Appendix-G | Issue Papers:

Issue Paper Summary

Issue Paper	Op 01 - Strategic Additions
Department	GENERAL EXPENSE
Division	GENERAL EXPENSE
Preparer	Ryan Hagey, Director of Financial Planning & Asset Management

Background

The City's strategic plan is the community's shared vision for the future of Kitchener. After significant public consultation, in August 2023, Council approved the 2023-2026 strategic goals, goal statements, and actions.

Rationale/ Analysis

Since its adoption in the summer of 2023, significant funding has been allocated to priority areas identified in Kitchener's 2023-2026 Strategic Plan. In addition to these investments, one-time funding of $1M has been earmarked and is available in the 2025 capital budget for direction to continue advancing important priorities to Council and the community. Council will have an opportunity to discuss potential options prior to the Mayor proposing the budget in early December. Options which are not advanced as part of the 2025 budget will have an opportunity to be discussed in a future budget year.

Staff have identified three areas for potential investment based on recent work completed to develop Asset Management Plans, the Places & Spaces Strategy, and the Corporate Climate Action Plan. Each of the areas is discussed below.

1) City Facilities
In 2024 the City prepared asset management plans (AMPs) for a number of assets including its facilities. The AMPs showed the total replacement value of all City facilities was over $1.9 billion. The facilities include community-oriented buildings like community centres, pools, and arenas as well as more internally focused buildings like fire halls, City Hall, and the Kitchener Operations Facility. All of the buildings require regular investments to their seen and unseen components and systems to keep them in a state of good repair. Examples of projects that are important but unfunded include skylight repairs at the Kitchener Market which would reduce water infiltration issues impacting some vendors and elevator modernization at the Kitchener Auditorium which would improve accessibility and meet current building and fire code regulations.

2) Outdoor Recreation
From 2021-2024 the City received feedback on its outdoor recreation facilities through a masterplan update called Places & Spaces. This update includes reviewing the total amount of park space within Kitchener, as well as the quality of the amenities provided. Data from the 2024 asset management plan (AMP) shows the City owns and operates parks, trails, and open spaces with a combined replacement value of nearly $100 million. Examples of projects that are important but unfunded include additional playground replacements that will rejuvenate neighbourhood play spaces and make them more accessible, additional conversion of trails from paved to unpaved that will improve year-round use and accessibility, and the rehabilitation of outdoor sport courts that will improve the end user experience of these facilities.

3) Corporate Climate Action Plan (CorCAP)
In May 2024 Council endorsed an updated CorCAP with the goal of being net-zero emissions by 2050. The plan focuses on reducing greenhouse gas (GHG) emissions in the City’s facilities and fleet & equipment which offer the greatest opportunity for impact. The financial implications of the City achieving net-zero are

roughly estimated at $250 million in additional capital funding over the next 25 years. Examples of projects that are important but unfunded include additional HVAC replacements at City facilities that will improve energy use, and continued electrification of City's vehicles & equipment.

Financial Implications

$1M has been added to the Strategic Addition capital account in General Expense to be allocated as part of the 2025 budget process.

Recommendation

For direction.

Issue Paper Summary

Issue Paper	Op 02 - Strategic Spending Included in 2025 Budget
Department	GENERAL EXPENSE
Division	GENERAL EXPENSE
Preparer	Ryan Hagey, Director of Financial Planning & Asset Management

Background

The City's strategic plan is the community's shared vision for the future of Kitchener. After significant public consultation, in August 2023, Council approved the 2023-2026 strategic goals, goal statements, and actions.

Rationale/ Analysis

Approximately $75M of funding has already been allocated to advance strategic priorities as part of the 2025 budget. A brief description of these investments is provided below under the five strategic plan goal areas.

BUILDING A CONNECTED CITY TOGETHER

Housing Accelerator Fund - HAF ($42M)

The Federal government has pledged significant funding through HAF in support of the continued implementation of Kitchener's Housing For All strategy. HAF will help to fast-track the construction of 1,216 new homes by early 2027 to help address housing affordability and the increasing demand for housing in our community. In 2025 HAF will be used to continue implementing approved initiatives like the development of the Growing Together East strategy as well as a $10,000 grant per unit for qualifying affordable housing units.

Building Faster Fund - BFF ($14M)

The Provincial government has provided a first instalment of BFF to Kitchener for exceeding its 2023 housing targets. The fund rewards municipalities that make significant progress against their targets by providing funding for housing-enabling and community-enabling infrastructure. Kitchener is using its BFF to conduct environmental assessment work on a property prior to redevelopment, completing stormwater work that will mitigate flooding and improve water quality, and acquiring land for future housing development.

Official Plan Update ($750k)

Kitchener's Official Plan (OP) is 10 years old and needs updating. The OP is concerned with land use and the physical development of the city, but it also aims to balance the social, economic, and environmental interests of the community. Funding in 2025 will be used to create an OP which will guide growth and shape the way that neighbourhoods evolve and change as the city grows to a population of up to 450,000 by 2051.

