

January 18, 2021

Mayor Berry Vrbanovic and Members of Council:

Your Finance and Corporate Services Committee recommends as follows:

2021 Operating Budget

1. That the general levy of \$132,255,953 which results in approximately a 1.10% tax increase, excluding tax policy changes, be approved including assessment growth of 1.52%.
2. That the following budgets for municipal enterprises be approved:

	Revenue	Expense	Transfer to/(from) Reserve
Building Enterprise	\$ 4,257,088	\$ 5,765,735	\$ (1,508,647)
Golf Enterprise	\$ 2,394,956	\$ 2,918,137	\$ (523,181)
Parking Enterprise	\$ 5,313,514	\$ 7,007,234	\$ (1,693,720)
Gasworks Utility	\$ 79,806,615	\$ 81,425,422	\$ (1,618,807)
Water Utility	\$ 48,099,637	\$ 48,306,060	\$ (206,423)
Sanitary Utility	\$ 60,620,552	\$ 59,918,192	\$ 702,360
Storm Water Utility	\$ 22,555,281	\$ 22,506,440	\$ 48,841
	<u>\$ 223,047,643</u>	<u>\$ 227,847,220</u>	<u>\$ (4,799,577)</u>

3. That the following net revenues/(expenditures) be approved for reserve funds:

	Net Change (\$000's)
CORPORATE:	
Arbitration	(38)
Insurance	336
Mediation	1
Sick Leave	(300)
WSIB	(447)
Learning & Development	(30)
DEVELOPMENT:	
Development Charges	256
PROGRAM SPECIFIC:	
Activa Group Sportsplex	-
Economic Development	(7,155)
EDIF 2.0	2,572
Election	127
Oktoberfest	-
Public Art	(4)
Municipal Accommodation Tax	(232)
Energy Retrofit	(94)
STABILIZATION:	
Building Enterprise Stabilization	(1,209)
Gas Utility (Delivery) Stabilization	(192)
Gas Utility (Supply) Stabilization	(1,274)
Golf Enterprise Stabilization	(409)
Parking Enterprise Stabilization	(998)
Sanitary Sewer Utility Stabilization	(330)
Storm Water Utility Stabilization	60
Water Utility Stabilization	(368)
Investment Stabilization	(1,757)
Tax Stabilization	(4,898)
Weather Events	19
CAPITAL:	
Building Enterprise Capital	-
Gas Utility Capital	(2,640)
Golf Enterprise Capital	(129)
Parking Enterprise Capital	13
Sanitary Sewer Utility Capital	(1,605)
Storm Water Utility Capital	(210)
Water Utility Capital	109
Tax Capital	5
DC Recovery	(408)
Auditorium Ticket Sales	(46)
Technology Infrastructure	14
Equipment	(2,391)
Facility Infrastructure	-
Federal Gas Tax	908
Gas Utility Investment	3,128
Hydro Investment	5,318
Business Parks	3,925
Land Inventory	496
Recreational Land	300
	-
Total Reserves:	\$ (9,577)

4. That operating funding for Kitchener Public Library (KPL) in the amount of \$11,410,596 be approved; and

That KPL's 2020 surplus be used to offset future overdue fine shortfalls; and further

That in addition to its typical inflationary increase, Council commit to increasing KPL's operating grant by \$100,000 as early as 2022 to permanently fund the elimination of overdue fines.

5. That operating funding for Centre in the Square (CITS) in the amount of \$1,907,576 be approved; and

That approval be granted for additional transitional funding of \$92,424 for the CITS to be disbursed from the Tax Stabilization Reserve Fund at the request of the CITS Board, with Council being notified of the request by email; and further,

That any year-end operating surplus in 2021 be retained by CITS and be restricted to help fund its capital projects, but any deficit be split 50/50 between CITS and the City.

