



Albert McCormick Community Centre Central Plaza

2021 Capital Report

MOVING FORWARD TOGETHER

waterloo.ca/budget

2021 CAPITAL REPORT

Annual report on capital expenditures

Capital funding 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 released funding, project carry forward funding from previous years, and adjustments due to the COVID pandemic, there was \$157.8 million in available funding for 341 projects in 2021. Most of the city's projects are delivered over multiple years. As such, 147 of the 341 projects have funding from previous years, and 194 have funding beginning in 2021.

**2021
AVAILABLE
FUNDING**
\$157.8 million
341 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 delays, the city still made significant progress in continuing to bring Council's strategic priorities to life, supporting the local economy, providing stimulus during the pandemic and aiding in recovery.



STRATEGIC PRIORITIES

The 2021 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

2021 CAPITAL BUDGET BY STRATEGIC PRIORITY AREA

STRATEGIC PRIORITY	PROJECTS	TOTAL \$ (000's)	PERCENTAGE %
Equity, Inclusion and a Sense of Belonging	3	\$282	>1%
Sustainability and the Environment	16	\$12,641	9%
Safe, Sustainable Transportation	20	\$5,131	4%
Healthy Community and Resilient Neighbourhoods	37	\$22,020	16%
Infrastructure Renewal	80	\$61,317	44%
Economic Growth and Development	9	\$23,829	17%
Supporting the Strategic Plan and Guiding Principles	29	\$14,705	11%
Total Capital Budget	194	\$139,925	100%

Note: May not add to 100% due to rounding.

CAPITAL BUDGET IMPACT DUE TO COVID

The original 2021 capital budget approved as part of the 2020 to 2022 Capital Budget was \$79.4 million. In 2020 senior management re-assessed the city's capacity to deliver capital projects during the pandemic, and shifted some project timing. As a result, \$61.1 million of the 2020 capital budget was deferred to 2021, and an advancement of \$0.5 million of some 2021 funds was made to 2020 so that four projects could start early. Council confirmed the revised 2021 capital budget at \$139.9 million.

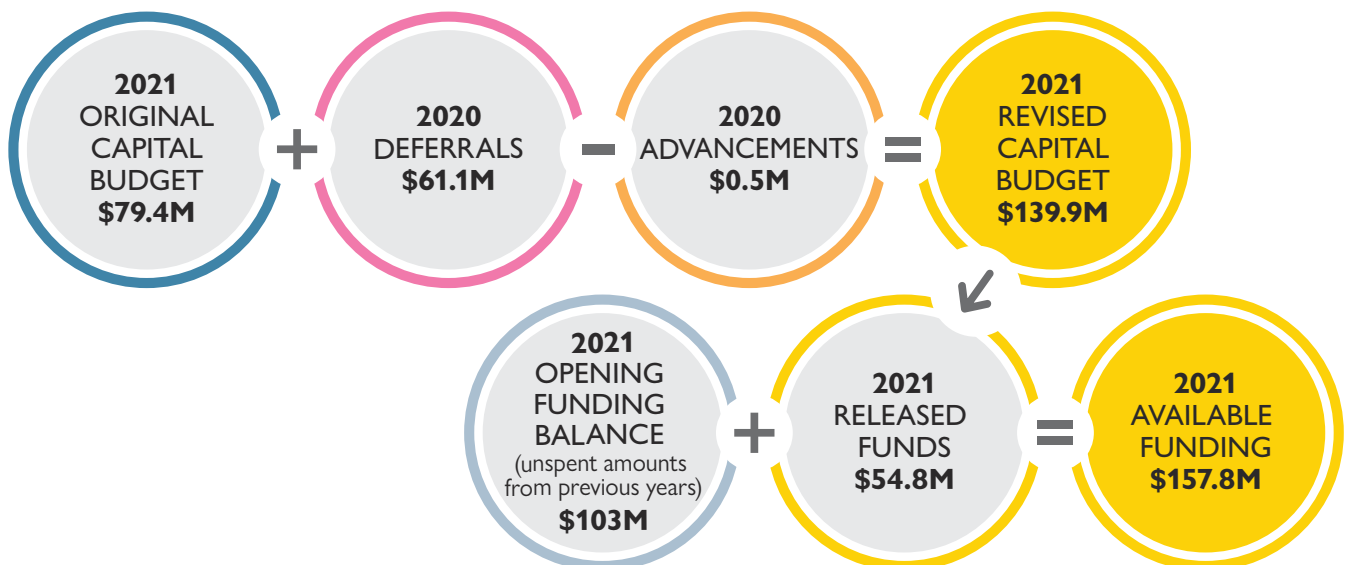
2021 Revised Capital Budget vs. Available Funding