CULTIVATING A GREEN CITY TOGETHER

Places and Spaces Parks Masterplan Implementation ($8.6M)

Places and Spaces is an update to the existing Parks Strategic Plan adopted by City Council in 2010. This updated parks masterplan is the overarching guide for the quantity of park space in the city, as well as the quality of those places. The 2025 budget includes significant investments in parks such as advancing park network improvements; accessible sportsfield improvements and amenities; repairs to McLennan Park; and enhancements to Upper Canada Park.

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HVAC Upgrades at City Facilities ($2.3M)
City facilities contribute the largest portion of corporate greenhouse gas (GHG) emissions. Updating the heating and cooling units at City facilities in 2025 is one of the ways the City is optimizing energy performance and reducing its GHG emissions in support of the goals in the Corporate Climate Action Plan 2.0 (CorCAP 2.0).

Growing the City's Tree Canopy ($1.3M)
In January, 2022, Council approved an ambitious urban canopy target for the City of 30% canopy cover in each ward by 2050, and a city-wide average canopy of 33% by 2070 through Kitchener's Sustainable Urban Forest Strategy (SUFS). Funding in 2025 will support the Forestry team in advancing work under the four key action areas in the SUFS: Plan, Engage, Maintain and Plant; as well as exploring grant and partnership opportunities to expand the urban forest.

Green Fleet Improvements ($800k)
Kitchener has made progress towards electrifying its vehicles and equipment. As of 2023, 50% of the passenger car fleet has been electrified resulting in a notable 75% reduction in maintenance and fuel costs compared to internal combustion engine (ICE) vehicles. For 2025, Kitchener will continue to strategically upgrade vehicles and equipment such as cars, pickup trucks, ice resurfacers and forklifts from internal combustion engines to Battery Electric, Hybrid Electric and/or Plug-In Hybrid Electric.

CREATING AN ECONOMICALLY THRIVING CITY TOGETHER
Conrad Centre for the Performing Arts Investments ($780k)
The Conrad Centre for the Performing Arts (CCPA) is a 300 seat venue located in downtown Kitchener. The City acquired the CCPA in 2021 with a mandate to significantly increase community usage. In October 2023 the City assumed full operations of the CCPA following the bankruptcy of the KW Symphony and in October 2024 Council approved new direction in operating the CCPA. Funding has been included in the 2025 budget to properly staff the venue based on the new operating model and make investments in updated equipment.

Support for Community Events ($200k)
The City of Kitchener currently facilitates an extensive portfolio of festivals including long-beloved events like Oktoberfest and Christkindl, as well as more recent additions like Endless Summer and Caribana. The City also supports a number of corporate and community events like new park and facility openings, funding announcements, and neighbourhood-led special events. New funding has been included to ensure adequate resources are available to properly support the diverse event offerings at the City.

FOSTERING A CARING CITY TOGETHER
Expanded Community Centre Hours ($150k)
In 2023, Council approved report CSD-2023-123 to modernize the City's community centre operating model. A key recommendation of that report directed staff to explore expanding hours of operation at select Community Centres through a phased, multi-year approach. During the 2024 budget process, Council approved the first year of this initiative which included extending weekend hours for six centres: Country Hills, Victoria Hills, Forest Heights, Centreville Chicopee, Stanley Park, and Huron Community Centre. In the second year of this multiyear initiative, staff are proposing four additional community centre sites for expanded weekend hours starting in 2025: Kingsdale, Doon Pioneer Park, Bridgeport, and Chandler Mowat Community Centres.

Increased Offerings for Summer Camps ($100k)
The City currently offers approximately 2500 spots for children's day camps over the summer at City of Kitchener facilities. These day camps are very much in

demand, spots fill up immediately, and have an average waitlist of 280 kids every week. Through funding added to the 2025 budget, existing camps will be expanded and new sites will be added which will result in an additional 200 spots per week being available for the summer camp schedule.

Developing an Outdoor Pool Strategy ($150k)
Kitchener currently operates four outdoor pools (Kiwanis, Harry Class, Idlewood, Wilson). These pools provide residents with relief from the heat in a safe and supervised environment during the summer months. With the increasing impacts of climate change and an increase in days with high temperatures and humidity, the City's outdoor pools will play an even more vital role in reducing heat-related illnesses and safety risks to the residents of the City of Kitchener. Funding will be used to assess the condition of current pools and establish a plan ensuring continued operations servicing community needs as well as identify communities that could benefit from an outdoor pool.

STEWARDING A BETTER CITY TOGETHER
Modernizing Human Resource Systems ($2.75M)
Kitchener's main human resources and payroll system is reaching end of life with limited investment being made by the current vendor to modernize processes and functionality needed to support an efficient workforce. In addition, the City has relied on separate and disjointed sub-systems to help support its human resource needs (e.g. recruiting, time & attendance). Funding in the 2025 budget will be used to consolidate into a full-suite human capital management system fully integrated within the City's SAP enterprise application environment, which will support management in talent acquisition & development, provide better tracking & reporting in areas such as time & attendance, and support efficient and effective processes related to human resource management and payroll.