6. That the following Full Time Equivalent (FTE) additions be approved in core complement:

Issue Paper Reference	Description	FTE
Op 03	Assistant Supervisor	1
Op 03	Parks Maintainers	2
Op 03	Trails Project Manager	1
Op 04	Municipal Building Official	1
Op 04	Municipal Building Official – Technical	1
Op 04	AMANDA Analyst Developer	1

7. That the mileage rate per kilometre remain at \$0.50 for the first 5,000 kilometres and \$0.45 for each additional kilometre and that the per diem rates remain at \$70/day (\$15 for breakfast, \$20 for lunch, \$35 for dinner).

8. That Tier 1 Grants be approved in the amount of \$1,477,797 as detailed in Appendix A.

9. That the following Economic Development Grants be approved:

Kitchener-Waterloo Art Gallery	\$331,472
Waterloo Region Economic Development Corporation	\$320,000
THEMUSEUM	\$277,065
Kitchener-Waterloo Symphony	\$255,533
Waterloo Region Small Business Centre	\$114,666
Waterloo Regional Tourism Marketing Corporation	\$90,000
Communitech Technology Association	\$30,000
Physician & Specialist Recruitment	\$20,000
Business and Education Partnership	\$6,264
Junior Achievement	\$6,141
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	\$1,451,141

10. That the following items be financed from the Economic Development Reserve

A) ITEMS PREVIOUSLY APPROVED THROUGH STAFF REPORTS

MIK - Music, Film and Interactive Media Industry Office (CAO-17-028)	98,000
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	\$98,000

B) ITEMS APPROVED THROUGH THE BUDGET RESOLUTION

MIK - Two Way GO/High Speed Rail	20,000
Artist in Residence	5,000
City Hall Outdoor Spaces	750,000
Carl Zehr Square Stage	250,000
Downtown Improvements	50,000
Transfer to Economic Development Investment Fund 2.0 Reserve	6,000,000
MIK - Placemaking Initiatives	10,000
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	\$7,085,000

C) ITEMS TO BE APPROVED BASED ON PURCHASING BY-LAW

MIK - Communications, Events and Studies	\$100,000
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Grand Total

 \$7,283,000

11. That the following items be financed from the Economic Development Investment Reserve Fund (EDIF) 2.0 Reserve

A) ITEMS PREVIOUSLY APPROVED THROUGH STAFF REPORTS

Creative Hub Net Operating Costs (DSD-18-019) \$155,000

B) ITEMS APPROVED THROUGH THE BUDGET RESOLUTION

MIK - 44 Gaukel \$135,784

C) ANTICIPATED ALLOCATIONS SUBJECT TO FUTURE STAFF REPORTS

Supporting Business Recovery \$2,500,000

City-Wide StartUp Network \$1,500,000

Vibrant City \$500,000

\$4,500,000

D) ITEMS TO BE APPROVED BASED ON PURCHASING BY-LAW

Aud Replacement Studies \$150,000

Master Plan Processes and Land Disposition Professional Services \$100,000

\$250,000

Grand Total \$5,040,784

12. That approval be granted for a transfer of up to \$5,000,000 in 2021 from the Hydro Utility Investment Reserve Fund to the Tax Stabilization Reserve Fund in order to mitigate expected operating budget deficits at the direction of the Chief Financial Officer.

2021 Capital Budget and 10-Year Capital Budget & Forecast

13. That the Capital Budget & Forecast (2021-2030) be approved, with expenditures for all years totalling \$1,356,592,000.

14. That capital out of current funding be included in the Capital Budget & Forecast for the year 2021 totalling \$13,346,000 for Tax Supported Operations and \$60,194,000 for City Enterprises.

15. That a total of \$8,390,000 of debenture financing be approved for 2021 as follows, for a term not to exceed 10 years:

