

Discussion Papers

D1-D3

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BUDGET DISCUSSION PAPER: Fire Rescue Expansion (D1)

Related Budget Request(s):

- Fire Rescue Expansion - Capital Budget Ref #304
- Future Operating Impacts of Capital requests 2023, 2024-2026

Issue/Background:

In April of 2019, as part of Fire Rescue Services Business Plan, Fire Underwriters Survey (FUS) completed an assessment of the City of Waterloo's fire defenses. The FUS assessment is primarily for fire insurance grading, classification purposes and can directly inform fire prevention, fire suppression planning and decision-making. This national program highlights four categories that make up a total of 45 specific assessment areas including fire department grading, water supply, emergency communication and fire safety control.

The FUS utilizes two grading systems with the first evaluating the ability of a community's fire protection programs to prevent and control major fires that may occur in multi-family residential, commercial, industrial, institutional buildings and construction developments. This grading system for communities across Canada is determined by an extensive survey and analysis of the fire risk in the built environment and the available resources related to fire risk reduction and fire protection capacity. The second grading system reflects the community's ability to handle fires in small buildings such as single-family dwellings and semi-detached dwellings.

The 2019 FUS report for the City of Waterloo indicates that opportunities exist for improvement in the areas of fire prevention inspections, and available fire suppression resources; this is a common occurrence among Canadian fire services where communities have experienced significant growth over time. The FUS report further identifies concern associated with future developments and an increase in population resulting in higher call frequency. For example, calls for service has increased by 62% over ten years, from 3,893 (one year prior to opening Fire Station 4 – University Ave in 2009) to 6,299 (call volume in 2018).

The FUS report indicated that such growth, if not managed accordingly and provided with additional prevention programs and rapid response capacities, may result in a loss in FUS grading which can affect commercial insurance rates. The Fire Rescue Services business plan for 2020-2022 identifies that a master fire plan will begin in the first quarter of 2020.

The master fire plan will focus on all service aspects for the City including public education, fire prevention, suppression planning and decision-making in addition to key services such as first response to medical emergencies and specialized response to low-rise and high-rise emergencies. A key objective of the plan is to maintain and enhance response capacities to achieve Council's previously approved mandate of a 5-minute response time to emergencies throughout the City.

As a starting point, a positive outcome of Fire Rescue Services 2019 Business Plan, through the completion of the 2019 FUS report, has identified that the four existing fire stations do not require relocation. Although FUS staff have recommended an additional fire station on the south-west side of the City to assist with service delivery and future grading, the master fire plan will also explore opportunities associated with the re-occupancy of the former fire station located on Westmount Road with Region of Waterloo Paramedic Services. In addition to public and system partner consultation, the study will also investigate alternative response solutions such as automatic aid, and enhancing response capacities at the existing Fire Station #2- Columbia Street.

It is possible a new fire station is required due to growth of the city and as a result, the total capital outlay included in the 2023-2024 capital forecast is \$10,219,000 (Development Charges, ref #304). The Building Code requires critical infrastructure, including fire stations be built to a higher standard than other buildings to withstand emergencies (ie. high wind and flooding). A fire station would also feature a mechanical service bay that would be able to hoist fire apparatus allowing for efficient and safe repair. Currently, the entire fleet of Fire Services and Municipal Enforcement Services is repaired at Station 1- Weber St.; constructed in 1966, this station does not have a mechanical service bay, or a vehicle/truck hoist.

The operating impacts of a 5th station are estimated at \$4,296,000 and includes hiring 26 additional positions to staff the new station as well as operating costs to run the station (i.e. hydro, building upkeep). Should a new station be approved in the future by Council, it is proposed, that the \$4,296,000 operating expense be phased-in over the 4 years of the next council term to avoid a large increase all in one year. Phase-in approaches have been useful for smoothing the financial impact of other city initiatives. Using the proposed 2022 Budget Levy as the baseline, the proposed annual increase of \$1.07M represents a tax increase of 1.2%.