A budget is the plan for spending, the projected dollar amount allocated for capital projects in a fiscal year. Budget amounts are only a plan, and funding needs to be released in order to be spent. If the entire budget isn't released/spent by the end of the year, it carries into the next year until it is spent, re-budgeted or returned to the original source. Available funding is the total amount of money available for the capital projects. It includes the current year's approved budget amount, as well as any unspent amounts from previous years.

Available Funding

In 2021, the city had an opening capital balance of \$103 million of un-spent released funds from previous years. In 2021, \$54.8 million of the \$139.9 budget was released, making \$157.8 million available for ongoing capital projects. Un-released funding is re-evaluated on a yearly basis and is either eventually drawn down or re-budgeted in future budget cycles.

RESTATED BUDGET AND AVAILABLE FUNDING

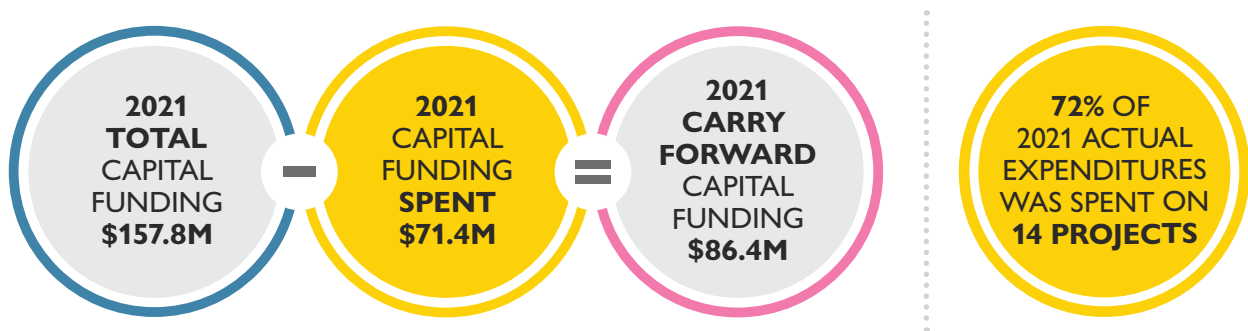


HOW MUCH DID WE ACTUALLY SPEND?

Active Projects

There were 341 active City of Waterloo capital projects in 2021. As of December 31, 2021 the city had spent \$71.4 million of the \$157.8 million available funding. Nearly three quarters of that amount (\$51.5 million) went to 14 projects. There were 220 active projects that ended up not having any expenditures in 2021, and the remaining 220 projects had expenditures of \$19.9 million.

HOW MUCH DID WE ACTUALLY SPEND IN 2021?



Why didn't we spend it all?

