327	381	(47)	334	7	0.0%
Communications	1,131	(170)	961	1,153	(172)	981	20	0.0%
Finance	4,220	(1,223)	2,996	4,305	(1,246)	3,059	62	0.1%
Fleet & Procurement	2,126	(1,379)	748	2,171	(1,406)	764	17	0.0%
Human Resources	2,020	(238)	1,782	2,070	(252)	1,818	36	0.0%
Information Systems	4,945	(520)	4,426	5,000	(520)	4,481	55	0.1%
Legislative Services	1,664	(146)	1,518	1,700	(146)	1,554	36	0.0%
Total Corporate Services Dept.	16,480	(3,722)	12,758	16,779	(3,789)	12,991	233	0.3%
IPPW Commissioner Office	862	(939)	(77)	877	(939)	(62)	16	0.0%
Building Standards	3,313	(3,313)	-	3,363	(3,363)	-	-	0.0%
City Utilities	60,845	(60,845)	-	62,995	(62,995)	-	-	0.0%
Engineering Services	3,598	(683)	2,915	3,676	(683)	2,994	79	0.1%
Planning	2,494	(905)	1,588	2,548	(908)	1,641	52	0.1%
Transportation	7,825	(1,906)	5,919	8,080	(1,916)	6,164	245	0.3%
Total Int. Planning & Public Works Dept.	78,935	(68,591)	10,344	81,540	(70,803)	10,736	392	0.5%
Library	6,526		6,526	7,043		7,043	517	0.6%
Corporate Transactions	27,764	(20,781)	6,983	29,290	(20,931)	8,359	1,376	1.7%
Total Other	34,290	(20,781)	13,509	36,333	(20,931)	15,402	1,893	2.3%
GRAND TOTAL BUDGET	197,903	(114,621)	83,282	204,825	(117,854)	86,972	3,689	
Tax Increase							2,589	3.1%
Assessment Growth							1,100	1.3%
Total Change							3,689	

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SECTION #3
Tax Base Budget

TAX BASE BUDGET
2020-2022 Budget - Summary

Tax Base	2020	2021	2022
Base Budget			
Funding	(2,975,221)	(1,379,800)	(1,288,000)
Efficiency	(411,002)	(350,000)	(250,000)
Committed	2,598,887	1,953,305	1,986,233
Recommended	1,405,693	659,585	670,812
Reversal	80,000	(37,118)	(3,500)
Total Base Budget Changes	698,357	845,972	1,115,545
Operating Impacts of Capital & Growth			
Committed	172,742	249,787	267,358
Recommended	351,258	417,429	139,299
Total Operating Impacts of Capital & Growth Budget Changes	524,000	667,216	406,657
Service Level Changes			
Increase - Committed	350,000	165,992	106,114
Increase	438,548	150,735	-
Decrease	-	-	-
Total Service Level Budget Changes	788,548	316,727	106,114
Infrastructure Investment			
Recommended	509,825	916,683	961,000
Total Infrastructure Budget Changes	509,825	916,683	961,000
TOTAL BUDGET CHANGES	2,520,730	2,746,598	2,589,316
Household Impact:			
Tax Increase (\$)	43.32	46.05	42.84
Tax Increase (%)	3.4%	3.5%	3.1%

TAX BASE BUDGET 2020-2022 Budget Details - SCHEDULE I

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	Net Annual Impact 2020 (\$)	Net Annual Impact 2020 (%)	Net Annual Impact 2021 (\$)	Net Annual Impact 2021 (%)	Net Annual Impact 2022 (\$)	Net Annual Impact 2022 (%)	FTE		
Base	Funding	CAO	Economic Development	B1	Economic Development Fees and Charges Revenue	(1,000)	0.0%	(1,000)	0.0%	(1,000)	0.0%			
				B2	Municipal Accommodation Tax (Hotel Tax) Revenue	(250,000)	-0.3%	-	0.0%	-	0.0%			
				B3	Carnegie Library Lease Revenue	-	0.0%	-	0.0%	(50,000)	-0.1%			
				COMM	Environment & Parks	B4	Environment & Parks Revenue Increases	(6,000)	0.0%	(5,000)	0.0%	(4,000)	0.0%	
						B5	Municipal Enforcement Revenue Adjustments	(23,600)	0.0%	(2,200)	0.0%	(2,200)	0.0%	
					Recreation Services	B6	Administrative Monetary Penalties Program	(20,800)	0.0%	(47,000)	-0.1%	(59,000)	-0.1%	
				B7		Recreation Services Fees & Charges Rate Increases	(65,400)	-0.1%	(67,600)	-0.1%	(60,800)	-0.1%		
				CORP	Communications	B8	Activity Guide Fee Revenue	-	0.0%	(1,000)	0.0%	(2,000)	0.0%	
						B9	Finance Fees and Charges Revenue	-	0.0%	(3,000)	0.0%	(6,000)	0.0%	
					Human Resources	B10	Corporate Co-op Adjustment and Additional Position	(11,078)	0.0%	-	0.0%	-	0.0%	0.4
				Corp Trans		Corp Trans	B11	Increased Investment Income Revenue	(300,000)	-0.4%	-	0.0%	-	0.0%
						B12	Payment in Lieu Revenue	(193,000)	-0.3%	-	0.0%	-	0.0%	
						B13	Assessment Growth Projection 2020-2022	(1,797,108)	-2.4%	(1,100,000)	-1.4%	(1,100,000)	-1.3%	
						B14	Assessment Growth Adjustment for 2018	13,812	0.0%	-	0.0%	-	0.0%	
						M10	Additional Assessment Growth 2020	(167,047)	-0.2%	-	0.0%	-	0.0%	
				M11R	Penalties and Interest Revenue	(150,000)	-0.2%	(150,000)	-0.2%	-	0.0%			
		IPPW	Transportation Services	B15	Transportation Services Revenue Increases	(4,000)	0.0%	(3,000)	0.0%	(3,000)	0.0%			
	Funding Total					(2,975,221)	-4.0%	(1,379,800)	-1.7%	(1,288,000)	-1.5%			
	Efficiency	COMM	Comm. Prog. & Outreach	B16	Senior Services (SALC) Revenue Increase	(20,000)	0.0%	-	0.0%	-	0.0%			
					Fac Design & Mgmt	B17	Facilities Utilities/Energy Savings	-	0.0%	(200,000)	-0.3%	(100,000)	-0.1%	
						B18	Streetlight Electricity Savings from LED Implementation	(83,000)	-0.1%	-	0.0%	-	0.0%	
				Corp Trans	City-wide	B19	Telephone Contract Savings	(48,002)	-0.1%	-	0.0%	-	0.0%	
				Corp Trans	Corp Trans	B20	Vacancy Rebate Program	(160,000)	-0.2%	-	0.0%	-	0.0%	
						B21	Increased Capital Overhead Recovery Revenue	(100,000)	-0.1%	(150,000)	-0.2%	(150,000)	-0.2%	
	Efficiency Total					(411,002)	-0.5%	(350,000)	-0.4%	(250,000)	-0.3%			
Committed	CAO	Economic Development	City-wide	B22	SWR evolvGREEN Funding Support	-	0.0%	-	0.0%	-	0.0%			
				Corp Trans	Corp Trans	B23	In Camera	1,880,044	2.5%	1,513,305	1.9%	1,546,233	1.9%	
				B24	Contrib. to CRF and CIRR from Assessment Growth	718,843	1.0%	440,000	0.6%	440,000	0.5%			
	Committed Total					2,598,887	3.5%	1,953,305	2.5%	1,986,233	2.4%			
Recommended	CAO	Asset Mgmt	CAO Administration	B25	Asset Management Positions Enterprise Recovery	(132,856)	-0.2%	-	0.0%	-	0.0%			
					B26R	Physician Recruitment	-	0.0%	-	0.0%	-	0.0%		
					B27	Municipal Accommodation Tax (Hotel Tax) Spending Pla	250,000	0.3%	-	0.0%	-	0.0%		
				Strategic Initiatives	Comm. Prog. & Outreach	B28	WLU CityStudio Program Funding	10,000	0.0%	-	0.0%	-	0.0%	
						B29	Agreement with CoK for Persons with Disabilities Services	50,000	0.1%	-	0.0%	-	0.0%	
						M3	LHIN Programs Gap Funding	35,859	0.0%	18,758	0.0%	19,679	0.0%	
						M6R	Increase Foundational Op Grant Funding for Affiliated Org	15,000	0.0%	15,000	0.0%	15,000	0.0%	
				Environment & Parks	Fac Design & Mgmt	B30	Supervisor of Park Operations	142,580	0.2%	-	0.0%	-	0.0%	1.0
						B31	Supervisor of Building Maintenance	142,580	0.2%	-	0.0%	-	0.0%	1.0
						B32	Real Estate and Property Management Position	-	0.0%	89,972	0.1%	-	0.0%	1.0
						B33	Waterloo City Hall Lease Revenue Reduction	66,000	0.1%	-	0.0%	-	0.0%	
				M1R	Energy Manager	110,000	0.1%	-	0.0%	-	0.0%	1.0		