This operating expense has been included in the Long Term Financial Plan forecast. The total operating costs over the 4 years has been inflated to 2026 dollars using a combination of the current agreement with Waterloo Professional Firefighters

Association (WPFPA) where applicable and an inflationary amount for other costs and wages outside of the term of the agreement. During the next budget cycle in 2023, all of the amounts and assumptions for future capital and operating budgets will be updated based on the most current information as informed by the master fire plan and Council's direction. In 2026, the full budget will be available and required on an ongoing basis.

Key Points:

- As part of the Fire Rescue Services Business Plan, 2019 the Fire Underwriter Survey (FUS) was completed in April, 2019. Opportunities exist for improvement in the areas of fire prevention inspections, and available fire suppression resources.
- Fire Services will initiate a master fire plan in the first quarter of 2020 that will include alternative response solutions such as automatic aid.
- The FUS report and internal processes have determined that the existing fire stations do not require relocation and that call volume has increased by 62% in 10 years.
- If a 5th fire station is required and approved, the total capital outlay would be funded by development charges in 2023-2024 and is \$10,219,000 with an associated operating increase of \$4,296,000 proposed to be phased-in during the 2023 and 2024-2026 budget cycles.

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DISCUSSION MENU PAPER: Facility Rental Discount (D2)

Related Budget Request(s):

- N/A

Issue/Background:

The City of Waterloo offers Facility Rental Discount (“FRD”) support to affiliated community groups as part of their service agreement. FRD support allows these groups to access City facilities at a discount to support equitable, accessible and inclusive recreation and leisure opportunities for children, youth and seniors in our community. Without FRD, registration costs for programs like minor sports would be significantly higher, creating financial barriers to participation. Through the FRD program, affiliated organizations in the areas of Sports and Recreation, Neighbourhoods, and Arts and Culture, receive a 50% discount for facility usage to qualifying groups. Funds are transferred from the FRD budget to the appropriate revenue line in Recreation Services Division or Environment and Parks Division to cover the rental fee discount. The FRD policy M-001 governs the granting of FRD support.

This FRD support is separately tracked for reporting purposes. The FRD budget is currently \$2.0M, and has remained at approximately \$2.0M since 2016. Meanwhile, the costs of providing FRD support have increased steadily over the years, and are forecasted to be \$2.2M for 2019, approximately the same as 2018. This has resulted in an operating pressure of approximately \$200,000.

This pressure is partly the result of increased usage of FRD support from community groups as the City sees increased demand for use of indoor and outdoor facilities. Furthermore, the pressure is also due to the fact that historically, the FRD budget has not increased corresponding with the increases in fees and charges to which FRD applies. For the 2019 budget, there was no increase to the FRD budget, despite an increase in applicable fees and charges. Since FRD support is a percentage of these facility fees, this has increased the current pressures on the budget.

As per CORP2019-077 – 2019 Q3 Surplus Project, the Community Services department was projected to incur a net budget surplus of approximately \$150,000 with deficits in some divisions (including FRD) being offset by surpluses in others. However, those surplus drivers that are considered sustainable in nature are being incorporated into the 2020-2022 proposed budget, and as such the FRD deficit may result in a departmental deficit in the future. For the 2020-2022 budget, the estimated FRD impact has been incorporated into the fees and charges increases budget request (Ref #B7). This will ensure that the pressure on the FRD budget does not increase further than the current approximate \$200,000. However, in the future it will be important to consider how to address this remaining pressure.

One option will be to consider an increase to the FRD budget in the amount of \$200,000 as part of the 2023 budget. This would enable the City of Waterloo to continue providing the same level of FRD support to community groups, and thus eliminate this budget pressure.

Alternatively, the FRD policy can be reviewed or revised. While currently the City generally provides a 50% discount, this discount can instead be reduced, or access to FRD to could be capped. Such approaches would likely be sufficient in eliminating this budget deficit but it would have a negative impact on community organizations that provide programming for children, youth and seniors, and may also have impacts on other programs. Any change could be phased in across a number of years. It is important to note that if these measures are undertaken, it will nevertheless be crucial to continue incorporating the FRD impact into future fees and charges increases budget requests, to ensure that further scaling back of the program is not necessary.