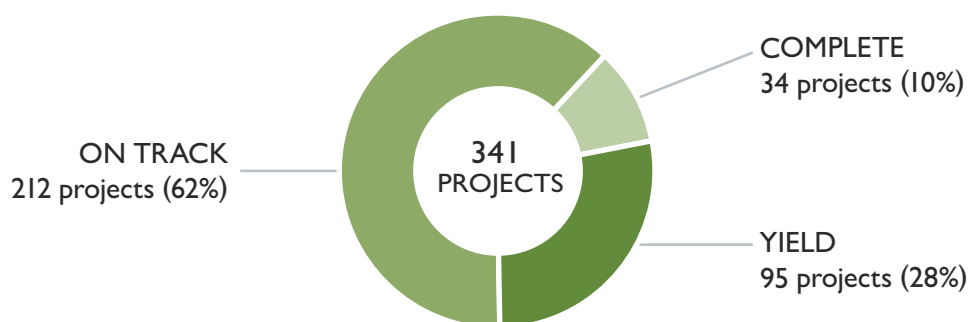
This means that as of December 31, 2021 there was \$86.4 million of released funding left to rollover to 2022 for capital projects. The city is required to have the entire funding amount approved and released up front for most large, complex projects as part of the contract agreement process, though it can take time to use the funds during the years of construction. The city is looking for cash flow budgeting opportunities in the 2023 budget cycle to reduce the need to have 100% of the funding for some of these large projects budgeted up front. This will better align the capital budget with the timing of the actual cash outflow or expenditure reducing this timing gap.

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, 2021, the majority (62%) of the 341 capital projects were on track. Ten per cent of projects were completed, and 28% had a yield status. A yield status means that the project timeline or budget is no longer progressing as planned.

PROJECT STATUS OF THE 341 PROJECTS IN 2021



Yield Status

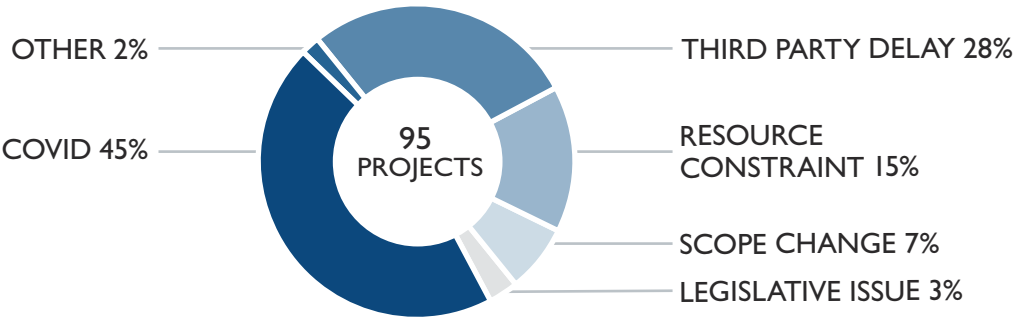
A project with a yield status is still active, but not on track as originally planned. In total, there were 95 projects in 2021 that had yield status. This is usually due to a third party delay, legislative issues, resource constraints, or “other” reasons. The “other” category captures rationale that doesn’t fit into the other defined categories. In 2020, this category was quite large, accounting for project delays due to the COVID pandemic. For 2021, “COVID” is now listed as a separate yield status category, and the “other” category is quite small.

COVID continues to have a very real impact to worldwide supply chains, causing significant delays or making equipment/materials unavailable. This accounts for 45% of the yield status projects in 2021. The second most prevalent rationale for delays was “third party delay” (28%), “resource constraints” (15%), “scope changes” (7%) and “legislative issues” (3%) and “other” (2%).

Third party delays may include documentation requirements (e.g. complete applications, permits and approvals) that need to be fulfilled by a third party for work to continue, finalization of applications for grant funding from other government bodies, delays or unavailability of certain items. Resource constraints include staff vacancies or changeover, and the resulting learning curves which can impact team productivity. Scope changes mean some

projects have become more complex or larger than originally planned, causing delays due to re-evaluation of planning and funding. Some projects evolve due to new city targets or standards (for example, those needed to address climate change), which requires the city to be flexible and pivot to accomplish project goals. Legislative issues are all related to completing supporting studies that are required before moving forward with next steps.

