



2023 CITY OF KITCHENER

# Proposed Budget Summary

# 2023





**CITY OF KITCHENER**

PROPOSED BUDGET SUMMARY 2023

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2023 CITY OF KITCHENER

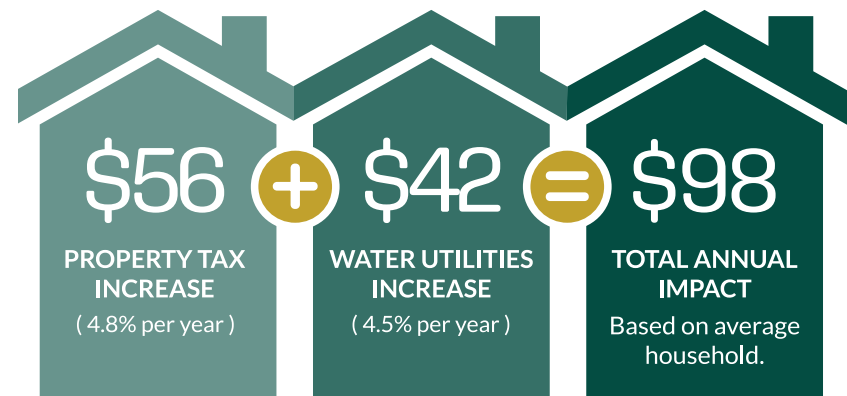
# Budget Highlights.

The City of Kitchener's budget is made up of four components: tax-supported operating, enterprise operating, utilities and capital.

The City's proposed 2023 budget represents a combined annual increase of **\$98 for the average household**, based on the average assessed value of \$326,000 and an estimated water consumption of 170m3.

The City's operating budget delivers around 50 services to the community including things like snow clearing, recreational programming, and fire suppression.

## AVERAGE HOUSEHOLD IMPACT:





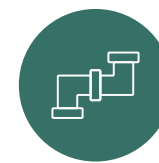
The proposed capital budget includes more than **400 projects** with a total cost of **\$1.6 billion** over 10 years, with **\$163 million** of spending in the first year. This includes meaningful investments in areas that are important to the citizens of Kitchener, such as:

- **Additional Outdoor Winter Rinks** (\$155k in 2023, \$540k overall)
- **Rosenberg Community Centre** (\$5.7M in 2023-2024)
- **Mill Courtland Community Centre Expansion** (\$2.1M in 2023)
- **Downtown Fire Hall** (\$15M in 2023-2025)
- **Full Road Reconstruction** (\$37.5M in 2023)
- **Cycling Infrastructure** (\$2M in 2023, \$8.7M overall)
- **Aquatics Centre at Schlegel Park** (\$57M in 2023-2025)
- **Indoor Turf Field at Schlegel Park** (\$39M in 2023-2025)
- **New Neighbourhood Parks** (\$2.3M in 2023, \$21M overall)
- **Schlegel Park Development** (\$2.2M in 2023, \$5.7M overall)
- **Urban Forestry** (\$1M in 2023, \$11.5M overall)

## TAX DOLLARS AT WORK TO IMPROVE OUR CITY:



**150**  
major facilities



**827 km**  
of sanitary sewers



**60,000+**  
street & park trees



**40**  
winter rinks



**37**  
soccer fields



**64**  
baseball diamonds



**24,000**  
ice hours



**2,000 km**  
of maintained roads



**4,275**  
water hydrants



**2,800**  
sidewalk repairs



**616 km**  
of storm sewers



**3,593**  
parking spaces



A PROGRESSIVE CITY.

# About Kitchener.

The city of Kitchener is situated on the traditional territory of the Neutral, Anishinaabeg and Haudenosaunee Peoples. We recognize our responsibility to serve as stewards for the land and honour the original caretakers who came before us. Our community is enriched by the enduring knowledge and deep-rooted traditions of the diverse First Nations, Metis and Inuit in Kitchener today.

Kitchener is an innovative, caring and vibrant city. It's a place for everyone. It's a place where people come from across Canada and the world to put down roots. They're joining vibrant neighbourhood communities and enriching them with new businesses, cultures to celebrate and innovative ideas to share. It's a place where people have a passion for citybuilding – they're inspired by what Kitchener is becoming and they want to be a part of its vibrant future. By embracing new people and perspectives, Kitchener has always been on the cutting edge.

When Kitchener tries something new, the world follows. We're the anchor of Canada's Innovation Corridor, and our startup density is second only to Silicon Valley. We're the fastest growing startup ecosystem in Canada, creating 30,000 tech jobs in the past 20 years.

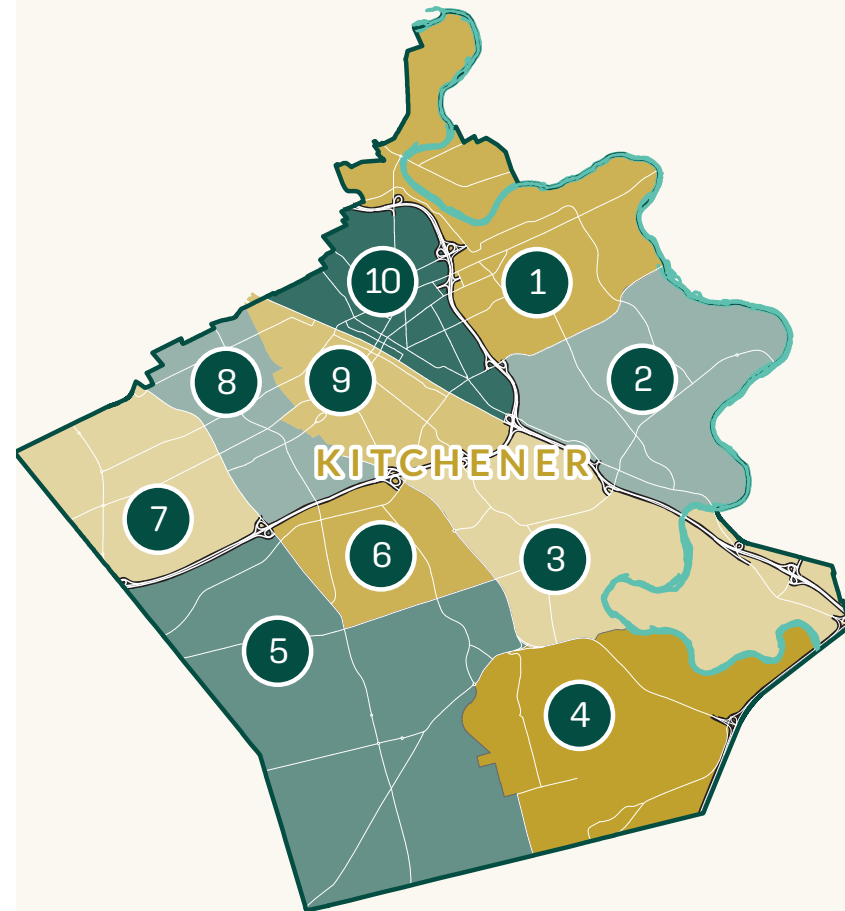
With a population of more than 270,000 people, Kitchener is the urban centre of the region. We're connected to the City of Waterloo and part of the Region of Waterloo. The region's post-secondary school system is the core of our tech industry, and with 100,000 students in the region there are new ideas and newer skillsets available every day. This new talent feeds into the world's largest free startup incubator Velocity, located in the Communitel Hub.



Kitchener is a city where beautiful brick factories have been transformed into condos that flank a modern light rail system. It's a city where you can find established, tree-lined neighbourhoods as well as brand-new neighbourhoods creating their own sense of community.

No matter who you are or where you come from, you belong in Kitchener.

#### CITY OF KITCHENER WARD MAP:





2023 CITY OF KITCHENER

# City Governance.

The City of Kitchener is governed by an elected Mayor and 10 elected City Councillors. Each City Councillor represents one of ten geographic wards. City Council is responsible for overall governance of the Corporation of the City of Kitchener through approving policies, master plans and strategies. Council is also responsible for approving the annual budget which is presented by staff for consideration in accordance with Council and community priorities as well as approved guidelines and policies.

The City of Kitchener is structured administratively around five departments, led by the Chief Administrative Officer (CAO). The departments that deliver City services include: Community Services Department (CSD), Corporate Services Department (COR), Development Services Department (DSD), Financial Services Department (FIN) and Infrastructure Services Department (INS).





2023 CITY OF KITCHENER

# General Overview.

## Introduction:

Each year staff prepare an annual operating budget and 10-year capital forecast for Council's consideration. The annual budget helps identify the spending plans and priorities for the municipality for the upcoming year and is informed by the City's strategic plan, various master plans, and feedback from the community. The 2023 budget is significantly impacted by the effects of inflation and continues to address priorities that are important for Kitchener and is summarized further under the priority areas: **Supporting Core Service, Responding to Growth and Investments for Our Community.**

## Supporting Core Services:

The 2023 Operating Budget has been prepared using the previous year's budget as a starting point, with the goal of maintaining the programs and services that Kitchener residents and businesses rely on. These base services, often referred to as core services, are delivered efficiently through a five-department structure and include activities such as fire protection, park maintenance, snow clearing, recreational programming and many others.

After two years of effectively managing the financial pressures created by a global pandemic, the City is now facing new economic realities including skyrocketing inflation, cost increases due to supply chain issues that are increasing capital costs for some projects by 30%, and volatility in the cost of fuel due to the war in Ukraine. All of these factors have put additional pressure on the City's budget and the revenue needed to support the delivery of core service.



Despite these challenges, staff have prepared a budget that maintains current service levels while at the same time balances the need for reasonable rate increases during a time of general economic uncertainty. For the past few years, the City has used a two-year inflation average as a benchmark to assess whether the proposed property tax increase is reasonable. The proposed 2023 increase of 4.8% is below the two-year average (5.2%) and well below the current rate of inflation (7%) in Ontario. This demonstrates the balanced approach that staff have always tried to achieve when setting the budget.

### Responding To Growth:

Kitchener is a diverse and welcoming community that's growing fast, with approximately 5,000 new residents calling Kitchener home every year. To accommodate this population increase, additional investments in capital infrastructure such as roads, water and wastewater, stormwater, active transportation and trails are required. This is in addition to amenities like parks, playgrounds and recreational facilities.

Maintaining this new infrastructure requires additional resources and operating costs to be added to the budget over time, referred to as "Impacts Due to Growth". These additions to the operating budget are necessary to maintain the service levels for new and existing residents. The 2023 Budget includes an allocation to address these growth impacts, which are entirely funded by additional assessment growth that the City has received. This means that property tax rates are not increasing due to the growth-related pressures that the City is facing this year.

### Investments For Our Community:

The City of Kitchener has often taken a leadership role in responding to community needs, understanding that a city where people want to live is a city where everyone feels they belong. This approach ensures that Kitchener continues to remain a caring, innovative, and vibrant community, which is reflected in actions included in the City's Strategic Plan and how the City responds to other emerging priorities.

The City is currently in the process of developing its 2023-2026 Strategic Plan, which will help guide many of the strategic investments to be included in future budgets. For the 2023 Budget, the proposed strategic investment options for Council's consideration have been informed by the initial feedback received by the community through the 2023-2026 Strategic Planning process. This includes additional investment options around Housing For All, Creating a Green City, and Wellbeing and Belonging.

For 2023, the City has \$1.5 million in available budget room that can be allocated towards strategic investment options. This room is mainly due to electricity savings now being realized as a result of the city-wide conversion to LED streetlights. This project was a strategic investment decision made by a previous Council that is having a positive impact for the community, both from a financial and environmental perspective. This highlights how decisions made today can have a meaningful impact for the City's future.