Future-Proofing City Digital Services ($500k)
Kitchener is building a smart city that is connected, on-demand, inclusive, and innovative. To advance these objectives, the City continues to invest in technology infrastructure, processes, and initiatives that support its goals. Funding in 2025 will be used to maintain positive momentum towards achieving the City's technology goals and ensure online City services are reliable and secure for all customers.

Improving Customer Service ($275k)
The implementation of improved customer service software will enable customers new access to more online self-serve opportunities, including the ability to both initiate service requests and see the status of their service requests – online. Closing the loop with customers on their service requests will now be possible for staff from both the office and the field with customers having the ability to be notified when their service request is complete. New and more robust real-time data reporting and analytics will drive more informed service improvements and efficiencies, and staff from across many divisions (eg. Bylaw, Revenue, Office of Mayor & Council, Kitchener Utilities etc.) – not just the city's corporate contact centre – will be able to more easily and quickly track, monitor and respond to customer requests for service and information from a single interface that integrates many corporate systems.

Financial Implications

The total cost of all the items noted above is approximately $75M and includes funding from operating budgets, capital budgets, and reserves. $56M of the funding for these items comes from provincial/federal grants.

Recommendation

For information.

Issue Paper Summary

Issue Paper	Op 03 - 2025 User Fees
Department	FINANCIAL SERVICES
Division	FINANCIAL PLANNING & ASSET MANAGEMENT
Preparer	Brad Palmer, Corporate Financial Advisor

Background

Fees and charges are used by municipalities as an alternative to fully funding various programs and services through property taxes. Fees and charges are often used for programs and services where customers have a choice whether to use them and, for this reason, the use of fees and charges tend to be favoured over property taxes alone.

Approval of the user fee schedule as detailed in Appendix E will coincide with the adoption of the 2025 budget. This also includes direction to Legal Services to prepare the necessary by-laws to amend The City of Kitchener Municipal Code Chapters for fees and charges pertaining to licensing, planning applications, building permits and Committee of Adjustment applications.

Rationale/ Analysis

When setting individual rates, departments consider a range of factors including cost recovery, legislation, rates of other municipalities and market conditions. For 2025, departments were provided with a guideline to increase fees and charges by 4%.

The 2025 user fees will make up approximately 11% of all tax supported revenues which is consistent with the previous year. Failure to adjust user fees would shift program costs to the property tax base and necessitate property tax increases above the rate of inflation. In general, fees are increasing by the guideline amount, or something close to it. Some fee increases differ from the guideline in order to come to a rounded amount (e.g. nearest $0.25, $1, or $5). Fee changes that differ from the inflationary guideline are highlighted below.

Economic Development Fees (Fees 2 – 94 on the detailed fee schedule)
- Farmers Market Fees (Fees 2 - 29) - These fees increased by 6% to cover the increasing operational and maintenance costs of the facility.

Engineering Fees (Fees 95 – 233 on the detailed fee schedule)
- Engineering fees increased by 4% with some exceptions for rounding.

Planning Fees (Fees 234 – 320 on the detailed fee schedule)
- Planning fees increased by 4%, with the exception of rounding as well as changes to the following fees:
    - Fence Variance Application (Fee 240) - Revised to align with similar process for sign variances.
    - Photocopies/Printing (Fees 264-265) - These fees are held flat.
    - Pre-submission Consultation – Committee of Adjustment (Fee 273) - Adjusted to support cost of staff time to process increasingly complex applications
    - Routine disclosure Requests (Fee 276) - This fee is held flat.

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Transportation Fees (Fees 321-326 on the detailed fee schedule)
- Transportation fees increased by 4%. With the following exception:
    - Bike FOB Fee (Fee 325) - This fee is held flat.

Planning/Engineering (Fees 327-370 on detailed fee schedule)
- Planning/Engineering fees increased by 4%, with the exception of rounding.

Parking (Fees 371 – 402 on the detailed fee schedule)
- The Parking Enterprise increased fees by 3% to remain competitive with other parking providers with the exception of rounding and changes to the following fees:
    - Remote Parking Lot Rate - Bramm (Fee 375) - Rate increased greater than the 3% standard to be aligned with other surface lots.
    - Theatre Rate (383 – 384) - This rate changes periodically with the last increase in September 2023.
    - Electric Charging Station Rate per hour (Fee 392, 400-401) - Rate increased greater than the 4% to align with market rates.
    - Special Event Rate (After 5 pm and/or Saturdays) (Fee 393) - This fee is held flat.
    - City Hall Garage Rate - 5 pm to midnight (Monday to Saturday) (Fee 397) - This fee is held flat.
    - Part-time 3 Day A Week Permit Package (Fee 402) - The 2024 rate was an internal pilot rate. The 2025 rate is aligned with market rates for the product type.
    - Monthly Motorcycle Parking (Spring to Fall) - This fee has been removed from the schedule.

Building (Fees 403 – 504 on detailed fee schedule)
- The Building Enterprise is proposing no change to the 2025 permit fees. Favourable results over the last few years have allowed the Building Stabilization reserve fund to reach its target level.

