

# 2023 APPROVED OPERATING BUDGET

 BUDGET 2023

Documents released:  
December 12, 2022

Approval:  
February 13, 2023



Building a  
strong and  
sustainable  
community  
— together

THE CITY OF   
**Waterloo**

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# MEMORANDUM

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To: Mayor McCabe, members of Council and residents of Waterloo

Cc: Corporate Management Team, Operational Leadership Team

Date: February 13, 2023

From: Filipa Reynolds, Corporate Services Commissioner and Chief Financial Officer,  
and Brad Witzel, Manager, Financial Planning

Subject: 2023 Approved Operating Budget: Building a Strong and Sustainable Community  
– Together

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Waterloo city council has approved the 2023 one year operating and capital budgets and the nine-year capital forecast for 2024-2032, in principle.

The operating budget includes \$1.3 million in efficiencies, cost savings and other revenue solutions. The budget includes an average annual property tax increase of 3.83 per cent for base services and operating impacts of capital, along with an average annual increase of 1.62 per cent for service level changes and additional infrastructure investment for an overall total increase of 5.45 per cent. An average Waterloo household will pay \$1,478 annually in 2023. This represents an increase to an average household of \$76 per year in property taxes.

“This budget strives to balance ongoing commitments and needs of the community; while also considering the potential impact of increases. We are mindful that we are living in challenging economic times. This is the first city budget in over 20 years, so severely impacted by inflation rates, which are at their highest level in decades. Even with these challenges, Council and staff were determined to keep any property tax increase below the current annual average inflation rate,” said Councillor Diane Freeman, chair of the City’s Finance and Strategic Planning Committee. “We believe the budget is a measured and progressive approach which is focused on supporting existing programs and services, as well as new capital assets. Through this budget, Council and staff are continuing to invest in infrastructure renewal and supporting service delivery enhancements in alignment with the current strategic plan.”

The capital budget includes \$98.6 million capital investment in 2023. As well, a capital forecast for 2024 to 2032 with a value of \$750.7 million was approved, in principle. The nine-year capital forecast provides the necessary long-term planning for the City’s \$3.4 billion of assets.

The net operating budget for 2023 is \$92.7 million. The operating budget supports many important services and projects throughout the city including snow removal, sewer maintenance, fire protection, bylaw enforcement, road maintenance and repairs, parks, recreation, culture and leisure services, as well as youth and older adult programming.

The 2023 operating budget includes an increased investment of \$7.8 million towards the City’s strategic priority areas. These commitments are funded by a combination of tax base and enterprise funding. Investments include:

- Senior Development Planner Intensification Specialist to respond to increase in complexity of applications and shortened provincial timelines, focusing on development applications in station areas, nodes and corridors, including multi-faceted condominiums
- CUPE Traffic Technicians to coordinate traffic calming programs and road closures, conduct inspections, install signage, and assist with Winter operations
- Increased funding for the Waterloo Public Library to allow for continued coverage of operating expenses, taking into account inflation, growth and efficiencies
- Additional infrastructure funding allocated to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF) – to help continue to close the \$28 million average annual funding gap for tax-based assets
- Indigenous Initiatives, Anti-Racism, Accessibility and Equity (IIARAE) Strategic Implementation Program Funding to build community support to address Accessibility, Equity and Indigenous reconciliation, involving: extensive engagement of equity deserving groups
- Partial reallocation of Council's Community Priority and Contingency (CCPC) Reserve Funding from the general program to the Affordable Housing (AH) program increasing the City’s ability to support the AH Grant Program and AH Strategy

The capital budget covers the costs of buying new assets or fixing existing ones, including roads, sewers, parks, fire stations, arenas, parking lots, stormwater management ponds, fleet replacement and more. The 2023 Capital Budget is comprised of 195 capital projects with a value of \$98.6 million. Key capital budget investments for 2023 include; affordable housing, arts and culture, sustainability and climate change, active transportation, diversity, equity and inclusion, and key infrastructure rehabilitation including; roads, roofs, fleet and equipment, parks, and technology:

Affordable Housing:

- Affordable Housing Strategy

Arts & Culture:

- Economic Development / Arts and Culture Microsite Development

Sustainability and Climate Change

- Corporate Climate Action Plan Implementation
- Electric Vehicle Charging Program
- Community Energy Investment Strategy Implementation

Active Transportation:

- Trails in New Development Areas - NW Waterloo
- Municipal Trail - Former Waterloo Inn Lands
- Trails and Bikeways Master Plan Implementation - City Wide

## BUDGET 2023

### Diversity, Equity and Inclusion:

- Interpretation / Translation Supports-Pilot
- Button Factory Universal Washroom

Key Infrastructure Rehabilitation and Expansion which includes, roads, water/sanitary/stormwater, roofs, fleet and equipment, parks, and technology:

- City Wide - Road Reconstruction Rehab Program
- Resurfacing Roads - Colonial Acres Area
- Sanitary Optimization and Rehabilitation Program
- Clair Creek North Reach I-Stormwater System Rehab
- Keatsway Storm Bypass and Creek Bank Stabilization
- Advanced Metering Infrastructure Implementation
- Roofing Replacement and Rehabilitation Program
- Fire Extrication and Forcible Entry Equipment
- Fire Replace Pump 2-2 – Ref #259
- Building Standards Vehicle Replacements
- Alexandra Park Expansion
- Bridgeport and Margaret Park
- Emerald Ash Borer Program
- Cyber Security
- Waterloo Public Library Computer Communication Upgrades

Council has also directed staff to review and report back before June 2023 on possible sidewalk snow clearing improvements for consideration as part of the 2024-2026 budget process. Considerations to be reviewed will align with the City's current hybrid model where the city and the adjacent property owner clear snow from sidewalks. The focus will be on a review of sidewalk clearing at key nodes and corridors taking into consideration accessibility needs, proximity and connectivity to public transit, schools, hospitals, health services and other essential facilities in alignment with active transportation and transit routes. Staff will also review sidewalk clearance practices in other similar communities. The community will also be consulted. Opportunities for improvement may include snow clearing at intersection corners, along curb faced sidewalks, enhanced compliance, enhanced support and volunteer services and improved communications with a potential phased-in implementation as part of the upcoming city three-year budget process.

Respectfully submitted,

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**SECTION #1**  
**Community Investment**

# 2023 OPERATING BUDGET - STRATEGIC PLAN INVESTMENTS

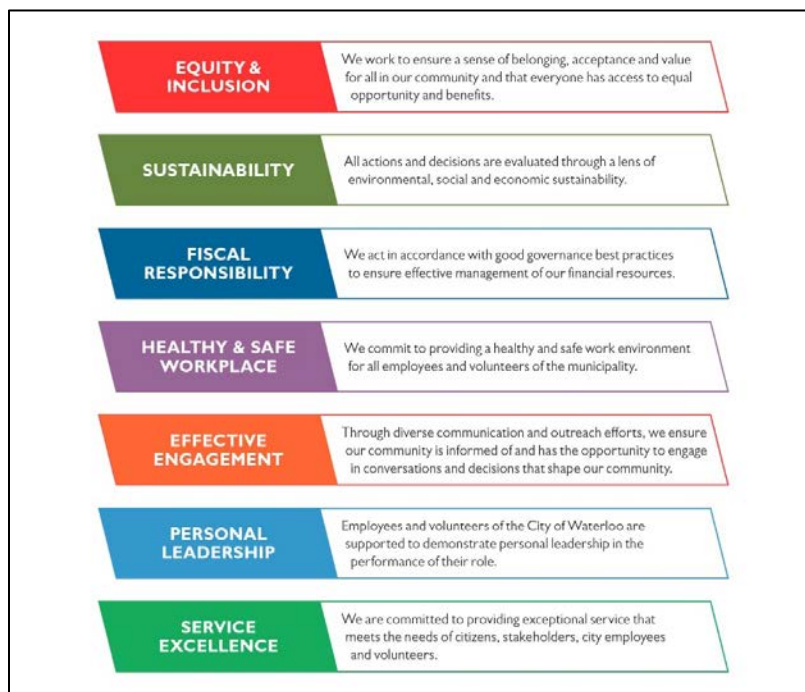
The 2023 budget is a one-year budget approval, and is positioned to continue to implement the priorities of Council’s Strategic Plan. The budget is a measured, yet hopeful and progressive approach through the theme of “Building a Strong and Sustainable Community – Together” via four main goals:

1. Support for existing programs and services
2. Operating funding to support new capital assets
3. Continued increased investment in infrastructure renewal
4. **Service delivery enhancements and additions as supported by the 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 (7) Guiding Principles and six (6) Strategic Pillars. 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 current Strategic Plan will continue to guide the 2023 budget and business plans.

## 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 the Strategic Plan:



**Our Strategic Pillars**

The strategic plan provides a common focus for Council and staff, setting the most important priorities for the City:



**EQUITY, INCLUSION AND A SENSE OF BELONGING**  
Strengthen Waterloo as a diverse and inclusive community.

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**SUSTAINABILITY & THE ENVIRONMENT**  
Transform Waterloo to be an environmentally, economically and socially sustainable community.

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**SAFE, SUSTAINABLE TRANSPORTATION**  
Improve all modes of transportation to make Waterloo more mobile, accessible and connected.

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**HEALTHY COMMUNITY & RESILIENT NEIGHBOURHOODS**  
Position Waterloo as a strong and resilient community.

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**INFRASTRUCTURE RENEWAL**  
Focus on infrastructure needs through effective planning and engagement.

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**ECONOMIC GROWTH & DEVELOPMENT**  
Foster a robust and diversified economy.

**2023 Approved Budget by Strategic Priorities**

The 2023 approved operating budget includes an increased investment of \$7.8 million towards the strategic pillars, while the 2023 approved capital budget will provide \$98.6 million towards the strategic plan. 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 may be related to more than one area.

