2017 Capital Budget

The 2017-18 Approved Capital Budget and 2019-2026 Capital Forecast allocates a total of $522.7 million of capital funding over 10 years. The intent of providing an eight-year forecast of capital projects and financing requirements is to facilitate long-term planning, prudent financial management, and to provide appropriate management of the City’s $1.04 billion of Tangible Capital Assets.

Early in 2015, Council undertook the development of the 2015-2018 City of Waterloo Strategic Plan. Through this process, Council identified six strategic priority areas: multi-modal transportation, infrastructure renewal, strong community, environmental leadership, corporate excellence and economic development. The 2017-18 Approved Capital Budget and 2019-2026 Capital Forecast has been prepared in alignment with these priorities.

Guiding Principles

This report is grounded in the core values of the municipal corporation and these guiding principles drive the municipality in its pursuits to support the needs, goals, values and aspirations of the community at large.

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Projected Capital Expenditure by Strategic Priority Area

2017-2018 Budget by Strategic Priority Area

Total $192.7 million

- Economic development: 18%
- Multi-modal transportation: 5%
- Corporate excellence: 4%
- Environmental leadership: 5%
- Strong community: 10%

2019-2026 Budget by Strategic Priority Area

Total $330.0 million

- Infrastructure renewal: 60%
- Economic development: 4%
- Multi-modal transportation: 5%
- Corporate excellence: 1%
- Environmental leadership: 6%
- Strong community: 24%

Total 2017-2026 budget is $522.7 million dollars
The primary funding sources for capital expenditures are the city’s reserves. While the city has many reserves, only those funds that are impacted by capital expenditures have been included in the 2017-18 Approved Capital Budget and 2019-2026 Capital Forecast.

The Consolidated Development Charges Reserve Funds are currently projected to enter a negative position initially in 2018, due to a small number of large dollar value projects at the start of the new Development Charges capital program; however, these balances are projected to be fully recovered within the 15 year projection of the program.

The DC Background Study will also be reopened in 2019, to align the background study with the 3 year capital budget process, and to allow for the prioritization of growth and rehabilitation projects to be considered at the same time.

Debentures include only Stormwater enterprises in 2017.

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**2017 Budget by Strategic Priority Area**

**2017 Capital Budget by Strategic Priority, $71.7M**

- Corporate excellence, $5.76M - 8%
- Economic development, $6.67M - 9%
- Environmental leadership, $1.60M - 2%
- Multi-modal transportation, $4.86M - 7%
- Infrastructure renewal, $36.56M - 51%
- Strong community, $16.26M - 23%

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**Funding by Reserve for 2017 Capital Budget**

**2017 Capital Budget by Reserve, $71.7M**

- Tax based Reserves, $30.14M - 42%
- Enterprise Reserves, $14.15M - 20%
- Development Charges Reserve Funds, $16.13M - 22%
- Debenture (enterprise), $0.54M - 1%
- Grants (formula based), $5.70M - 8%
- Other, $5.06M - 7%
- Enterprise Reserves, $14.15M - 20%

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**Strategic Priorities – What they mean**

- **Multi-modal transportation** – diversification of transportation options.
- **Infrastructure renewal** – roads, facilities & systems.
- **Strong community** – fostering safe, resilient and inclusive communities.
- **Environmental Leadership** – preserve the natural environment, reducing our carbon footprint and building in an environmentally sound manner.

- **Corporate excellence** – Inclusive, transparent and fair decision making, responsible financial management, superior service delivery and effective communication.
- **Economic development** – key pillar to drive tax revenue, business development and a vibrant cultural scene. A strong economy fosters entrepreneurship, stimulates opportunity, creates jobs, and enhances a community’s attractiveness.

*Total 2017 budget is $71.7 million dollars*
Revision status indicates that there was a material delay or cost change in the project. Of the 55 projects that were flagged with revision status the following rationale was provided per project:

- $4.78 million or 9% of total 2017 expenditure can be attributed to this status or 18% of the total number of projects. Main causes of the revisions were third party delays, then resource constraints, scope changes and other factors which comprised of projects being over budget.

Total unspent funds were $56.2 million, of that total, $13.59 million is attributed to revision status projects. Therefore on track projects made up 76% of unspent funding. This speaks to the need of the city to cash flow project funding more effectively, where possible, over the life of the project. The 2019 budget is aiming to address this issue.
2017 Key Capital Projects

In 2017, the City of Waterloo worked on a total 314 capital projects. While there isn’t enough copy space to go over all the positive impacts this work has produced, here are some key highlights from the city’s 2017 capital program:

**The Waterloo Service Centre (WSC)**

The WSC is the hub of all front line maintenance work and natural area maintenance. The facility was originally constructed in the mid-1980’s, when the population of Waterloo was approximately 65,000. Today, with the population reaching 135,000, it required significant expansion and upgrades to better serve the community.