WHY 95 PROJECTS WERE FLAGGED WITH A YIELD STATUS



Closed Projects

In 2021, 34 projects were completed or closed, resulting in some funding being returned to reserves or transferred to other projects. This year seven projects had a zero balance upon project completion, 18 projects returned \$0.7 million to reserves and nine projects transferred \$0.5 million to other projects. There were also eight projects that remained open and returned \$2.3 million to reserves as those surpluses were no longer required by the projects. All funding returned to reserves (\$3 million) will be available to fund any potential shortfalls and/or be re-allocated in the upcoming 2023 capital budget cycle. Life to date funding for the closed projects was \$39.7 million.

Canada Community-Building Fund (CCBF)



The Canada Community-Building Fund (formerly known as Gas Tax Fund) is a significant, stable source of funding for municipal infrastructure, administered by the Association of Municipalities of Ontario (AMO). The Fund helps municipal governments plan for long term needs and invest in projects that truly make a difference as municipalities continue to make progress in addressing their infrastructure funding shortfalls. CCBF funding provided to city projects (current and carry forward funding) was \$4.5 million in 2021. Eighty-seven percent (87%) of that funding (\$3.9 million) was used to support road reconstruction projects on Alexandra Avenue, Mackay Crescent and Longfellow Drive, and improvements at Waterloo Park. Budgets include funding up to and including 2022 as outlined in the approved capital budget.

HIGHLIGHTS OF CAPITAL PROJECTS ACROSS THE CITY

In 2021 many diverse projects were under-way in all corners of the city. The following highlights a few of these key projects.

CENTRAL WARD

Longfellow Drive Reconstruction (budget \$2.8M; includes \$0.9M CCBF) from Shakespeare Drive to Westmount Road North was fully reconstructed in 2021, with underground replacement of the water, sanitary and storm mains and services. The Westmount at Longfellow intersection was also modernized with a set of lights for pedestrian crossing. A new sidewalk was installed on the south side of Longfellow Drive to connect the existing sidewalk on Shakespeare Drive, and the one on Westmount Road. Final surface asphalt will be placed on Longfellow Drive in the fall of 2022.



Longfellow Drive Reconstruction

Larch Street Reconstruction – Hickory to Balsam (budget \$2.3M; includes \$0.5M CCBF) The majority of work for the reconstruction from Hickory Street to Balsam Street was completed, allowing the

road to be opened and used by the public. Activities continue with landscaping and warranty work to be completed by early summer 2022.



AMCC Central Plaza Splashcourt

LAKESHORE WARD

Albert McCormick Community Centre Central Plaza (budget \$2.3M)

Construction was mostly completed in 2021, with some minor work outstanding and an extension of the contract due to pandemic delays. The official opening was held in July 2021, with final outstanding work and project closing expected to be completed in spring 2022.

NORTHEAST WARD

In 2021, construction work continued for the **East Side Branch Library (budget \$10.4M; includes \$1.5M CCBF)**. At the end of the fiscal year, the building construction was mostly complete. Final interior work is ongoing and the building is expected to be totally complete by the spring of 2022; the grand opening occurred on Saturday May 7, 2022.

In 2021, construction work for the **RIM Ball Diamond Amenities Building (budget \$1.4M)** was completed. This building is ready for use and open to the public for the 2022 season.