Key Points:

- The City of Waterloo offers Facility Rental Discount (“FRD”) support to affiliated community organizations. This is governed by the FRD policy, and generally allows for a 50% discount to qualifying groups.
- While the FRD budget is \$2.0M, actual FRD costs are \$2.2M. This \$200,000 pressure is primarily due to historical budget adjustments failing to increase FRD budgets commensurate with the increases in fees and charges to which FRD applies.
- The FRD impact from increases in fees and charges for the 2020-2022 budget has been incorporated and addressed through Ref #B7. As such, going forward, the FRD pressure is anticipated to remain at current levels.
- One option is to consider an increase of \$200,000 to the FRD budget in 2023.
- Alternatively other options could be explored to contain costs. For example, the discount rate could be reduced or access to FRD could be capped. Changes could be implemented gradually over a number of years to allow community organizations time to adjust to decreased municipal support.

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DISCUSSION MENU PAPER: Review of Winter Control Operations – Deloitte Recommendations (D3)

Related Budget Request(s):

- Ref #274 - Mini Operation Centre on the West Side

Issue/Background:

At the November 18, 2019 Finance and Strategic Planning (FSP) meeting, a Winter Control and Modernization Review (the Review) was presented by a team from Deloitte; funded through the province's Audit and Accountability Fund. The review identified 20 improvements to enhance efficiencies, effectiveness and cost savings within the roads, sidewalks and trails systems in the City of Waterloo. Improvements were divided into short, medium and longer term initiatives. Council, following the presentation requested further information related to the prioritization of sidewalk / trail routes as well as how the various improvements may be addressed in the up-coming budget.

Sidewalks / Trail Prioritization

Included within the improvements was a review of the current sidewalk/trail routes and a need to prioritize these routes similar to the roads system in the city. Members of Council expressed their desire for staff to initiate the review of sidewalk/trail snow clearing operations immediately, and specifically referenced the need to identify high-use pedestrian routes and connections to priority facilities such as schools, health centers, main public transit routes, other public amenities and overall network accessibility.

As a first step in 2020, staff will commence research and data collection to better understand sidewalk/trail use and volumes and to identify priority connectivity within the pedestrian and cycling communities. This will be followed by a comprehensive public engagement process which will help define the priority routes. Staff will then review maintenance operations to maximize current resources to these priority routes to best meet the needs of our citizens.

Additional Deloitte Recommendations

As noted, the Review included 20 potential improvements related to Winter Control. Many of the items identified are more operational in nature and would require little, if any additional funding and staff will be reviewing and implementing shortly:

- standardize communication with Council;
- increase tandem / echelon plowing;
- increase the application of ‘wings’ on plows;
- maximize equipment utilization;
- trail equipment rotation; etc.

The Review provided a number of improvement opportunities (e.g. optimize staffing mix, re-design shift balance, departmental sharing, etc.) which need to be discussed with labour representatives and researched more fully before implementation could be initiated. Management staff will begin the research and discussions with operational staff following this winter season.

Finally, the Review also identified a number of initiatives which are longer term in nature or which may require more significant funding and/or research. These items, save and except one, may be included in up-coming budgets (i.e., post 2020 – 2022). The one exception being a satellite salt refilling station on the west side of the City. Community Services has included a west side “Mini Operation Centre” within the proposed Capital Forecast (Ref # 274 in 2025).

In conclusion, based on the nature of the recommendations and the timing of the Review completion, the 2020-2022 budget does not include associated requests for winter control (other than the aforementioned west side satellite facility). As staff advance several of the recommendations over the course of the next 2 – 3 years, the initiative/outcome during this time will be piloted or phased within the current budgets; with permanent savings/service level increases being implemented as part of the next budget deliberation process in 2023 where appropriate.

Key Points:

- In November 2019, through the provincial Audit and Accountability Fund, a Winter Control Modernization Review was completed.
- The Review identified 20 recommendations to improve winter control operations.
- The City of Waterloo will be undertaking a review of our arterial sidewalk clearing operations in 2020.
- Through a comprehensive public engagement process and data collection period, the City will be establishing priority rankings for sidewalks and trails to identify primary use routes.
- This review will take into consideration vulnerable populations, proximity and connectivity to public transit, schools, hospitals, health services and other essential facilities.
- It is anticipated that outcomes and implementation of this review will take a few years. These savings/service level increases will be presented as part of the next appropriate budget cycle.