Fire (Fees 506 – 585 on the detailed fee schedule)
- Fire Safety Plan Review Fee (Fee 521): A new fee is being proposed to help offset the cost of reviewing Fire Safety Plans. With the number of increased requests due to development in the City, a fee is proposed to ensure these reviews are a priority. Each review takes a great deal of time and the City has never charged for this time-consuming review in the past.
- Fire Alarm Monitoring Residential (Fee 551): This fee is not increased due to the potential loss of customers.
- Fire Cellular Alarm Fee Monthly (fee 553): This fee is for cost recovery and does not require an increase.
- Fire Response and Investigation Recovery (Fee 569): This fee increase is proposed at higher than 4% to match the MTO rate.

Neighbourhood Programs & Services (Fees 613 – 853 on the detailed schedule)
- Huron Brigadoon Community Centre (Fee 681): A new rental fee for the Gym is proposed to provide an additional rental option for the community.
- Schools Out Camps (Fee 839): A higher fee increase is proposed for the Schools Out Camps to align with the length of the camps. The number of hours per week for this camp has been increased to provide enhanced program opportunities for children, parents, and caregivers.
- Drop-in Programs (Fees 842 - 852): Ten new drop-in rates are proposed to provide another option for participants. This drop-in fee will allow participants to pay only for the sessions they attend, rather than the full program.

Kitchener Memorial Auditorium Complex (KMAC) (Fees 854 – 892 on the detailed schedule)
- Affiliated Sports fees (fee 870, 871): These fees are only increasing by 3% to stay within range of the affiliated rate for neighbouring municipalities.

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Sport Development (Fees 893 – 929 on the detailed fee schedule)
- Affiliated Rates (Fees 897, 904, 906, 909, 914, 916, 918, 920): These fees are only increasing by 2% to maintain affordability and keep in line with other municipalities.
- Cricket Fees (Fee 924-927): Lower fee increase proposed to maintain affordability and to keep fees comparable with neighbouring municipalities.

Aquatic Programs (Fee 930 – 1044 on the detailed fee schedule)
- Kiwanis No Swim Entry Fee (Fee 945): New fee being introduced to increase participation and maximize usage of Kiwanis Park without affecting bather loads and lifeguard staffing needs.
- Registration Fees – Basic Rate 1 Lesson (Fees 956 - 960): No increase proposed on these fees as Kitchener is the most expensive in the Region.
- Lifesaving Courses and Leadership Exams (Fees 961 - 974): No fee increase is being proposed to keep lifeguard certifications affordable to aide in hiring new staff.
- New Leadership Courses (Fees 975 - 978): Four new leadership courses are being offered as options for lifeguard certifications.
- Schoolboard Extra Instructor per hour (Fee 1016): Fee increased at higher rate to align fee with wage recovery.
- Slide staff and lifeguard per hour fee (Fee 1028 - 1029): Fee increase differs from recommended increase to align fee with wage recovery.

Golf Fees (Fee 1045 – 1089 on the detailed fee schedule)
A full review of fees has been completed and many of the fees have a larger proposed rate increase to align our fees to similar neighbouring courses as well as some fees are increasing by only 2% to maintain affordability.

Forestry (Fee 1119 on the detailed fee schedule)
- Street Tree (non-urban) (Fee 1119): New fee charged to developers responsible for replacing trees. Fulsome review of rate will occur in 5 years to ensure it is still accurate.

Cemetery Fees (Fee 1120 – 1321 on the detailed fee schedule)
- Several fees in cemetery are legislated and will change at a rate different than the City's guideline amount (Fees 1122, 1248, 1249, 1251, 1255, 1257, 1281, 1282, 1286, 1289)
- Minimal increases are applied to fees related to religious cemeteries, Veteran lots and infant/children lots (Fees 1128, 1129, 1149-1155)
- Several fees are being increased beyond 4% for cost recovery of the service being provided or to be more in line with market prices (Fees 1130, 1131, 1134, 1136, 1192, 1208, 1219, 1229, 1237, 1245, 1253, 1256, 1258, 1260, 1264-1268, 1275, 1277, 1279, 1284, 1285, 1287, 1288, 1291, 1292, 1297, 1299, 1300, 1302-1305, 1307)
- Cost recovery for all fees associated with bronze plaques increased at a higher rate due to increased costs from the supplier (Fees 1162, 1163, 1175, 1176, 1182-1186, 1191, 1207, 1299, 1307)
- Cremation Lot, flush marker (1' x 3') (P & 2M) - small cremation lots at Woodland cemetery are limited in supply and increasing beyond 4% (Fee 1165)
- Niche replacement door - inventory is depleted and now requires custom order therefore increasing beyond 4% (Fee 1209)
- Regional Services - Adult flush marker (Fee 1278): This is a set price by the Region of Waterloo based on their funding.

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Gas Utility (Fees 1323–1423 on the detailed schedule)
- Rental Gas Water Heater Rates - Yearly (Fees 1357-1398): There were significant increases to the rental rates in 2024, therefore it was determined that the 2025 rates would be increased by only 2%.
- Direct Purchase Billing (Fees 1418-1422): These fees were adjusted to be in line with Enbridge fees.