### In Summary:

The 2023 Budget addresses a number of priorities, from Supporting Core Service that residents and businesses rely on every day, to Responding to Growth related pressures as the City continues to welcome new residents each year, to providing options for continued Investments for Our Community that will help shape Kitchener's future. All of these priority areas are important and have been accommodated by carefully preparing a budget to meet the service expectations of citizens while at the same time balancing the need for reasonable rate increases as we all navigate through a time of economic uncertainty.

2023 CITY OF KITCHENER






# Economic Considerations.

The Consumer Price Index (CPI) represents the change in prices experienced by Canadian consumers. CPI inflation has continued to rise and is now hovering around 7%. Persistent inflation remains the main risk to the global economy, as it would force many central banks to raise interest rates more than anticipated. The Bank of Canada has stated a number of factors are fueling uncertainty, such as Russia's invasion of Ukraine, COVID-19 lockdowns in China and backlogged supply chains. Combined with higher prices for energy and food, this has prompted a need to increase interest rates to control inflation. As a result, the Bank of Canada has been raising rates aggressively since March 2022.

However, growth has been robust over the past year as the Canadian economy recovered from the worst effects of the pandemic. Strong housing markets, high commodity prices and the easing of public health restrictions have boosted economic activity. Although this is positive, economic growth is now showing signs of slowing. The most significant factor weighing on growth will be a cooling housing market. Since hitting a peak in February 2022, home sales have fallen 31% nationally and prices have dropped 17%. The effects of higher prices and interest rates have begun to weigh on household spending. This is especially clear in the sharp slowdown in the housing market.

Overall, economic growth is forecast to be strong in 2022 at about 3.5%. It will moderate to about 1.75% in 2023 and then 2.5% in 2024. This slowdown in growth is largely due to high inflation and tighter financial conditions on consumption and housing activity.

With growth slowing, the job market will weaken and likely push up unemployment. However, with the job market starting from a position of strength and given current record high labour shortages, the unemployment rate could rise less than predicted.

CURRENT ECONOMIC TRENDS:				
				
<b>INFLATION</b>	<b>INTEREST RATES</b>	<b>FUEL</b>	<b>SUPPLY CHAIN IMPACTS</b>	<b>HOUSING COSTS</b>
7%	4.25%	\$1.49/L <small>Average fuel price 2022</small>	30% <small>Capital cost escalation</small>	\$734K <small>Average sale price 2022</small>



## UNDERSTANDING

# The Budget Process.

The annual budget advances the City of Kitchener's values and priorities, which are developed through a long process of listening to the broader community through various public engagement opportunities such as the strategic planning process through the development of various master plans.

In the first quarter of 2022, budget direction was developed by the Financial Planning and Reporting team. Budget targets were established using the Council-endorsed inflation policy. Our policy is to forecast costs using a two-year inflationary average, which means that we are gradually accommodating the cost increases associated with rising inflation rates.

While keeping tax rate increases around the rate of inflation is an important factor to take into account when setting the budget, it is not the only consideration. The City of Kitchener has considered a number of factors, such as:

- **Comparison to other municipalities**
- **Inflationary factors**
- **Balance of service levels versus rate increases**
- **Recent operating budget results**

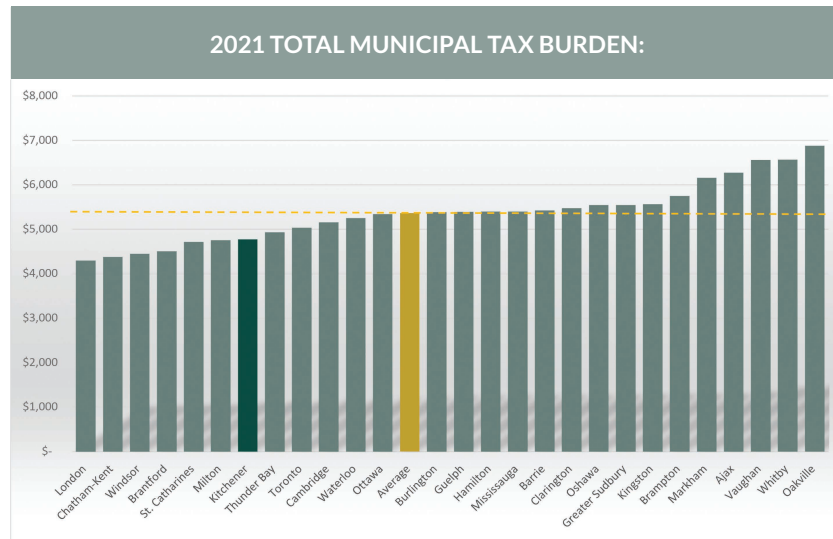
### BUDGET PROCESS AND TIMELINE:



### Comparison To Other Municipalities:

The City of Kitchener has one of the lowest tax burdens of large cities in Ontario and is in line with the other cities in the Region of Waterloo. The graph below shows the 2021 results of BMA's annual tax burden analysis. Kitchener (\$4,770) holds the seventh lowest ranking in the province and is well below the average (\$5,363).

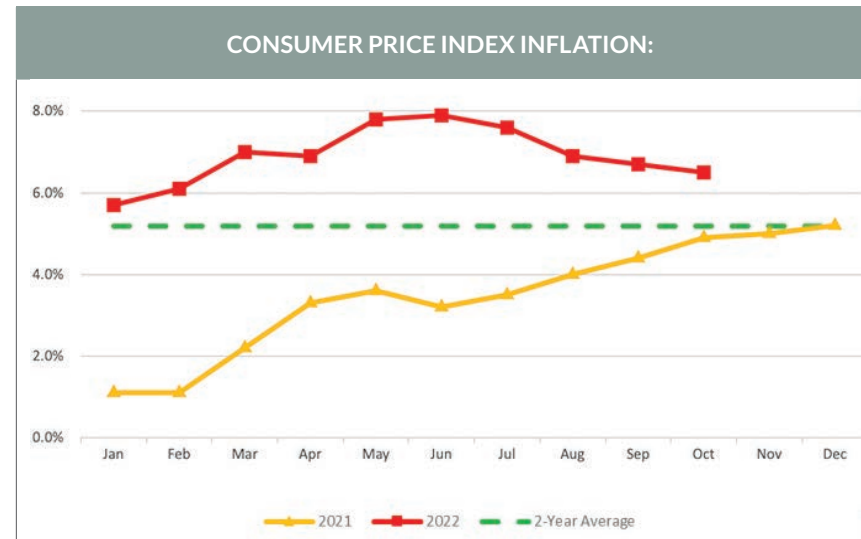
Kitchener has the lowest overall municipal burden of all the cities in the Region. This measure includes property taxes as well as the water, sanitary, and stormwater utilities. Again, this points to Kitchener having a comparatively affordable tax rate.



### Inflationary Factors:

The effect of inflation is the most significant impact to the 2023 budget, driving up costs for materials and services used to deliver valued programs and capital improvements for the community. The proposed tax rate increase of 4.8% is below the City's inflationary benchmark for budgeting. As part of the Long-Term Financial Plan (LTFP), Council endorsed a multi-year inflation figure when setting the budget. This inflation figure blends the prior year's Consumer Price Index (CPI) figure and the current year-to-date CPI figure. Using a multi-year figure helps smooth out dramatic changes in inflation, a situation which is especially relevant in 2022.

The figures for the 2023 budget are shown in the table below.



### Balance Of Service Levels vs Rate Increases:

The City of Kitchener has been able to keep annual tax rate increases at or below the rate of inflation for the past 10 years through efficient and effective delivery of services. As citizen expectations continue to increase related to the level of service that the City provides, it will become more challenging for the City to continue this trend.

Generational shifts in the community are putting more demands on services. Customer service expectations related to online services are high, but traditional methods of interacting, communicating, and doing business with the City are still expected by many. Ensuring services are accessible for all is an important consideration, and this goal involves additional service delivery costs.

The built environment in the City is in a stage of transition, with a greater emphasis on intensification, changing the landscape of the City – particularly in the downtown core. This urbanization is attracting new businesses and residents but also brings with it new demands for services such as cycling infrastructure, community parks, trails and arts and culture amenities.

Neighborhoods are also changing, with a greater demand for closer and connected communities. Citizens are raising the bar in terms of how they would like to see budget dollars spent.

### Recent Operating Budget Results:

One final, but important consideration is how the City has performed financially in prior years. The City compares actuals to budget through variance reporting three times per year in June, September, and December. These projections help to form the next year's budget.

Prior to the pandemic, the City had established a pattern of small surpluses, meaning services were being delivered at costs just below budget. During the pandemic there were significant impacts to program delivery resulting in large variances. As the City emerges from the ongoing impacts of the pandemic in 2022 and beyond, staff are confident the City will return to financially stable operations.

The 2022 year-end projections have been included in the Tax Supported Operating Budget Details by Division as an appendix.



## MUNICIPAL VERSUS REGIONAL

# Services Overview.

In addition to federal and provincial services, Kitchener residents and businesses receive services from two levels of municipal government: the City of Kitchener and the Region of Waterloo.

### SERVICES PROVIDED BY REGION OF WATERLOO:



#### PUBLIC HEALTH AND SOCIAL SERVICES:

Harm reduction and affordable housing.



#### REGIONAL POLICING AND EMERGENCY RESPONSE:

Paramedic and policing services.



#### REGIONAL PLANNING:

Environmental and economic development.



#### WASTE MANAGEMENT AND WATER TREATMENT:

Waste collection, water treatment and wastewater management.

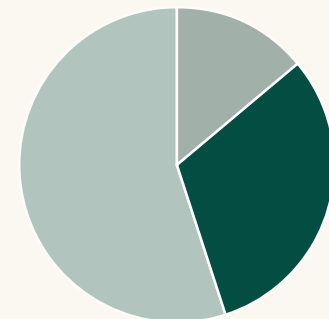


#### REGIONAL TRANSPORTATION:

Waterloo Regional International Airport, Grand River Transit, ION and regional roads.

### BUDGET BREAKDOWN

The City's portion of the tax bill is **31%**, with the Region of Waterloo and local school board portions making up the remainder.



- School Boards ..... 14%
- City of Kitchener ..... 31%
- Region of Waterloo ..... 55%

The City of Kitchener provides the remainder of our municipal services, including:



#### SERVICES PROVIDED BY THE CITY OF KITCHENER:



#### PARKS AND GREENSPACE:

Maintenance and plantings throughout parks.



#### RECREATION AND COMMUNITY CENTRES:

Facilities and programming so everyone has a space to play.



#### TRANSPORTATION AND TRAFFIC:

Caring for our roads so residents can travel safely.



#### WATER UTILITIES:

Delivering clean drinking water to over 60,000 homes.



#### EVENTS AND CULTURE:

Celebrating our community with events and festivals.



#### FIRE SERVICES:

Keeping our homes and communities safe from fires.