<b>2023 Budget - Strategic Plan Investments</b>			
<b>Strategic Priorities</b>	<b>2023 - Operating (\$)</b>	<b>2023 - Capital (\$)</b>	<b>TOTAL (\$)</b>
Equity, inclusion and a sense of belonging	462,000	782,000	1,244,000
Sustainability and the environment	2,603,804	8,560,000	11,163,804
Safe, sustainable transportation	503,883	5,610,000	6,113,883
Healthy community & resilient neighbourhoods	779,259	15,392,000	16,171,259
Infrastructure renewal	2,070,436	48,945,000	51,015,436
Economic growth & development	225,893	7,765,000	7,990,893
Supporting the Strategic Plan Guiding Principles	1,109,222	11,503,000	12,612,222
<b>Total Strategic Plan Investments</b>	<b>7,754,497</b>	<b>98,557,000</b>	<b>106,311,497</b>





## 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.

The 2023 approved budget includes the following investments in Equity, Inclusion and a Sense of Belonging:

<b>2023 Operating Strategic Plan Investments - Equity, Inclusion and a Sense of Belonging</b>				
<b>Ref #</b>	<b>Division</b>	<b>Budget Request Name</b>	<b>T/E</b>	<b>2023 - Operating (\$)</b>
B23	Economic Development	Physician Recruitment	T	20,000
B25	IIARAE	IIARAE Co-op Students	T	32,000
B31	Human Resources	External Consulting / Third Party Services	T	20,000
S1	IIARAE	IIARAE Strategic Implementation Program Funding	T	225,000
S2	Community Prog. & Outreach	Community Programming - Program Growth Funding	T	165,000
<b>TOTAL - Equity, Inclusion and a Sense of Belonging</b>				<b>462,000</b>

*Note – The 2023 approved capital budget includes an investment of \$0.8 million in Equity, Inclusion and a Sense of Belonging. Please see the 2023 capital budget for further details.*



## SUSTAINABILITY AND THE ENVIRONMENT

**Sustainability and the Environment** - The City of Waterloo is committed to environmental, economic and social sustainability. We recognize our leadership role in minimizing our 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.

The 2023 approved budget includes the following investments in Sustainability and the Environment:

2023 Operating Strategic Plan Investments - Sustainability and the Environment				
Ref #	Division	Budget Request Name	T/E	2023 - Operating (\$)
B26	CAO Administration	Director of Strategic Initiatives	T/E	250,000
B43	City Utilities	Water Wholesale Purchase Increase	E	665,172
B44	City Utilities	Wholesale Wastewater Treatment Increase	E	1,274,556
B47	City Utilities	Business Analyst - City Utilities	E	113,320
B49	City Utilities	Compliance Administration - City Utilities	E	86,077
B50	City Utilities	External Consulting - City Utilities	E	50,000
B51	City Utilities	Operations Engineer - Stormwater Management	E	125,985
B52	City Utilities	Stormwater Management Training Increase	E	35,000
G7	City Utilities	Stormwater Credit Program	E	3,694
<b>TOTAL - Sustainability and the Environment</b>				<b>2,603,804</b>

*Note – The 2023 approved capital budget includes an investment of \$8.6 million in Sustainability and the Environment. Please see the 2023 capital budget for further details.*



## 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.

The 2023 approved budget includes the following investments in Safe, Sustainable Transportation:

2023 Operating Strategic Plan Investments - Safe, Sustainable Transportation				
Ref #	Division	Budget Request Name	T/E	2023 - Operating (\$)
B20	City-wide	Fleet Budget Increase due to Fuel Prices	T	100,000
B22	Transportation Services	Winter Control - Salt Increase	T	100,000
B36	Transportation Services	Traffic Technician	T	115,883
B37	Transportation Services	CUPE - Traffic Technicians	T	188,000
<b>TOTAL - Safe, Sustainable Transportation</b>				<b>503,883</b>

*Note – The 2023 approved capital budget includes an investment of \$5.6 million in Safe, Sustainable Transportation. Please see the 2023 capital budget for further details.*



## HEALTHY COMMUNITY AND 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.

The 2023 approved budget includes the following investments in Healthy Community and Resilient Neighbourhoods:

<b>2023 Operating Strategic Plan Investments - Healthy Community and Resilient Neighbourhoods</b>				
<b>Ref #</b>	<b>Division</b>	<b>Budget Request Name</b>	<b>T/E</b>	<b>2023 - Operating (\$)</b>
B12	Municipal Enforcement	Kitchener-Waterloo Humane Society Contract Increase	T	11,407
B27	Community Prog. & Outreach	Outdoor Neighbourhood Rink Program	T	25,000
B28	Recreation Services	Programming Coordinator	T	160,425
B45	Parks, Forestry and Cemetery	Cemetery Contract Resources	E	100,000
G1	Library	Waterloo Public Library Funding Agreement	T	290,427
G10	Parks, Forestry and Cemetery	Cemetery Inflationary Increase	E	117,000
S3	Corporate Transactions	Affordable Housing - Annual Contribution	T	75,000
<b>TOTAL - Healthy Community and Resilient Neighbourhoods</b>				<b>779,259</b>

*Note – The 2023 approved capital budget includes an investment of \$15.4 million in Healthy Community and Resilient Neighbourhoods. Please see the 2023 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.

The 2023 approved budget includes the following investments in Infrastructure Renewal:

2023 Operating Strategic Plan Investments - Infrastructure Renewal				
Ref #	Division	Budget Request Name	T/E	2023 - Operating (\$)
B13	IMTS	Software Maintenance Contracts Increase	T	77,692
B14	IMTS	GIS Software Increase	T	30,000
B15	Corporate Transactions	Contribution to CIRRF from Assessment	T	255,017
B17	Corporate Transactions	Inflationary Contribution to CIRRF	T	442,750
G2	City-wide	Fleet Equipment Op Impacts of Capital	T	50,000
G3	City Utilities	Water Debenture Payments Increase	E	189,568
G4	City Utilities	Stormwater Debenture Payments Reduction	E	(309,788)
G5	City Utilities	Pump Stations Maintenance Increase	E	35,000
G6	City Utilities	SCADA Operations Increase	E	15,000
G8	City Utilities	Vactor Truck Operating Impact	E	110,000
G11	City Utilities	Inflationary Increases - City Utilities	E	100,098
I1	Facility Design & Mgmt.	FDMS Project Coordinator	T	91,006
I2	IMTS	Network Administrator and Infrastructure Analyst	T/E	117,558
I3	Corporate Transactions	Increased Infrastructure Funding as per LTFP	T	692,096
M6	Corporate Transactions	Construction Supervisor	T	145,000
MI1a	Corporate Transactions	Contribution to CIRRF from Additional Assessment	T	29,439
<b>TOTAL - Infrastructure Renewal</b>				<b>2,070,436</b>

Note – The 2023 approved capital budget includes an investment of \$48.9 million in Infrastructure Renewal. Please see the 2023 approved capital budget for further details.



## ECONOMIC GROWTH AND DEVELOPMENT

**Economic Growth and 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.

The 2023 approved budget includes the following investments in Economic Growth & Development:

<b>2023 Operating Strategic Plan Investments - Economic Growth and Development</b>				
<b>Ref #</b>	<b>Division</b>	<b>Budget Request Name</b>	<b>T/E</b>	<b>2023 - Operating (\$)</b>
B24	Economic Development	Increased Support for Arts & Culture	T	65,000
B35	Planning	Senior Development Planner, Intensification Specialist	T	150,693
G9	Economic Development	Parking Enterprise Inflationary Increase	E	10,200
<b>TOTAL - Economic Growth and Development</b>				<b>225,893</b>

*Note – The 2023 approved capital budget includes an investment of \$7.8 million in Economic Growth & Development. Please see the 2023 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 and Inclusion
- Sustainability
- Fiscal Responsibility
- Healthy and Safe Workplace
- Effective Engagement
- Personal Leadership
- Service Excellence

The 2023 approved budget includes the following investments in Supporting the Strategic Plan Guiding Principles:

<b>2023 Operating Strategic Plan Investments - Supporting the Strategic Plan Guiding Principles</b>				
<b>Ref #</b>	<b>Division</b>	<b>Budget Request Name</b>	<b>T/E</b>	<b>2023 - Operating (\$)</b>
B16	Corporate Transactions	Contribution to CRF from Assessment	T	85,006
B18	Corporate Transactions	Inflationary Contribution to CRF	T	255,439
B19	Corporate Transactions	WRMIP Levy Increase	T	288,000
B29	Finance	PeopleSoft Functional Specialist	T/E	139,025
B30	Human Resources	Customer Service/Admin Assistant	T/E	81,939
B32	Human Resources	EMPDV Funding for Contract Support	T	125,000
B34	City-wide	Commissioner Special Projects	T	125,000
M11b	Corporate Transactions	Contribution to CRF from Additional Assessment	T	9,813
<b>TOTAL - Supporting the Strategic Plan Guiding Principles</b>				<b>1,109,222</b>

*Note – The 2023 approved capital budget includes an investment of \$11.5 million in Supporting the Strategic Plan Guiding Principles. Please see the 2023 capital budget for further details.*

## **SECTION #2**

### **Budget Highlights**



## 2023 BUDGET LEGEND

The operating budget has been categorized into four (4) 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 will act as a guideline for property tax increases.
- Staff will 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/Division fee increases (in line with CPIX), Assessment Growth and new revenue opportunities.
  - Example - Parks, Forestry and Cemetery Services Revenue Increase (B4)
- Efficiency** - The savings incorporated into the operating budgets that are the results of new processes, **sustainable adjustment opportunities and or** procedures and projects that facilitate operational savings.

- Example - RIM Park Investment Reserve - Annual Contribution Reduction (B9)
- c) Committed - Items committed through Council resolution or agreements.
- Example - Winter Control Salt Increase (based on unit price contract) (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 - Senior Development Planner, Intensification Specialist (B35)

## 2. OPERATING IMPACTS OF CAPITAL & GROWTH

**Operating impacts 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 or agreements.
- Example - Waterloo Public Library Funding Agreement increase (including East Side Branch Library) (G1)
- b) Recommended - Items reviewed and prioritized by the CMT/OLT Budget Committee to move forward for Council's approval.
- Example - Fleet Equipment Expansion Op Impacts of Capital (G2)

## 3. SERVICE LEVEL CHANGES

**Service level changes are increases or decreases to existing service levels.**

### Sub-Categories

- a) Increases - 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 - Indigenous Initiatives, Anti-Racism, Accessibility and Equity (IIARAE) Strategic Implementation Program Funding (S1)
- b) Decreases - 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 Long Term Financial Plan (LTFP) (I3)

#### **ONE-TIME REQUESTS**

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 property tax rate one-time only and reverse the following year. These requests have also been grouped into the above mentioned categories, but are shown as one-time on the budget request.

- Example - Physician Recruitment (B23)

## 2023 APPROVED BUDGET SUMMARY

### 2023 Approved Operating Budget Summary

The 2023 approved property tax increase is 5.45%, resulting in a net Tax Levy of \$92,656,663.

#### Tax Supported Increase by Budget Category:

Budget Category	2023 Spending (\$) <sup>1</sup>	Assessment Growth (\$) <sup>2</sup>	2023 Property Tax Net (\$)	2023 Property Tax (%)
Base Budget <sup>1</sup>	3,940,579	(948,188)	2,992,391	3.44%
Operating Impact of Capital and Growth	340,427	-	340,427	0.39%
<b>Sub-Total</b>	<b>4,281,006</b>	<b>(948,188)</b>	<b>3,332,818</b>	<b>3.83%</b>
Service Level Changes	535,000	-	535,000	0.62%
Infrastructure Investment	869,036	-	869,036	1.00%
<b>TOTAL</b>	<b>5,685,042</b>	<b>(948,188)</b>	<b>4,736,854</b>	<b>5.45%</b>

- 1) Includes approximately \$1.27 million in efficiencies and improvements for 2023
- 2) Assessment Growth of \$1.2 million or 1.38% for 2023, adjusted by the 2020 shortfall of \$32,359 and the 2021 shortfall of \$217,584. 2023 Net Assessment Growth \$0.95 million.