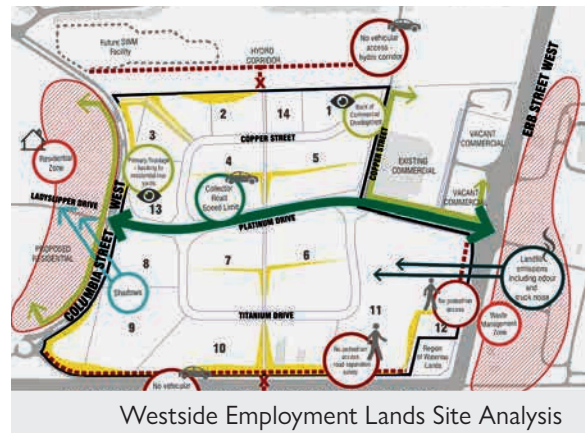


Eastside Library Grand Opening

Regional Road 8 (Weber Street N) Reconstruction – Phase 1: Forwell Creek Road to Blythwood Road and Phase 2: Dutton Drive to Parkside Drive, plus rehabilitation of the ION Bridge (budget \$5.3M). The reconstruction continued from Milford Avenue to Blythwood Road and also the reconstruction of the intersection Dutton Drive at Weber Street North with the replacement of underground water main and sewer mains. In 2022, the Region will continue with Weber Street (Regional Road 8) reconstruction Phase 2, from Northfield Drive to Parkside Drive and Dutton Drive to Blythwood Road, full road reconstruction and underground replacements of the mains and services from Blythwood Road to Dutton Drive.

NORTHWEST WARD

The city owns approximately 126 acres on the west side of Waterloo, currently known as the **West Side Employment Lands (budget \$31.4M)**. Located in the area bounded by Erb Street West to the south, Wilmot Line to the west, and Columbia Street to the north, the lands are primarily designated Business Employment with some areas designated as Parkland. Throughout 2021, staff have worked on sustainability guidelines for development of the area that will encourage sustainable site planning and building design to reduce the environmental impacts of development. In 2022, work to finalize these guidelines is underway and expected to be brought forward for Council's consideration by September 2022. Land sales are expected to begin in 2022 with building construction beginning in 2023.



Westside Employment Lands Site Analysis

SOUTHEAST WARD

The **Mackay Crescent reconstruction (budget \$3.1M; includes \$0.9M CCBF)** from Weber Street North to Alvin Street is mostly completed. Outstanding work such as sod, driveways and miscellaneous tasks will be completed in Spring 2022.

Work was needed to ensure the excess soil storage area would be in compliance with Province of Ontario Regulation 406/19: On-site and Excess Soil Management. Construction of the **Waterloo Service Centre Temporary Excess Soil Storage Area (budget \$2.6M)** began in 2020 and has been completed. The facility is now fully operational. This work ensures the city's compliance with environmental regulations and legislation, and provides a safe and efficient working environment for city operations staff.



Waterloo Memorial Recreation Complex

UPTOWN WARD

The construction work continued for the **Waterloo Memorial Recreation Complex Rehabilitation and Expansion (budget \$32M; includes \$5.9M CCBF)** in 2021. At the end of the fiscal year, construction work was completed for the major components of this project (the Civic Front, Community Pavilion, Fitness Core and Track Level Concession). The remaining expansion work continues on site and is expected to be mostly complete by the summer of 2022. A grand re-opening event is planned for summer 2022.

The majority of work for the **Alexandra Avenue reconstruction (budget \$3.4M, includes \$1.2 CCBF)** from Westmount Road to Lourdes Street was completed, allowing the road to be open and accessible. The remaining landscaping and warranty work will be completed in 2022.

The first section of the **King Street Full Reconstruction and Infrastructure Replacement (budget \$3.9M)**, from University Avenue to Ezra Avenue was completed in 2021. This is a Region of Waterloo multi-year project, with the section from Ezra Avenue to Central Street to be completed this year. The majority of the underground work should be completed by summer 2022 with surface works, transit structures and landscape work to be completed after that date. As with all Region projects the city's budget allocation is for the rehabilitation of city-owned assets.



Silver Lake Improvements

Work continued at Waterloo Park for the **Silver Lake Improvements and Waterloo Park Lake Front Rehabilitation (combined budget \$14.8M, includes \$1.2M CCBF)** on

the final phase of upgrades to Silver Lake and the surrounding park area. Activities in 2021 included demolition of Lion's Lagoon, general removals, earth grading, installation of underground infrastructure and electrical servicing, a new electrical building, and south shore asphalt multi-use trail and landscaping. Construction continues with fountains, concrete work and landscaping to be completed in 2022.