Water Utility (Fees 1424–1460 on the detailed schedule)
- Backflow Prevention Device (Borrow) (Fee 1431): This fee increase is to cover the cost of device removal. These devices are installed, tested and then removed at the end of the season.
- Water Meter Water Shut Off Fee for Denied Access (Fee 1448): This fee was kept flat and rounded to the nearest dollar, for ease of administration.
- Water Meter Flange Set 1 1/2"-4" (Fees 1455-1458): These fees have been increased based on revised costing as received through the 2024 tendering process.

Technology Innovation & Services (Fees 1493-1497 on the detailed schedule)
- TIS fees followed the 4% guideline and differs only due to rounding.

Legal (Fees 1498-1530 on the detailed schedule)
- Legal fees followed the 4% guideline and differs only due to rounding.

Legislated Services Fees (Fees 1531 – 1671 on the detailed schedule)
- Legislative Services fees increased by 4%, with the exception of rounding as well as changes to the following fees:
    - Commissioning of Non-City Related Documents (Fee 1543) - Holding the fee from 2024 to align with neighbouring municipalities.
    - Commissioning of Domestic & Foreign Pension Documents (Fee 1544) - This fee needs to be $15.00 (Including HST) for first document, $5.00 (Including HST)/additional document. Holding the fee from 2024.
    - Information Access Request (Fee 1546-1548) - Legislated fee that cannot be changed.
    - Lottery/Bingo License (Fee1551) - Legislated fee that cannot be changed.
    - Farmers' Market – Class B (Fee 1604-1606) - Fixing fees from prior year error. New, renewal and late fees were mixed up in 2024.
    - Lodging/Boarding Houses (Fees 1622-1624) - Adjusted to reflect new Lodging Home By-law fees approved by Committee.

Revenue (Fees 1673-1693)
- Most fees are increasing according to the 4% guideline with some difference due to rounding.
- Some fees are being held at 0% as they are a flat fee, recover overhead costs, or vary based on the type and size of a building.

Financial Implications

User fees make up approximately 11% of the revenues used to fund the tax supported operating budget. The proposed 2025 tax supported budget includes increases to fees and charges by 4% in most instances.

Recommendation

For information.

Issue Paper Summary

Issue Paper	Op 04 - Staff Additions for Tax Supported Services
Department	GENERAL EXPENSE
Division	GENERAL EXPENSE
Preparer	Ryan Hagey, Director of Financial Planning & Asset Management

Background

The long-standing practice at the City has been for Council to approve any net additional staff resources (known as full time equivalents or FTEs) to Council for approval. In preparing the budget, staff have identified a small number of high priority staffing resources requiring approval. All of the positions requested are fully funded in the budget and have no additional impact on rates, all that is being requested is approval of the FTE. The positions being requested are noted below with the number of FTEs shown in brackets.

Rationale/ Analysis

Identifying More Grant Funding (1 FTE)
In 2023 Council directed a review of revenue generating opportunities. This review showed opportunities within the City's grant process that cannot be addressed within existing staff resources. An additional staff resource is required to assist with identifying additional grant opportunities, connecting and liaising with external funders, leading internal grant strategy discussion collaborating across departments and divisions, directly supporting the grant writing function, coordinating all aspects of the grant application process, and fulfilling contractual obligations required from funders when grant funding is approved. It is anticipated that the cost of this position will be fully offset by the additional revenue generated from pursuing additional grant opportunities.

Supporting Payroll Services (1 FTE)
The City administers payroll functions for almost 3,000 employees (including arm's lengths organizations). As the number of staff that support services across the City has grown no additional resources have been added to the Payroll section in more than a decade. At the same time there has also been more volatility/turnover in the core staffing complement in the last 10 years with an increase of 55% in payroll tasks required due to hires/rehires, transfers, retirements, and employee exits. An additional staff resource is required to stabilize workload amongst the Payroll team and ensure all payment processing can be maintained.

Processing Payments in a Timely Manner (0.5 FTE – conversion from temporary to permanent)
The City receives payments in-person, online, and through the mail. Based on the ongoing needs of the City, a temporary part-time payment processing position is being converted to be permanent. This will establish ongoing backup coverage in this area which will provide continuity and stability. Further it will ensure customer payments received through the mail and the of billing miscellaneous receivables happens in a timely basis.

Improving Efficiency and Operations (1 FTE)
Kitchener has a culture of continuous improvement, with a strong focus on lean process reviews that enhance program efficiency and effectiveness by adding value to the customer experience. Within the corporate services department, the type and volume of service review requests has grown significantly, as teams within the department work to deliver excellent customer service within existing resources. These reviews assess and enhance core services and drive both incremental and transformational change. An additional staff resource is required to deliver on these large improvement initiatives, such as the Community Engagement Review, while also ensuring the changes are embedded and sustained in the long term.

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Supporting Licensing Requirements for Businesses (1 FTE - conversion from temporary to permanent)
The City's licensing team provides valuable front line customer service to businesses, helping them through the license application process, and then advising and assisting businesses through their annual renewal process. With more than 3,000 licensed businesses in Kitchener, the demand on this small team has grown significantly, requiring an additional resource to ensure that staff can manage both the licensing application and renewal needs of businesses while also providing enough coverage to complete on-site inspections and ensure that businesses are operating safely and within applicable legislation.