TAX BASE BUDGET 2020-2022 Budget Details - SCHEDULE I

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	Net Annual Impact 2020 (\$)	Net Annual Impact 2020 (%)	Net Annual Impact 2021 (\$)	Net Annual Impact 2021 (%)	Net Annual Impact 2022 (\$)	Net Annual Impact 2022 (%)	FTE
			Fire Rescue Services	B34	Fire Prevention Officer	-	0.0%	-	0.0%	157,115	0.2%	1.0
			Municipal Enforcement	B35	Compliance Operating Budget Net Zero Adjustment	-	0.0%	-	0.0%	-	0.0%	
				B36	Kitchener-Waterloo Humane Society Contract Renewal	-	0.0%	-	0.0%	9,500	0.0%	
			Recreation Services	M4	Eliminate the Sale of Bottled Water- Revenue Loss	25,000	0.0%	-	0.0%	-	0.0%	
		CORP	Human Resources	B37	Sick Leave / Accommodation - Third Party Review	20,000	0.0%	-	0.0%	-	0.0%	
				B38	Reference Checking - Third Party Service	20,000	0.0%	-	0.0%	-	0.0%	
			IMTS	B39	IMTS Network Analyst Position	75,253	0.1%	-	0.0%	-	0.0%	1.0
				B40	IMTS Systems Analyst Position	-	0.0%	88,348	0.1%	-	0.0%	1.0
			Legislative Services	B41	Election Reserve Transfer Increase	30,000	0.0%	-	0.0%	-	0.0%	
		Corp Trans	City-wide	B42	Commissioner Special Projects	-	0.0%	-	0.0%	-	0.0%	
				M7	Hourly/Part-Time Wage Increase (Living Wage) Phased	-	0.0%	110,764	0.1%	110,841	0.1%	
			Corp Trans	B43	Inflationary Contribution to CIRRF	165,205	0.2%	235,506	0.3%	257,248	0.3%	
				B44	Inflationary Contribution to CRF	158,953	0.2%	101,237	0.1%	101,429	0.1%	
				M10a	Additional Assessment Growth to CIRRF (30%)	50,114	0.1%	-	0.0%	-	0.0%	
				M10b	Additional Assessment Growth to CRF (10%)	16,705	0.0%	-	0.0%	-	0.0%	
		IPPW	Planning	B45	Heritage Reserve - Ongoing Funding	30,000	0.0%	-	0.0%	-	0.0%	
			Transportation Services	B46	Traffic Technician	105,300	0.1%	-	0.0%	-	0.0%	1.0
				B47	Burnside Mobile Agreement	20,000	0.0%	-	0.0%	-	0.0%	
			Recommended Total			1,405,693	1.9%	659,585	0.8%	670,812	0.8%	
	Reversal	CAO	Asset Mgmt	N/A	Reversal of Prior Year One-time OCIF Funding for Asset Mgmt	80,000	0.1%	-	0.0%	-	0.0%	
			CAO Administration	S3	Reversal of One-time - Director of Equity and Innovation	-	0.0%	(3,500)	0.0%	-	0.0%	
		COMM	Comm. Prog. & Outreach	S5	Reversal of One-time - Neighbourhood Strategy Implementation	-	0.0%	(3,000)	0.0%	-	0.0%	
			Recreation Services	G10	Reversal of One-time Waterloo Memorial Rec Complex Op Impacts	-	0.0%	(27,118)	0.0%	-	0.0%	
		CORP	IMTS	B39	Reversal of One-time - IMTS Network Analyst Position	-	0.0%	(3,500)	0.0%	-	0.0%	
				B40	Reversal of One-time - IMTS Systems Analyst Position	-	0.0%	-	0.0%	(3,500)	0.0%	
			Reversal Total			80,000	0.1%	(37,118)	0.0%	(3,500)	0.0%	
			Base Total			698,357	0.9%	845,972	1.1%	1,115,545	1.3%	9.4
Op Impacts of Cap & Growth	Committed	COMM	Fac Design & Mgmt	G1	East Side Branch Library Building and Site Maintenance	-	0.0%	-	0.0%	-	0.0%	
			Recreation Services	G2	East Side Branch Library Occupancy Charge	-	0.0%	-	0.0%	-	0.0%	
		Corp Trans	Library	G3	ESBL Op Impacts - Use of Assessment Growth	-	0.0%	87,440	0.1%	85,000	0.1%	
				G4	Waterloo Public Library Funding Agreement	172,742	0.2%	162,347	0.2%	182,358	0.2%	
			Committed Total			172,742	0.2%	249,787	0.3%	267,358	0.3%	

