



EAST SIDE LIBRARY BRANCH ILLUSTRATION

2020 Capital Report

MOVING FORWARD TOGETHER

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2020 CAPITAL REPORT

Annual report on capital expenditures

The 2020 capital budget (approved February 10, 2020) was originally \$116.1 million of capital funding for 184 planned projects. This important capital investment allows us to build, buy, renew or replace the infrastructure needed to provide city services to

the community (separate from our operating budget, which funds the ongoing delivery of those services).

With in-year funding and project carry forward funding from previous years, and adjustments due to the COVID-19 pandemic, there was \$168.3 million in available funding for 328 projects in 2020.

2020 AVAILABLE FUNDING

\$168.3 million
328 projects

The capital budget supports the priorities identified by our community in the City of Waterloo's strategic plan. Although the pandemic resulted in some project deferrals and delays, we still made significant progress in continuing to bring Council's strategic priorities to life.



EAST SIDE LIBRARY BRANCH CONSTRUCTION

STRATEGIC PRIORITIES

The 2020 capital budget is closely aligned with the city's strategic plan, which was built with input from close to 11,000 residents who shared their priorities with us. The six strategic pillars of that plan are:



**EQUITY, INCLUSION AND
A SENSE OF BELONGING**



**HEALTHY COMMUNITY &
RESILIENT NEIGHBOURHOODS**



**SUSTAINABILITY &
THE ENVIRONMENT**



INFRASTRUCTURE RENEWAL



**SAFE, SUSTAINABLE
TRANSPORTATION**



**ECONOMIC GROWTH
& DEVELOPMENT**



Learn more about our guiding principles and strategic priorities at waterloo.ca/strategicplan

2020 CAPITAL BUDGET BY STRATEGIC PRIORITY AREA

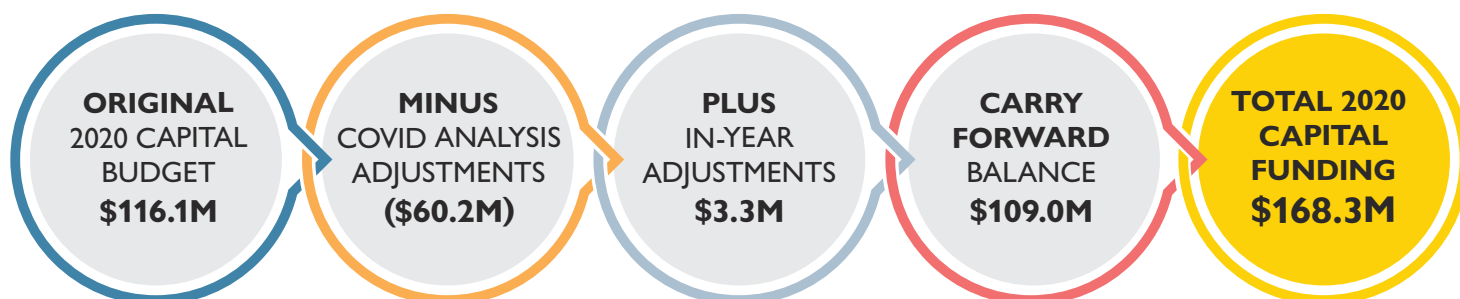
| STRATEGIC PRIORITY | PROJECTS | TOTAL \$ (000's) | PERCENTAGE % |
|--|------------|---------------------|-----------------|
| Infrastructure Renewal | 86 | \$47,617 | 41% |
| Economic Growth and Development | 9 | \$25,183 | 22% |
| Healthy Community and Resilient Neighbourhoods | 33 | \$22,525 | 19% |
| Supporting the Strategic Plan and Guiding Principles | 21 | \$8,445 | 7% |
| Sustainability and the Environment | 14 | \$7,540 | 6% |
| Safe, Sustainable Transportation | 16 | \$3,975 | 3% |
| Equity, Inclusion and a Sense of Belonging | 5 | \$807 | 1% |
| Total Capital Budget | 184 | \$116,091 | 100% |

CAPITAL BUDGET IMPACT DUE TO COVID

The COVID-19 pandemic created the need to review the planned 2020 capital project spending. Project Managers, Directors, Commissioners and Financial Analysts reviewed the capital projects approved for 2020, and the active capital projects funded in previous years.