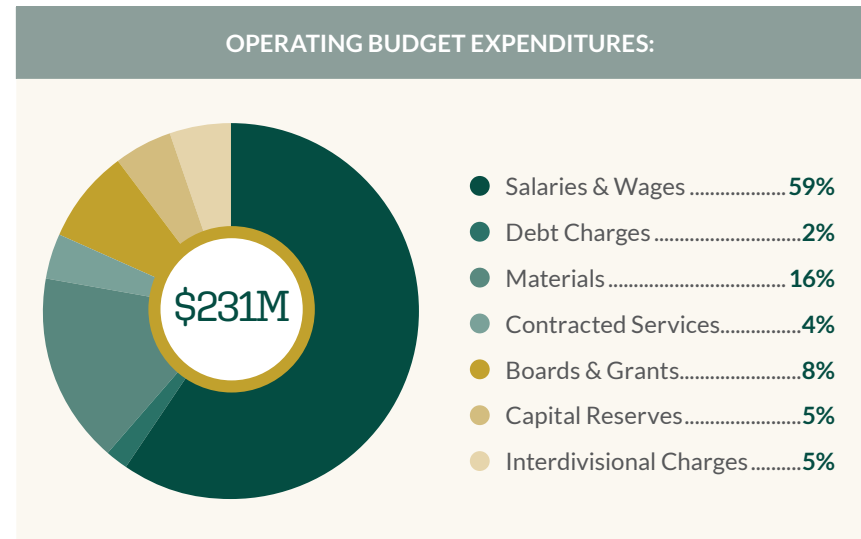
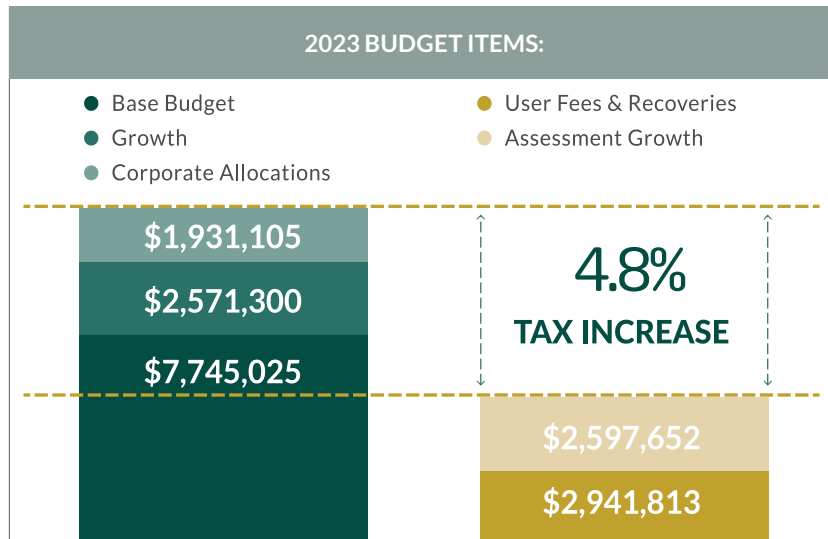
To learn more about the services we offer visit [WeAreKitchener.ca](https://www.kitchener.ca/wearekitchener)

## OVERVIEW OF THE

# Tax Supported Operating Budget.

The 2023 proposed net tax levy increase is **4.8%** and would amount to an additional **\$56 per year**, or **\$4.67** per month for the average Kitchener home (assessed at \$326,000). This increase is in line with the City's approved Council policy of keeping increases at or below a two-year average of inflation, and is well below the current annual rate of inflation (7.0%).

The City's **\$231 million** tax supported operating budget helps to deliver around 50 core services for Kitchener residents. The operating budget expenditures are made up of the following major components:

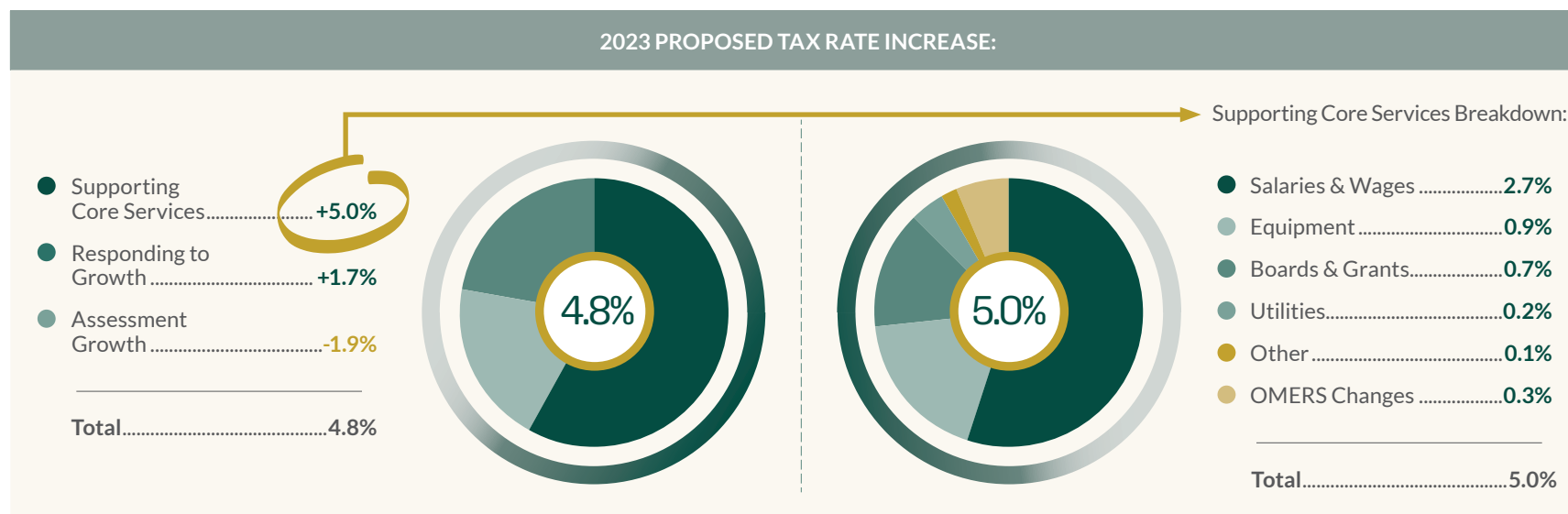


The proposed 2023 budget is all about addressing your priorities: **supporting core service, responding to growth** and **investments for our community**.

## Supporting Core Services:

Staff have prepared a budget that maintains current service levels while balancing the need for reasonable rate increases. The base budget which supports the City's core services make up the majority of the tax rate increase.

The following are some of the significant base budget items pertaining to the tax rate increase.







The following are some of the significant base budget items pertaining to the tax rate increase.

### Salaries And Wages:

Total compensation makes up the largest portion of the operating budget representing 59% of the City's expenses, which is consistent with most municipalities. To deliver municipal services to approximately 270,000 residents requires a dedicated workforce committed to serving the community. The City's full-time and part-time staff help keep the City running and are represented by the following bargaining groups: The Canadian Union of Public Employees (CUPE 791, CUPE 68 and CUPE 68M), the Kitchener Professional Fire Fighters Association of Canada (KPFFA), International Alliance of Theatrical Stage Employees (IATSE) and the International Brotherhood of Electrical Workers (IBEW). In addition to these bargaining groups the City employs non-unionized staff.

The total wage increase in 2023 reflect the collective bargaining agreements with most unions. The collective agreement between the KPFFA and the City of Kitchener will have expired for the 2023 budget, therefore the increase reflects anticipated budgetary needs.

The City's positive relations with the various bargaining groups have resulted in fair wages for staff while maintaining reasonable costs for rate payers.

### Equipment Charges:

The equipment charges increased significantly and is mainly driven by the increase in gas and diesel prices as well as the price of parts. As noted in the economic considerations, the rise in CPI has impacted the price of fuel and parts as retailers are raising prices, suppliers are raising prices and transportation companies are raising prices as well. Diminishing fuel supply has been an issue throughout 2022, contributing to increasing prices. Demand has increased with the economy reopening from COVID-19 restrictions in addition to limited refinery capacity as several refineries have closed doors over the years, resulting in less diesel supply on the market. Gas prices were also impacted by the invasion of Ukraine by Russia, a major oil producer that many western nations have punished economically for launching the war on February 24, 2022.

### Boards and Grants:

Boards and Grants include the Centre in the Square (CITS) and the Kitchener Public Library (KPL). As per the City's guideline when establishing 2023 budget targets, the operating grants for both CITS and KPL increased by 4.1% resulting in an increase of \$0.08M and \$0.58M respectively.

### Ontario Municipal Employee Retirement System (OMERS) Changes:

Beginning in January 2023, any part-time employee will be able to opt-in to the OMERS pension plan. The City is required to fund its share of pension contributions for all employees. This will also double the workload for pension administration on a permanent basis as continuous effort will be required for seasonal hires, rehires, etc., so an additional staff resource is required to meet expanded workload.

## Responding to Growth.

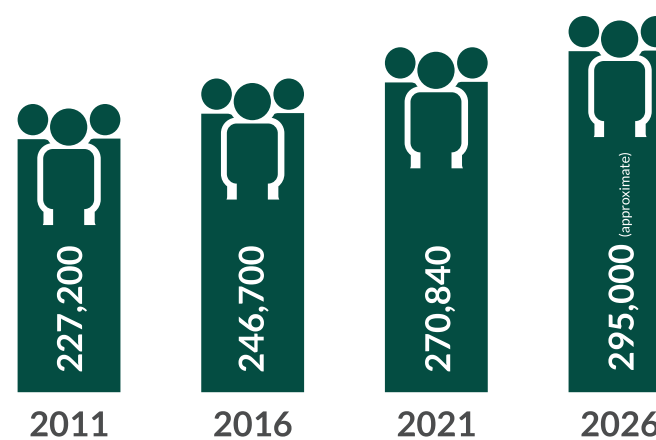
Kitchener is a rapidly growing city with an increase of approximately 5,000 residents each year. To accommodate this increase in residents, we need additional investment in capital infrastructure such as roads, active transportation and trails. The City's proposed 2023 budget includes these necessary investments, as well as everything else people need to live, work and play such as parks, playgrounds, recreational facilities and more.

The following are some of the significant growth items pertaining to the 2023 proposed budget.

- Additional staff resources to meet the expanding service needs of a growing city
- Enhancing community trails
- Wallaceton neighborhood park development
- Operating impacts of capital due to growth in the city's community centres: Huron Brigadoon, Mill Courtland and RBJ Schlegel Park
- Operations and maintenance of additional amenities in downtown (eg. Carl Zehr splashpad) to support growth and placemaking
- Increased property standards and improved response to bylaw enforcement

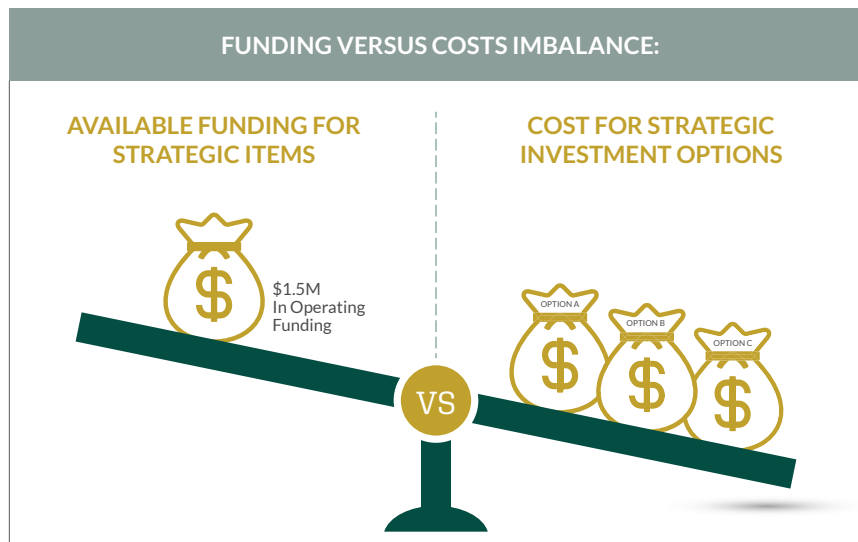


### POPULATION GROWTH - HISTORICAL AND PROJECTED:



## Investments For Our Community.

In the proposed 2023 budget, there is **\$1.5 million** in available budget room that can be allocated towards strategic investment options for our community. This room is mainly due to electricity savings now being realized as a result of the city-wide conversion to LED streetlights. This highlights how decisions made today can have a meaningful impact for the City's future.