TAX BASE BUDGET 2020-2022 Budget Details - SCHEDULE I

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	Net Annual Impact 2020 (\$)	Net Annual Impact 2020 (%)	Net Annual Impact 2021 (\$)	Net Annual Impact 2021 (%)	Net Annual Impact 2022 (\$)	Net Annual Impact 2022 (%)	FTE
	Recommended	CAO	Economic Development	G5	Public Art Implementation Op Impacts of Capital	-	0.0%	-	0.0%	1,000	0.0%	
				G6	Op Impacts of Capital - WSEL Servicing	-	0.0%	-	0.0%	68,926	0.1%	
		COMM	Comm. Prog. & Outreach	G7	Dedicated Museum Website Op Impacts of Capital	5,000	0.0%	-	0.0%	-	0.0%	
			Environment & Parks	G8R	Op Impacts of Park Services Capital Projects	-	0.0%	194,762	0.2%	155,582	0.2%	1.2
			Fac Design & Mgmt	G9	Facility Design & Management Op Impacts of Capital	-	0.0%	-	0.0%	13,500	0.0%	
			Recreation Services	G10	Waterloo Memorial Rec Complex Op Impacts	193,934	0.3%	124,675	0.2%	(269,455)	-0.3%	
		CORP	IMTS	G11	Fibre Network Infrastructure Op Impacts of Capital	30,700	0.0%	-	0.0%	-	0.0%	
				G12	Infrastructure Virtualization Op Impacts of Capital	82,153	0.1%	-	0.0%	-	0.0%	
		Corp Trans	City-wide	G13	Fleet Equipment Expansion Op Impacts of Capital	50,000	0.1%	50,000	0.1%	50,000	0.1%	
		IPPW	City Utilities	G14	In-House Water Billing & General Gov't Overhead (Tax Base)	(16,529)	0.0%	(16,860)	0.0%	(17,196)	0.0%	
				G15	Op Impacts - Excavation & Fill Pile Storage Facility (Tax Base)	-	0.0%	4,000	0.0%	-	0.0%	
			Engineering Services	G16	Op Impacts of Engineering Services Capital Projects	-	0.0%	19,900	0.0%	18,925	0.0%	
			Planning	G17	Op Impacts of Planning Capital Projects	-	0.0%	17,452	0.0%	111,317	0.1%	
			Transportation Services	G18	Op Impacts of Transportation Capital Projects	6,000	0.0%	23,500	0.0%	6,700	0.0%	
	Recommended Total					351,258	0.5%	417,429	0.5%	139,299	0.2%	
Op Impacts of Cap & Growth Total						524,000	0.7%	667,216	0.8%	406,657	0.5%	1.2
Service Level Changes	Increase - Committed	CAO	Economic Development	S1	Canada Day Programming Event	100,000	0.1%	-	0.0%	-	0.0%	
		Corp Trans	Library	S2	ESBL Op Impacts - Tax Increase Above Inflation Funding	250,000	0.3%	165,992	0.2%	106,114	0.1%	
	Increase - Committed Total					350,000	0.5%	165,992	0.2%	106,114	0.1%	
	Increase	CAO	CAO Administration	S3	Director of Innovation and Strategic Initiatives	168,618	0.2%	-	0.0%	-	0.0%	1.0
			Legal Services	S4	Part-time Associate City Solicitor-Prosecutor	50,000	0.1%	-	0.0%	-	0.0%	0.6
		COMM	Comm. Prog. & Outreach	S5	Neighbourhood Strategy Implementation	139,930	0.2%	15,735	0.0%	-	0.0%	1.0
				S6	Diversity, Equity & Inclusion Community Support Resources	30,000	0.0%	-	0.0%	-	0.0%	
				S7	Truth and Reconciliation Action Plan Implementation	50,000	0.1%	-	0.0%	-	0.0%	
			Recreation Services	S8	AMCC Part-Time Customer Service	-	0.0%	35,000	0.0%	-	0.0%	0.4
		Corp Trans	Corp Trans	M2R	Affordable Housing (Annual Contribution)	-	0.0%	100,000	0.1%	-	0.0%	
	Increase Total					438,548	0.6%	150,735	0.2%	-	0.0%	
Service Level Changes Total						788,548	1.1%	316,727	0.4%	106,114	0.1%	3.0

TAX BASE BUDGET 2020-2022 Budget Details - SCHEDULE I

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	Net Annual Impact 2020 (\$)	Net Annual Impact 2020 (%)	Net Annual Impact 2021 (\$)	Net Annual Impact 2021 (%)	Net Annual Impact 2022 (\$)	Net Annual Impact 2022 (%)	FTE		
Infrastructure Investment	Recommended	CAO	Asset Mgmt	I1	Asset Management Analyst	-	0.0%	54,851	0.1%	-	0.0%	1.0		
				I2	Data Management Analyst	54,851	0.1%	-	0.0%	-	0.0%	1.0		
			COMM	Environment & Parks	I3	Increased Preventative Mtc Funding for Env & Parks	135,000	0.2%	-	0.0%	-	0.0%		
					I4	Increase Preventative Maintenance Funding for Facilities	-	0.0%	-	0.0%	145,000	0.2%	1.0	
			CORP	Fleet & Procurement	I5	Procurement Specialist Position	92,806	0.1%	-	0.0%	-	0.0%	1.0	
					Corp Trans	Corp Trans	I6R	Increased Infrastructure Funding as per LTFP (CIRRF)	601,993	0.8%	721,832	0.9%	816,000	1.0%
							Increased Infrastructure Funding as per LTFP (WNH Div)	(374,825)	-0.5%	-	0.0%	-	0.0%	
				IPPW	Transportation Services	I7	Increased Preventative Mtc Funding for Transportation	-	0.0%	140,000	0.2%	-	0.0%	1.0
			Recommended Total					509,825	0.7%	916,683	1.2%	961,000	1.2%	
Infrastructure Investment Total						509,825	0.7%	916,683	1.2%	961,000	1.2%	5.0		
Grand Total						2,520,730	3.4%	2,746,598	3.5%	2,589,316	3.1%	18.6		

TAX BASE BUDGET
2020-2022 Budget - Reserve Funded Requests - SCHEDULE 2

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	Funding Source	Amount 2020 (\$)	Amount 2021 (\$)	Amount 2022 (\$)
Base	Funding	CORP	Human Resources	B10	Corporate Co-op Adjustment and Additional Position	Employee Development and Capacity Building Reserve	14,191	-	14,000
	Committed	CAO	Economic Development	B22	SWR evolGREEN Funding Support	Economic Development Reserve	45,000	45,000	45,000
	Recommended	CAO	CAO Administration	B26R	Physician Recruitment	Economic Development Reserve	20,000	20,000	20,000
		Corp Trans	City-wide	B42	Commissioner Special Projects	Tax Rate Stabilization Reserve	125,000	125,000	125,000
Base Total							204,191	190,000	204,000
Grand Total							204,191	190,000	204,000

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SECTION #4
Tax Base Issue Papers

2020-2022 BUDGET ISSUE PAPERS

A summary of the 2020-2022 approved Tax Base budget by category is shown below. The budget requests by category are included within the Tax Base Schedule I.

Table: 2020-2022 Tax Base Budget Summary by Category:

Budget Category	2020 Budget (\$)	2020 %	2021 Budget (\$)	2021 %	2022 Budget (\$)	2022 %
Base Budget ¹	698,357	0.9%	845,972	1.1%	1,115,545	1.3%
Operating Impact of Capital & Growth	524,000	0.7%	667,216	0.8%	406,657	0.5%
Sub-Total	1,222,357	1.6%	1,513,188	1.90%	1,522,202	1.8%
Service Level Changes	788,548	1.1%	316,727	0.4%	106,114	0.1%
Infrastructure Investment	509,825	0.7%	916,683	1.2%	961,000	1.2%
TOTAL	2,520,730	3.4%	2,746,598	3.5%	2,589,316	3.1%

¹ Includes Assessment Growth

Each request is supported by a **Budget Request** which provides:

- Description of the request
- Strategic plan link
- The risk associated with denying or deferring the request
- Desired outcomes of the request
- Recommendations
- Revenue/Expenditures amounts and coding

All Tax Base and Enterprise budget requests are available on the city's website at via [Budget 2020-22](#).

To provide context for council decision making, additional information relating to the budget changes in the above categories is provided through an **Issue Paper**.

For the 2020-2022 budget, there are four Issue Papers provided.

- 1) Issue Paper #1 - Maintaining Existing Service Levels (Base)
- 2) Issue Paper #2 - Operating funding to support new capital assets
- 3) Issue Paper #3 - Service Level Changes
- 4) Issue Paper #4 - Increased Infrastructure Investment

Issue Papers are also available on the city's website at [Budget 2020-22](#).