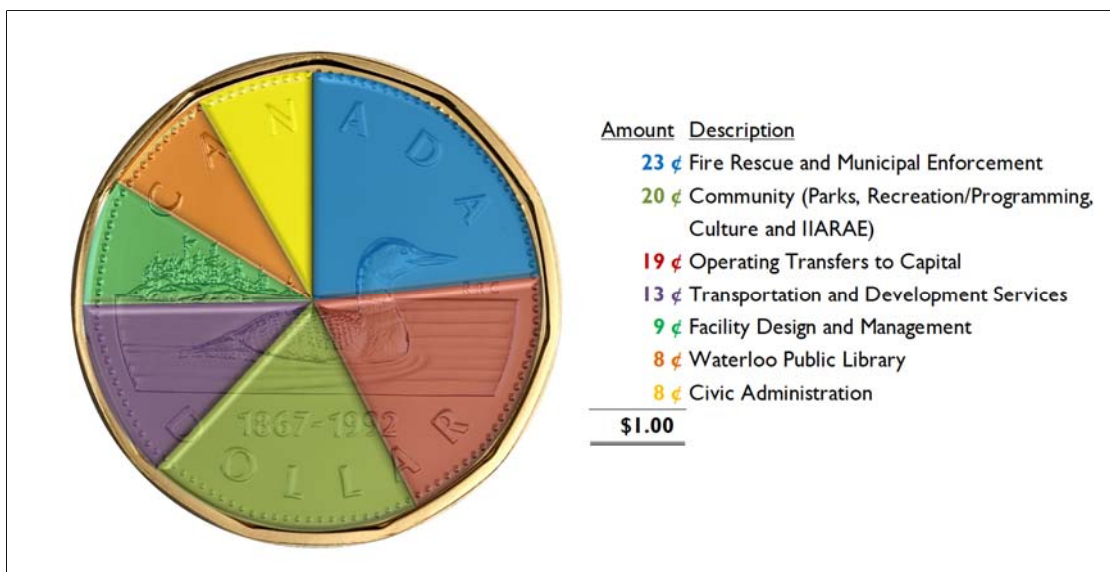
#### Tax Supported Increased Investments by Major Service Delivery Areas:

Service Delivery Area	2023 Budget (\$) Net
Fire Rescue and Municipal Enforcement	21,477,370
Community (Parks, Recreation/Programming, Culture and IIARAE)	18,467,046
Operating Transfers to Capital/Reserves	17,831,878
Transportation and Development Services	11,807,698
Facility Design and Management	8,512,099
Waterloo Public Library	7,364,900
Civic Administration	7,195,672
<b>TOTAL</b>	<b>92,656,663</b>

# WHAT SERVICES WILL YOUR 2023 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:



*\*Breakdown as of the approved 2023 net operating budget figures*

In 2022, the average assessed value for a City of Waterloo residential property as per the Municipal Property Assessment Corporation (MPAC) was \$405,000. Using the 2023 approved net operating budget figure of \$92.7 million and the *forecasted* residential tax rate, the average residential Waterloo property owner will pay \$1,478 in city taxes in 2023. This is broken down below in Figure #2 by our seven (7) major service delivery areas.

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

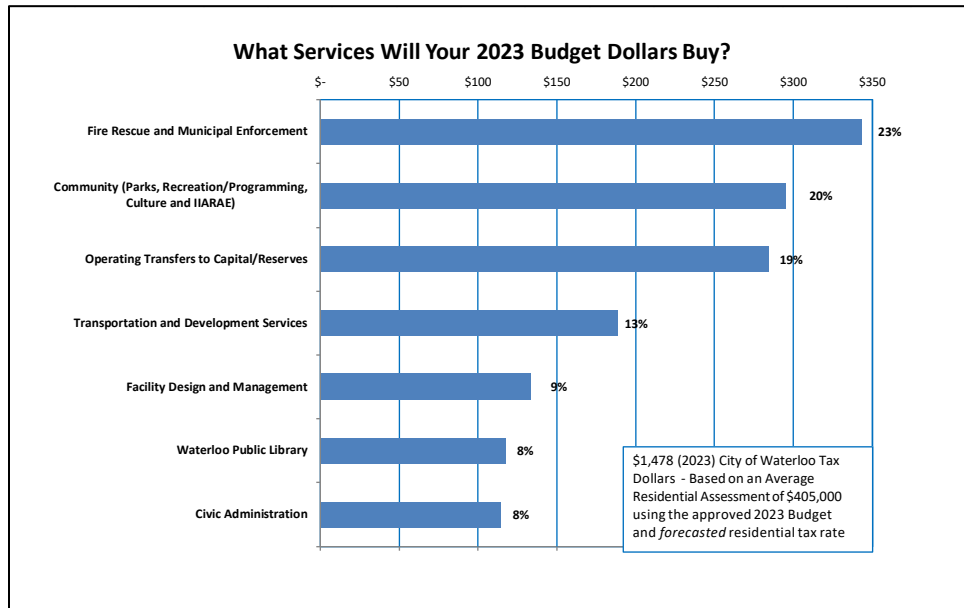
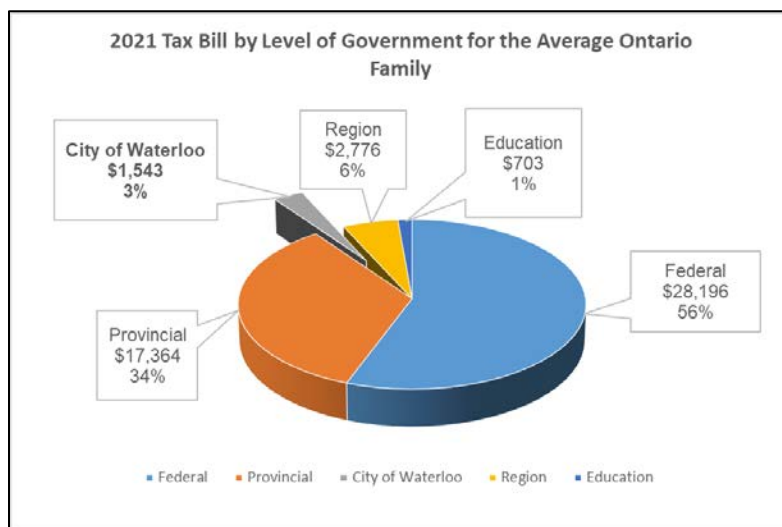


Figure #3 - Income and the Average Family's Total Tax Bill:

In 2021 the average family in Ontario (with two or more individuals) earned \$129,872 and paid \$50,582 in total taxes to federal, provincial and local governments combined (or approximately 39% of its income) according to research by the Fraser Institute. The distribution of the \$50,582 in this scenario went largely to the federal and provincial governments with \$45,560 (or 90%) allocated to these upper levels. The remaining \$5,022 (or 10%) in this scenario went to the local municipalities and education. Breaking it down further, of that amount, for the average Ontario family, the lower tier municipality in this scenario would receive only \$1,543 (or 3%). Put differently, the City of Waterloo receives only three cents of every tax dollar collected by all levels of government combined (Figure 3).



Reference: [Fraser Institute Research Bulletin May 24, 2021](#)

## 2023 APPROVED OPERATING BUDGET ANNUAL IMPACT PER AVERAGE HOUSEHOLD

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Based on the 2022 average assessed value for a City of Waterloo household, the 2023 approved operating budget will result in an annual increase of \$118.05 for 2023 for the City of Waterloo portion of property tax and City Utilities increase.

### 2023 Approved Operating Budget Annual Impact per Average Household

	2023	
	\$ Impact	% Impact
<b>*Property Tax Increase - City of Waterloo</b>	\$ 76.37	5.45%
<b>**City Utilities Increase to Average Household - City Portion</b>	\$ 41.68	
<b>Total Increase to Average Household - City of Waterloo</b>	<b>\$ 118.05</b>	
City Utilities Increase to Average Household - Region Portion	\$ 17.36	
Property Tax Increase - Region of Waterloo	\$ 214.65	8.48%
Total Increase - Region of Waterloo	\$ 232.01	
<b>Total Annual Increase to Average Household</b>	<b>\$ 350.06</b>	

\* Based on 2022 average assessed value of \$405,000 as provided by the Region of Waterloo

\*\* Based on average water consumption of 17 m<sup>3</sup> per month and the Medium Residential Stormwater Category

### Local Municipal Rate Comparators - 2023

	<b>Waterloo</b> <i>Lower Tier</i>	<b>Kitchener</b> <i>Lower Tier</i>	<b>Cambridge</b> <i>Lower Tier</i>	<b>Region of Waterloo<sup>3</sup></b> <i>Upper Tier</i>	<b>Guelph</b> <i>Single Tier</i>	<b>Township of North Dumfries</b> <i>Lower Tier</i>	<b>Township of Wellesley</b> <i>Lower Tier</i>	<b>Township of Wilmot</b> <i>Lower Tier</i>	<b>Township of Woolwich</b> <i>Lower Tier</i>
<b>Property Taxes:</b>									
Proposed Tax Levy Increase	4.35%	4.8%	3.9%	9.8%	4.96%	2.9%	4.4%	7.38%	7.0%
Special Levy Increase (Infrastructure, Green, Other)	1.00%			0.0%	0.00%	1.9%	1.8%	2.80%	1.5%
<b>Total Proposed Tax Levy Increase</b>	<b>5.35%</b>	<b>4.8%</b>	<b>3.9%</b>	<b>9.8%</b>	<b>4.96%</b>	<b>4.8%</b>	<b>6.2%</b>	<b>10.18%</b>	<b>8.5%</b>
Approved Tax Levy Increase	4.45%	4.84%	4.74%	8.55%	4.46%	5.00%	4.43%	4.08%	6.53%
Special Levy Increase (Infrastructure, Green, Other)	1.00%						1.75%	2.80%	1.50%
Special Additional - Rec Centre							7.77%		
<b>Total Approved Tax Levy Increase</b>	<b>5.45%</b>	<b>4.84%</b>	<b>4.74%</b>	<b>8.55%</b>	<b>4.46%</b>	<b>5.00%</b>	<b>13.95%</b>	<b>6.88%</b>	<b>8.03%</b>
Preliminary Budget Released	12-Dec-22	16-Jan-23	15-Dec-22	30-Nov-22	12-Jan-23	12-Dec-22	07-Dec-22	12-Dec-22	09-Jan-23
Budget Approval Date	13-Feb-23	02-Feb-23	21-Feb-23	22-Feb-23	25-Jan-23	13-Feb-23	24-Jan-23	20-Mar-23	14-Feb-23
<b>Utilities:</b>									
Water Rate Increase	5.9%	3.2%	3.9%	2.9%	N/A	2.5%	2.5%	2.5%	3.8%
Sewer Rate Increase	3.9%	2.0%	4.6%	4.9%	N/A	2.9%	2.9%	3.4%	6.0%
Combined Rate Increase (Water/Sewer)	4.7%	2.5%	4.2%	4.0%	N/A	2.7%	2.7%	3.0%	5.2%
<b>HOUSEHOLD IMPACT (Water/Sewer)<sup>1</sup></b>	<b>4.7%</b>	<b>2.5%</b>	<b>3.8%</b>	<b>3.3%</b>	<b>N/A</b>	<b>3.3%</b>	<b>3.3%</b>	<b>4.0%</b>	<b>3.7%</b>
Storm Water Household Impact <sup>2</sup>	7.5%	8.0%	None	None	N/A	None	None	None	None
Utilities Approval Date	12-Dec-22	12-Dec-22	26-Jan-23	11-Jan-23	N/A	11-Jan-23	11-Jan-23	13-Feb-23	13-Feb-23
Utilities (anticipated) Effective Dates	01-Jan-23	01-Jan-23	01-Jan-23	01-Mar-23	N/A	01-Mar-23	01-Mar-23	01-Jan-23	01-Mar-23