Capital Pool Debt	
Resurfacing City Streets	\$ 1,050,000
Cycling Infrastructure	\$ 854,000
City Hall Outdoor Spaces	\$ 650,000
Fire Major Equipment/Fleet	\$ 550,000
91 Moore - Sustainable Building Improvements	\$ 379,000
Major Sidewalk Repair/Replace	\$ 373,000
Street Lighting Infrastructure	\$ 265,000
Road Bridge Repairs	\$ 242,000
Community Centres - General Provision (Facilities Management)	\$ 239,000
Centre in the Square - General Provision	\$ 232,000
Roof - General Provision	\$ 223,000
Traffic Calming	\$ 210,000
Fire Radio System Upgrade	\$ 195,000
KOF - General Provision	\$ 190,000
Shoemaker Park (DMAF)	\$ 158,000
City Hall Renovations	\$ 157,000
Cemetery Roads	\$ 150,000
Auditorium - General Provision	\$ 146,000
Water Reuse System - RBJ Schlegel Park	\$ 135,000
Downtown Maintenance - Sidewalk Pavers	\$ 120,000
Queen Street Placemaking	\$ 116,000
Aquatics - General Provision (Facilities Management)	\$ 114,000
Fire Equipment Halls	\$ 105,000
Libraries - General Provision	\$ 100,000
Parks & Sportsfields - General Provision	\$ 100,000
Arenas - General Provision (Sport)	\$ 97,000
Community Centres - General Provision (NP&S)	\$ 85,000
City Hall Complex - General Provision	\$ 83,000
New Neighbourhood Parks	\$ 83,000
Arenas - General Provision (Facilities Management)	\$ 75,000
Corporate Accessibility Fund Upgrades	\$ 75,000
Fire Communications Equipment	\$ 72,000
Concession Upgrades - KMAC	\$ 60,000
Prospect Park (DMAF)	\$ 60,000
Replacements - HVAC	\$ 58,000
Replacements - Building Exteriors	\$ 57,000
Fire Vehicles Maintenance	\$ 56,000
Homer Watson House - General Provision	\$ 55,000
Pedestrian Bridge - Rothsay	\$ 55,000
Fire Stations - General Provision	\$ 51,000
City Hall Complex - Evaporation Fluid Cooling Basin	\$ 50,000
Breithaupt Centre - General Provision	\$ 47,000
Aquatics - General Provision (NP&S)	\$ 45,000
Parks - General Provision	\$ 44,000
Market - General Provision	\$ 40,000
Kitchener Memorial Auditorium Complex - General Provision	\$ 33,000
Community Trails - General Provision	\$ 26,000
Cemeteries - General Provision	\$ 20,000
Kiwanis Park - General Provision	\$ 10,000
Total Capital Pool Debt	\$8,390,000

16. That the following Equipment Additions and Replacements be financed from the Equipment Reserve Fund:

2021 Approved Equipment Additions

Number required	Description	Estimated Cost	Department
1	Mower	\$36,000	INS - Parks
1	Compact Pickup Truck	\$33,000	INS - Parks
1	Standard Landscape Crewcab	\$65,000	INS - Parks
1	Large Snow Blower	\$170,000	INS - Roads_Traffic
1	40-45 hp Lightweight Compact Tractor	\$45,000	CSD - Sport_Golf
1	Steelwrist Compactor	\$18,500	INS - Sanitary_Storm
1	Plow Truck	\$310,000	INS - Roads_Traffic
	Totals	\$677,500	