SECTION #5
Tax Base Menu Items

2020-2022 BUDGET MENU LIST

On April 10, 2017 council approved report CORP2017-002, amending the Corporate Policy FC-019 – Core Consumer Price Index (CPIX). Through approval of this report and policy, council directed that:

- CPIX be used as a guideline for property tax increases.
- Staff are to strive to keep increases as close to inflation as possible for the base budget (including efficiencies) and operating impact of capital and growth, net of assessment growth.
- That the index be used as a guideline for budget decision making whereby city staff will present a proposed budget on that basis along with **known pressures outside of the recommended budget (+)** and **further reduction opportunities (-)** for council's decision making (Menu List).

Based on the above direction, CMT/OLT Budget Committee prioritized a Menu List of items outside of the 2020-2022 proposed budget for council's decision making.

The **2020-2022 Budget Menu List - Schedule 3** is below and shows the approved Menu Items chosen by council, followed by a separate list of those not approved. Under Menu Items approved, items revised from proposed are denoted with an "R", ex. MIR, while the original MI remains listed under Menu Items Not Approved.

- **Menu Item Increases (+)** – were known pressures outside of the proposed budget
 - There were 9 *potential* menu item increases listed for council's decision making
 - These items are prioritized M1-M9, with M1 being the CMT/OLT Budget Committee's highest ranked priority outside of the proposed budget
 - Each item is support by a Budget Menu Paper
- **Menu Item Reductions-** further reduction opportunities outside of the proposed budget
 - There were 4 four *potential* menu item reductions listed for council's decision making
 - These items were prioritized M10-M13, with M10 being the CMT/OLT Budget Committee's highest ranked reduction opportunity outside of the proposed budget
 - Each item is support by a Budget Menu Paper
 - Staff provided menu items to council as further reduction opportunities, however staff did not recommend these reductions.

The approved Menu Items total \$175,673 or a 0.2% tax increase.

All 2020-2022 Budget Menu Papers are available on the city's website at [Budget 2020-22](#).

TAX BASE BUDGET 2020-2022 Budget Menu List - SCHEDULE 3

Category	Sub-Category	Dept	Division	Menu Ref #	Budget Request Name	Net Annual Impact 2020 (\$)	Net Annual Impact 2020 (%)	Net Annual Impact 2021 (\$)	Net Annual Impact 2021 (%)	Net Annual Impact 2022 (\$)	Net Annual Impact 2022 (%)	Status
Menu Items Approved												
Menu Item Increase	Increase Priority - 1	COMM	Fac Design & Mgmt	M1R	Energy Manager	110,000	0.1%	-	0.0%	-	0.0%	Approved
Menu Item Increase	Increase Priority - 2	IPPW	Planning	M2R	Affordable Housing (Annual Contribution)	-	0.0%	100,000	0.1%	-	0.0%	Approved
Menu Item Increase	Increase Priority - 3	COMM	Comm. Prog. & Outreach	M3	LHIN Programs Gap Funding	35,859	0.0%	18,758	0.0%	19,679	0.0%	Approved
Menu Item Increase	Increase Priority - 4	COMM	Recreation Services	M4	Environmental Initiative (Eliminate the Sale of Bottled Water) Revenue Loss	25,000	0.0%	-	0.0%	-	0.0%	Approved
Menu Item Increase	Increase Priority - 6	COMM	Comm. Prog. & Outreach	M6R	Increase Foundational Operating Grant Funding for Affiliated Community Organizations	15,000	0.0%	15,000	0.0%	15,000	0.0%	Approved
Menu Item Increase	Increase Priority - 7	Corp Trans	City-wide	M7	Hourly/Part-Time Wage Increase (Living Wage) Phased	-	0.0%	110,764	0.1%	110,841	0.1%	Approved
Menu Item Reduction	Reduction Opportunity Priority - 1	Corp Trans	Corp Trans	M10	Additional Assessment Growth 2020	-167,047	-0.2%	-	0.0%	-	0.0%	Approved
Menu Item Reduction	Reduction Opportunity Priority - 1a	Corp Trans	Corp Trans	M10a	Additional Assessment Growth to CIRRF (30%)	50,114	0.1%	-	0.0%	-	0.0%	Approved
Menu Item Reduction	Reduction Opportunity Priority - 1b	Corp Trans	Corp Trans	M10b	Additional Assessment Growth to CRF (10%)	16,705	0.0%	-	0.0%	-	0.0%	Approved
Menu Item Reduction	Reduction Opportunity Priority - 2	Corp Trans	Corp Trans	M11R	Penalties and Interest Revenue	-150,000	-0.2%	-150,000	-0.2%	-	0.0%	Approved
Total Menu Items Approved						(64,369)	-0.1%	94,522	0.1%	145,520	0.2%	
Menu Items Not Approved												
Category	Sub-Category	Dept	Division	Menu Ref #	Budget Request Name	Net Annual Impact 2020 (\$)	Net Annual Impact 2020 (%)	Net Annual Impact 2021 (\$)	Net Annual Impact 2021 (%)	Net Annual Impact 2022 (\$)	Net Annual Impact 2022 (%)	Status
Menu Item Increase	Increase Priority - 1	COMM	Fac Design & Mgmt	M1	Energy Manager	-	0.0%	-	0.0%	110,000	0.1%	Not Approved
Menu Item Increase	Increase Priority - 2	IPPW	Planning	M2	Affordable Housing (Annual Contribution)	-	0.0%	-	0.0%	100,000	0.1%	Not Approved
Menu Item Increase	Increase Priority - 5	COMM	Comm. Prog. & Outreach	M5	In-Kind Community Event Supports Funding	30,000	0.0%	-	0.0%	-	0.0%	Not Approved
Menu Item Increase	Increase Priority - 6	COMM	Comm. Prog. & Outreach	M6	Increase Foundational Operating Grant Funding for Affiliated Community Organizations	80,000	0.1%	-	0.0%	-	0.0%	Not Approved
Menu Item Increase	Increase Priority - 7a	Corp Trans	City-wide	M7a	or Hourly/Part-Time Wage Increase (Living Wage)	210,578	0.3%	5,082	0.0%	5,944	0.0%	Not Approved
Menu Item Increase	Increase Priority - 8	CAO	CAO Administration	M8	Physician Recruitment - Permanent Funding	20,000	0.0%	-	0.0%	-	0.0%	Not Approved
Menu Item Increase	Increase Priority - 9	Corp Trans	Corp Trans	M9	Increased Infrastructure Funding as per the LTFP - Additional Increase	374,825	0.5%	388,350	0.5%	-	0.0%	Not Approved
Menu Item Reduction	Reduction Opportunity Priority - 2	Corp Trans	Corp Trans	M11	Penalties and Interest Revenue	-100,000	-0.1%	-100,000	-0.1%	-100,000	-0.1%	Not Approved
Menu Item Reduction	Reduction Opportunity Priority - 3	All	City-wide	M12	Reduction of Proposed New Positions - 1 per year Avg Amount (FTE -3.0)	-120,000	-0.16%	-120,000	-0.15%	-120,000	-0.14%	Not Approved
Menu Item Reduction	Reduction Opportunity Priority - 4	Corp Trans	Corp Trans	M13	Increased Infrastructure Funding as per the LTFP - REDUCTION	-374,825	-0.5%	-388,350	-0.5%	-403,845	-0.5%	Not Approved