**NOTES:**

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

<sup>2</sup> The Cities of Waterloo, Kitchener and Guelph have a separate rate for SWM. Cambridge includes SWM in their property tax rate.

<sup>3</sup> Region of Waterloo includes Police Services

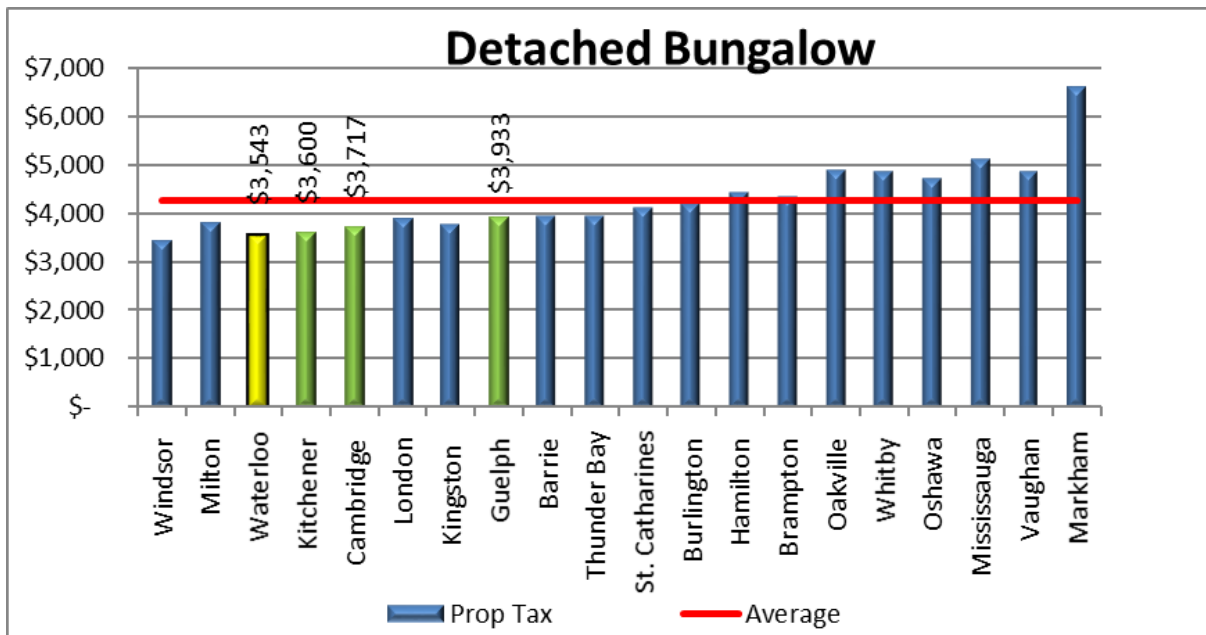
**UPDATED: March 20, 2023**



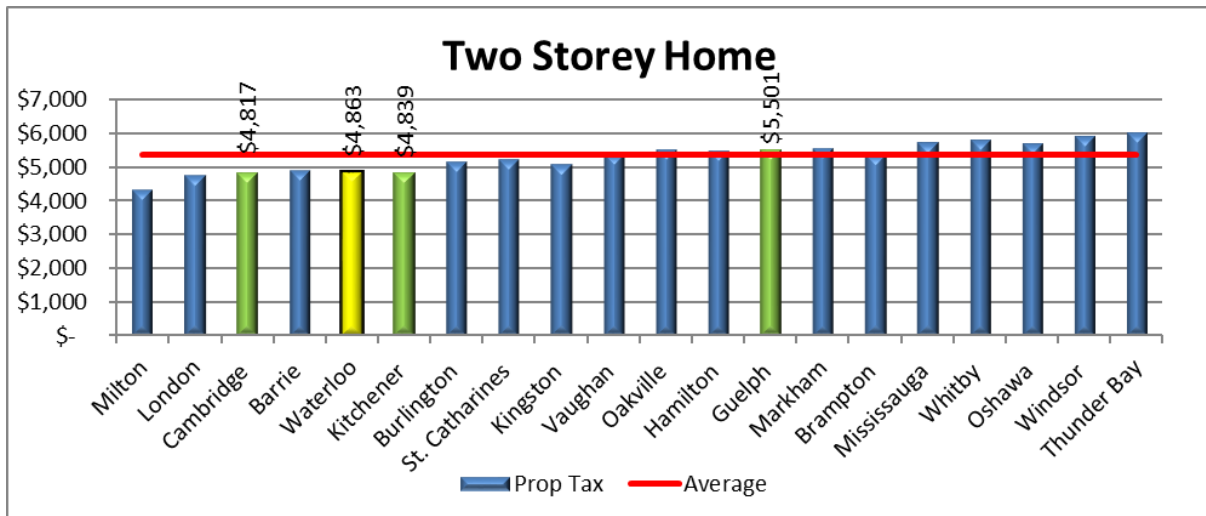
# PROPERTY TAX COMPARATORS

Based on the results of the 2021 BMA Management Consulting Inc. 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) by comparison to peers across Ontario.