CITY-WIDE

In 2021, smart water meters for the **Advance Metering Infrastructure Project (budget \$3.6M)** had been installed on approximately 14,500, or about half of all residential properties. The water information is automatically imported into the city's billing system on a daily basis. Due to global supply issues, the city may not receive any more transmitters until September 2022. If transmitter shipments return to normal in September, there is still a chance to complete the project at the end of 2023 as projected. The online customer portal for viewing water information is currently in development.

The **Stormwater Management (SWM) Pond Sediment Removal (budget \$3.5M)** project was completed with the cleanout/retrofit of Trillium Valley Ponds 10 and 28. The annual SWM Sediment Removal Program was initiated for 2022 (ponds 36, 49, and 51) with work that includes site inspections, investigations, and design. Work is expected to be completed in the Fall of 2022.

Active Transportation completed paving for multi-use path connections as part of the **Station Area (ION) Planning and Implementation (budget \$7.5M)** work, connecting ION Station areas with the city trail network. Paving connections continue and enhanced streetscaping is expected to be completed in early summer.



Laurelwood Multi-use Path

In addition to connecting with ION stations, additional work was done for the **Trail and Bikeway Master Plan (budget \$1.3M)**. The Transportation Master Plan update was completed, and the recommendations in the plan will inform future budget deliberations for a multitude of transportation projects. The Laurelwood multi-use path from Fischer Hallman Drive to Beaver Creek Road., was completed in 2021. This year, the Laurelwood multi-use path will be extended, connecting the trail in Old Oak Park to the trail between Creekside Drive and Birchmount Drive. Farmer's Market Trail connecting the Research & Technology Park and Northfield Drive constructed in 2021, and expected to be complete in early

summer of 2022. Design for the Albert Street separated cycling infrastructure between University Avenue and Seagram Drive was completed in December 2021, and construction happening in early summer.

Construction of the **Hillside Park Baseball Diamond Improvements (budget \$0.5M)** was substantially completed in 2021, along with parking lot improvements. There is still some minor work to be done in spring 2022, including ball diamond netting installation and batters mats. Waterloo Park Diamonds 3 and 4 will be tendered with construction to start by the summer.



Hillside Park Baseball Diamond Improvements

A new replacement firetruck (budget \$0.8M) was purchased, including extra parts required for maintenance. Waterloo Fire Rescue's old breathing apparatus equipment, including cylinders, masks and **breathing apparatus units (budget \$0.6M)** were also replaced.

Other general **Fleet Vehicle and Equipment Replacement (budget \$7.2M)** has experienced delays with vehicle delivery due to global supply chain issues, with \$3.5 million of purchase order commitments, and \$675,000 worth of equipment received.

Other city-wide capital projects to benefit the community included **road asphalt resurfacing (budget \$5.1M)** in a number of areas, including localized curb and sidewalk repairs. 2022 resurfacing program is underway, with milling and paving in April and May. Of note, Albert Street between Seagram Drive and University Avenue, and McDougall Road have already received new asphalt under this year's resurfacing program. **Large scale capital repairs (budget \$1.52M)**. The repair work included ice rink rehabilitation at RIM Park, work on the WMRC Aquatic Centre, and mechanical/electrical work at several city facilities.

Finally, the trenchless replacement of failed or damaged sewer pipes continues. The **Emergency Black Pipe Sewer Lateral Replacement (budget \$1.1M)** project replaced about 65 laterals in 2021. The old black sewer pipe was installed between 60 and 70 years ago, and the estimated life span is 50 years. Staff estimate that there is approximately 500-550 black pipe laterals remaining in the city, with another 15 to be completed by June 2022.