2021 Approved Equipment Replacements

Unit	Description	Estimated Cost	Department
15220	2015 Hyundai Tucson SUV	\$ 40,000	CSD (Enforcement)
15219	2015 Hyundai Tucson SUV	\$ 40,000	CSD (Enforcement)
803	2007 Zamboni 440 Ice Resurfacers	\$ 120,000	CSD (Sport-Auditorium)
286	2008 Ford Ranger Pickup Compact	\$ 40,000	DSD (Engineering)
756	2009 Groundsmaster 7210 Zero Turn Mower w/Tracks	\$ 75,000	INS (Cemeteries)
209	2009 Chevrolet 3500 Silverado	\$ 65,000	INS (Cemeteries)
683	2000 Skyjack SJIII3220 Scissor Lift	\$ 87,000	INS (Facilities Mgmt)
363	2010 Ford E150 Cargo Van	\$ 38,500	INS (Facilities Mgmt)
289	2011 Dodge Charger Car	\$ 32,000	INS (Facilities Mgmt)
14624	2014 Tennant M20 Small Sweeper	\$ 85,000	INS (Facilities Mgmt)
17238	2017 Chevrolet Equinox SUV – Hybrid	\$ 40,000	INS (Facilities Mgmt)
17239	2017 Chevrolet Equinox SUV – Hybrid	\$ 40,000	INS (Facilities Mgmt)
2	Replacement Shop Equipment	\$ 21,200	INS (Fleet)
1	Small Equipment Replacement	\$ 160,000	INS (Fleet)
3	Going Green (propane conversions, electric vehicles, electric charging, etc.)	\$ 135,000	INS (Fleet)
489	2011 Dodge RAM3500 Crewcab	\$ 56,000	INS (Parks)
522	2009 International 7400 Aerial Truck	\$ 360,000	INS (Parks)
759	2009 Kubota ZD331P Tractor Mower	\$ 18,500	INS (Parks)
682	2008 Trackless MT5T Municipal Tractor	\$ 155,000	INS (Parks)
233	2008 Dodge Dakota Pickup Compact Ext. Cab	\$ 32,000	INS (Parks)
783	2010 Ferris IS2500Z Zero Turn Mower	\$ 18,500	INS (Parks)
784	2010 Toro 4000D Rotary Mower	\$ 55,000	INS (Parks)
13618	2013 Vermeer BC1800XL Brush Chipper	\$ 110,000	INS (Parks)
7067	2002 Bannerman BA6-5T7 Aerator	\$ 18,000	INS (Parks)
681	2008 Trackless MT5T Municipal Tractor	\$ 155,000	INS (Parks)
247	2008 Dodge Dakota Pickup Compact Ext. Cab	\$ 40,000	INS (Roads and Traffic)
494	2011 Chevrolet 3500 Crewcab Dump w/Liftgate	\$ 65,000	INS (Roads and Traffic)
656	2007 John Deere 410J Backhoe	\$ 225,000	INS (Roads and Traffic)
537	2010 Freightliner M2 106V Dump Truck Tandem	\$ 310,000	INS (Roads and Traffic)
12602	2012 Hako 1250C Sidewalk Sweeper	\$ 163,000	INS (Roads and Traffic)
690	2008 Caterpillar 930H Loader	\$ 280,000	INS (Roads and Traffic)
689	2008 Caterpillar 930H Loader	\$ 300,000	INS (Roads and Traffic)
659	2007 Sullair 185DPG-JD Compressor	\$ 26,000	INS (Roads and Traffic)
551	2012 Ford F550 Garbage Packer	\$ 125,000	INS (Roads and Traffic)
650	2007 Wacker RD16-90 Vibratory Roller	\$ 48,000	INS (Roads and Traffic)

Unit	Description	Estimated Cost	Department
495	2012 Chevrolet 3500 Crewcab	\$ 62,000	INS (Roads and Traffic)
534	2009 International 7400 Dump Truck Single	\$ 285,000	INS (Roads and Traffic)
496	2012 Chevrolet 3500 Crewcab	\$ 62,000	INS (Roads and Traffic)
6022	2005 CH&E Mfg. F3L914 Trash Pump	\$ 65,000	INS (Sanitary and Storm)
253	2008 Dodge Dakota Pickup Compact Ext. Cab 4x4	\$ 40,000	INS (Sanitary and Storm)
375	2011 Ford E150 Cargo Van	\$ 48,000	INS (Utilities)
376	2011 Ford E150 Cargo Van	\$ 48,000	INS (Utilities)
239	2007 GMC 3500HD Pickup Utility	\$ 137,000	INS (Utilities)
485	2010 Ford F550 Super Duty Crewcab	\$ 125,000	INS (Utilities)
488	2010 Ford F550 Super Duty Crewcab	\$ 125,000	INS (Utilities)
Total		<u>\$4,575,700</u>	

17. That the following projects included in the Capital Forecast for 2021 be financed from the Development Charges Reserve Fund:

	\$ (000's)
NON ENGINEERING PROJECTS	
RBJ Schlegel Park	4,321
Community Library/South End	4,266
Equipment Acquisitions/Upgrades	936
New Neighbourhood Parks	749
Pedestrian Bridge - Rothsay	488
Planning Studies - Growth	361
Mill Courtland Community Centre Addition	328
New Arena Study	281
Shoemaker Park	157
Stirling to Madison Trail	130
Fire Technology from Master Plan	126
Water Reuse System - RBJ Schlegel Park	125
Victoria Park Masterplan Implementation	117
Alpine Park Trail	115
Citywide Parks General Provision	97
New Indoor Pool-South End	95
Laurentian Trail	93
Parks & Sportsfields General Provision	93
HNA Ecological Management Plan	90
Cemeteries Strategic plan	70
Community Trails General Provision	60
Prospect Park	60
Library-Furniture and Equipment	52
Rosenberg Community Centre-South End	48
91 Moore Street Building Improvements	37
Library-Technology Upgrade	35
Downtown Recreation Space Study	23
Outdoor Courts Study	19
Heritage Impact Assessments	10
Total	<hr/> 13,382
ENGINEERING PROJECTS	
City Share of Subdivisions	981
Biehn Drive & Sanitary Trunk Sewer Extension	538
Cycling Infrastructure	308
Engineering Studies	190
Intensification Allowance	173
Miscellaneous Creek Rehab	126
Monitor & Update Upper Blair	105
Masterplan/Feasibility Studies	77
SCADA	36
Total	<hr/> 2,534
Grand Total	<hr/> 15,916 <hr/>

18. That the following 2021 recoveries for specific oversized works be financed from or paid back to the Development Charges Reserve Fund:

	\$ (000's)
Civic District Garage Recovery	725
Kitchener Operations Facility Recovery	433
Charles & Benton Garage Recovery	104
Library Recovery	67
Total	<u>1,329</u>

Administrative

19. That pursuant to Ontario Regulation 284/09, Council approves the exclusion of amortization expense and post-employment benefit expense for the purposes of the 2021 budget.
20. That the City of Kitchener 2021 Business Plan Project List outlined in Appendix 'B' to Chief Administrator's Office report CAO-20-008 be approved.

APPENDIX A - 2021 Tier 1 Grants

2021 Tier 1 Grants – Minor Sports Groups

Organization	2021 grant recommended
Asahi Judo Club	\$6,767
Conestoga Sailing School	\$1,614
Excelsior Fencing Club	\$3,856
Kitchener Minor Baseball Association	\$28,992
Kitchener Minor Girls Softball Association	\$8,395
Kitchener Soccer Club	\$19,899
K-W Minor Boys Softball Association	\$9,597
K-W District Special Olympics	\$2,842
K-W Diving Club	\$3,923
K-W Gymnastics Club	\$31,990
K-W In-line Hockey Association	\$3,327
K-W Minor Lacrosse Association	\$14,764
K-W Olympic Hockey	\$1,611
K-W Sertoma Speed Skating	\$3,600
K-W Track & Field Association	\$6,538
K-W Waterpolo Club	\$6,155
K-W Youth Basketball Association	\$5,765
Region of Waterloo Swim Club	\$14,384
Track 3 Ski School	\$3,868
Tsuruoka Kai Karate	\$5,812
Waterloo Region Artistic Swim Club	\$12,151
Waterloo Region Minor Football Assoc.	\$3,559
Waterloo Region Nordic Sports Club	\$2,209
Waterloo Regional Boxing Academy	\$3,076
Minor Sport Provision	\$17,257
TOTAL (Sport Groups)	\$221,952