## I. Detached Bungalow<sup>1</sup>

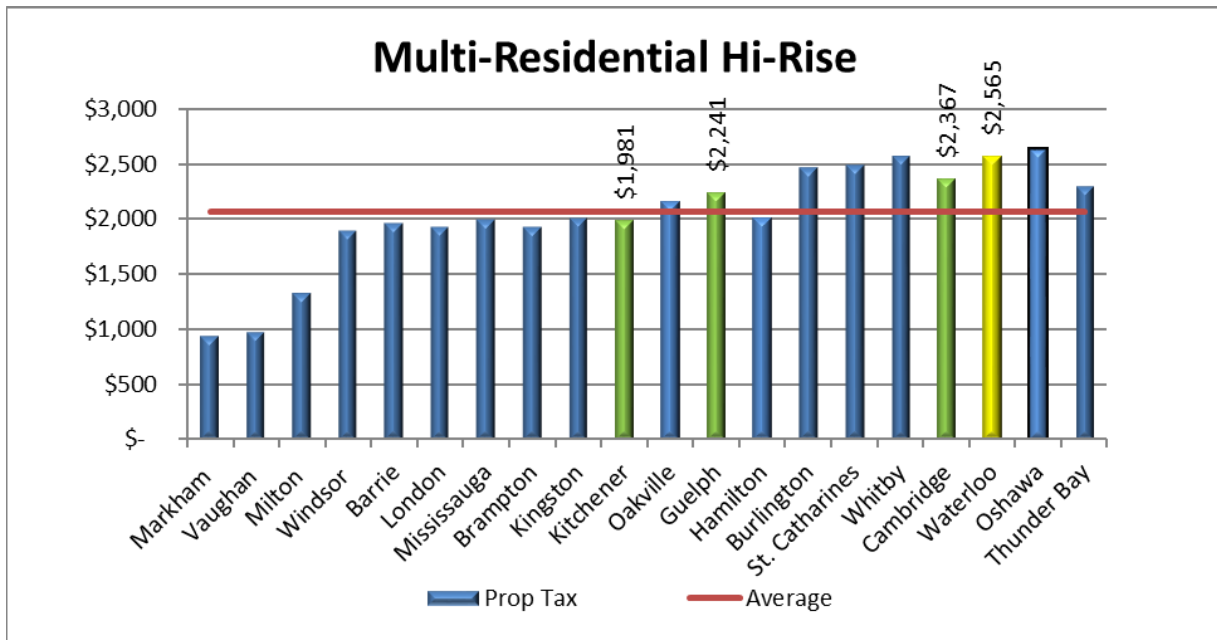


## 2. Two Storey Home<sup>1</sup>

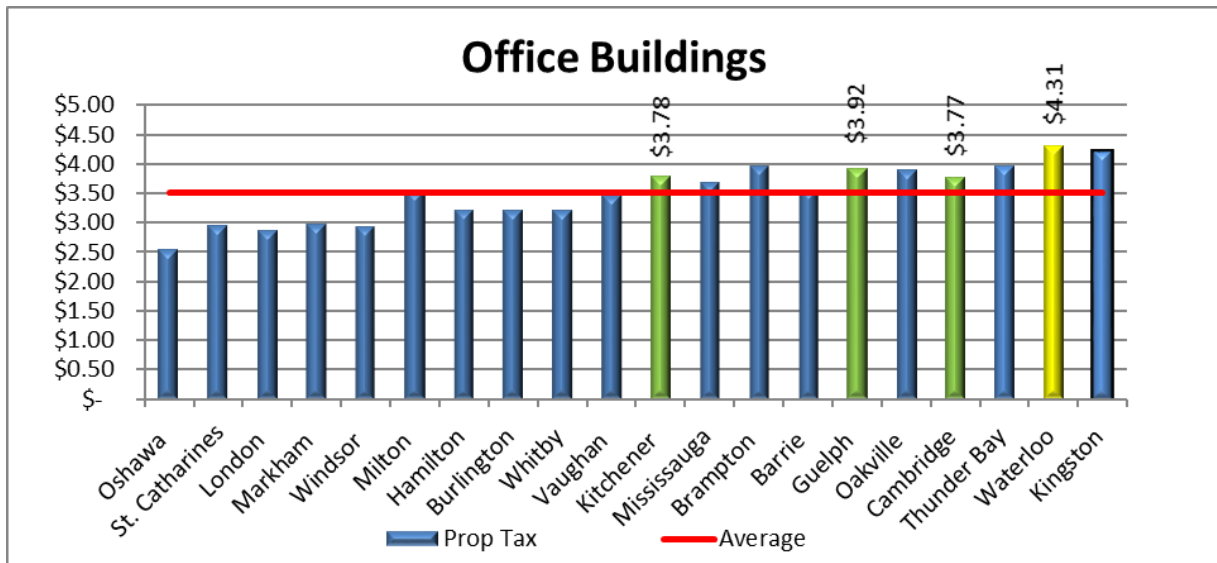


<sup>1</sup> Source BMA Management Consulting Inc., Municipal Study - 2021

### 3. Multi-Residential Hi-Rise<sup>1</sup>



### 4. Office Building<sup>1</sup>



<sup>1</sup> Source BMA Management Consulting Inc., Municipal Study - 2021

2023 Approved City of Waterloo Budget (in 000's)

Department/Division	2022			2023			\$ CHANGE 23-22	% CHANGE 23-22
	EXP	REV	NET	EXP	REV	NET		
CAO/Strategic Initiatives	765	(30)	736	1,012	(60)	952	216	0.25%
Economic Development	4,506	(2,045)	2,461	4,349	(1,861)	2,488	27	0.03%
IARAE	663	-	663	933	(32)	901	238	0.27%
<b>Total CAO Dept.</b>	<b>5,935</b>	<b>(2,075)</b>	<b>3,860</b>	<b>6,294</b>	<b>(1,953)</b>	<b>4,341</b>	<b>481</b>	<b>0.55%</b>
Comm. Commissioner Office	420	(40)	380	429	(40)	389	9	0.01%
Community Programming & Outreach	5,837	(1,319)	4,517	6,086	(1,319)	4,767	250	0.29%
Recreation Services	12,181	(10,625)	1,555	12,984	(10,645)	2,339	783	0.90%
Parks, Forestry and Cemetery	10,088	(2,236)	7,853	10,334	(2,362)	7,973	120	0.14%
Facility Design & Management	9,747	(1,439)	8,308	10,046	(1,392)	8,654	347	0.40%
Fire Rescue	20,074	(351)	19,722	20,548	(355)	20,193	471	0.54%
Municipal Enforcement	5,434	(4,198)	1,236	5,159	(3,875)	1,284	48	0.06%
<b>Total Community Services Dept.</b>	<b>63,780</b>	<b>(20,209)</b>	<b>43,571</b>	<b>65,587</b>	<b>(19,988)</b>	<b>45,599</b>	<b>2,028</b>	<b>2.33%</b>
Corp. Commissioner Office	409	(47)	363	411	(40)	371	9	0.01%
Communications	1,084	-	1,084	1,107	-	1,107	22	0.03%
Finance	4,969	(1,246)	3,723	5,204	(1,246)	3,958	235	0.27%
Fleet & Procurement	2,218	(1,421)	797	2,261	(1,447)	814	18	0.02%
Human Resources	2,119	(239)	1,880	2,383	(384)	1,999	119	0.14%
Information Systems	4,992	(395)	4,598	5,280	(395)	4,885	288	0.33%
Legal Services	702	(68)	633	714	(68)	645	12	0.01%
Legislative Services	1,728	(146)	1,582	1,758	(146)	1,613	31	0.04%
<b>Total Corporate Services Dept.</b>	<b>18,221</b>	<b>(3,562)</b>	<b>14,659</b>	<b>19,118</b>	<b>(3,726)</b>	<b>15,392</b>	<b>733</b>	<b>0.84%</b>
IPPW Commissioner Office	887	(939)	(52)	909	(945)	(36)	16	0.02%
Building Standards	3,176	(3,176)	-	3,241	(3,241)	-	0	0.00%
City Utilities	61,531	(61,531)	-	65,415	(65,415)	-	0	0.00%
Engineering Services	3,724	(683)	3,041	3,802	(683)	3,119	78	0.09%
Planning	2,494	(908)	1,586	2,697	(910)	1,787	201	0.23%
Transportation	8,752	(2,401)	6,351	9,308	(2,406)	6,901	550	0.63%
<b>Total Int. Planning &amp; Public Works Dept.</b>	<b>80,563</b>	<b>(69,637)</b>	<b>10,926</b>	<b>85,371</b>	<b>(73,599)</b>	<b>11,772</b>	<b>845</b>	<b>0.95%</b>
Library	7,043	-	7,043	7,365	-	7,365	322	0.37%
Corporate Transactions	28,098	(21,186)	6,912	29,953	(21,764)	8,189	1,277	1.47%
<b>Total Other</b>	<b>35,142</b>	<b>(21,186)</b>	<b>13,955</b>	<b>37,318</b>	<b>(21,764)</b>	<b>15,554</b>	<b>1,598</b>	<b>1.84%</b>
<b>GRAND TOTAL BUDGET</b>	<b>203,640</b>	<b>(116,668)</b>	<b>86,972</b>	<b>213,687</b>	<b>(121,031)</b>	<b>92,657</b>	<b>5,685</b>	
<b>Tax Increase</b>							<b>4,737</b>	<b>5.45%</b>
Assessment Growth							1,198	1.38%
Prior Years Assessment Growth Adjustment							(250)	-0.29%
<b>Total Change</b>							<b>5,685</b>	

\*Figures subject to rounding

**SECTION #3**  
**Tax Base Approved Budget**

## TAX BASE BUDGET

### 2023 Approved Budget - Summary

Tax Base	2023 (\$)	2023 (%)
<b>Base Budget</b>		
Funding	(1,415,908)	-1.63%
Efficiency	(800,000)	-0.92%
Committed	4,677,712	5.38%
Recommended	530,587	0.61%
<b>Total Base Budget Changes</b>	<b>2,992,391</b>	<b>3.44%</b>
<b>Operating Impacts of Capital &amp; Growth</b>		
Committed	290,427	0.33%
Recommended	50,000	0.06%
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>340,427</b>	<b>0.39%</b>
<b>Service Level Changes</b>		
Increase	535,000	0.62%
Decrease	-	0.00%
<b>Total Service Level Budget Changes</b>	<b>535,000</b>	<b>0.62%</b>
<b>Infrastructure Investment</b>		
Recommended	869,036	1.00%
<b>Total Infrastructure Budget Changes</b>	<b>869,036</b>	<b>1.00%</b>
<b>TOTAL BUDGET CHANGES</b>	<b>4,736,854</b>	<b>5.45%</b>

#### Household Impact:

<b>Tax Increase (\$)</b>	<b>\$76.37</b>
<b>Tax Increase (%)</b>	<b>5.45%</b>

Note: Figures subject to rounding

## TAX BASE BUDGET 2023 Budget Details - SCHEDULE I

Category	Sub-Category	Dept	Division	Ref #	Budget Request Title	Net Annual Impact 2023 - (\$)	Net Annual Impact 2023 - (%)	FTE Impact (2023)	
Base	Funding	CAO	Strategic Initiatives	B1	Reforestation Grants from Enova Power	(50,000)	-0.06%		
		COMM	Recreation Services	B2	Advertising Revenue City Facilities Increase	(15,000)	-0.02%		
			Municipal Enforcement	B3	Municipal Enforcement Revenue Increase	(14,720)	-0.02%		
			Parks, Forestry and Cemetery	B4	Parks, Forestry and Cemetery Revenue Increase	(8,000)	-0.01%		
		Corp. Trans.	Corporate Transactions	B5	Assessment Growth - 2023 Projection	(1,100,000)	-1.26%		
				B6	Assessment Growth - 2021 Adjustment	217,584	0.25%		
				B7	Assessment Growth - 2020 Adjustment	32,359	0.04%		
				M11	Assessment Growth - 2022 Additional	(98,131)	-0.11%		
				City-wide	B8	Payment in Lieu Revenue	(380,000)	-0.44%	
			<b>Funding Total</b>				<b>(1,415,908)</b>	<b>-1.63%</b>	
Efficiency	Corp. Trans.	City-wide	City-wide	B9	RIM Park Investment Reserve - Annual Contribution Reduction	(700,000)	-0.80%		
				B10	Increased Capital Overhead Recovery Revenue	(100,000)	-0.11%		
	<b>Efficiency Total</b>				<b>(800,000)</b>	<b>-0.92%</b>			
Committed	Committed	CAO	Economic Development	B11	Carnegie Library Lease Revenue Reduction	50,000	0.06%		
		COMM	Municipal Enforcement	B12	Kitchener-Waterloo Humane Society Contract Increase	11,407	0.01%		
		CORP	IMTS	B13	Software Maintenance Contracts Increase	66,815	0.08%		
				B14	GIS Software Increase	30,000	0.03%		
		Corp. Trans.	Corporate Transactions	B15	Contribution to CIRRF from Assessment	255,017	0.29%		
				B16	Contribution to CRF from Assessment	85,006	0.10%		
				B17	Inflationary Contribution to CIRRF	442,750	0.51%		
				B18	Inflationary Contribution to CRF	255,439	0.29%		
				B19	WRMIP Levy Increase	288,000	0.33%		
				M11ab	Additional Assessment Growth to CRF and CIRRF (2022)	39,252	0.05%		
				City-wide	B20	Fleet Budget increase due to Fuel Prices	100,000	0.11%	
				B21	In Camera	2,954,026	3.40%		
			IPPW	Transportation Services	B22	Winter Control - Salt Increase	100,000	0.11%	
	<b>Committed Total</b>				<b>4,677,712</b>	<b>5.38%</b>			
Recommended	Recommended	CAO	Economic Development	B23	Physician Recruitment	-	0.00%		
				B24	Increased support for Arts & Culture	-	0.00%		
				IIARAE	B25	IIARAE Co-op Students	-	0.00%	0.6
				CAO Administration	B26	Director of Strategic Initiatives	221,860	0.26%	1.0
		COMM	Community Prog. & Outreach	B27	Outdoor Neighbourhood Risk Program	-	0.00%		
				Recreation Services	B28	Programming Coordinator	160,425	0.18%	1.0
		CORP	Finance	B29	PeopleSoft Functional Specialist	123,348	0.14%	1.0	
				Human Resources	B30	Customer Service/Admin Assistant	70,378	0.08%	1.0
					B31	External Consulting / Third Party Services	-	0.00%	
					B32	EMPDV Funding for Contract Support	-	0.00%	
	Corp. Trans.	Corporate Transactions	B33	One-time CRF Allocation Reduction	(500,000)	-0.57%			