The completion of this project has addressed many of the needs at the Waterloo Service Centre and has provided a much more efficient workplace that will serve the needs of the community for many years.

Some of the key features of the project are:
1. New Administration Building – Data Centre relocation, Emergency Operations Centre
2. Salt Building replacement with increased capacity – includes automated salt unloading system for efficient operation.
3. New Workshop Addition
4. Vehicle Storage was upgraded from an unheated structure to a fully enclosed and heated building.

Benefit to Public: Heated storage of vehicles allows for start-up times to be reduced and increased salt storage capacity reduces the potential of service disruption, especially in severe weather conditions. Total project cost: $13.5 million.

**Canadian Clay and Glass Gallery**

Now 25 years after opening, not unexpectedly, major renovations and repairs were required in a number of key areas in order to keep the building attractive and functioning for the benefit of the community.

Major upgrades included new windows and display lighting as well as roofing and skylight replacement and upgrades to the heating and ventilation system.

Benefit to Public: The Canadian Clay and Glass Gallery is a major national cultural landmark in Waterloo and these repairs and enhancements will ensure that it will continue to deliver its cultural services to the public.

Project timeline: Estimated completion June 2018
Total project budget: $500,000 of funding received from the Federal Government, Cultural Spaces grant. Total project cost: $1.6 million.

**New Salt Storage Facility**

**Canadian Clay and Glass Gallery Renovation**
2017 Key Capital Projects

LED Street lighting Change

In support of Greenhouse Gas (GHG) reduction targets, the city completed a number of major energy efficiency retrofit projects in recent years, with the goal of reducing the annual consumption of electricity, natural gas, and water.

One of these major projects was the conversion of existing metal halide and high pressure sodium cobra head streetlights in the Region of Waterloo to Light Emitting Diode (LED) technology.

Benefit to Public: The LED streetlight change out project is estimated to save 48% annually on streetlight electricity and 50% annually on streetlight maintenance. Approximately $240,000 was saved in 2017, due to electricity cost savings for the LED streetlight conversion. Based on the first four months of data for 2018, annualized savings of approximately $482,000 are expected for the 2018 year. Savings will allow the city to keep investing in operating and capital projects that generate value.

Project timeline: Substantially completed

Total project cost is estimated to be $2.5 million.

LED Light Installation

Trans Canada Trail Waterloo Park

This project consists of twinning the pedestrian bridge and upgrades to the Central Street Entrance. Also a separated 3.5 meter wide bicycle path plus a 3.5 meter wide pedestrian path through the main part of the park, a new wooden boardwalk on the west side of the tracks, new pathway lighting, new lookout over Silver Lake, way-finding signage and new benches.

Benefit to Public: The twinning of this bridge will be an integral piece of the development of the Central Promenade in Waterloo Park by increasing the safety for all users and adding a distinct destination feature at the water's edge. In addition, the Central Street Entrance to Waterloo Park will enable a separate vehicular and pedestrian entrances. This separation provides an opportunity to develop a welcoming arrival space and entry feature. Separating the bicycle traffic from pedestrian traffic along the Promenade will make the trail safer, while making it more convenient for commuters and more enjoyable for pedestrians. The upgraded pathway lighting will make for a truly modernized new trail system and includes new electrical servicing to enhance the Wonders of Winter experience. The new wooden boardwalk services the southerly LRT crossing and leads to an existing stonedust trail/sanitary access pathway on the west side of the tracks.

Project timeline: Estimated completion Summer 2018

Total project cost: Grant funding from the Provincial government – Ontario Municipal Cycling Infrastructure Program $325,000 and TD Bank contribution of $500,000. Total project cost is estimated to be $3 million.
2017 Key Capital Projects

Mary Allen Park Expansion

Mary Allen Park is situated in the heart of an established neighbourhood that is experiencing localized redevelopment including the conversion of the former St. Louis School to a residential condominium and other population increases associated with the intensification of the Uptown core.

In the fall of 2017, construction of the park facilities at both 70 Willow St. and 95 Allen St. E. began with onsite activities continuing until the weather finally forced work to cease for the season.