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SECTION #6
City Utilities Budget

**CITY UTILITIES BUDGET
2020-2022 Budget - Summary**

City Utilities	2020	2021	2022
Base Budget			
Funding	(2,622,015)	(2,382,528)	(2,180,231)
Efficiency	(5,085)	-	-
Committed	446,248	1,623,863	1,704,431
Recommended	645,467	179,424	(10,621)
Total Base Budget Changes	(1,535,385)	(579,241)	(486,421)
Operating Impacts of Capital & Growth			
Committed	(31,704)	205,562	204,559
Recommended	100,287	138,759	105,640
Total Operating Impacts of Capital & Growth Budget Changes	68,583	344,321	310,199
Service Level Changes			
Increase	7,478	-	-
Total Service Level Budget Changes	7,478	-	-
Infrastructure Investment			
Recommended	73,337	50,664	-
Total Infrastructure Budget Changes	73,337	50,664	-
TOTAL BUDGET CHANGES	(1,385,987)	(184,256)	(176,222)
Net Operating Transfer to/(from) Reserve	1,385,987	184,256	176,222
TOTAL City Utilities Enterprise Budget	-	-	-
Household Impact:			
City Utilities Increase - City Portion (\$)	27.00	27.09	23.39
City Utilities Increase - Region Portion (\$)	14.87	18.47	20.29
City Utilities Increase - Total (\$)	41.87	45.56	43.68
City Utilities Increase - City Portion (%)	2.5%	2.4%	2.0%
City Utilities Increase - Region Portion (%)	1.4%	1.7%	1.8%
City Utilities Increase - Total (%)	3.9%	4.1%	3.8%
City Utilities Reserve (Combined) Projected Balance	22,543,000	18,132,000	18,592,000

**CITY UTILITIES BUDGET
2020-2022 Budget Details - SCHEDULE 4**

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	City Utilities Amount 2020 (\$)	City Utilities Amount 2021 (\$)	City Utilities Amount 2022 (\$)	FTE	
Base	Funding	IPPW	City Utilities	B48	Water Distribution Revenue Increase	(855,202)	(826,073)	(770,110)		
				B49	Sanitary Sewer Revenue Increase	(1,167,611)	(965,318)	(908,609)		
				B50	Stormwater Revenue - Commercial/Industrial - 2020	(181,889)	-	-		
				B51	Stormwater Revenue - Commercial/Industrial - 2021	-	(162,586)	-		
				B52	Stormwater Revenue - Commercial/Industrial - 2022	-	-	(128,655)		
				B53	Stormwater Revenue - Institutional - 2020	(15,752)	-	-		
				B54	Stormwater Revenue - Institutional - 2021	-	(17,155)	-		
				B55	Stormwater Revenue - Institutional - 2022	-	-	(13,739)		
				B56	Stormwater Revenue - Multi-Residential - 2020	(106,462)	-	-		
				B57	Stormwater Revenue - Multi-Residential - 2021	-	(126,942)	-		
				B58	Stormwater Revenue - Multi-Residential - 2022	-	-	(103,887)		
	B59	Stormwater Revenue - Residential - 2020	(295,099)	-	-					
	B60	Stormwater Revenue - Residential - 2021	-	(284,454)	-					
	B61	Stormwater Revenue - Residential - 2022	-	-	(255,231)					
		Funding Total				(2,622,015)	(2,382,528)	(2,180,231)		
		Efficiency	Corp Trans	City-wide	B19	Telephone Contract Savings (City Util)	(5,085)	-	-	
		Efficiency Total				(5,085)	-	-		
		Committed	IPPW	City Utilities	B23	In Camera	139,644	136,895	138,426	
	B62				Water Wholesale Purchase Increase	296,575	317,799	439,493		
	B63				Sanitary Sewer Wholesale Treatment Increase	10,029	1,169,169	1,126,512		
		Committed Total				446,248	1,623,863	1,704,431		
	Recommended	IPPW	City Utilities	B64	Clean Water Initiatives - trsf from Water to Stormwater (Wat)	(30,000)	(30,000)	(30,000)		
				Clean Water Initiatives - trsf from Water to Stormwater (Swm)	30,000	30,000	30,000			
				B65	Sewer Inspection Permit Fee Removal	10,000	-	-		
				B66	Stormwater Credit Payouts	5,070	5,223	5,379		
				B67	City Utilities Operators - Wat	182,622	(1,000)	-	2.0	
				B68	City Utilities Operator - Sani	-	91,311	(500)	1.0	
				B69	City Utilities Field Staff - Swm	-	86,370	(500)	1.0	
				B70	Manager of Stormwater & Construction	165,462	(8,000)	-	1.0	
				B71	Supervisor of Stormwater & Construction	143,528	(3,000)	-	1.0	
					COMM	Municipal Enforcement	B75	Rental Housing Multi Year Program Exp and Rev Adj (City Util)	-	-
		CAO	Asset Mgmt	B25	Asset Management Positions Enterprise Recovery (City Util)	128,238				
		CORP	IMTS	B39	IMTS Network Analyst Position (City Util)	10,547				
				B40	IMTS Systems Analyst Position (City Util)		8,520			
	Recommended Total				645,467	179,424	(10,621)			
Base Total					(1,535,385)	(579,241)	(486,421)	6.0		

CITY UTILITIES BUDGET 2020-2022 Budget Details - SCHEDULE 4

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	City Utilities Amount 2020 (\$)	City Utilities Amount 2021 (\$)	City Utilities Amount 2022 (\$)	FTE
Op Impacts of Cap & Growth	Committed	IPPW	City Utilities	G19	Stormwater Debenture Payments	(31,704)	205,562	204,559	
	Committed Total					(31,704)	205,562	204,559	
	Recommended	IPPW	City Utilities	G14	In-House Water Billing & General Gov't Overhead (City Util)	16,529	16,860	17,196	
				G15	Op Impacts - Excavation & Fill Pile Storage Facility (City Util)	-	36,000	-	
				G20	Sanitary Sewer Inflationary Increases	32,833	33,474	34,395	
				G21	Water Distribution Inflationary Increases	28,651	29,208	30,188	
				G22	Stormwater Inflationary Increases	22,274	23,217	23,861	
	Recommended Total					100,287	138,759	105,640	
Op Impacts of Cap & Growth Total						68,583	344,321	310,199	
Service Level Changes	Increase	CAO	CAO Administration	S3	Director of Innovation and Strategic Initiatives (City Util)	7,478			
	Increase Total					7,478			
Service Level Changes Total						7,478			
Infrastructure Investment	Recommended	CAO	Asset Mgmt	I1	Asset Management Analyst (City Util)		50,664		
				I2	Data Management Analyst (City Util)	50,664			
		CORP	Fleet & Procurement	I5	Procurement Specialist Position (City Util)	22,673			
	Recommended Total					73,337	50,664		
Infrastructure Investment Total						73,337	50,664		
Grand Total						(1,385,987)	(184,256)	(176,222)	6.0

Note - See report IPPW2020-001 - City Utilities 2020 Rates for additional City Utilities 2020-2022 budget details