The proposed strategic investment options for Council's consideration have been informed by the initial feedback received by the community through the 2023-2026 Strategic Planning process. This includes additional investment options under three priority areas: Housing For All, Creating a Green City, and Wellbeing and Belonging. The minimum investment identified under each option is \$100,000 with the some options having an enhanced level of investment.



## HOUSING FOR ALL

OPTION	ACTION	BASE
<b>A</b>	Funding for Housing for All Strategy	\$100,000

Issue papers with additional details on each of the investment options are included in the appendices.



## CREATING A GREEN CITY

OPTION	ACTION	BASE
<b>B</b>	Advancing the Greening of City's Fleet	\$200,000
<b>C</b>	Annual Paving of Trails (Capital and Operating)	\$300,000



## WELLBEING AND BELONGING

OPTION	ACTION	BASE
<b>D</b>	Free Recreational Programming & Leisure Access	\$300,000
<b>E</b>	Arts & Culture	\$100,000
<b>F</b>	Traffic Calming	\$100,000
<b>G</b>	Parks and Playgrounds	\$200,000



Each investment option has a base investment level with some that have an enhanced investment level which can be considered.

OPTION	ACTION	BASE	ENHANCED
<b>A</b>	Housing for All	\$100,000	N/A
Additional funding will help support the ongoing implementation of Housing For All, including housing studies and updating the Housing Needs Assessment as additional information becomes available. Base funding will allow the City to move forward with the lodging house review.			
<b>B</b>	Advancing the Greening of City's Fleet	\$200,000	\$400,000
Additional funding will enable the City to work towards successful implementation of TransformWR strategy action items whereby the strategy outlines that by 2050, remaining personal and commercial vehicles are zero emission vehicles. Base funding would be used to purchase a solar powered electric charging trailer and to outfit it with electric charging small equipment. Enhanced funding would be allocated to facility charging infrastructure at priority locations.			
<b>C</b>	Annual Paving of Trails	\$300,000	\$600,000
Additional funding will help the City accelerate the development and enhancements to the trail network and support changing and growing use. Base funding would add approximately 500m (0.5km) of additional trail upgrades, advancing priorities of the Cycling and Trails Master Plan. Enhanced funding would add approximately 1000m (1km) of additional trail upgrades and/or development.			
<b>D</b>	Free Recreational Programming & Leisure Access	\$300,000	\$400,000
Additional funding will help remove barriers (financial and others) to resident's participation in recreation programming. Base funding would increase funding for the City's fee subsidy program (Leisure Access), reduce the costs of recreational swims, make specialized youth programming free for all users, and expand programming options for older adults. Enhanced funding would also provide Leisure Access users with two weeks of day-camp for the price of one, and remove the annual membership Fee for the Kitchener Group Card.			

OPTION	ACTION	BASE	ENHANCED
<b>E</b>	Arts & Culture	\$100,000	N/A
Additional funding will improve equitable access to resources across the arts sector. Base funding would be used to connect practitioners to resources to support career development, enhance affordable & inclusive spaces, and create artistic placemaking opportunities.			
<b>F</b>	Traffic Calming	\$100,000	N/A
Additional funding will help implement more Vision Zero roadway changes to make streets safer and reduce traffic speeds in the community. Base funding would be used to install measures such as speed humps/cushions, pedestrian crossovers, or seasonal flex stakes.			
<b>G</b>	Neighbourhood Park Improvements	\$200,000	\$400,000
Additional funding will accelerate how quickly strategic priorities are addressed and implemented in neighborhood parks. Base funding would allow for improvements to some amenities like pickleball/basketball courts or community gardens. Enhanced funding would allow for a full park rehabilitation.			

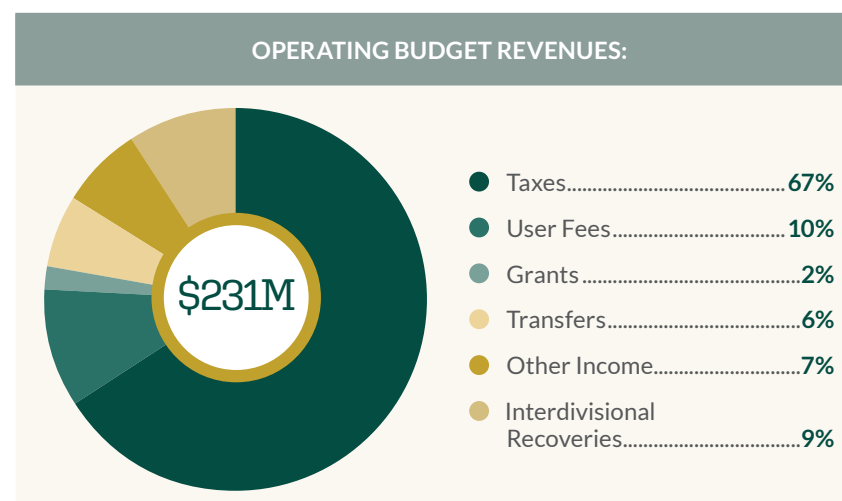
## Revenues.

The city collects revenues through property taxes, user fees and other sources to pay for the approximately **50 core services and programs** it offers to the residents of Kitchener.

It's very important to know that provincial government legislation in Ontario states that "municipalities must pass balanced budgets where the money coming in equals the money going out".

### Property Taxes:

The main source of revenue for Kitchener is through the billing and collection of property taxes which account for **67%** of the city's revenue at **\$152M**. The Municipal Property Assessment Corporation is responsible for assessing and classifying properties. The City is responsible for setting tax rates and collecting property taxes based on the assessed value and class of the property. Property classes are assigned based on their intended use and different tax rate is applied based on class. The majority of the City's assessment base is made up of residential properties, which is in line with the overall assessment mix of other communities.



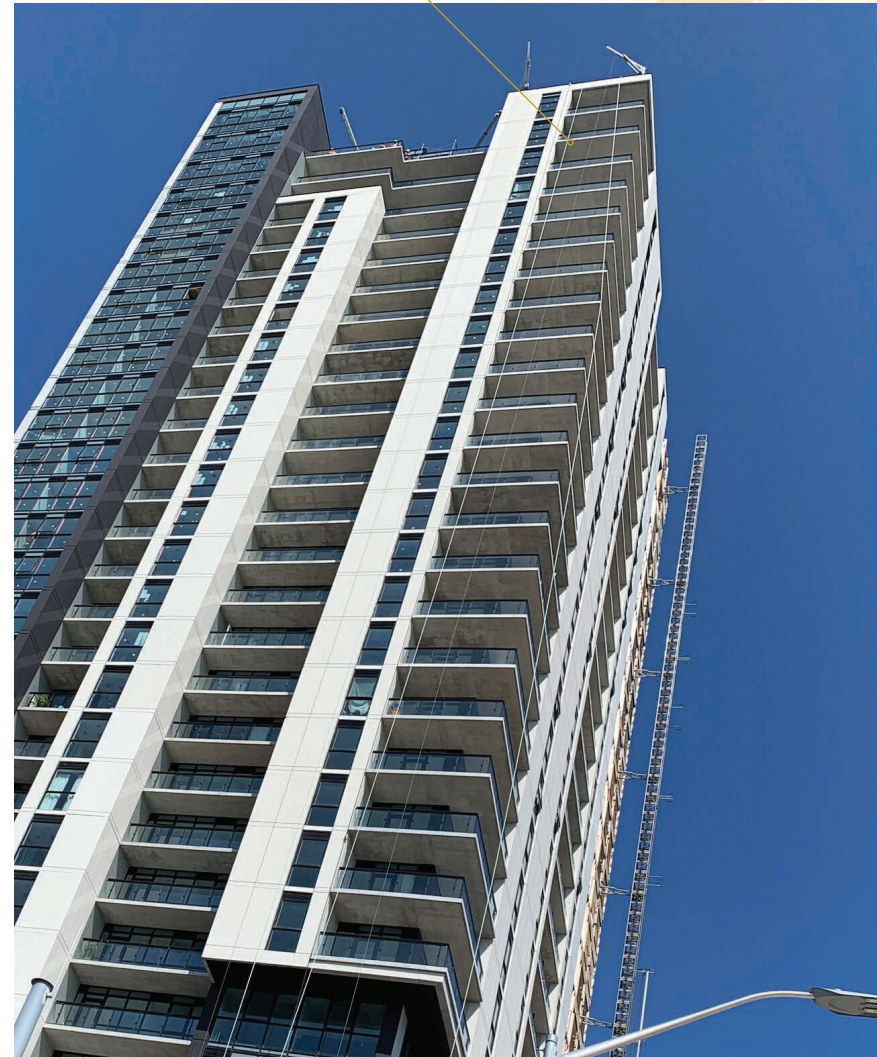
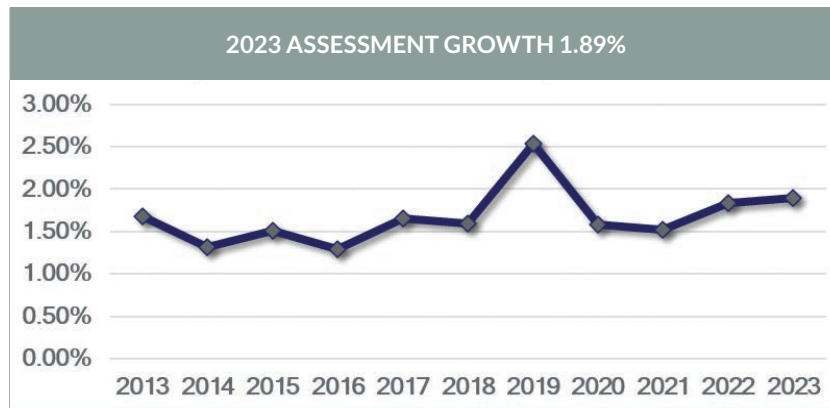
### User Fees:

User fee charges are one of the principal funding mechanisms for a range of municipal services. These fees are an efficient revenue source since they allow the city to pay for a service by directly charging those who use it. The City's user fee charges make up 10% of the City's revenues and amount to \$23M. The User Fees Schedule is included as an appendix.

### Assessment Growth:

Assessment growth is new property tax revenue caused by changes to the makeup of the City. This can be from new properties being built, or from existing properties being redeveloped or expanded.

The additional tax revenue generated through assessment growth is beneficial to help offset the costs of tax supported services, which helps reduce the need for tax rate increases. The City has averaged around 1.5% of assessment growth over the last decade. For 2023 it is slightly higher, coming in at 1.89%. For 2023 all of the growth items have been fully covered by the additional assessment growth with the remaining amount being used to reduce the property tax increase and reduce the overall tax burden for citizens.



2023 CITY OF KITCHENER

# Enterprise Budget Overview.

In addition to tax-supported services, the city also operates seven business lines (enterprises) that are funded by their own user rates and not from property taxes. These services are:



BUILDING



GOLF



PARKING



NATURAL GAS



WATER



SANITARY SEWER



STORMWATER

Each enterprise charges customers fees or utility rates that fully cover the costs of providing the service, so no tax dollars are needed to fund these services. In fact, three of the enterprises (golf, parking and natural gas) pay a dividend to the city (the enterprise owner), which help offset the need for property tax increases.