The capital project analysis recognized that the city's capital budget plays a critical role in our local economy, providing stimulus during the pandemic, and aiding in the eventual recovery afterwards. It also relied on the other levels of government restrictions as we moved through the pandemic, limiting which capital activities could occur or continue. The Province of Ontario supported the construction of roads, watermain, sewers and other municipal services that are deemed essential to ensure that these services continue to work properly and continue to meet our community's needs.

2020 CAPITAL FUNDING AVAILABILITY



Note: Some numbers may not add due to rounding.

This analysis resulted in a recommended list of projects to postpone until 2021, and projects that would continue in 2020 (with some of the 2020 projects delayed until later in the year). On April 27, 2020, Council approved the revised list of capital projects. Moving the associated budget amounts (\$60.2 million) for the projects deferred to 2021 resulted in the new 2020 capital budget of \$55.9 million. Other in-year adjustments such as grants and funding advances increased the 2020 funding amount to \$59.2 million.

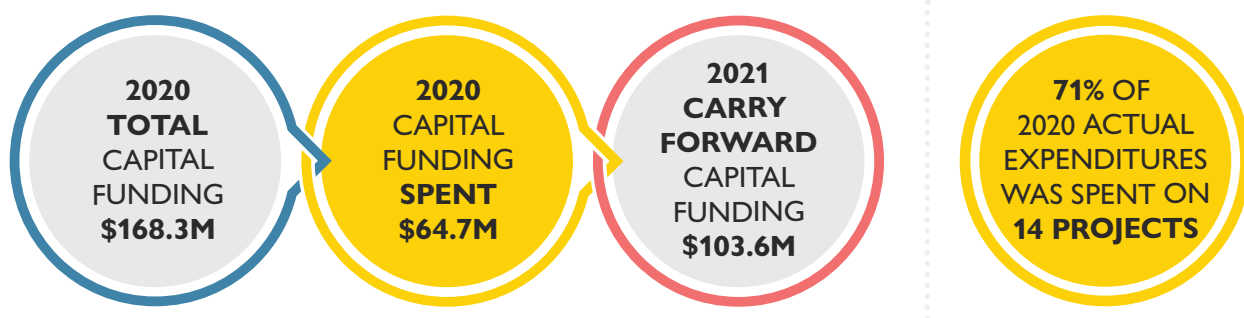
The carry forward balance from previous years was \$109.0 million, for a total of \$168.3 million approved funding available in 2020 for a revised 328 capital projects.

HOW MUCH DID WE ACTUALLY SPEND?

Active Projects

Following the adjustments for the COVID-19 pandemic, there were 328 active City of Waterloo capital projects in 2020. As of December 31, 2020, the city had spent \$64.7 million of the approved \$168.3 million. Nearly three-quarters of that was spent on just 14 projects. These 14 projects all had expenditures greater than \$1 million in 2020, and accounted for 71 per cent of the total amount spent. There were 106 active projects that ended up not having any expenditures in 2020, and the remaining 208 projects all had expenditures of less than \$1 million each.

HOW MUCH DID WE ACTUALLY SPEND IN 2020?



Why didn't we spend it all?

This means that as of December 31, 2020, there was \$103.6 million left to rollover for capital projects. While all projects have a certain amount of funding allocated to them in the approved budget, that amount may not all be spent in the current budget year. The city is required to have the entire funding amount approved in the budget for large, complex capital projects, even though it takes time to spend that full amount over the course of the work. This can create a timing gap between the capital budget and the actual expenditure. Rollover amounts from previous years include approved budgets for projects which are still active.

Timing gaps also result when project expenditures are delayed: required studies aren't completed on time, or it takes longer than expected for the procurement or public consultation process. Projects which involve other municipalities can also have delays, and in 2020 there were additional understandable delays due to the COVID-19 pandemic.