SECTION #7
Other Enterprise Budget

OTHER ENTERPRISE BUDGET
2020-2022 Budget - Building Standards

Building Standards	2020	2021	2022
Base Budget			
Committed	41,935	53,704	55,421
Recommended	5,738	3,663	(5,000)
Total Base Budget Changes	47,673	57,367	50,421
Operating Impacts of Capital & Growth			
N/A	-	-	-
Total Operating Impacts of Capital & Growth Budget Changes	-	-	-
Service Level Changes			
Increase	2,457	-	-
Total Service Level Budget Changes	2,457	-	-
Infrastructure Investment			
Recommended	1,156	-	-
Total Infrastructure Budget Changes	1,156	-	-
TOTAL BUDGET CHANGES	51,286	57,367	50,421
Net Operating Transfer to/(from) Reserve	(51,286)	(57,367)	(50,421)
TOTAL Building Standards Enterprise Budget	-	-	-
Building Standards Reserve Projected Balance	8,069,000	7,114,000	5,698,000

OTHER ENTERPRISE BUDGET
2020-2022 Budget - Cemetery Services

Cemetery Services	2020	2021	2022
Base Budget			
Committed	32,064	28,921	29,980
Recommended	4,095	2,223	-
Total Base Budget Changes	36,159	31,144	29,980
Operating Impacts of Capital & Growth			
N/A	-	-	-
Total Operating Impacts of Capital & Growth Budget Changes	-	-	-
Service Level Changes			
Increase	2,513	-	-
Total Service Level Budget Changes	2,513	-	-
Infrastructure Investment			
Recommended	1,342	215	-
Total Infrastructure Budget Changes	1,342	215	-
TOTAL BUDGET CHANGES	40,014	31,359	29,980
Net Operating Transfer to/(from) Reserve	(40,014)	(31,359)	(29,980)
TOTAL Cemetery Services Enterprise Budget	-	-	-
Cemetery Services Reserve Projected Balance	275,000	228,000	240,000

OTHER ENTERPRISE BUDGET
2020-2022 Budget - Comprehensive Business Licensing

Comprehensive Business Licensing	2020	2021	2022
Base Budget			
Committed	5,185	6,698	6,924
Recommended	2,460	2,298	
Total Base Budget Changes	7,645	8,996	6,924
Operating Impacts of Capital & Growth			
N/A	-	-	-
Total Operating Impacts of Capital & Growth Budget Changes	-	-	-
Service Level Changes			
Increase	337	-	-
Total Service Level Budget Changes	337	-	-
Infrastructure Investment			
N/A	-	-	-
Total Infrastructure Budget Changes	-	-	-
TOTAL BUDGET CHANGES	7,982	8,996	6,924
Net Operating Transfer to/(from) Reserve	(7,982)	(8,996)	(6,924)
TOTAL Comp. Business Licensing Enterprise Budget	-	-	-
Comprehensive Business Licensing Reserve Projected Balance	53,000	71,000	84,000

OTHER ENTERPRISE BUDGET
2020-2022 Budget - Parking Summary

Parking	2020	2021	2022
Base Budget			
Funding	(76,472)	(21,145)	(43,401)
Committed	3,719	4,714	4,859
Recommended	6,535	120	-
Total Base Budget Changes	(66,218)	(16,311)	(38,542)
Operating Impacts of Capital & Growth			
Recommended	10,154	9,757	9,956
Total Operating Impacts of Capital & Growth Budget Changes	10,154	9,757	9,956
Service Level Changes			
Increase	292	-	-
Total Service Level Budget Changes	292	-	-
Infrastructure Investment			
Recommended	1,803	1,610	-
Total Infrastructure Budget Changes	1,803	1,610	-
TOTAL BUDGET CHANGES	(53,969)	(4,944)	(28,586)
Net Operating Transfer to/(from) Reserve	53,969	4,944	28,586
TOTAL Parking Enterprise Budget	-	-	-
Parking Reserve Projected Balance	1,021,000	1,120,000	1,077,000

OTHER ENTERPRISE BUDGET
2020-2022 Budget - Rental Housing

Rental Housing	2020	2021	2022
Base Budget			
Committed	11,443	18,588	18,575
Recommended	(111,497)	(79,604)	(55,049)
Total Base Budget Changes	(100,054)	(61,016)	(36,474)
Operating Impacts of Capital & Growth			
N/A	-	-	-
Total Operating Impacts of Capital & Growth Budget Changes	-	-	-
Service Level Changes			
Increase	1,032	-	-
Total Service Level Budget Changes	1,032	-	-
Infrastructure Investment			
Recommended	42	-	-
Total Infrastructure Budget Changes	42	-	-
TOTAL BUDGET CHANGES	(98,980)	(61,016)	(36,474)
Net Operating Transfer to/(from) Reserve	98,980	61,016	36,474
TOTAL Rental Housing Enterprise Budget	-	-	-
Rental Housing Reserve Projected Balance	19,000	60,000	95,000

**OTHER ENTERPRISE BUDGET
2020-2022 Budget Details - SCHEDULE 5**

Category	Sub-Category	Dept	Division	Ref #	Budget Request Name	Other Enterprise Amount 2020 (\$)	Other Enterprise Amount 2021 (\$)	Other Enterprise Amount 2022 (\$)	FTE	
Op Impacts of Cap & Growth	Recommended	CAO	Economic Development	G23	Parking Enterprise Inflationary Increase	10,154	9,757	9,956		
	Recommended Total					10,154	9,757	9,956		
Op Impacts of Cap & Growth Total						10,154	9,757	9,956		
Service Level Changes	Increase	CAO	CAO Administration	S3	Director of Innovation and Strategic Initiatives (Bld Stn)	2,457	-	-		
					Director of Innovation and Strategic Initiatives (Parking)	292	-	-		
					Director of Innovation and Strategic Initiatives (Cemetery)	2,513	-	-		
					Director of Innovation and Strategic Initiatives (Comp. Bus Lic)	337	-	-		
					Director of Innovation and Strategic Initiatives (Rental Housing)	1,032	-	-		
					Increase Total	6,631	-	-		
Service Level Changes Total						6,631	-	-		
Infrastructure Investment	Recommended	CAO	Asset Mgmt	I1	Asset Management Analyst (Parking)	-	1,610	-		
					Asset Management Analyst (Cemetery)	-	215	-		
					I2	Data Management Analyst (Parking)	1,610	-	-	
						Data Management Analyst (Cemetery)	215	-	-	
		CORP	Fleet & Procurement	I5	Procurement Specialist Position (Bld Stn)	1,156	-	-		
					Procurement Specialist Position (Parking)	193	-	-		
					Procurement Specialist Position (Cemetery)	1,127	-	-		
					Procurement Specialist Position (Rental Housing)	42	-	-		
Recommended Total					4,343	1,825	-			
Infrastructure Investment Total						4,343	1,825	-		
Grand Total						(53,667)	31,762	22,265	(0.5)	

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SECTION #8
Background Information

INFLUENCING FACTORS FOR MUNICIPALITIES

The City of Waterloo like many other municipalities across Ontario, must take into account numerous influencing factors when preparing its budget.

1) 2019-2022 Strategic Plan

The City of Waterloo 2019-2022 Strategic Plan was approved by council on June 24, 2019. The plan's framework includes an updated corporate mission, vision and guiding principles. There are seven Guiding Principles, six Strategic Pillars, and 19 Objectives. Council's Strategic Plan sets the foundation for the budget process as it identifies the highest priorities for the city and outlines actions necessary to reach those goals. This new strategic plan will be mobilized through the 2020-2022 budget and business plans.

Additionally on November 18, 2019 the City of Waterloo declared a climate emergency and formally adopted a Corporate emissions target of a minimum 80% reduction in GHG emissions below 2011 levels by 2050. Council directed staff to report back in 2020 with terms of reference for this plan and a proposed timeline for prompt implementation. Investments included in the 2020-2022 budget and future budget will be required to achieve this goal.