Supporting Community Events (2 FTES)
The City of Kitchener has historically facilitated an extensive portfolio of festivals including long-beloved events like Oktoberfest and Christkindl. The events portfolio continues to grow with additions like Endless Summer and Caribana. Additionally, corporate and community events like new park and facility openings, funding announcements, and ward-specific events continue to grow as the city grows. Additional staff resources are needed to plan for and bring these events to life, connecting community in a multitude of ways.

Enhanced In-Person Customer Service at City Hall (1FTE – two part-time staff)
Since opening its door in January, the City Hall Service Centre has already served more than 28,000 customer interactions. By all accounts, the new centre has been a significant success and is a leader amongst Canadian municipalities. A key component of the centre is the new, highly visible "Information Desk" which is prominently located in the Rotunda and serves as the first point of contact for a majority of customers who come to City Hall for service. Staff located at the "Information Desk" greet customers as they arrive, respond to basic service/information questions where possible, assess the customer's service needs, help check them into the service centre using a mobile tablet, and then direct them to the appropriate place for assistance. This level of support has been a frequent source of positive feedback from customers.

Improved User Experience & Promotion of Events at The Aud (1 FTE – conversion from temporary to permanent)
The Aud is the City's premier sports and entertainment venue, playing host to a wide variety of concerts, special events and other community gatherings – attracting tens of thousands of residents and visitors every year. For several years The Aud has benefited from a full-time, temporary position dedicated to marketing Aud events and concerts and improving the customer experience at the facility. This position has three main functions: (1) identify and lead projects that improve the customer experience at The Aud, (2) lead the design, development and production of print and digital marketing materials promoting Aud events, and (3) fulfills sponsorship agreements within the facility. Given the ongoing need for these supports at The Aud, and in order to support staff effort to increase the number of events being held at the facility, this temporary position should be converted to permanent.

Expanding Downtown Ambassador Program to 7-Days a Week, Year-Round (4 FTEs)
Downtown Ambassadors engage with all members of the community on a daily basis (5 days a week) from May to November. These ambassadors take a relationship-building, human-first approach to their work which has made the program very successful. The addition of these FTEs would make the program permanent and allow it to operate 7 days a week with 4 team members during the peak season of April through November, and 5 days a week with 2 staff for the remainder of the year. This enhancement to the program will ensure the City provides consistent, non-enforcement safety services and supports in the downtown, and adapts to shifting needs throughout the year while also maintaining vital relationships with many members of the community – including visitors, businesses, employees and members of vulnerable populations.

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New Williamsburg Community Centre (2 FTEs)
The Williamsburg Community Centre is a new 17,000 square foot facility being constructed in partnership with the Waterloo Region Catholic District School Board. In order to meet the needs of this fast growing part of the city, this new, larger centre (which will replace the existing 3,000 square foot rented facility) will include four large program rooms, a spacious lobby and after-hours access to the school's double gymnasium. The addition of these two staff is required to operate the much larger facility and is in-line with staffing models at other similar sized community centres.

Rehabilitating City Facilities (2 FTEs - conversion from temporary to permanent)
The City owns a number of facilities with a replacement value of nearly $2B. These facilities require regular operating and maintenance activities (e.g. cleaning) as well as periodic rehabilitation activities (e.g. roof replacement). Funding towards state of good repair (SOGR) rehabilitation projects has been permanently increased starting in 2019 and requires additional permanent staff resources to complete planned projects going forward.

Meeting Increased Service Needs in Roads and Parks (1 FTE)
There is an increased legislated need to collect, record, analyze and monitor data and costs associated with above ground assets in Roads and Parks. Growth in population as well as expanding services (e.g. Sidewalk Winter Maintenance Assisted Services Program) requires analysis and administrative support. An additional staff resource will provide program analysis and recommendations to support improved core service delivery, improve response times for customer inquiries, and ensure compliance with applicable legislation.

Financial Implications

None. All staff costs are built into the budget.

Recommendation

For information.

Issue Paper Summary

Issue Paper	Op 05 - Additional Support for Environmental Requirements
Department	INFRASTRUCTURE SERVICES
Division	SANITARY SEWER UTILITY
Preparer	Bu Lam, Director, Sanitary and Stormwater Utilities

Background

The City encounters environmental requirements regularly in its day-to-day operations. Examples include managing unexpected spills, investigations regarding the purchase of land with potential contamination, and Provincial regulatory changes regarding excess soils management. Staff have identified a resourcing and expertise gap at the City to properly manage these ongoing needs. Currently contracted services are often used to manage these requirements which is not cost effective and does not grow this expertise within the City.

In discussion with several divisions across the corporation, there is broad support for a dedicated, in-house staff resource with the necessary expertise to navigate and support needs related to environmental spills, excess soils, contaminated sites, and other environmental liabilities at the City.

Rationale/ Analysis

The environmental constraints the City operates under are becoming more restrictive and more complex. Divisions across the City must interpret changing regulatory requirements as they come into effect and often rely heavily on consultants to address environmental issues as they arise. The City lacks a dedicated in-house resources to manage environmental requirements and develop standardized policies, plans, and processes.