### TAX BASE BUDGET 2023 Budget Details - SCHEDULE I

Category	Sub-Category	Dept	Division	Ref #	Budget Request Title	Net Annual Impact 2023 - (\$)	Net Annual Impact 2023 - (%)	FTE Impact (2023)	
<b>Base</b>	<b>Recommended</b>	Corp. Trans.	<b>City-wide</b>	B34	Commissioner Special Projects	-	0.00%		
		IPPW	<b>Planning</b>	B35	Senior Development Planner, Intensification Specialist	150,693	0.17%	1.0	
			<b>Transportation Services</b>	B36	Traffic Technician	115,883	0.13%	1.0	
				B37	CUPE - Traffic Technicians	188,000	0.22%	2.0	
		<b>Recommended Total</b>						<b>530,587</b>	<b>0.61%</b>
<b>Base Total</b>						<b>2,992,391</b>	<b>3.44%</b>	<b>8.6</b>	
<b>Op Impacts of Cap &amp; Growth</b>	<b>Committed</b>	Corp. Trans.	<b>Library</b>	G1	Waterloo Public Library Funding Agreement	290,427	0.33%		
		<b>Committed Total</b>						<b>290,427</b>	<b>0.33%</b>
	<b>Recommended</b>	Corp. Trans.	<b>City-wide</b>	G2	Fleet Equipment Expansion Op Impacts of Capital	50,000	0.06%		
		<b>Recommended Total</b>						<b>50,000</b>	<b>0.06%</b>
<b>Op Impacts of Cap &amp; Growth Total</b>						<b>340,427</b>	<b>0.39%</b>		
<b>Service Level Changes</b>	<b>Increase</b>	CAO	<b>IIARAE</b>	S1	IIARAE Strategic Implementation Program Funding	225,000	0.26%		
		COMM	<b>Community Prog. &amp; Outreach</b>	S2	Community Programming - Program Growth Funding	165,000	0.19%		
			<b>Facility Design &amp; Mgmt.</b>	M6	FDMS Construction Supervisor	145,000	0.17%	1.0	
		Corp. Trans.	<b>Corporate Transactions</b>	S3	Affordable Housing - Annual Contribution	-	0.00%		
		<b>Increase Total</b>						<b>535,000</b>	<b>0.62%</b>
<b>Service Level Changes Total</b>						<b>535,000</b>	<b>0.62%</b>	<b>1.0</b>	
<b>Infrastructure Investment</b>	<b>Recommended</b>	COMM	<b>Facility Design &amp; Mgmt.</b>	I1	FDMS Project Coordinator	91,006	0.10%	1.0	
		CORP	<b>IMTS</b>	I2	Network Administrator and Infrastructure Analyst	85,934	0.10%	1.0	
		Corp. Trans.	<b>Corporate Transactions</b>	I3	Increased Infrastructure Funding as per LTFP	692,096	0.80%		
		<b>Total</b>						<b>869,036</b>	<b>1.00%</b>
<b>Infrastructure Investment Total</b>						<b>869,036</b>	<b>1.00%</b>	<b>2.0</b>	
<b>Grand Total</b>						<b>4,736,854</b>	<b>5.45%</b>	<b>11.6</b>	

Note: Figures subject to rounding

**TAX BASE BUDGET**  
**2023 Budget Details - Reserve Funded Request - SCHEDULE 2**

Category	Sub-Category	Dept	Division	Ref #	Budget Request Title	Funding Source	Amount 2023 (\$)	
Base	Recommended	CAO	Economic Development	B23	Physician Recruitment	Economic Development Reserve	20,000	
				B24	Increased support for Arts & Culture	Economic Development Reserve	65,000	
			IIARAE	B25	IIARAE Co-op Students	Employee Development and Capacity Building Reserve	32,000	
		COMM	Community Prog. & Outreach	B27	Outdoor Neighbourhood Rink Program	Transfer from Capital	25,000	
			CORP	Human Resources	B31	External Consulting / Third Party Services	Employee Development and Capacity Building Reserve	20,000
		Corp. Trans.	City-wide	B32	EMPDV Funding for Contract Support	Employee Development and Capacity Building Reserve	125,000	
				B34	Commissioner Special Projects	Tax Rate Stabilization Reserve	125,000	
				<b>Recommended Total</b>				
		<b>Base Total</b>						<b>412,000</b>
Service Level Changes	Increase	Corp. Trans.	Corporate Transactions	S3	Affordable Housing - Annual Contribution	Council's Community Priority and Contingency Reserve	75,000	
	<b>Increase Total</b>						<b>75,000</b>	
<b>Service Level Changes Total</b>							<b>75,000</b>	
<b>Grand Total</b>							<b>487,000</b>	



**SECTION #4**  
**Tax Base Menu Items**

## 2023 BUDGET MENU LIST

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The 2023 budget was developed in accordance with Corporate Policy FC-019 – Core Consumer Price Index (CPIX). Through this policy, Council directs staff 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, staff prepared the 2023 proposed operating budget along with a Budget Committee prioritized Menu List of items outside of the proposed budget for Council's decision making. The detailed **2023 Budget Menu List - Schedule 3** is provided below and identifies the menu items that were approved by Council on budget day (M6, M11 and M11a/b).

- **Menu Item Increases (+)** – were known pressures outside of the proposed budget
  - There were (10) *potential* menu item increases listed for Council's decision making
  - These items were prioritized M1-M10, with M1 being the Budget Committee's highest ranked priority outside of the proposed budget
  - These items totaled \$1,392,800 or a 1.6% property tax increase over and above the proposed budget
    - Each item was supported by a Budget Menu Request
- **Menu Item Reductions (-)** – were further reduction opportunities outside of the proposed budget
  - There were five (5) *potential* menu item reductions listed for Council's decision making
  - These items were prioritized M11-M15, with M11 being the Budget Committee's highest ranked reduction opportunity outside of the proposed budget
  - These items totaled \$(852,879) or a -0.98% property tax decrease to the proposed budget
    - Each item was supported by a Budget Menu Request
  - Staff provided menu items to Council as further reduction opportunities should Council have wished to activate them; however, staff were not recommending those reductions

## TAX BASE BUDGET 2023 Budget Menu List - SCHEDULE 3

Category	Sub-Category	Dept	Division	Menu Ref #	Budget Request Name	Net Annual Impact 2023 (\$)	Net Annual Impact 2023 (%)	Status
<b>Menu Item Increase (+)</b>	Increase Priority - 1	Corp. Trans.	Corporate Transactions	M1	Affordable Housing Annual Contribution Increase	100,000	0.11%	Not Approved
	Increase Priority - 2	Corp. Trans.	Corporate Transactions	M2	Climate Action Reserve Fund Annual Contribution	100,000	0.11%	Not Approved
	Increase Priority - 3	COMM	Parks, Forestry and Cemetery	M3	Parks Sanitation Cost	91,000	0.10%	Not Approved
	Increase Priority - 4	CAO	CAO Administration	M4	Climate Change/Sustainability Contributions	122,800	0.14%	Not Approved
	Increase Priority - 5	CORP	IMTS	M5	Additional Enterprise Core Share Accounts	50,000	0.06%	Not Approved
	Increase Priority - 6	COMM	Facility Design & Mgmt.	M6	FDMS Construction Supervisor	145,000	0.17%	Approved
	Increase Priority - 7	Corp. Trans.	Corporate Transactions	M7	Increased Infrastructure Funding as per the LTFP - Additional Increase	434,000	0.50%	Not Approved
	Increase Priority - 8	Corp. Trans.	Corporate Transactions	M8	Increased Preventative Maintenance	150,000	0.17%	Not Approved
	Increase Priority - 9	CORP	IMTS	M9	Increased Employee Engagement via Additional Microsoft Licenses	90,000	0.10%	Not Approved
	Increase Priority - 10	IPPW	Transportation Services	M10	Transportation Services Lead Hand	110,000	0.13%	Not Approved
Category	Sub-Category	Dept	Division	Menu Ref #	Budget Request Name	Net Annual Impact 2023 (\$)	Net Annual Impact 2023 (%)	Status
<b>Menu Item Reduction (-)</b>	Reduction Opportunity Priority - 1	Corp. Trans.	Corporate Transactions	M11	Additional Assessment Growth (2022)	(98,131)	-0.11%	Approved
	Reduction Opportunity Priority - 1a	Corp. Trans.	Corporate Transactions	M11a	Additional Assessment Growth (2022) to CIRRF (30%)	29,439	0.03%	Approved
	Reduction Opportunity Priority - 1b	Corp. Trans.	Corporate Transactions	M11b	Additional Assessment Growth (2022) to CRF (10%)	9,813	0.01%	Approved
	Reduction Opportunity Priority - 2	All	City-wide	M12	Reduction of Proposed New Position - 1 FTE (Avg Amount)	(120,000)	-0.14%	Not Approved
	Reduction Opportunity Priority - 3	All	City-wide	M13	Reduction of Additional Proposed New Position - 1 FTE (Avg Amount)	(120,000)	-0.14%	Not Approved
	Reduction Opportunity Priority - 4	All	City-wide	M14	Reduction of Additional Proposed New Position - 1 FTE (Avg Amount)	(120,000)	-0.14%	Not Approved
	Reduction Opportunity Priority - 5	Corp. Trans.	Corporate Transactions	M15	Increased Infrastructure Funding as per the LTFP - REDUCTION	(434,000)	-0.50%	Not Approved

Note: Figures subject to rounding

**SECTION #5**  
**City Utilities Approved Budget**

## CITY UTILITIES BUDGET

### 2023 Approved Budget - Summary

Tax Base	2023 (\$)
<b>Base Budget</b>	
Funding	(3,913,566)
Committed	2,039,659
Recommended	441,037
<b>Total Base Budget Changes</b>	<b>(1,432,870)</b>
<b>Operating Impacts of Capital &amp; Growth</b>	
Committed	43,474
Recommended	100,098
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>143,572</b>
<b>Service Level Changes</b>	
Increase	-
Decrease	-
<b>Total Service Level Budget Changes</b>	<b>-</b>
<b>Infrastructure Investment</b>	
Recommended	11,345
<b>Total Infrastructure Budget Changes</b>	<b>11,345</b>
<b>TOTAL BUDGET CHANGES</b>	<b>(1,277,953)</b>
<b>Net Operating Transfer to/(from) Reserve</b>	<b>1,277,953</b>
<b>TOTAL TAX BASE BUDGET IMPACT</b>	<b>-</b>
<b>Household Impact:</b>	
City Utilities Increase - City Portion (\$)	\$41.68
City Utilities Increase - Region Portion (\$)	\$17.36
City Utilities Increase - Total (\$)	\$59.04
City Utilities Increase - City Portion (%)	3.60%
City Utilities Increase - Region Portion (%)	1.50%
City Utilities Increase - Total (%)	5.10%
City Utilities Reserve (Combined) Projected Balance	20,117,000