2) Legislative Impacts for Municipalities

Municipal Act

- Regulates what the City of Waterloo can and cannot do
- Requires a "balanced budget"
- Mandates a 1 year budget for council's first term
- Allows for multi-year budgets after council's first term
 - *City of Waterloo implements a multi-year budget for years 2-4 of the council term*

The Planning Act

- Governs land use
- Creation of Community Improvement Plans

Other Legislative Influencers

- Employment Standards Act
- Building Code Act
- Places to Grow Act
- Ontario Heritage Act
- Expropriations Act
- Assessment Act
- Municipal Conflict of Interest Act

- Local Planning Appeal Tribunal Act
- Land Titles Act
- Drainage Act
- Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)
- Clean Drinking Water Act
- More Homes, More Choice Act (*new Legislative implication for 2020-2022*)
 - Bill 108, More Homes, More Choice Act, 2019 received Royal Assent on June 6, 2019. The legislation amends the Development Charges (DCs) Act and Planning Act, among other matters, to change how cities fund growth-related capital costs. A key amendment is to replace a city's authority to impose DCs for soft/discounted services (library services, parks, indoor recreation facilities, cemeteries, parking, related fleet, and related growth studies), as well as parkland dedication and density bonusing contributions, with a new Planning Act authority as a Community Benefit Charge (CBC).

3) Financing

The City of Waterloo's budget is financed through a combination of property taxes, user fees and other financing sources. There are three key components to the city's budget.

a) Tax based Operating Budget:

- Ongoing programs and services funded from a combination of property taxes, user fees and reserves Examples include:

- Fire Rescue and Municipal Enforcement
- Parks, Recreation, Community and Culture
- Transportation and Development Services
- Waterloo Public Library

b) Enterprise based Operating budget:

- Ongoing programs and services funded from user rates:

- Building Standards
- Cemeteries
- City Utilities
- Comprehensive Business Licensing
- Parking
- Rental Housing

c) Capital budget:

- Projects identified to create, enhance or restore the service level provided by assets funded through a variety of sources that include; property tax funded reserves/reserve funds, user rate funded reserves/reserve funds and development charges. Examples include:

- Road Reconstruction (including Underground)
- Park Rehabilitation / Upgrade
- Facility Refurbishment

HOW MUNICIPALITIES ARE FUNDED

The 2020-2022 budget has various funding sources however the primary sources are property taxes and user fees. All city expenditures are essentially paid through these funding sources.

What is Assessment Growth?

New or expanded homes or businesses generate property tax funding for the City of Waterloo. These fund increased demand for existing services as the city grows (e.g. winter snow removal, maintenance of parks and roads, fire rescue services).



$$\text{Tax Levy Increase} = \text{Property Tax Increase} + \text{Assessment Growth}$$

2020-2022 STAFFING SUMMARY

The City of Waterloo is a service provider and labour constitutes the single largest expense. These services include but are not limited to; fire rescue and municipal enforcement, parks and trails service, roads and transportation including winter maintenance and recreation facilities and programming, city facility maintenance and capital project management. In addition, the city also provides essential business support functions to the operational divisions; services include but are not limited to human resources, finance, fleet maintenance and information technology. As the population within the city’s boundaries continues to grow, new assets are built, and new services are added by council in accordance with the Strategic Plan, there is a need for additional staffing resources.

Current Staffing Levels

The 2019 Approved Budget includes 741.3 Full Time Equivalent employees. FTE stands for Full Time Equivalent and is a calculation of the number of hours a position works compared to the standard hours for the position (35/40 hours per week). FTE includes both Full Time and Part Time employees.

Full Time:

- Permanent Full Time Employees
- Permanent Part Time Employees
- Co-op Students

Part Time

- Seasonal Employees
- Outside Students
- Crossing Guards
- Instructors/Lifeguards
- All other staff that are paid hourly that are not part of the Staff Association

The 2019 Approved Budgeted FTEs can also be broken down between Tax Base funded FTEs and Enterprise funded FTEs. This is shown below in Table #1.

Table #1 FTE by Dept and Tax Base vs. Enterprise Funding:

Dept	2019 Approved Budget (FTE's) - Tax Base	2019 Approved Budget (FTE's) - Enterprise	2019 Approved Budget (FTE's) - Total
CAO	18.2	1.9	20.1
COMM	405.3	33.8	439.1
CORP	107.2	-	107.2
IPPW	102.1	72.8	174.9
TOTAL	632.8	108.5	741.3

2020-2022 Tax Base FTEs

As part of the 2020-2022 budget, new Tax Base FTEs are required to support new and existing services and have been categorized under each budget category.

Base Budget - requests include adjustments to maintain current service levels, regular fee increases and efficiencies. Base Budget FTE example included in the 2020-2022 budget is:

- B46 – Traffic Technician to maintain increased traffic data program, including radar speed signs, intersection and midblock traffic counts and traffic calming studies.

Op Impacts of Cap & Growth – requests related to the operating cost of capital projects. The impacts of capital are generated as a result of previously approved capital projects or capital projects included within the 2020-2022 capital budget that will have an impact to the operating budget. It also includes growth related operating costs. Op Impacts of Cap & Growth FTE example included in the 2020-2022 budget is:

- G8R - Op Impacts of Park Services Capital Projects, including 2 Parks Seasonal employees. Additional Parks Seasonal employees are required to assist in managing the increased operating needs resulting from new parks projects such as; Splash Pad Construction, Alexandra Park Expansion and Leash Free Dog Park.

Service Level Changes – request include increases or decreases to existing service levels. Service Level Changes FTE example included in the 2020-2022 budget is:

- S5 - Neighbourhood Development Coordinator required to lead the Neighbourhood Strategy Implementation and position Waterloo as a strong and resilient community.

Infrastructure Investment – request include infrastructure investment increases as recommended by the Long Term Financial Plan to address the city’s infrastructure funding gap. Infrastructure Investment FTE example included in the 2020-2022 budget is:

- I5 - Procurement Specialist Position required to manage increased procurement volumes using more complex project-delivery types and to support the strategic value of procurement at the city. Position would also enable the introduction of new technologies and initiatives, such as a Social Procurement Program that would leverage city spending to integrate social value through the procurement process and supplier performance management.

For 2020-2022, there is an average of 6.2 Tax Base FTEs annually. This is summarized in Table #2 below which outlines the breakdown by budget category and Table #3 which outlines the breakdown by labour group.