Work completed on site so far includes:
• Major upgrades to the existing play pit infrastructure, expansion of the play pit, installation of additional drainage systems, incorporation of logs and boulders and a new rotating play element along with the installation of the log jam natural play structure.
• Major earthworks are now complete along with site servicing upgrades and connections to the municipal services in the road allowance.
• Concrete work is well underway at the central plaza with new seat walls built in several locations throughout the park and several of the walkways are also now complete.

Meanwhile, important work continues off-site including:
• Building permits for the shade structure were obtained and the structure is ready to be assembled. Once the weather permits, crews will be on site installing the engineered foundation and the custom park pavilion.
• Orders have been filled for furniture, including the ping pong table, benches, community harvest table, bike racks, storage bins and games tables.

Benefit to Public: The park expansion will provide additional recreational space to service the surrounding population growth.

Project timeline: Completion estimated to be Summer 2018.

Total project cost is estimated to be $1.2 million.
Project Highlights Across the City

Here are some project highlights that occurred across the city in 2017:

**Southeast** – Woolwich Street Reconstruction (University Avenue to Bridle Trail) and Walter Bean Trail Construction
The Woolwich Street project commenced in 2016 and was completed to base asphalt in 2017. The road reconstruction project included the urbanization of Woolwich Street, the addition of sidewalk, bike lanes, multi-use trail, traffic circles, and landscaping. The project scope also included the installation of a box culvert at Melitzer Creek. Construction is ongoing with boulevard works and surface asphalt to be completed in 2018.

The last section of the Walter Bean Trail within the City of Waterloo has been completed. The trail is located along the north side of Woolwich Street from Maverick Street to Kiwanis Park Drive and was constructed as part of the Woolwich Street project. The Walter Bean Grand River Trail has a missing linkage that is a high priority for the Waterloo Advisory Committee on Active Transportation to complete. This linkage will ensure cyclists, pedestrians and peoples with disabilities have an off-road Active Transportation connection between Kiwanis Park (City of Kitchener) and the City of Waterloo.

Benefit to Public: Improve transportation network, expand active transportation network, infrastructure renewal and upgrades to support population growth.

**Northeast** – East Side Library Branch & the Colonial Creek Pumping Station Upgrade. The East Side Library feasibility study was completed in 2017 and the procurement for detailed design is underway. The Colonial Sanitary Pump Station is a key wastewater facility that serves most of the northeast area of the City. Originally constructed in 1981, it was recently overhauled, including replacement of all mechanical, electrical and process equipment, construction of a new control building, and installation of new twin forcemains and emergency storage tanks.

Benefit to Public: The East Side Library will contribute to the ongoing vibrancy of this community. It will positively impact business and economic development, digital literacy, newcomer settlement, early literacy, lifelong learning, and community building itself. The Colonial Creek Pumping Station Upgrade almost doubled the station’s capacity, equipping it to handle higher flows, accommodate future population growth, and mitigate wastewater releases to the Creek and Grand River in the event of mechanical/electrical failure.

**Southwest** – The Columbia Street Reconstruction (Fischer Hallman to Erbsville) project. This project is to reconstruct Columbia Street to 4 lanes, and enhanced turning movements. This project also includes storm sewer upgrades and a bridge/culvert at the creek crossing. This project is being phased in over 4 years and is nearing completion.

Benefit to Public: Reduction in traffic congestion.

**Northwest, Northeast & Lakeshore** – Storm Water Pond Restorations.
This project involves the restoration of pond storage capacity. The ponds were on average more than 50% full of sediment. Excessive sediment needs to be removed to ensure that the ponds are operating as per the approved design. Grant funding from the Federal and Provincial governments has allowed the city to move the pond restoration projects forward from 2019 – 2025 to be implemented now.

Benefit to Public: Improved environmental outcomes, reduced flood risk.

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Benefit to Public: Improved environmental outcomes, reduced flood risk.
Central Columbia: R&T Park Multi-Use Trail – various trail improvements and paving. Resurface or replace 3.5 km of existing multi-use trails. Upgrades also include intersection improvements to comply with AODA regulations. All crossings will be completed with concrete and tactile domes installed in the concrete to adhere to the provincial accessibility standards. As of April 2018, Hagey Blvd. and one portion of Wes Graham Way has been completed. This year’s work will consist of completing Wes Graham Way and also work on Frank Tompa Dr. Estimated completion date of September 2018.