### CITY UTILITIES BUDGET 2023 Budget Details - SCHEDULE 4

Category	Sub-Category	Dept	Division	Ref #	Budget Request Title	City Utilities Amount \$ - 2023	FTE Impact (2023)
Base	Funding	IPPW	City Utilities	B40	Water Retail Revenue Increase	(1,762,670)	
				B41	Wastewater Retail Revenue Increase	(1,467,085)	
				B42	Stormwater Revenue Increase	(683,811)	
	<b>Funding Total</b>					<b>(3,913,566)</b>	
	Committed	CORP	IMTS	B13	Software Maintenance Contracts Increase (City Utilities)	3,931	
		IPPW	City Utilities	B21	In Camera	96,000	
				B43	Water Wholesale Purchase Increase	665,172	
				B44	Wholesale Wastewater Treatment Increase	1,274,556	
	<b>Committed Total</b>					<b>2,039,659</b>	
	Recommended	CAO	CAO Administration	B26	Director of Strategic Initiatives (City Utilities)	18,059	
		CORP	Finance	B29	PeopleSoft Functional Specialist (City Utilities)	6,469	
			Human Resources	B30	Customer Service/Admin Assistant (City Utilities)2	6,127	
		IPPW	City Utilities	B47	Business Analyst - City Utilities	113,320	1.0
				B48	Clean Water Initiatives Trsf from Water to Stormwater Reduction (Wat)	(30,000)	
					Clean Water Initiatives Trsf from Water to Stormwater Reduction (Swm)	30,000	
				B49	Compliance Administration - City Utilities	86,077	1.0
				B50	External Consulting - City Utilities	50,000	
				B51	Operations Engineer - Stormwater Management	125,985	1.0
				B52	Stormwater Management Training Increase	35,000	
	<b>Recommended Total</b>					<b>441,037</b>	<b>3.0</b>
<b>Base Total</b>						<b>(1,432,870)</b>	<b>3.0</b>
Op Impacts of Cap & Growth	Committed	IPPW	City Utilities	G3	Water Debenture Payments Increase	189,568	
				G4	Stormwater Debenture Payments Reduction	(309,788)	
				G5	Pump Stations Maintenance Increase	35,000	
				G6	SCADA Operations Increase	15,000	
				G7	Stormwater Credit Program	3,694	
				G8	Vactor Truck Operating Impact	110,000	
	<b>Committed Total</b>					<b>43,474</b>	
	Recommended	IPPW	City Utilities	G11	Inflationary Increases - City Utilities	100,098	
	<b>Recommended Total</b>					<b>100,098</b>	
<b>Op Impacts of Cap &amp; Growth Total</b>						<b>143,572</b>	
Infrastructure Investment	Recommended	CORP	IMTS	I2	Network Administrator and Infrastructure Analyst (City Utilities)	11,345	
	<b>Total</b>					<b>11,345</b>	
<b>Infrastructure Investment Total</b>						<b>11,345</b>	
<b>Grand Total</b>						<b>(1,277,953)</b>	<b>3.0</b>

**SECTION #6**  
**Other Enterprise Approved Budget**

## OTHER ENTERPRISE BUDGET

### 2023 Approved Budget - Building Standards Summary

Tax Base	2023 (\$)
<b>Base Budget</b>	
Funding	-
Committed	55,309
Recommended	4,168
<b>Total Base Budget Changes</b>	<b>59,477</b>
<b>Operating Impacts of Capital &amp; Growth</b>	
Committed	-
Recommended	-
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>-</b>
<b>Service Level Changes</b>	
Increase	-
Decrease	-
<b>Total Service Level Budget Changes</b>	<b>-</b>
<b>Infrastructure Investment</b>	
Recommended	6,172
<b>Total Infrastructure Budget Changes</b>	<b>6,172</b>
<b>TOTAL BUDGET CHANGES</b>	<b>65,649</b>
<b>Net Operating Transfer to/(from) Reserve</b>	<b>(65,649)</b>
<b>TOTAL TAX BASE BUDGET IMPACT</b>	<b>-</b>
<b>Building Permit Reserve Fund Projected Balance</b>	<b>6,117,000</b>



## OTHER ENTERPRISE BUDGET

### 2023 Approved Budget - Cemetery Services Summary

Tax Base	2023 (\$)
<b>Base Budget</b>	
Funding	(228,000)
Committed	21,234
Recommended	110,157
<b>Total Base Budget Changes</b>	<b>(96,609)</b>
<b>Operating Impacts of Capital &amp; Growth</b>	
Committed	-
Recommended	117,000
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>117,000</b>
<b>Service Level Changes</b>	
Increase	-
Decrease	-
<b>Total Service Level Budget Changes</b>	<b>-</b>
<b>Infrastructure Investment</b>	
Recommended	3,821
<b>Total Infrastructure Budget Changes</b>	<b>3,821</b>
<b>TOTAL BUDGET CHANGES</b>	<b>24,212</b>
<b>Net Operating Transfer to/(from) Reserve</b>	<b>(24,212)</b>
<b>TOTAL TAX BASE BUDGET IMPACT</b>	<b>-</b>
<b>Cemetery Reserve Fund Projected Balance</b>	<b>961,000</b>

## OTHER ENTERPRISE BUDGET

### 2023 Approved Budget - Comp. Business Licensing Summary

Tax Base	2023 (\$)
<b>Base Budget</b>	
Funding	
Committed	7,753
Recommended	3,974
<b>Total Base Budget Changes</b>	<b>11,727</b>
<b>Operating Impacts of Capital &amp; Growth</b>	
Committed	-
Recommended	-
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>-</b>
<b>Service Level Changes</b>	
Increase	-
Decrease	-
<b>Total Service Level Budget Changes</b>	<b>-</b>
<b>Infrastructure Investment</b>	
Recommended	2,645
<b>Total Infrastructure Budget Changes</b>	<b>2,645</b>
<b>TOTAL BUDGET CHANGES</b>	<b>14,372</b>
<b>Net Operating Transfer to/(from) Reserve</b>	<b>(14,372)</b>
<b>TOTAL TAX BASE BUDGET IMPACT</b>	<b>-</b>
Comprehensive Business Licensing Reserve Projected Balance	33,000

## OTHER ENTERPRISE BUDGET 2023 Approved Budget - Parking Summary

Tax Base	2023 (\$)
<b>Base Budget</b>	
Funding	223,770
Committed	5,143
Recommended	1,179
<b>Total Base Budget Changes</b>	<b>230,092</b>
<b>Operating Impacts of Capital &amp; Growth</b>	
Committed	-
Recommended	10,200
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>10,200</b>
<b>Service Level Changes</b>	
Increase	-
Decrease	-
<b>Total Service Level Budget Changes</b>	<b>-</b>
<b>Infrastructure Investment</b>	
Recommended	2,645
<b>Total Infrastructure Budget Changes</b>	<b>2,645</b>
<b>TOTAL BUDGET CHANGES</b>	<b>242,937</b>
<b>Net Operating Transfer to/(from) Reserve</b>	<b>(242,937)</b>
<b>TOTAL TAX BASE BUDGET IMPACT</b>	<b>-</b>
Parking Reserve Fund (City-Programs) Projected Balance	1,329,000

## OTHER ENTERPRISE BUDGET

### 2023 Approved Budget - Rental Housing Summary

Tax Base	2023 (\$)
<b>Base Budget</b>	
Funding	-
Committed	18,158
Recommended	293,898
<b>Total Base Budget Changes</b>	<b>312,056</b>
<b>Operating Impacts of Capital &amp; Growth</b>	
Committed	
Recommended	
<b>Total Operating Impacts of Capital &amp; Growth Budget Changes</b>	<b>-</b>
<b>Service Level Changes</b>	
Increase	
Decrease	
<b>Total Service Level Budget Changes</b>	<b>-</b>
<b>Infrastructure Investment</b>	
Recommended	4,996
<b>Total Infrastructure Budget Changes</b>	<b>4,996</b>
<b>TOTAL BUDGET CHANGES</b>	<b>317,052</b>
<b>Net Operating Transfer to/(from) Reserve</b>	<b>(317,052)</b>
<b>TOTAL TAX BASE BUDGET IMPACT</b>	<b>-</b>
Rental Housing Reserve Projected Balance	(201,000)

### OTHER ENTERPRISE BUDGET 2023 Budget Details - SCHEDULE 5

Category	Sub-Category	Dept	Division	Ref #	Budget Request Title	Other Enterprise Amount \$ - 2023	FTE Impact (2023)
Base	Funding	CAO	Economic Development	B38	Parking Enterprise Permit Revenue Reduction	223,770	
		COMM	Parks, Forestry and Cemetery	B39	Cemetery Revenue Increase	(228,000)	
	<b>Funding Total</b>					<b>(4,230)</b>	
	Committed	CAO	Economic Development	B21	In Camera	5,000	
		COMM	Municipal Enforcement	B21	In Camera	23,000	
			Parks, Forestry and Cemetery	B21	In Camera	20,000	
		CORP	IMTS	B13	Software Maintenance Contracts Increase (Parking)	143	
					Software Maintenance Contracts Increase (Building Standards)	1,309	
					Software Maintenance Contracts Increase (Cemetery)	1,234	
					Software Maintenance Contracts Increase (Fleet)	1,349	
					Software Maintenance Contracts Increase (Rental Housing)	1,158	
					Software Maintenance Contracts Increase (Comp. Business Licences)	1,753	
		IPPW	Building Standards	B21	In Camera	54,000	
	<b>Committed Total</b>					<b>108,946</b>	
	Recommended	CAO	CAO Administration	B26	Director of Strategic Initiatives (Parking)	705	
					Director of Strategic Initiatives (Cemetery)	6,070	
					Director of Strategic Initiatives (Rental Housing)	2,493	
					Director of Strategic Initiatives (Comp. Business Licences)	813	
		COMM	Municipal Enforcement	B46	Rental Housing Program Expense and Revenue Adjustment	288,653	
			Parks, Forestry and Cemetery	B45	Cemetery Contract Resources	100,000	2.5
		CORP	Finance	B29	PeopleSoft Functional Specialist (Parking)	235	
					PeopleSoft Functional Specialist (Building Standards)	2,154	
					PeopleSoft Functional Specialist (Cemetery)	2,028	
					PeopleSoft Functional Specialist (Rental Housing)	1,906	
					PeopleSoft Functional Specialist (Comp. Business Licences)	2,885	
			Human Resources	B30	Customer Service/Admin Assistant (Parking)	239	
					Customer Service/Admin Assistant (Building Standards)	2,014	
					Customer Service/Admin Assistant (Cemetery)	2,059	