While this expertise is required by several divisions across the City, no division requires this resource in a dedicated manner (only as needed when environmental situations arise). As such, the recommendation is to hire one full time equivalent (FTE) that can provide this service level to multiple divisions across the City as needed. This new FTE will be an Environmental Engineer and will:

- Review environmental, hydrogeological, excess soil reports to reduce the cost of peer review and frequent consultation with engineering firms and contractors. This includes report reviews for a Record of Site Condition (RSC) filing on contaminated site developments related to planning and development applications. These costs can be offset by a user fee for the service.
- Draft and/or review spills response and closure reports, which can reduce the cost of consultation with engineering firms. In the past three years consulting fees for emergency spills response from broken watermains have totaled over $177,000.
- Scope pre-design work and review reports for City projects and contaminated sites. This will reduce costs for peer reviews and for consulting with engineers and contractors.
- Review reports for legal purposes (e.g., land transfer), which can save money for the City rather than hiring consultants.
- Strategize excess soil and sediment management and reuse, which has the potential to create opportunities to divert excavated soils from landfills, resulting in substantial cost savings and comply with new regulations.
- Develop cost-estimates for liabilities associated with contaminated sites to support annual reporting, which otherwise would require consultants to complete.
- Contact local and provincial regulators directly. This can reduce the need to hire consultants for City projects.
- Engage with the public and other external agencies like local, provincial, and federal regulators, other municipalities, and funding agencies.

The Environmental Engineer will report into the Sanitary and Stormwater Utility (SSU) which has several workplan items related to this FTE (e.g. excess soils, contaminated sites, spills response).

Issue Paper Summary

Financial Implications

The costs of this position are included in the 2025 budget.

Recommendation

That one Environmental Engineer position be approved.

Issue Paper Summary

Issue Paper	Cap 01 - Stirling Avenue Rail Bridge Retaining Wall
Department	DEVELOPMENT SERVICES
Division	ENGINEERING
Preparer	Chris Spere, Director Engineering Services

Background

The City has received an engineer's report recommending the replacement of a retaining wall/bridge abutment due to its poor condition. The retaining wall is part of the roadway approach for the Stirling Avenue South CN Rail overpass. This retaining wall condition assessment was not previously included in the bi-annual OSIM (legislated bridge condition inspections) as it is considered to be part of the roadway.

Rationale/ Analysis

The existing retaining wall is constructed of concrete bags. The concrete is deteriorating and the wall has been compromised by vegetation growth. The engineer's report has declared the wall to be in poor condition and in need of immediate replacement and that repair of the existing wall is not feasible. This retaining wall is part of the overall bridge structure and supports the approach of Stirling Avenue to the bridge.

Financial Implications

Given the priority nature of the replacement, funding of $2.7M has been reallocated from the annual Road Resurfacing program (leaving $372k for 2025). The City's pavement quality index (PQI) is better than the target, so reducing the program for one year is a viable solution.

Recommendation

For information.

Issue Paper Summary

Issue Paper	Cap 02 - Road Reconstruction Timing Changes
Department	FINANCIAL SERVICES
Division	FINANCIAL PLANNING & ASSET MANAGEMENT
Preparer	Ryan Hagey, Director of Financial Planning & Asset Management

Background

The City reconstructs roads when the aboveground and underground infrastructure (watermains and sewers) approach the end of their useful lives. Each year staff updates its reconstruction replacement listing based on new information which can cause a change in timing of specific projects. It is common for projects to move forward or backward based on different factors such as impacts from other projects (both City projects and from other municipalities), changes in project pricing, and updated condition information. Because of the uncertainty in timing around this type of work, specific projects are only identified for the first five years of the capital forecast.

It should also be noted that there can be significant cost difference between specific projects (e.g. one project may cost over $10M, while a much smaller project could cost closer to $1M). Staff attempt to maximize the available funding each year to complete the maximum number of projects possible within the funding constraints.

Rationale/ Analysis

The following changes have been made to the construction timing of the full reconstruction program:
1) Floyd Street: moved from later year to 2028 due to Water utility issues
2) Fifth Avenue: moved from later year to 2028 due to Water utility issues
3) Randerson Avenue: moved from later year to 2028 due to Gas utility issues
4) South Drive: moved from later year to 2028 due to Regional need
5) Avondale/Dunbar Neighbourhood: moved from later year to 2028 due to overall asset conditions
6) Falesy/Kraft/Harold/Jean Neighbourhood: moved from later year to 2028 due to overall asset conditions
7) Blueridge Drive: moved from 2028 to 2029 based on priority needs of other projects
8) Ramblewood Way: moved from 2029 to later year based on priority needs of other projects

Financial Implications

None. All projects are funded through the full reconstruction budget within Engineering.

Recommendation

For information.