2021 Tier 1 Grants - Community Groups

Organization	2021 grant recommended	Cash/in kind split
80 KW Spitfire Royal Canadian Air Cadet Squadron	\$0	
African Women's Alliance (Afro Festival)	\$4,000	
Ahmadiyya Muslim Jama'at Canada (World Religions Conference)	\$206	
Arts Awards Waterloo Region	\$13,261	
Association des Francophones de Kitchener-Waterloo (Franco-Fete)	\$2,126	
Bring on the Sunshine	\$4,297	(\$2,550 cash, \$1,747 in kind)
Button Factory Arts (Waterloo Community Arts Centre)	\$3,000	
CAFKA-Contemporary Art Forum Kitchener & Area	\$36,231	(\$36,231 cash, \$5,000 in kind-carried forward from 2020)
Central Ontario Developmental Riding Program	\$7,762	
Coalition of Muslim Women of Kitchener-Waterloo	\$9,210	
Community Music School of Waterloo Region (Lyrical Lines)	\$8,161	
Community Support Connections	\$12,500	
DaCapo Chamber Choir	\$6,394	
Flush Ink Productions	\$4,032	(\$3,185 cash, \$847 in kind)
Grand Philharmonic Choir	\$11,935	
Homer Watson House and Gallery	\$231,339	
House of Friendship	\$150,000	
India Canada Association of Waterloo Region (Mela Festival)	\$4,100	(\$600 cash, \$3,500 in kind)
Inter Arts Matrix	\$10,100	
Kitchener Blues Community Inc.	\$68,604	
Kitchener Chess Festival	\$4,715	
Kitchener Horticultural Society	\$248,500	
Kitchener Musical Society Band	\$9,920	
Kitchener's Festival of Neighbourhoods	\$23,124	
Kitchener-Waterloo Chamber Orchestra	\$1,706	
Kitchener-Waterloo Chess Club	\$12,200	(in kind)
KW Children's Drama Workshop (actOUT)	\$2,054	
Kitchener-Waterloo Community Orchestra Inc.	\$2,473	
Kitchener-Waterloo Drum Corps Association	\$31,672	
Kitchener-Waterloo Little Theatre	\$1,530	
Kitchener-Waterloo Multicultural Centre (Multicultural Festival)	\$43,325	(\$8,000 cash, \$35,325 in kind)

Organization	2021 grant recommended	Cash/in kind split
KW Oktoberfest Inc.	\$29,667	
Kitchener-Waterloo Weavers' and Spinners' Guild	\$1,476	
Kitchener-Waterloo Woodworking & Craft Club	\$55,403	
Kiwanis Club of Kitchener-Waterloo (Kiwanis Festival)	\$5,861	(\$5,000 cash, \$861 in kind)
LINK Picnic Festival	\$8,072	(\$2,717 cash, \$5,355 in kind)
Lost & Found Theatre	\$3,000	
Neruda Arts	\$19,298	(\$14,248 cash, \$5,050 in kind)
New Hamburg Mennonite Relief Sale	\$374	(in kind)
The New Quarterly Literary Society (Wild Writers Festival)	\$2,020	
Numus	\$4,040	
Open Ears Festival of Music and Sound	\$12,587	
Our Place (Family Resource and Early Years Centre)	\$6,590	
Our World Festival of Music	\$3,000	
Pat The Dog Theatre Creation	\$8,483	
Ray of Hope - Youth Addiction Services	\$5,000	(in kind)
Royal Medieval Faire	\$1,000	
Schneider Male Chorus	\$3,165	
Social Development Centre Waterloo Region	\$11,412	
Spiritus Ensemble	\$4,000	
Steckle Heritage Farm	\$2,647	(in kind)
Strong Start Charitable Organization	\$2,110	
Summer Lights Festival	\$8,671	(in kind)
Tamil Cultural Association of Waterloo Region	\$1,646	
MT Space	\$24,843	
Wellington Wind Symphony	\$2,400	
The Working Centre	\$22,108	
tri-Pride Community Association Inc.	\$4,464	(\$1,242 cash, \$3,222 in kind)
Volunteer Action Centre Waterloo Region	\$24,992	(\$19,942 cash, \$5,050 in kind)
Waterloo Chamber Players	\$215	
Waterloo Regional REACT	\$1,472	
WMB Church (Learn English, Make Friends Program)	\$7,350	
TOTAL (Community Groups)	\$1,255,845	

2021 TIER 1 GRAND TOTAL (Community + Sport Groups)	\$1,477,797
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