Table #2 – 2020-2022 FTEs by Budget Category:

Budget Category	2020 FTE's	2021 FTE's	2022 FTE's	TOTAL FTE's
Base Budget	5.0	3.0	1.4	9.4
Operating Impact of Capital & Growth	-	0.6	0.6	1.2
Service Level Changes	2.6	0.4	-	3.0
Infrastructure Investment	2.0	2.0	1.0	5.0
TOTAL	9.6	6.0	3.0	18.6

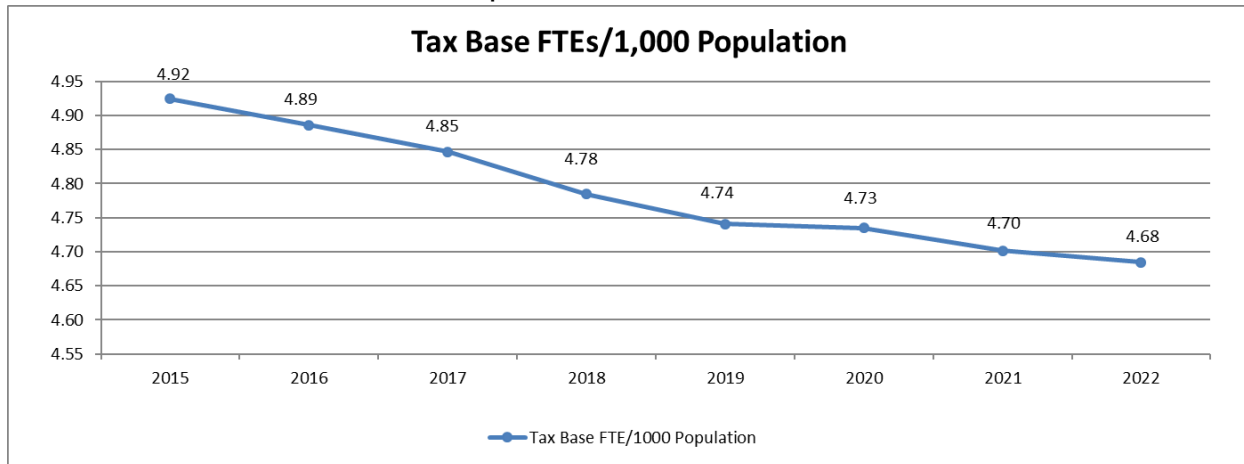
Table #3 – 2020-2022 FTEs by Labour Group:

Labour Group	2019 FTE's	2020 FTE's	2021 FTE's	2022 FTE's	TOTAL FTE's	Cumulative % Increase
Staff Association	219.4	8.6	5.0	-	13.6	6.2%
CUPE	106.1	-	0.6	1.6	2.2	2.1%
Fire	117.0	-	-	1.0	1.0	0.9%
Management	63.7	1.0	-	-	1.0	1.6%
Casual	120.8	-	0.4	0.4	0.8	0.7%
Elected	5.8	-	-	-	-	0.0%
TOTAL	632.8	9.6	6.0	3.0	18.6	

Population Increases

Another important factor when considering FTEs is current population and forecasted population growth. Using the current population and the population growth forecast included in the recently approved 2019-2022 DC By-law, Tax Base FTEs per 1,000 population was 4.92 back in 2015. This ratio declined slightly to 4.74 Tax Base FTEs per 1,000 population as of 2019 meaning the population growth has exceeded FTE growth. Using the 2020-2022 Tax Base FTE increase compared to forecasted population, this downward trend of Tax Base FTEs per 1,000 population is anticipated to continue to approx. 4.68 Tax Base FTEs per 1,000 population by 2022. This highlights the need for increased staffing levels to continue to deliver services to a growing population and ensures that the FTE increases are in alignment with anticipated population growth. The Tax Base FTEs per 1,000 population ratio can be seen via Chart #1 below:

Chart #1 – Tax Base FTEs / 1,000 Population:



Inflationary Changes

In order to help maintain existing service levels and ensure the city is able to keep pace with a growing community, increases in staffing levels compared to the 2019 FTE totals are required. In terms of inflation, the 2020-2022 budget is guided by various inflationary measures.

Table #4 - Inflationary Measures:

	12 mth average ¹			
Year	CPI Canada	CPI Ontario	CPIX	Construction Price Index (3rd Qrt.) ²
2019	1.88%	1.88%	1.76%	3.31%

¹ Based on a rolling 12 mth average, Nov. 2018 to Oct. 2019

² Construction price index based on 3rd quarter data, Q3 2018 to Q3 2019

For 2020-2022, the inflationary increase is appropriately 2%. Applying an inflationary increase of 2% to the Tax Base FTEs would result in approximately 12.5 additional FTEs annually, or 37.5 positions in total over the three year period. The average 6.2 Tax Base FTEs over 2020-2022 represents an increase of 0.9%, which is below the above noted inflationary measure.

2020-2022 Enterprise FTEs

As part of the 2020-2022 Enterprise budgets, new FTEs are required to support new and existing services. For 2020-2022, there is an average of 1.8 Enterprise FTEs annually, summarized in Table #5 below.

Table #5 – 2020-2022 Enterprise FTEs:

Enterprise	2020 FTE's	2021 FTE's	2022 FTE's	TOTAL FTE's
City Utilities	4.0	2.0	-	6.0
Rental Housing	(0.5)	-	-	(0.5)
TOTAL	3.5	2.0	-	5.5
2020-2022 Average FTE				1.8

Table #6 – 2020-2022 Enterprise FTEs by Budget Category:

Budget Category	2020 FTE's	2021 FTE's	2022 FTE's	TOTAL FTE's
Base Budget	3.5	2.0	-	5.5
Operating Impact of Capital & Growth	-	-	-	-
Service Level Changes	-	-	-	-
Infrastructure Investment	-	-	-	-
TOTAL	3.5	2.0	-	5.5
2020-2022 Average FTE				1.8

For 2020-2022, the inflationary increase is appropriately 2%. Applying an inflationary increase of 2% to the Enterprise FTEs would result in approximately 2 additional FTEs annually, or 6 positions in total over the three year period. The average 1.8 Enterprise FTEs over 2020-2022 represents an increase of 1.7%, which is in-line with the above noted inflationary measure.

Table #7 – 2020-2022 Enterprise FTEs by Labour Group:

Labour Group	2019 FTE's	2020 FTE's	2021 FTE's	2022 FTE's	TOTAL FTE's	Cumulative % Increase
Staff Association	52.3	0.5	-	-	0.5	1.0%
CUPE	41.8	2.0	2.0	-	4.0	9.6%
Fire	1.0	-	-	-	-	0.0%
Management	8.4	1.0	-	-	1.0	11.9%
Casual	5.0	-	-	-	-	0.0%
Elected	-	-	-	-	-	0.0%
TOTAL	108.5	3.5	2.0	-	5.5	

2020-2022 BUDGET DISCUSSION PAPERS

In preparing the 2020-2022 operating budget, it was also important to highlight some of the factors that could influence future budget cycles. In these situations, a **Discussion Paper** has been prepared.

Discussion Papers are intended to provide Council with preliminary information about potential future budget impacts. At this stage these items are for information only and are not included in the 2020-2022 operating budget.

For the 2020-2022 budget, there are three Discussion Papers provided:

- 1) 2020-2022 Discussion Paper #1 – Fire Rescue Expansion
- 2) 2020-2022 Discussion Paper #2 - Facility Rental Discount
- 3) 2020-2022 Discussion Paper #3 – Review of Winter Control Operations – Deloitte Recommendations

Discussion Papers are available on the city’s website at [Budget 2020-22](#).

FINANCIAL CONTROL BUDGET POLICIES

The Council for the City of Waterloo is committed to demonstrating financial leadership and sustainability. The 2020-2022 budget has been guided by various Financial Control – Budget related policies. They are:

- FC-002 Financial requests outside of budget
- FC-009 Debt Management Policy
- FC-010 Definition of Capital Policy
- FC-011 Multiple Year Budget Approval
- FC-012 Capital Budget
- FC-013 Use of Budgeted Assessment Growth Revenue Update
- FC-014 New Revenue Policy
- FC-018 Capital Overhead
- FC-019 Core Consumer Price Index (CPIX)

Financial Control Budget Policies are available on the city's website at [Budget 2020-22](#).