The other enterprises are not allowed to pay a dividend to the city based on their governing legislation. While each of the enterprises is managed separately as its own business line, one significant principle is followed by each of the enterprises; financial sustainability. Each enterprise has its own stabilization reserve fund that is used to manage fluctuations in financial operating results from year to year. In years that end with positive results, the surplus funds are held in reserve and are used to fund deficits from unexpected circumstances such as COVID-19.





## Building Enterprise Overview.



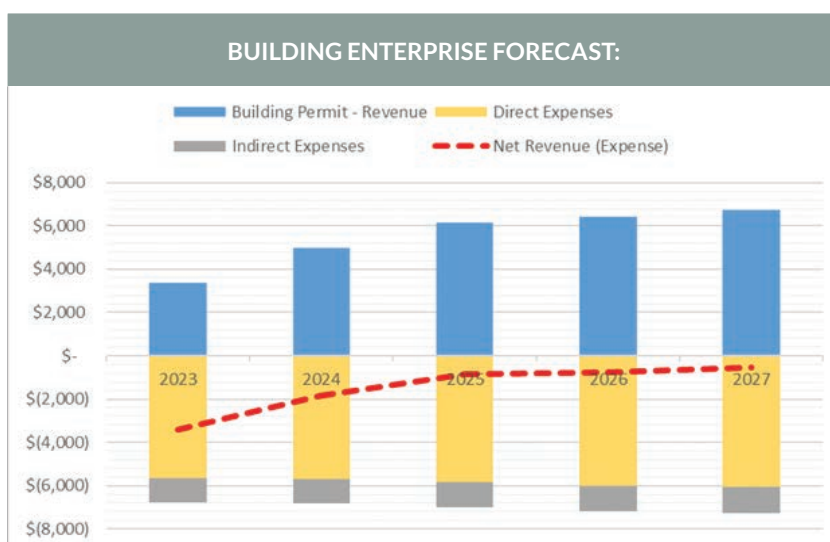
### Operating Model And Philosophy:

The Building enterprise is responsible for the administration and enforcement of the Building Code Act and Building Code. The Building Enterprise ensures that construction in Kitchener meets the minimum requirements prescribed in the Building Code

## Services Provided:

The Building Enterprise provides most of its services to external customers, largely related to building permits and on-site inspections. Building also administers the final grading approvals for low-rise residential buildings.

The following chart includes the 2023-2027 Building forecast (000's):



Note: Detailed Building projections are included in the appendices.

## Recent Challenges:

The recruitment of Municipal Building Officials (MBOs) is becoming more difficult and the number of qualified candidates applying for MBO positions is insufficient. Many candidates lack Provincial qualifications and construction experience. Other Municipalities are reporting the same observation and have highlighted these issues to the Ministry.

Also, the Development Charges (DC), specifically the rate freezes and payment deferrals which occurred on Jan. 1, 2021 have caused additional administration and workload for City staff.

## Recent Successes:

In early 2022, the Province announced a Streamlined Development Approval Fund for qualifying municipalities. Council approved an additional **\$625,000** reserve contribution for improved results.

In 2022, a corporate software system for scheduling inspections went live. When fully deployed, the software will notify customers of their planned site inspections as an added customer service feature.

Lastly, the Building Stabilization Reserve remains positive and sustainable over the 5-year projection period due to increased permit activity throughout 2022.

## Golf Enterprise Overview.



### Operating Model And Philosophy:

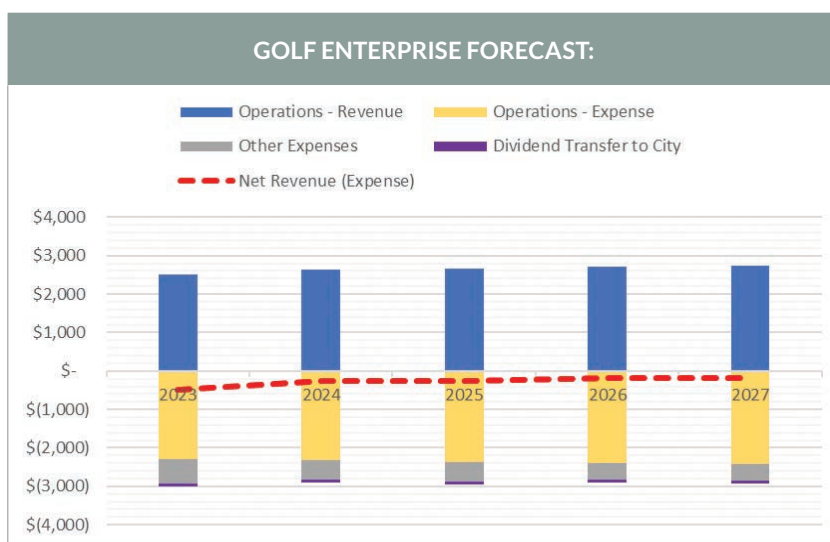
Kitchener Golf manages two golf courses with options for players of every level of the game while providing an affordable golf experience for all.

## Services Provided:

Kitchener Golf operates golf properties and facilities at both Doon Valley and Rockway Golf Courses, offering affordable recreational golf opportunities as well as facilitated camps and clinics, leagues, tournaments and events.

Kitchener Golf facilities are open from dawn to dusk seven days a week during the golf season, which can run between April-November dependent on weather. During the off season, the facilities can be utilized for special occasions and provide a public space for winter walking, snow shoeing and cross-country skiing.

The following chart includes the 2023-2027 Golf forecast (000's):



Note: Detailed Golf projections are included in the appendices.

## Recent Challenges:

The expansion of Highway 401 project alongside the Doon Valley Golf Course has continued with the opening of the new westbound lanes immediately next to holes 1 and 8 of the Classic 9 course at Doon Valley. As a result, the Classic 9 was reduced to 7 holes while both holes 1 and 8 along with adjacent holes 9 and 2 undergo modification to mitigate safety concerns due to the new lanes. In July, the 18-hole course was reduced to 10 holes for a period of 2 weeks while the Grand River Bridge's east bound lanes were demolished.

## Recent Successes:

Interest in membership remains high post COVID-19, in 2022 Kitchener Golf sold out of memberships in all categories



## Parking Enterprise Overview.



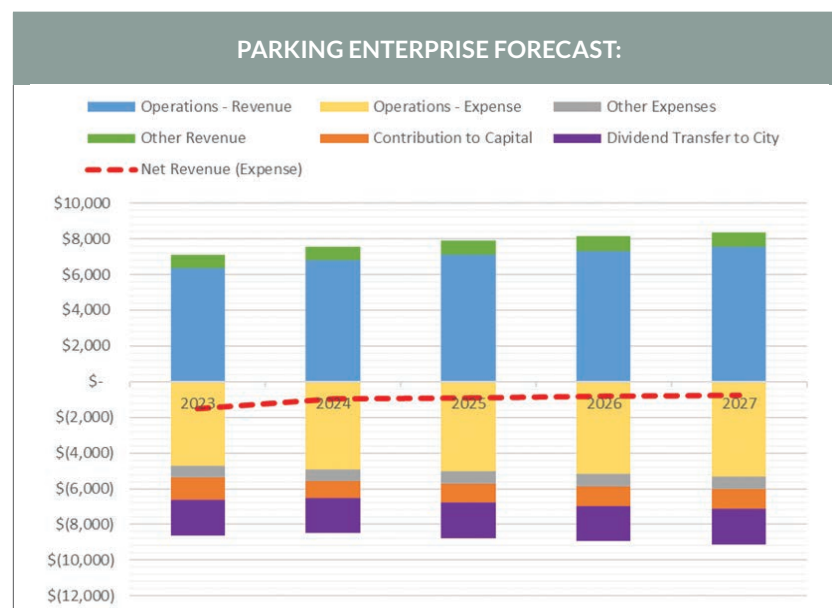
### Operating Model And Philosophy:

The Parking Enterprise's goal is to be self-funded and financially sustainable while providing accessible and convenient parking in the downtown core at a fair price. This helps the City achieve and balance economic development, compact urban development and transportation objectives.

## Services Provided:

The Parking Enterprise manages and operates the City's downtown parking portfolio, which currently consists of five parking garages, 16 surface lots, on-street meters and free parking spaces (totaling 3,701 spaces). It has direct responsibility for the operation, maintenance, capital rehabilitation and fiscal management of the City's public parking infrastructure.

The following chart includes the 2023-2027 Parking forecast (000's):



Note: Detailed Parking projections are included in the appendices.

## Recent Challenges:

Public use of the parking facilities has changed substantially during the pandemic, with a significant drop in revenue due to a reduced monthly/hourly parking demand. The reduced parking demand has continued in large part due to hybrid/virtual working conditions. Parking revenues are down nationally around the 30% range, similar to what the City of Kitchener is experiencing. We're generally in a better position for economic recovery due to recent city building objectives of reduced parking rates and greater intensification.

Projections for 2023 are based on the "new normal" experienced in 2022. The Parking Enterprise can be expected to lose an additional \$1.5M in 2023. Given the current financial challenges being experienced by the Parking Enterprise one item to be reviewed in 2023 is the potential reduction to the dividend paid by Parking to the City.

## Recent Successes:

While the pandemic was a challenge for the enterprise from an economic perspective, it provided the opportunity to undertake significant repairs and restoration within the parking structures with limited impact on customers. As an example, aesthetic enhancements of the Duke & Ontario garage that had been delayed for a number of years are now being completed in advance of a full return to normal.

2023 CITY OF KITCHENER

# Utilities Overview.

City of Kitchener owns and operates four utilities that comprise the Water Infrastructure Program (WIP) and Natural Gas. The utilities include:

- Water
- Sanitary
- Stormwater
- Gas

The budgets for the Water, Sanitary and Stormwater were the combined subject of a comprehensive review called the Water Infrastructure Program (WIP). The WIP review took several months to complete and involved collaboration between several divisions within the City, including Asset Management, Engineering, Kitchener Utilities – Gas and Water Utilities, Kitchener Utilities – Sanitary and Stormwater Utilities, Operations – Roads and Traffic, Financial Planning and Reporting and Communications.



Rate increases projected from the original WIP analysis compared to the actual rates for those years are shown in the table below.

	2019	2020	2021	2022	2023
Projected	6.5%	4.5%	4.5%	4.5%	4.5%
<b>Revised/Proposed</b>	6.5%	4.4%	0.9%	2.2%	<b>4.5%</b>
Approved	✓	✓	✓	✓	






The 2023 combined proposed rate increase equals **4.5%**. The proposed increases for both Water (3.2%) and Sanitary (2.0%) is largely driven by infrastructure investment needs at the Region (water supply and wastewater treatment) and at the City (water distribution and wastewater collection). The proposed increase for Stormwater (8.0%) is required to fund the City's share of projects being significantly funded ( approximately \$50M ) by other levels of government through the Disaster Mitigation and Adaptation Fund (DMAF).

It is expected that future WIP utility increases will need to be higher to account for construction cost escalation and other major cost pressures. The proposed 2023 increase will be insufficient to address these future needs. Staff will be bringing back additional information for Council's consideration in 2023.

The increases for each utility are summarized in the table below.

	2022	2023	\$ CHANGE	% CHANGE
Water	\$422	\$446	\$14	3.2%
Sanitary	\$545	\$556	\$11	2.0%
Stormwater	\$197	\$225	\$17	8.0%
<b>TOTAL</b>	<b>\$1,174</b>	<b>\$1,227</b>	<b>\$42</b>	<b>4.5%</b>

The 2023 rate increase of **4.5%** is driven by external factors, such as:

**INFRASTRUCTURE INVESTMENT NEEDS:**

1950's infrastructure coming to end if its useful life.