Closed projects

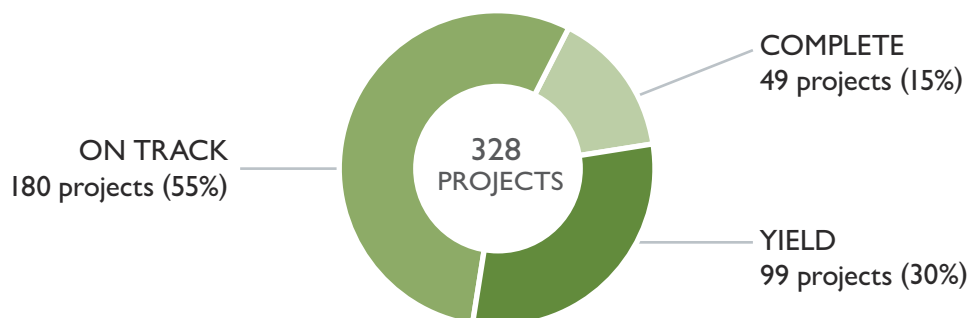
In 2020, 49 capital projects were completed and closed. Those projects, which had accounted for \$36.8 million of life-to-date funding, resulted in some of that funding being returned to reserves or transferred to other projects. Of the 49 complete projects, 15 projects had a zero remaining balance, 21 projects returned \$1.76 million to reserves, and 13 projects transferred \$0.35 million to other projects for a total of \$2.1 million. When surplus project funding is returned to reserves it increases the pool of funding available for Council to consider allocating to other projects in the future.

PROJECT STATUS REVIEW

Each year at year-end, the Finance division reviews all capital projects to see which projects are on track (progressing as planned) and which have been changed (due to an adjustment in budget, and/or a time delay).

As of December 31, 2020, the majority (55 per cent) of the 328 capital projects were on track. Fifteen per cent of projects were completed, and 30 per cent had a yield status. A yield status means that the project timeline or budget is no longer progressing as planned.

PROJECT STATUS OF THE 328 PROJECTS IN 2020

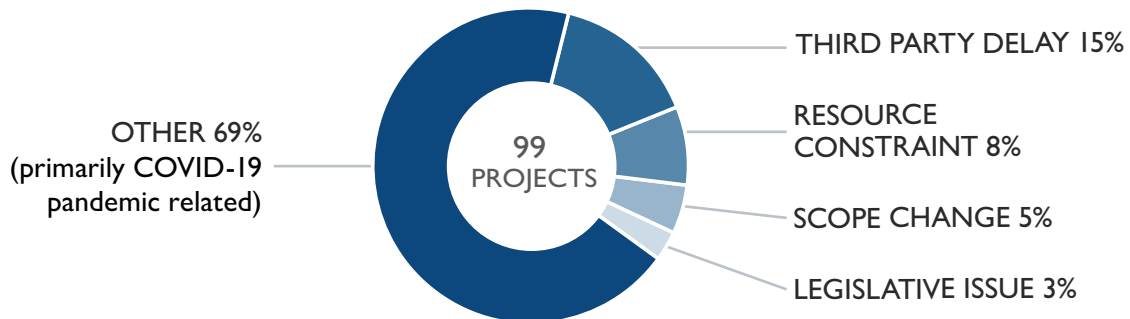


Yield Status

A project with a yield status is still active, but not on track as originally planned. This is usually due to a third party delay, legislative issues, or resource constraints. In 2020, the “other” reason category, which usually captures minor causes for delay that don’t fit into the other defined categories, is much larger and accounts for project delays due to the COVID-19 pandemic. This was the greatest cause for capital projects being in yield status at the end of the year, and for there being a greater number of capital projects in yield (30 per cent) at the end of 2020 than in previous years (17 per cent in 2019). Some projects experienced delays because the pandemic made it harder to obtain project supplies and materials.

Physical distancing rules required for safe work slowed productivity at some work sites, particularly indoors. Road work did not experience any significant delays; there were not as many restrictions on outdoor work, and less traffic in general to work around. As a result, the COVID-19 pandemic did not cause significant delays for road, storm or utility projects.

WHY 99 PROJECTS WERE FLAGGED WITH A YIELD STATUS



HIGHLIGHTS OF CAPITAL PROJECTS ACROSS THE CITY

**2020
GAS TAX
FUNDING**
\$8.9 million

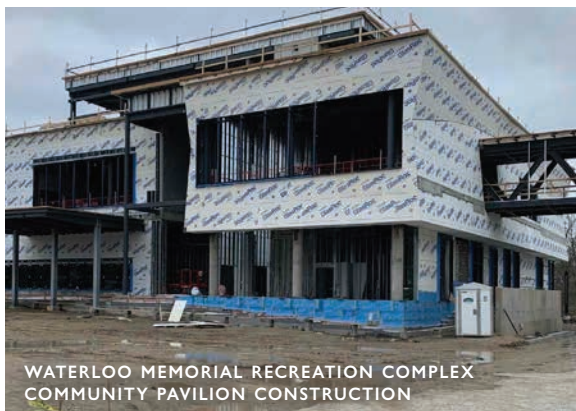
The federal Gas Tax Fund is money provided to municipalities by the federal government to help support local infrastructure projects.