Benefit to Public: Top talent is attracted to Canada’s Education City by our post-secondary institutes and a high-quality of life that includes accessible active transportation networks. The David Johnston Research and Technology Park is home to many growing businesses, and this investment in trails makes commuting using active transportation modes easier.

Uptown: The City, in collaboration with the Region of Waterloo, has initiated streetscape improvements for King Street North in our uptown core from the ION tracks south of Erb Street to Bridgeport Street (and eventually to Central Street). The scope of work includes the replacement of underground infrastructure (stormwater, sanitary sewers, watermain and underground utilities), reconstruction of the roadway to two lanes with segregated bike lanes, wider sidewalks, new street lights, trees, landscaping and street furniture. Also in collaboration with the Region, the recently completed Spurline Trail has added strategic connectivity for Active Transportation into the Uptown.

Benefit to Public: There are multiple benefits that will arise from the works in uptown and on the Spurline Trail. Some of these relate to making King Street more accessible for all modes of transportation, including pedestrians. Also to create a streetscape environment that offers a safe, lively, accessible and attractive place to work, live, shop, learn and play. The goal of the upgrades are to improve the quality of business and economic life in uptown Waterloo through co-ordination of streetscape design elements and; and, to connect Uptown Waterloo with Kitchener via the LED illuminated Spurline multi-use trail.
Multi-Modal transportation

- **$9.2M** Funding Available
- **$5.2M** YTD actuals
- **16 projects**

| STATUS | On Track: 16 Projects | Revision: 0 Projects |

**Key Projects:**

- Major projects include: the Uptown Streetscape Improvement, Trail & Bikeway Master Plan and the Active Transportation Improvements.
- All 16 projects are on track.

Infrastructure Renewal

- **$62.1M** Funding Available
- **$31.7M** YTD actuals
- **149 projects**

| STATUS | On Track: 115 Projects | Revision: 34 Projects |

**Key Projects:**

- This strategic pillar has the most projects as municipalities are the owner of the majority of infrastructure assets.
- Some of the key projects are the LED Street Lighting Project, the expansion of Mary Allen Park, Service Centre Rehabilitation, Uptown Streetscape Enhancement underground work, fleet expansion and replacement, a new fire truck and multiple road work projects.
- Of the 149 projects in this strategic pillar, 34 projects have been flagged with revision status; main drivers: 21 projects due to third party delays, eight projects due to resource constraints, and five were due to scope changes.
Strong Community

63 projects
$21.8M Funding Available
$9.5M YTD actuals

Key Projects:

- Major projects include: the Canadian Clay and Glass Rehabilitation, Northdale Streetscape, Alexandra Park Expansion, the East Side Library and Waterloo Memorial Recreation Complex feasibility studies and the Trans Canada Trail through Waterloo Park.
- The city was able to utilize the Cultural Spaces grant from the Federal government for nearly $500K to make the Canadian Clay and Glass Rehabilitation a reality.
- Of the 63 projects, eight projects have been flagged with revision status: four projects due to third party delays, three projects due to resource constraints and one due to scope change.

Environmental Leadership

25 projects
$3.7M Funding Available
$1.4M YTD actuals

Key Projects:

- Major projects include: Waterloo Town Square Environmental Remediation, Creek Bank Stabilization, the Maple Hill Creek Rehabilitation and the restoration and retrofit of multiple stormwater ponds. In addition, a leak detection system for the city water system has been initiated.
- The pond restoration and retrofit is being partially funded by the federal and provincial governments with the grant funding from the Clean Water Waste Water Fund (CWWF). Overall the city can expect to be reimbursed for approximately $3.9 million.
- Of the 25 projects, three have been flagged with revision status: one project is due to third party delay, one project due to resource constraints and one project due to a scope change.
Corporate Excellence

Key Projects:

- Major projects include: city-wide space planning initiative, enterprise security, the records management master plan and IT projects such as the PeopleSoft Financial upgrade and implementing a new recreational booking system ‘ActiveNet’ in Recreation and Facilities.
- Of the 46 projects, five projects have been flagged with revision status: two projects were due to third party delays, two projects were due to resource constraints and one project was due to a scope change.

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Economic Development

Key Projects:

- Major projects include: 31 approved 2017 Uptown Community Improvement applications, site development of the 70 Willow Street property and the burial of hydro lines on Caroline Street (from Willis Way to William has been energized, North of Willis Way to be energized in 2018 and portion south of William will be energized 2018/19).
- Of the 15 projects; five have been flagged as revision status: four projects was due to third party delays and one project was slightly over budget due to a land transfer tax.

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