### OTHER ENTERPRISE BUDGET 2023 Budget Details - SCHEDULE 5

Category	Sub-Category	Dept	Division	Ref #	Budget Request Title	Other Enterprise Amount \$ - 2023	FTE Impact (2023)
<b>Base</b>	<b>Recommended</b>	CORP	Human Resources	B30	Customer Service/Admin Assistant (Rental Housing)	846	
					Customer Service/Admin Assistant (Comp. Business Licences)	276	
	<b>Recommended Total</b>					<b>413,376</b>	<b>2.5</b>
<b>Base Total</b>						<b>518,092</b>	<b>2.5</b>
<b>Op Impacts of Cap &amp; Growth</b>	<b>Recommended</b>	CAO	Economic Development	G9	Parking Enterprise Inflationary Increase	10,200	
		COMM	Parks, Forestry and Cemetery	G10	Cemetery Inflationary Increase	117,000	
	<b>Recommended Total</b>					<b>127,200</b>	
<b>Op Impacts of Cap &amp; Growth Total</b>						<b>127,200</b>	
<b>Infrastructure Investment</b>	<b>Recommended</b>	CORP	IMTS	I2	Network Administrator and Infrastructure Analyst (Parking)	2,645	
					Network Administrator and Infrastructure Analyst (Building Standards)	6,172	
					Network Administrator and Infrastructure Analyst (Cemetery)	3,821	
					Network Administrator and Infrastructure Analyst (Rental Housing)	4,996	
					Network Administrator and Infrastructure Analyst (Comp. Business Licences)	2,645	
	<b>Total</b>					<b>20,279</b>	
<b>Infrastructure Investment Total</b>						<b>20,279</b>	
<b>Grand Total</b>						<b>665,571</b>	<b>2.5</b>

## **SECTION #7**

### **Background Information**

## INFLUENCING FACTORS FOR MUNICIPALITIES

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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 strategic plan enables the City and our community to identify priorities while preparing for the future as we work to create a community where we can live, work, and play. The strategic plan is the foundation for the budget process because it helps the City identify priorities and ensure sufficient resources are allocated to initiatives during the life cycle of the plan. The 2019-2022 Strategic Plan guided the development of the 2023 business plans and budget.

### 2) Climate Emergency

In November 2019, Council approved a climate emergency declaration. As part of the Energy Conservation Demand Management (ECDM) Plan (2019), Council approved a greenhouse gas (GHG) emissions reduction target of 50% by 2030 and 80% by 2050 and recently, as part of the Community Climate Action Plan (TransformWR), Council again supported a GHG emissions reduction target of 50% by 2030 and 80% by 2050. The 2023 approved budget will continue to help respond to the climate emergency and includes:

- Creation of a dedicated Climate Action Reserve Fund
- Director, Strategic Initiatives to lead the City's approach to sustainability and climate action (portion of \$0.22M) – B26
- Addition of Climate Action Reserve Fund funding as part of the annual Grant Opportunities capital budget (Ref #146), in support of increased Provincial and Federal grant funding
- Increasing the annual Community Climate Action Plan - TransformWR Implementation Project (Ref #141) capital funding
- Adding Corporate Climate Action Plan (CorCAP) implementation capital funding (Ref #142) to support/augment the GHG emissions reduction works that fall outside facilities projects

### 3) Increased Infrastructure Funding

The 2023 approved budget includes increased infrastructure rehabilitation funding (budget request 13). Based on report CORP2022-04 2022 Asset Management Update and Report Cards, the average annual infrastructure funding gap for tax base assets is estimated at \$28M. Council previously approved increased infrastructure rehab funding of 0.8% for 2020, 0.9% for 2021 and 1.0% for 2022. The Long Term Financial Plan Update report CORP2019-075 recommended annual increased infrastructure rehab funding to continue to narrow the gap. For 2023, the approved budget includes a 1% increase for infrastructure allocated as 0.8% (or



\$692,096) to CIRRF for infrastructure rehab with the other 0.2% going toward supporting related staff resources.

#### 4) Legislative Impacts for Municipalities

##### Municipal Act

- Regulates what the City of Waterloo can and cannot do
- Requires a “balanced budget”
- Allows for multi-year budgets (up to five years) to be approved with a singular approval by Council
  - Legislation requires that if a municipality approves a multi-year budget, Council must review and re-affirm or amend the budget for every second or subsequent year either in the year that the budget applies or in the preceding year
  - *As a best practice, the City of Waterloo implements a one-year budget for year one of the Council term (2023)*
  - *As a best practice, the City of Waterloo implements a multi-year budget for years two-four of the Council term (2024-2026)*

##### The Planning Act

- Governs land use
- Creation of Community Improvement Plans
- Section 42 for Cash in Lieu of Parkland
- Section 37 for Community Benefits Charge

##### Other Legislative Influencers

- Assessment Act
- Building Code Act
- Clean Drinking Water Act
- Development Charges Act
- Drainage Act
- Employment Standards Act
- Expropriations Act
- Land Titles Act
- Local Planning Appeal Tribunal Act
- Municipal Conflict of Interest Act
- Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)
- Places to Grow Act
- Ontario Heritage Act

## 5) 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 enterprise user rates. Includes:

- Building Standards
- Cemetery Services
- City Utilities
  - Water
  - Sanitary Sewer
  - Stormwater
- 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

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The 2023 budget has various funding sources and all City expenditures are paid through these funding sources. Note that the primary funding sources are property taxes and user fees.

### 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).



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

[Please watch this video, Explaining Assessment Growth for more information.](#)

## 2023 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, 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 as new services are added by Council in accordance with the strategic plan, there is a need for additional staffing resources.

### Current Staffing Levels

The 2022 approved budget includes 775.0 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 Equivalent employees include:

- permanent full time employees
- permanent part time employees
- co-op students
- seasonal employees
- outside maintenance students
- crossing guards
- instructors/lifeguards
- all other staff that are paid hourly that are not part of the Staff Association

The 2022 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	2022 Approved FTEs - Tax Base	2022 Approved FTEs - Enterprise	2022 Approved FTEs - TOTAL
Office of the CAO	18.2	1.9	20.1
Community Services	426.4	24.5	450.9
Corporate Services	119.5	-	119.5
Integrated Planning and Public Works	105.8	78.7	184.5
<b>TOTAL</b>	<b>669.9</b>	<b>105.1</b>	<b>775.0</b>

## 2023 Approved Tax Base FTEs

As part of the 2023 approved 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 approved 2023 budget is:

- Senior Development Planner Intensification Specialist to respond to increase in complexity of applications and shortened provincial timelines, focusing on development applications in station areas, nodes and corridors, including multi-faceted condominiums (\$0.15M) – B35

Op Impacts of Cap and 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 capital budget that will have an impact to the operating budget. It also includes growth related operating costs. Op Impacts of Cap and Growth FTE example included in the approved 2023 budget is:

- N/A

Service Level Changes – requests include increases or decreases to existing service levels. Service Level Changes FTE example included in the approved 2023 budget is:

- Director, Strategic Initiatives to lead the City’s approach to sustainability and climate action and housing/homelessness (portion of \$0.22M) – B26

Infrastructure Investment – requests 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 approved 2023 budget is:

- Permanent Facilities Design Management Project Coordinator to deliver various capital projects (previously contract) (\$91,000) – II

For 2023, 11.6 tax base FTEs were approved. 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 – 2023 Approved FTEs by Budget Category:

Budget Category	2023 Approved FTEs
Base Budget	8.6
Operating Impact of Capital and Growth	-
Service Level Changes	1.0
Infrastructure Investment	2.0
<b>TOTAL</b>	<b>11.6</b>

Table #3 – 2023 Approved FTEs by Labour Group:

Labour Group	2022 Approved FTEs	2023 Approved FTEs	TOTAL Approved FTEs	% Increase
Staff Association	249.8	8.0	257.8	3.2%
CUPE	111.3	2.0	113.3	1.8%
Fire	118.0	-	118.0	0.0%
Management	64.7	1.0	65.7	1.5%
Casual	120.3	0.6	120.9	0.5%
Elected Officials	5.8	-	5.8	0.0%
<b>TOTAL</b>	<b>669.9</b>	<b>11.6</b>	<b>681.5</b>	<b>1.7%</b>

### 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 2022 FTE totals are required. In terms of inflation, the 2023 budget was guided by various inflationary measures.

Table #4 - Inflationary Measures:

October 2022	CPI	CPI-ONT	CPIX
Current Month	6.90%	6.52%	5.80%
Average - Rolling 12 mth	6.50%	6.61%	5.33%

September 2022	CPI	CPI-ONT	CPIX
Current Month	6.90%	6.72%	6.00%
Average - Rolling 12 mth	6.32%	6.48%	5.16%

For 2023, the inflationary increase is appropriately 5% (using CPIX as per policy). Applying an inflationary increase of 5% to the tax base FTEs would result in approximately 33 additional FTEs. The approved 11.6 tax base FTEs for 2023 represents an increase of 1.7%, which is below the above noted inflationary measure.

**2023 Approved Enterprise FTEs**

As part of the 2023 approved enterprise budgets, new FTEs are required to support new and existing services. For 2023, 5.5 enterprise FTEs were approved. This is summarized in Table #5 below.

Table #5 – 2023 Approved Enterprise FTEs:

<b>Enterprise</b>	<b>2023 Approved FTEs</b>
City Utilities	3.0
Cemetery Services	2.5
<b>TOTAL</b>	<b>5.5</b>

Table #6 – 2023 Approved Enterprise FTEs by Budget Category:

<b>Budget Category</b>	<b>2023 Approved FTEs</b>
Base Budget	5.5
Operating Impact of Capital and Growth	-
Service Level Changes	-
Infrastructure Investment	-
<b>TOTAL</b>	<b>5.5</b>

For 2023, the inflationary increase is appropriately 5% (using CPIX as per policy). Applying an inflationary increase of 5% to the enterprise FTEs would result in approximately 5 additional FTEs. The approved 5 enterprise FTEs for 2023 represents an increase of 5.0%, which is in line with the above noted inflationary measure.

## 2023 BUDGET DISCUSSION PAPERS

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In preparing the 2023 operating budget, it was also important to highlight some of the factors that could influence future budget cycles. In these situations, a **Discussion Paper** was 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 were not included in the 2023 approved operating budget.

For the 2023 budget, there were four Discussion Papers provided:

- 1) 2023 Discussion Paper #1 - Transformational Change at City Buildings
- 2) 2023 Discussion Paper #2 - Business Licensing Enterprise Program Funding
- 3) 2023 Discussion Paper #3 - Fire Rescue Expansion
- 4) 2023 Discussion Paper #4 - Review of Winter Control Operations



## FINANCIAL CONTROL BUDGET POLICIES

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The Council for the City of Waterloo is committed to demonstrating financial leadership and sustainability. The 2023 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)