Aging infrastructure = higher operating and maintenance costs.

Failing infrastructure = more service disruptions for customer.

**REGULATORY COMPLIANCE:**

All utilities have many regulatory restrictions.

New legislative requirements being added each year.

New resources required to ensure utilities comply with new regulations.

**COMMODITY SUPPLY COSTS:**

Cost increases in these areas are unavoidable.

Natural gas commodity costs are up 27%.

Water and sanitary costs from the Region of Waterloo are increasing.



## Water Utility Overview.



### Operating Model And Philosophy:

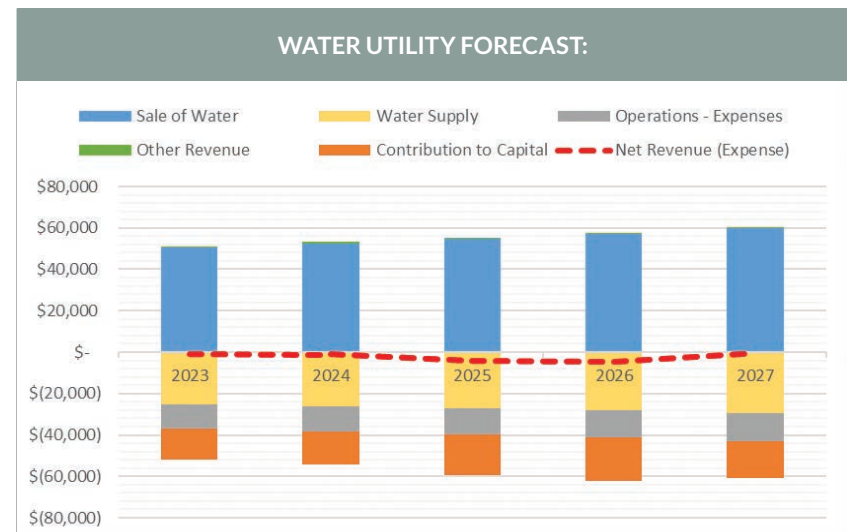
The Water Utility provides customers with quality, dependable, and economical distribution of water while operating in an environmentally sensitive manner and promoting conservation.

### Services Provided:

**Water Distribution:** Monitoring, installing, replacing and repairing the network of water mains, meters and services to ensure a reliable and safe supply of water.

**Conservation:** Promoting conservation programs, which help customers reduce the amount of water used, which saves both money and conserves energy.

The following chart includes the 2022-2027 Water forecast (000's):



Note: Detailed Water projections are included in the appendices



### Recent Challenges:

- Continued cost escalation on capital projects, (>35% increases in 2022) with some projects being postponed or delayed due to supply chain issues.
- Supply costs increasing in excess of inflation for items like water meters
- In early 2022, the Province of Ontario announced a new \$45 million Streamline Development Approval Fund to help unlock and build housing supply. Funding has been received to streamline the process, but the result will be an increased volume of subdivisions and site plans to be reviewed/processed. Development-related activities, including future water maintenance, are expected to continue to increase.
- Regulatory reliefs were provided by the Ministry of Environment, Conservation and Parks (MECP) to decrease the number of monthly samples and to limit the spring and fall lead testing programs in 2021 and early 2022.
- Bill 93 “An Act to amend the Building Broadband Faster Act, 2021 and the Ontario Underground Infrastructure Notification System Act, 2012” became legislation in the spring of 2021. The Act identifies strict adherence to a 5-day locate completion timeframe with possible fines and excavator loss claims.

### Recent Successes

- Final year of the six-year watermain cleaning program commenced in 2022; approximately 190 km of watermain was flushed in 2022.
- Approximately 23% of water valves were operated and broken valves replaced to allow for quicker isolation for water emergencies.
- Replacement of over 5000 water meters.
- Completion of the updated Water Utility Asset Management Plan in 2022.
- Additional requirements for sediment control during watermain breaks was implemented.

## Sanitary Utility Overview.



### Operating Model And Philosophy:

The Sanitary Sewer Utility collects and removes wastewater generated within Kitchener and neighbouring municipalities in an efficient, cost effective and environmentally responsible manner. The wastewater is then transferred to the Region of Waterloo for treatment and disposal in compliance with legislative and regulatory requirements.

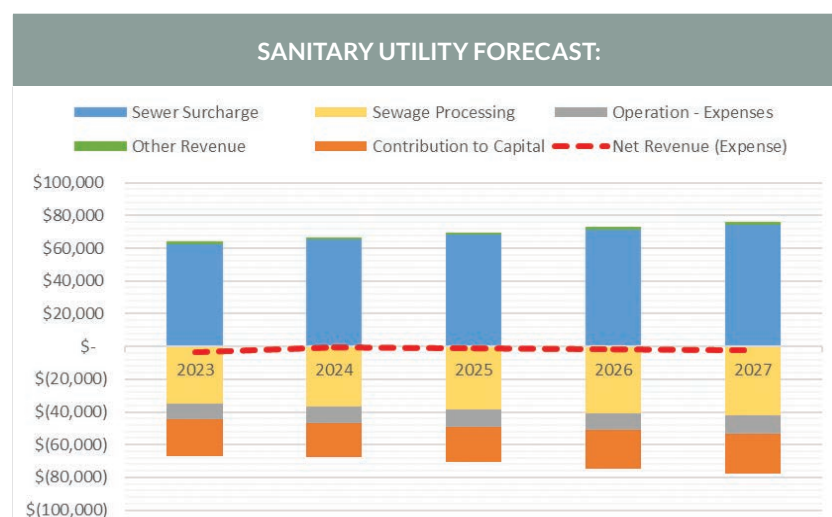
### Services Provided:

Nearly every residential, commercial, industrial, and institutional building in the city generates wastewater. In total, this equates to over 65,000 customers billed for this service. The City's sanitary network comprises approximately 870km of sanitary mains, approximately 13,000 manholes and 22 pumping stations.

The Sanitary Utility performs a wide range of activities and programs that together supports the provision of safe and reliable collection of raw sewage, including:

- **Pumping station maintenance, rehabilitation, and replacement**
- **Sewer trunks, mains, & lateral rehabilitation and replacement**
- **Flow monitoring and hydraulic modeling**
- **Closed circuit television (CCTV) inspection program**
- **Sewer flushing program**
- **Emergency response**
- **Service connection blockage removal clearing**
- **Supervisory control and data acquisition (SCADA) for pumping stations**

The following chart includes the 2022-2027 Sanitary forecast (000's):



### Recent Challenges:

In many parts of the City, sanitary assets are nearing the end of their lifecycle and require increased funding and resources to undertake preventative and corrective maintenance. Annual sanitary utility rate increases provide critical funding to address infrastructure needs, helping reduce the risk of system failures and service interruptions.

Inflation and other economic factors (e.g., supply chain, fuel price increases) have increased operating and capital costs. These cost increases will impact current and future budgets as well as capital repair and replacement schedules over the next several years.

### Recent Successes:

The City of Kitchener has recently transitioned to a Consolidated Linear Infrastructure Environmental Compliance Approval (CLI-ECA) process for its Sanitary network, which provides greater oversight for the City to preauthorize and manage impacts of new infrastructure, retrofits, maintenance, operations and monitoring of the system.

A significant emergency repair of the Ottawa St. N trunk sanitary sewer (between River Rd E and Breckinridge Dr) was required in the spring of 2022. The trunk sewer services 25% of the population of Kitchener, but during the 5-day repair no service disruptions for residents or businesses were experienced.

Construction has started on the Middle Strasburg Trunk Sanitary Sewer which will provide the required sanitary capacity for growth in south-west Kitchener.

The City is currently developing an Integrated Sanitary Master Plan that will provide a detailed assessment of the City's sanitary sewage infrastructure and help prioritize capital investments and programs for the next 20 years. The completion of the Master Plan is anticipated in 2023.

NOTE: Detailed Sanitary projections are included in the appendices..

## Stormwater Utility Overview.



### Operating Model And Philosophy:

The Stormwater utility treats and controls stormwater runoff generated by impervious surfaces across the city in an efficient, cost effective and environmentally responsible manner to comply with legislative and regulatory requirements.

### Services Provided:

The utility provides funding to operate, maintain, rehabilitate, replace and build stormwater infrastructure across the city. There are over 70,000 properties in the city that are billed for the stormwater management service based on the amount of their impervious area and the runoff they generate.

The stormwater system is comprised of 26 managed subwatersheds; approximately 785 kilometers of storm sewer mains; over 27,000 manholes and catch basins; over 100 oil, grit separators; and 113 constructed stormwater management facilities (SWMFs).

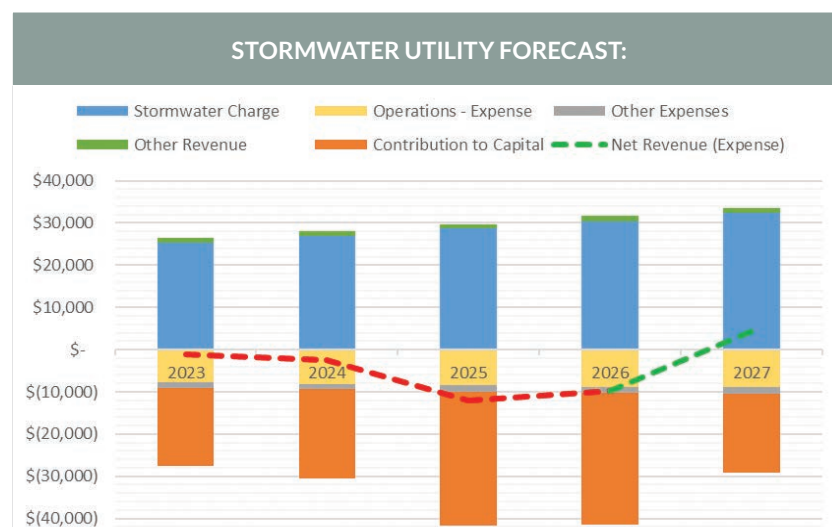
The Utility has developed an Integrated Stormwater Management Master Plan (ISWM-MP, 2016) that identifies stormwater priorities across the City and helps inform the City's capital program to 2030. The Utility also carries out recurring operations and maintenance programs that include:

- **Stormwater Management (SWM) Monitoring Program**
- **Sediment Management Program**
- **Watercourse Improvement Program**
- **SWM Facility Retrofit Program**
- **Drainage Improvement Program**
- **Hydraulic and hydrological modelling**
- **SWM Infrastructure Implementation Program**
- **Low Impact Development (LID)**
- **Sewer mains, laterals, catchbasin, & manhole maintenance and repair**
- **Watercourse/Bridge/Culvert Maintenance and Repair**
- **SWMF Maintenance & Sediment Removal**
- **Catchbasin Cleaning Program**
- **Spills Response**



The utility also funds a credit program to incentivize private property owners to help manage stormwater on their property, reducing the volume of runoff (rain and snow melt) that is directed to the City's stormwater system.

The following chart includes the 2022-2027 stormwater forecast (000's):



### Recent Challenges:

Storm events are becoming more severe and intense, which has a direct impact to the entire stormwater system by either causing damage or exceeding the capacity of existing infrastructure in an unpredictable manner.

There is an existing backlog of legacy projects and aging infrastructure identified

in previous stormwater audits that will be completed as funding becomes available.

Focusing on preventative maintenance will maintain and improve current service levels but will require higher budget allocations to support this transition.

Construction costs for replacement and rehabilitation of infrastructure continue to increase due to inflation and other economic challenges (e.g., supply chain, fuel costs, etc.). This will have direct impacts on current and future budgets as well as capital repair and replacement schedules over the next several years.