In 2020, our current and carry forward gas tax funding was \$8.9 million, and \$8.8 million of that funding was used to support the East Side Branch

Library construction, the Waterloo Memorial Recreation Complex Expansion and Rehabilitation, and road reconstruction on Royal Street, Roosevelt Avenue and Warrington Drive projects. Budgets include funding up to and including 2022 as outlined in the approved capital budget.

UPTOWN WARD

The **Waterloo Memorial Recreation Complex Expansion and Rehabilitation (budget \$32M; includes \$5.9M in gas tax)** will benefit our entire community. The major components of the project, Civic Front, Community Pavilion and Fitness Core are 65 to 70 per cent complete and the Track Level Concession in the arena is 95 per cent complete. The Pavilion and the pool will be ready for Fall 2021 and the remaining expansion work will be completed early 2022.



WATERLOO MEMORIAL RECREATION COMPLEX
COMMUNITY PAVILION CONSTRUCTION



Construction work on **Laurel Creek and Silver Lake Improvements (budget \$7.7M)** in Waterloo Park began in the summer of 2020 and is currently in the final stages of construction. The work included improvements to the section of Laurel Creek that runs through the park, and a new pedestrian bridge near the bandshell. The creek channel has been re-directed to slow the water and create habitat opportunities, and the creation of an upstream lake sediment capture area before the main Silver Lake area will allow the city to maintain this feature more regularly and lengthen the time between larger lake cleanouts. Improvements to Silver Lake included dredging, reconfiguration of the shoreline, removal of the Lions Lagoon concrete pad, installation of a boardwalk, a new pedestrian bridge connection near the grist mill, and an extension to the lookout near the bridge crossings.

The city purchased the properties at 29-33 Erb Street East for the **Erb Street Acquisition (budget \$2.0M)** to expand the Station Lot parking lot by 23 spaces.



ECONOMIC GROWTH

The city has taken a long-term approach to parking in Uptown Waterloo to ensure sufficient parking is available to meet the needs of residents and businesses.

Important work to stabilize the creek bank and protect infrastructure and private property from erosion caused by peak flows was completed with the **Laurel Creek Rehabilitation (budget \$3.4M)** between Erb Street and Bridgeport Street and behind the Bridgeport plaza. Retaining walls were used to protect the slope and provide stability.



Part of the city's Asset Management 2020 road rehabilitation program, the reconstruction of **Young Street from King Street to Peppler Street (budget \$1.5M)** included the replacement of sanitary sewer, storm sewer, watermain, curb and gutter, and pavement structure.

Sidewalks, driveway ramps and boulevards are scheduled to be finished in Summer 2021 to bring the road up to required accessibility standards.



INFRASTRUCTURE RENEWAL

Urban renewal projects such as road reconstruction demonstrate the city's commitment to long term capital reinvestment in its public infrastructure. This work is underpinned by the city's Asset Management Plan that is being used to track the condition, costs and life cycle of Waterloo's 397 km road network.



WATERLOO PARK WEST SPLASHPAD

The city opened the new splash pad in 2020 as part of the **Waterloo Park Master Plan Implementation (budget \$3.3M)**. The rest of the projects are in design stage as planned.

CENTRAL WARD

The **Roosevelt Avenue and Warrington Drive project (budget \$4.1M; includes \$1.7M gas tax)**. Roosevelt was a road reconstruction, including replacement of all underground sewers and watermain, and the pavement structure, and a new sidewalk on the west side. Work was completed to base asphalt in 2020, with restoration of boulevards in 2021, and final surface asphalt to be applied in 2022.

In 2020, the **Longwood Drive, Moccasin Drive and Albert Street culvert project (budget \$3.5M)** continued with the installation of armour stone retaining wall and new creek bedding in Cedar Creek to address erosion and failing retaining walls, and paving to fill the gap in the Waterloop trail on Albert Street.

SOUTHEAST WARD

Royal Street (budget \$4.6M; includes \$1.5M gas tax) was reconstructed from Weber Street to Margaret Avenue in 2020. The reconstruction included the removal and replacement of all surface works (asphalt road, curb/gutter, sidewalks, driveway aprons) and removal and replacement of all underground utilities (watermain, sanitary sewer, storm sewer,

water service laterals to property line, sanitary service laterals to property line). The road was completed to base asphalt, with surface asphalt scheduled to be completed late 2021.