### Recent Successes:

Annual maintenance of stormwater ponds continues to improve the functionality of these important stormwater management assets that help mitigate flooding in neighborhoods across the City.

The City continues to implement the \$125M federal Disaster Mitigation and Adaptation program, which provides up to a 40% cost-share for the City's stormwater projects prioritized in the ISWM-MP.

The City of Kitchener has recently transitioned to a Consolidated Linear Infrastructure Environmental Compliance Approval (CLI-ECA) process for its Stormwater network, which provides greater oversight for the City to preauthorize and manage impacts of new infrastructure, retrofits, maintenance, operations and monitoring of the system.

NOTE: Detailed Stormwater projections are included in the appendices..



## Gas Utility Overview.



### Operating Model And Philosophy:

The Gas Utility provides customers with safe, dependable and economical natural gas. Provide prompt, cost effective and professional services related to rental water heaters. Promote conservation, greenhouse gas (GHG) reduction and operate in an environmentally sensitive manner.

## Services Provided:

**Gas supply:** Kitchener Utilities purchases and manages the gas supply to meet customer requirements.

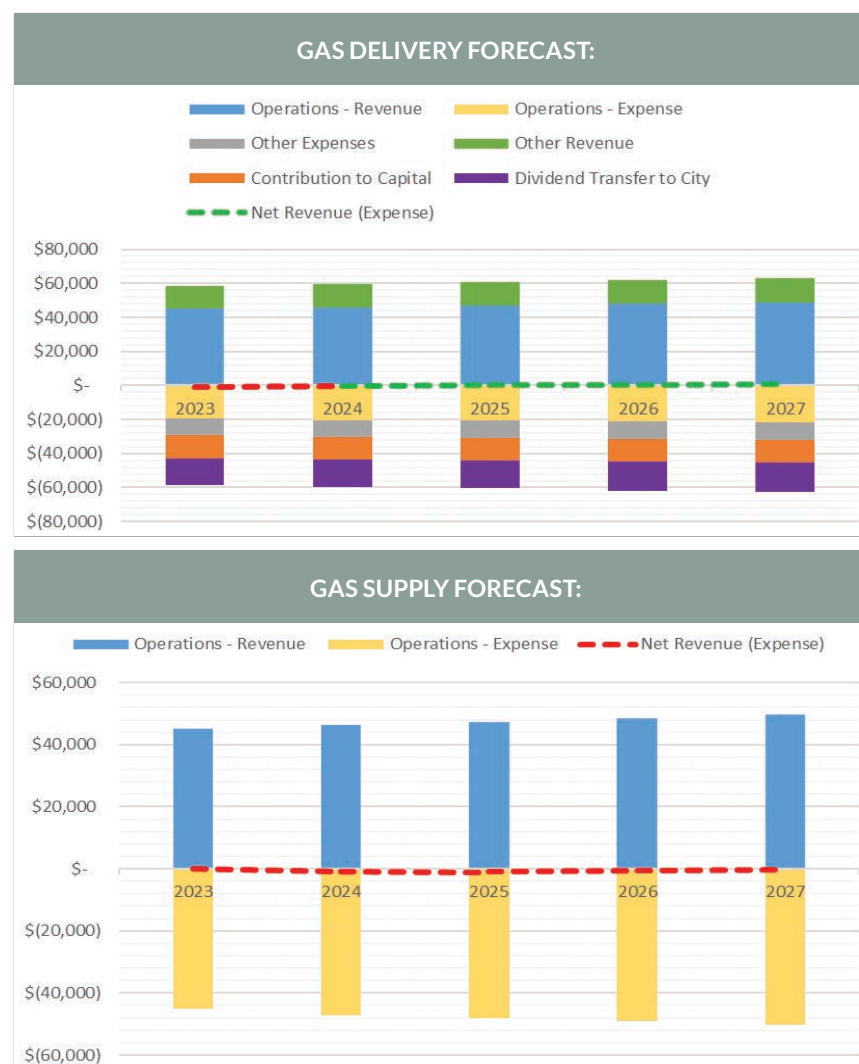
**Gas Distribution:** As a natural gas distributor, Kitchener Utilities delivers natural gas to consumers. Work includes installing and replacing meters, underground pipe installation and maintenance, providing gas services to homes and businesses, responding to gas emergencies involving gas line hits, gas odour, carbon monoxide, and gas utility locates.

**Regulatory Affairs:** Ensuring compliance with codes, rules and regulations imposed by government agencies and regulators.

**Conservation:** Developing and promoting GHG reduction and conservation programs which help customers save money and conserve energy.

**Water Heater Rentals and Service:** Supply and service water heaters on a rental basis, providing 24/7 service for repair and replacement of tanks.

The adjacent charts include the 2023-2027 Gas Delivery and Supply forecast (000's):



### Recent Challenges:

Bill 93 “An Act to amend the Building Broadband Faster Act, 2021 and the Ontario Underground Infrastructure Notification System Act, 2012” became legislation in the spring of 2021. The Act identifies strict adherence to a 5-day locate completion timeframe with possible fines and loss claims due to delays.

In recent years, there has been an increase in development activity within the City of Kitchener. As the gas utility has infrastructure within Regional and City roads, infrastructure is required to be moved at their direction and largely the utility’s cost. In addition, customer driven projects, such as installation of gas piping in subdivisions, are funded 100% by the utility. This has put increased pressure on the capital budget.

The number of gas meters replaced annually fluctuates based on Measurement Canada’s requirements, which takes into account age and accuracy of the meter. A representative sample is therefore collected and tested by a third party. If the results are within tolerance, the meter life can be extended. In 2022 there was a large number of gas meters that required replacement which will continue in 2023, putting additional pressure on the capital budget.

Natural gas commodity pricing rose sharply in 2022 due to lower natural gas production, liquid natural gas (LNG) shipment overseas and the war in Ukraine. The price of natural gas is expected to be high and unstable in 2023, which will make it challenging to maintain gas supply rates.

In June of 2021, the City of Kitchener and Regional Council approved TransformWR Climate Change Strategy, which targets cuts to carbon emissions and shifting energy use from fossil fuels. The transformative change that will significantly impact Kitchener Utilities business model is, “By 2050, business and homes no longer use fossil fuels for space heating and cooling, and water heating”.

This strategy will significantly impact the business model for the natural gas delivery and rental water heater business of Kitchener Utilities. In order to plan for the transformation from natural gas to cleaner energy sources, a Gas Strategic Business Plan will be initiated in 2023 to determine the vision, mission and direction of the gas utility.

Due to supply chain challenges and significant increases in commodities and services, such as gas meters, water heaters and contractor pricing, Delivery and User Fees have increased to meet the changing environment.

### Recent Successes:

Kitchener Utilities is continuing to promote energy conservation programs. A smart thermostat program was introduced in 2022, which provides customers with a \$75 on-bill credit if they switch their current thermostat to a smart thermostat to provide awareness and visibility of consumption patterns and motivate behaviour changes. In addition, rebates for energy efficiency upgrades to commercial and industrial customers are available to reduce their carbon footprint. The team works together on evaluating programs, new technologies, and partnering with local utilities and government to enhance awareness of energy conservation programs and pilot new technology and to support the transition to a low-carbon community.

Kitchener Utilities has been able to help blend natural gas rates with fixed and market rates to mitigate rate impacts to customers in a rising market. Kitchener Utilities current natural gas supply rate is substantially lower than other natural gas utilities.

Kitchener Utilities will implement 'Green Button' energy consumption reporting in Fall 2023. This will provide customers with information about their energy-usage and patterns to help facilitate energy efficiency and cost-savings options for homes and businesses. Kitchener Utilities will launch a new e-billing platform to host this data in late 2023.

Detailed Gas projections are included in the appendices.

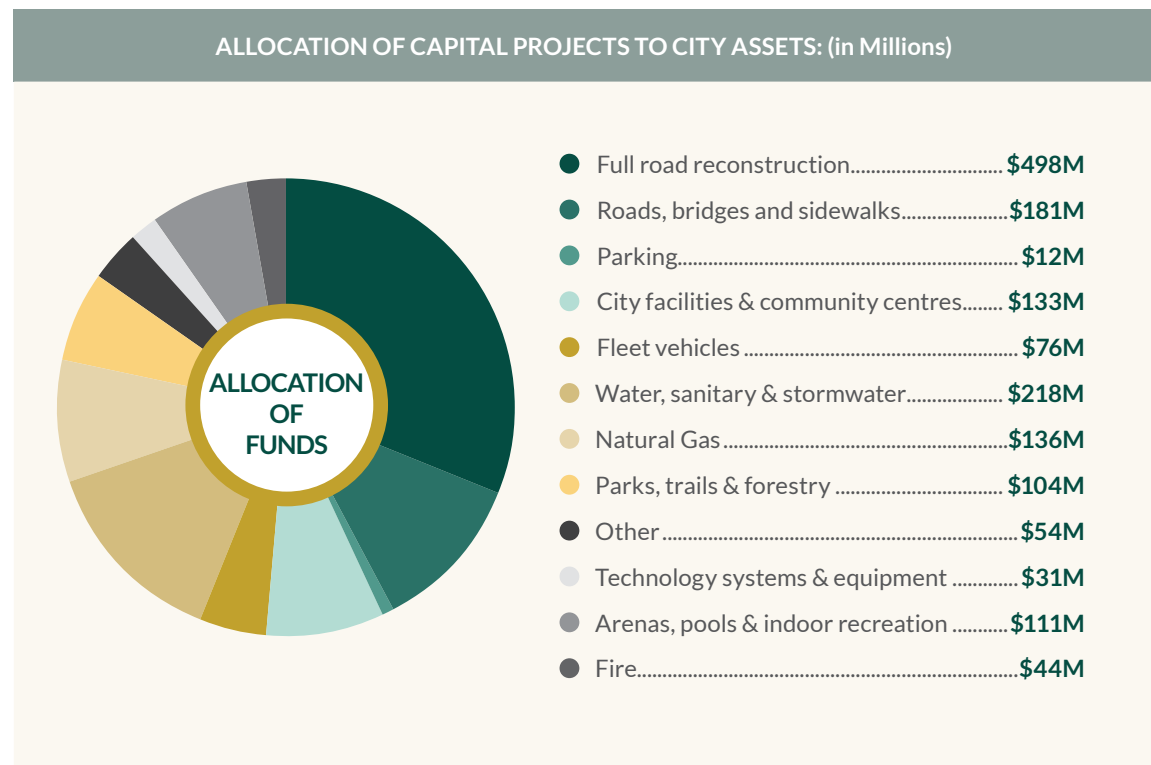
2023 CITY OF KITCHENER

# Capital Budget Overview.

The City's capital budget funds investments in infrastructure (assets) that offer a long-term benefit to the community. Examples include parks, roads, and sanitary sewers. The projects included in the Capital Budget often take a number of years to complete, either creating new assets or renewing existing assets. The term of the budget is 10 years, which helps establish capital priorities for both the near future and the medium-term. As part of the annual budget process, Council reviews, deliberates, and approves the Capital Budget.

The 10 year proposed budget and forecast for the year 2023-2032 includes over 400 projects at \$1.6B.