In December 2019, the Province of Ontario published Ontario Regulation 406/19: On-site and Excess Soil Management. The regulation governs how excess soils generated by various activities are to be handled, with an eye towards the reuse of soil of various environmental qualities instead of sending them to the landfill. In order to ensure compliance with the new regulation, a temporary excess soil storage area was designed for the rear yard at the Service Centre: the **Waterloo Service Centre Fill Pad (budget \$2.6M)**. Construction in 2020 included installation of sanitary sewers, storm sewers, oil-grit separators, concrete retaining walls and a soil storage structure. Completion of the remaining work is scheduled for summer of 2021.

SUSTAINABILITY AND THE ENVIRONMENT

The construction of the temporary excess soil storage area demonstrates the city's commitment to sustainability and the environment. This work will ensure the city's compliance with relevant environmental regulations and legislation, and provide a safe and efficient working environment for city operations staff.

The demolition was completed for the building located at the corner of Margaret Avenue and Bridgeport Road East as part of the **Parkland Acquisitions project (budget \$1.4M)** with topsoil and seeding still to be completed.

Painted bike lanes were installed for the **Lincoln Road Bike Lane (budget \$1.1M)**, from Mayfield Avenue to Bluevale Street. A raised cycle track was installed on the east side between Bluevale Street and University Avenue.





HEALTHY COMMUNITY AND RESILIENT NEIGHBOURHOODS

The watermain replacement from Bluevale Street to University Avenue, a much needed upgrade to address the issue of water main breaks in the area, was also an opportunity to install cycling infrastructure.

NORTHEAST WARD

The **Lorindale Watermain replacement and road reconstruction (budget \$1.3M)**, replaced the failing watermain and completed a watermain loop. As part of the watermain replacement, there were also storm sewer repairs, drainage improvements and the pavement structure was replaced including the addition of new curbs. The work was completed to base asphalt last year; there is some remaining work this year to be completed, mainly restoration of boulevards. Surface asphalt will likely occur late 2021.

The Region of Waterloo has tendered the work for **Phase 1 (Forwell Creek Road to Blythwood Road) and Phase 2 (Blythwood Road to Northfield Drive) (budget \$1.3M)** in one big tender, and the work has been awarded to Steed and Evans (S and E). Phase 1 started at Forwell Creek Road in the spring of 2020, and full underground replacement and the road to base asphalt was completed to Milford Avenue, with the balance of Phase 1 from Milford Avenue to Blythwood Road to be

finished in 2021. Phase 2 of the works was originally slated for 2021, but due to the pandemic the Region has delayed the project to 2022.

The very welcome **Eastside Branch Library (budget \$10.4M; includes life to date \$1.5M gas tax)** is underway with structural steel and exterior steel studs completed. Interior plumbing rough-ins are nearly finished and the concrete floor has been poured. Large items that are still in progress are the curtain wall (windows) installation, HVAC and electrical work. The construction should be largely complete by December 2021 with the opening date scheduled for March 2022.



LAKESHORE WARD

Construction is well underway for the new **Central Plaza at Albert McCormick Community Centre (budget \$2.3M)**. Although COVID-19 created many challenges and delays, the new splash pad, play feature, Bankshot basketball court, parking lot and stormwater management

area were successfully completed in 2020. Work on the project is progressing well and the contractor is working hard to finish the new skate park and install the remaining site furniture and landscaping in time for a summer 2021 Grand Opening.



NORTHWEST WARD

The **West Side Employment Lands (budget \$31.4M)** is 126 acres of city-owned land. The lands are located in the vicinity of Erb Street West to the South, Wilmot Line to the West, and Columbia Street to the North, and are primarily designated Business Employment with some Parkland. In December of 2020, the extension of Platinum Drive was



opened to traffic, connecting Columbia Street and Erb Street. Land sales are expected to begin in 2021 with building construction commencing as early as 2022.

CITY-WIDE

There were **many other city-wide capital projects** underway in 2020 that were of benefit to our entire community, such as fleet replacement and expansion (**budget \$10.6M**), the resurfacing of various roadways (**budget \$5.1M**), LED streetlighting change (**budget \$3.5M**), voice radio infrastructure (**budget \$2.5M**), replacement of a fire truck (**budget \$0.8M**), consolidated dispatch (**budget \$3.0M**), the outdoor sportsfield strategy (**budget \$1.6M**) and new sidewalk construction (**budget \$0.9M**).