The adjacent chart shows the allocation of capital projects to city assets:

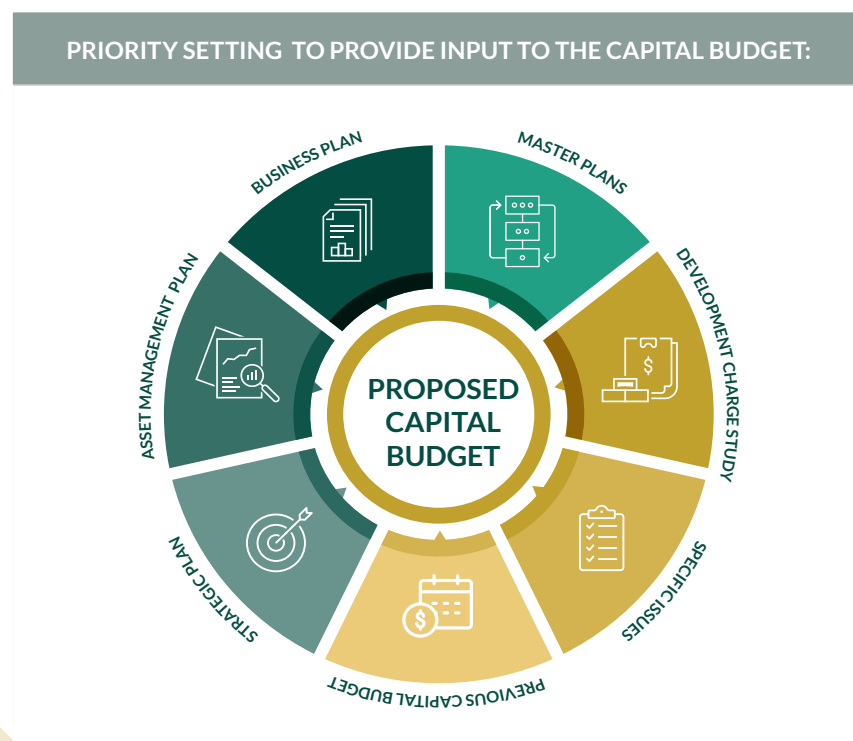




## Setting Capital Budget Priorities:

The Capital Budget reflects the priorities established by Council through many different consultation processes, which are shown in the graphic below. Through these processes and then ultimately the budget, Council determines which projects are completed first, within various constraints (e.g. funding & staff availability).

In preparing the Capital Budget each year, staff reviews the previous Capital Budget against new priorities identified throughout the year through the processes noted earlier. If new priority projects have been identified, they are discussed by senior staff as part of the comprehensive internal review of the Capital Budget. Priority is placed on projects related to:



	<b>ASSET REPLACEMENT &amp; REHABILITATION NEEDS:</b> <ul style="list-style-type: none"> <li>Developed based on asset management plans &amp; condition assessments.</li> <li>Progress being made through the Water and Infrastructure Program, (WIP).</li> <li>Addressing the facility infrastructure gap continues to be a priority.</li> <li>Preventative maintenance activities are also important.</li> </ul>
	<b>GROWTH RELATED NEEDS:</b> <ul style="list-style-type: none"> <li>2022 Development Charge Study reflected in forecast.</li> <li>Investments in new infrastructure to support new residents.</li> <li>Maintaining the concept of 'Growth pays for growth'.</li> </ul>
	<b>STRATEGIC ITEMS:</b> <ul style="list-style-type: none"> <li>Implementation of items included in the Strategic Plan.</li> <li>Priorities reflecting corporate and community needs.</li> </ul>



The proposed 2023 budget includes meaningful investments in areas that are important to the citizens of Kitchener, including:

- **Additional Outdoor Winter Rinks** (\$155k in 2023, \$540k overall)
- **Rosenberg Community Centre Expansion** (\$5.7M in 2023-2024)
- **Mill Courtland Community Centre** (\$2.1M in 2023)
- **Downtown Fire Hall** (\$15M in 2023-2025)
- **Full Road Reconstruction** (\$37.5M in 2023)
- **Cycling Infrastructure** (\$2M in 2023, \$8.7M overall)
- **Aquatics Centre at Schlegel Park** (\$57M in 2023-2025)
- **Indoor Turf Field at Schlegel Park** (\$39M in 2023-2025)
- **New Neighbourhood Parks** (\$2.3M in 2023, \$21M overall)
- **Schlegel Park Development** (\$2.2M in 2023, \$5.7M overall)
- **Urban Forestry** (\$1M in 2023, \$11.5M overall)

Capital forecast details by division as well as related issue papers included in the appendices.

The Capital Budget is funded through various sources:

**Enterprises:** Funding transferred from the City's seven Enterprises .

**Tax Supported Capital Pool:** Funding from the operating budget, debt, and the gas & hydro utility investment reserves to support the tax supported capital program.

**Development Charges:** Funding collected from development for growth related infrastructure.

**Reserves:** Funding saved up ahead of time by the City.

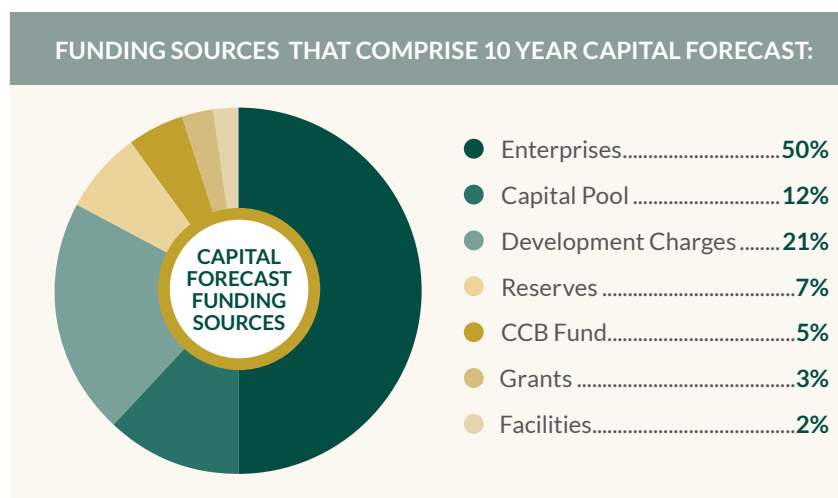
**Canada Community Building (CCB) Fund:** Formerly known as Federal Gas Tax funding.

**Grants:** Funding from other levels of government and other agencies.

**Facilities Infrastructure:** Funding from the facilities infrastructure reserve for City building repairs.

Additional details on the Capital Pool forecast is included in the appendices.

The following chart shows the % of each funding source making up the 10 year capital forecast:



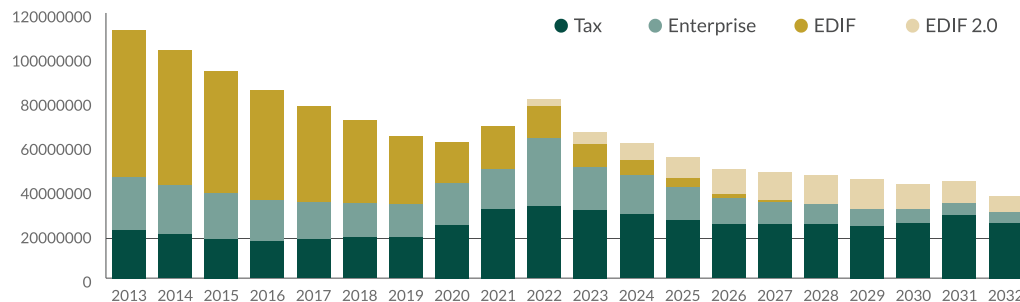
Half of the funding comes from enterprises. A significant portion of this comes from the Water Utilities (water, sanitary & storm) and is invested in full road reconstructions. Other significant funding sources include the capital pool, development charges, and reserves.

## Debt.

Debt is funding the City has borrowed to complete capital projects. The City is managing down its debt load and is tracking well against industry and provincial benchmarks. This is a very positive financial position.

The chart below shows the total debt outstanding broken into four components:

DEBT OUTSTANDING:



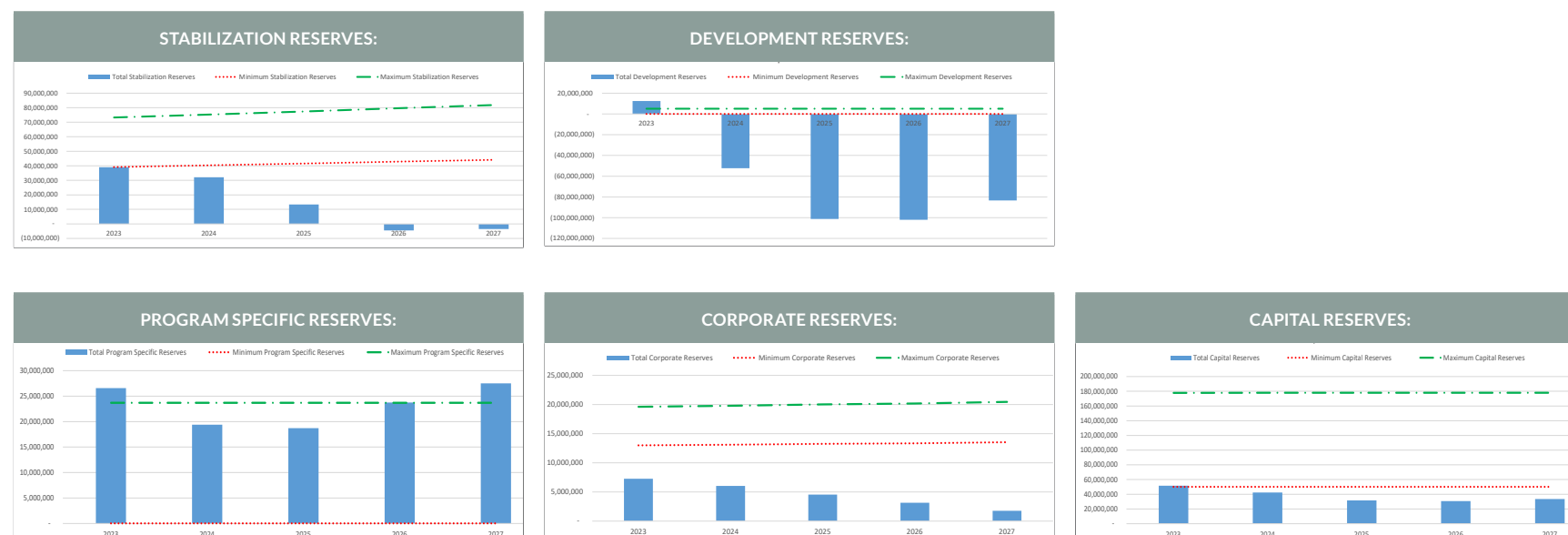
- Tax supported debt, which is issued each year to help fund the Capital Pool hovers around the \$20M mark
- Enterprise debt which will be repaid from non-tax sources. These include the Golf enterprise, Parking enterprise, the Kitchener Rangers, and cemetery debt.
- EDIF (Economic Development Investment Fund) debt that was issued to fund EDIF projects and will be fully paid off in 2027.
- EDIF 2.0 debt that will be issued in 2022 and be fully paid off by 2039.



# Reserve and Reserve Funds.

Reserve funds are raised for a specific purpose or to protect against unanticipated costs. The City has five categories of reserve funds; Corporate Reserves, Capital Reserves, Development Reserves, Program Specific Reserves, and Stabilization Reserves.

Minimum and maximum balances have been established for these reserve funds based on best practices and benchmarks. These minimum/maximum targets have been consolidated for each category to show how the City is doing in achieving these targets.



Additional details of each fund including ratings are being provided in the appendices.



**CITY OF KITCHENER**  
PROPOSED BUDGET SUMMARY 2023

[kitchener.ca/budget](https://kitchener.ca/budget)



## **CITY OF KITCHENER**

### PROPOSED BUDGET SUMMARY 2023

[kitchener.ca/budget](https://kitchener.ca/budget)