Issue Paper Summary

Issue Paper	Cap 03 - SAP S/4HANA Upgrade
Department	FINANCIAL SERVICES
Division	FINANCIAL REPORTING & ERP SOLUTIONS
Preparer	Katie Fischer, Director of Financial Reporting & ERP Solutions

Background

SAP was implemented as the City's core financial ERP system in 2008 (general ledger, finance and accounting, bank reconciliation, inventory management, procurement, and accounts payable). It was expanded to include billing and collections for property taxes as well as utilities (water, sewer, storm, gas and rental water heaters). SAP has indicated they are planning to sunset maintenance support for the version of their software being used at the City at the end of 2027, but this may be extended somewhat for the City while it is working through its upgrade. The City needs to migrate to a newer version (S/4HANA) which is SAP's biggest update to its ERP platform in decades. It represents a major upgrade not only from a technical end but also from the user experience side with SAP Fiori, a front-facing design system that applies modern concepts for an intuitive user experience that works on desktops, tablets and smartphones. At the same time, SAP - as with many technology software providers - is moving towards a software-as-a-service (SAAS) model, where the software is moved to a cloud-based solution hosted directly by SAP.

Rationale/ Analysis

The City’s current version of SAP ECC was last released by SAP in 2016, making it a dated platform particularly from the user experience perspective. Given this, it tends to be a core set of users who interact with SAP on a regular basis, such as those positions in Finance, Revenue, Procurement, and Kitchener Utilities. Managers throughout the organization tend to rely on excel or other reports provided to them by the Finance team in order to monitor their budgetary spending. There is also a strong reliance on Crystal reports outside of SAP to support data analytics needs. With the latest technology enhancements however, SAP S/4HANA brings the capability for improved reporting and analytics to better support the needs of staff and management throughout the City.

Taking advantage of emerging and innovative technologies to support the City’s goals is in-line with the Digital Kitchener strategy. SAP is investing heavily in technological advancements, including artificial intelligence (AI) through partnership with Microsoft Copilot. As the City upgrades its existing SAP platforms and expands into further SAP solutions such as SuccessFactors, these tools will become available to leverage in improving user experience, proactively identify issues, and surface new insights into the City’s data and processes. Similarly, moving to the cloud also supports the Digital Kitchener strategy, in supporting the security and minimizing downtime and support needs for the City’s evolving list of applications.

Planning for the project will commence towards the end of 2024 and take most of 2025 to complete. The upgrade will be completed in stages starting in 2026.

Financial Implications

The estimated costs of the project are $15M and are included in the budget in 2026-2029.

Recommendation

For information.

Issue Paper Summary

Issue Paper	Cap 04 - Additional Investments in City Facilities
Department	INFRASTRUCTURE SERVICES
Division	FACILITIES MANAGEMENT
Preparer	Darren Becks, Director of Facilities Management

Background

The Facilities Management (FM) Division is responsible for the acquisition, operation, maintenance, renewal and disposal of all the buildings owned by the City of Kitchener. The portfolio of buildings is valued at nearly $2B and is diverse in its composition which includes both public and non-public facing facilities like community centres, arenas, pools, park washrooms, arts and culture buildings, City Hall, fire stations, and the Kitchener Operations Facility (KOF).

Many City facilities are aging and require investments to improve functionality and extend the life of the building. Lifecycle planning of facilities is challenging due to the complexity and interdependency of building components, the condition of some aging infrastructure, and the service delivery needs of different City divisions.

Through condition assessments, audits, studies, and client engagement, FM continues it's understanding of the work required in the short-term to ensure facilities will continue function and deliver the services to the public and City staff while working to develop strategies for long-term capital planning. There is strong competition for facility capital funding to meet competing goals such as completing deferred maintenance, reducing greenhouse gas emission, complying with legislative/code standards, and meeting programming pressures of client groups.

Rationale/ Analysis

Funding has been added in 2025 to address three short-term capital projects that have already completed their design stage and are ready for or are currently in the construction stage. This funding is required in addition to the regular State of Good Repair (SOGR) funding amount, which for 2025 is approximately $5.3M. The three priority projects are noted below.

1) Centerville Chicopee Community Centre - The project aims to upgrade community facilities, including the splash pad, basketball court, playground, parking lot, and multipurpose area. The goal is to complete the project by early summer 2025. Through a geotechnical study there was the discovery of peat, which is not an acceptable fill material. Peat is unstable and could lead to the uneven settling of the site surface which would lead to the damage of the newly constructed assets. To avoid this issue, the peat will be removed and replaced with a more suitable fill material for long term stability.

2) Mill Courtland Community Centre (MCCC) - Alongside the expansion of the MCCC, significant rehabilitation work is underway. This will include deferred maintenance items, accessibility improvements, and energy efficiency upgrades. Completing the expansion and rehabilitation work concurrently will minimize disruptions to the users of the MCCC. The expansion components of the project will be funded by development charges while the rehabilitation components of the project will be funded by City sources.

3) City Hall Spandrel Glass Replacement - Kitchener City Hall serves as a prominent symbol of municipal governance. Being built in 1994, it is now 30 years old and is the workplace for a significant number of City staff while offering many public facing services. City Hall's structural integrity relies heavily on its envelope systems, which include double-glazed curtain walls, red sandstone cladding, aluminum panel systems, and granite cladding. Based on an engineered structural assessment of the envelope system these systems have reached the end of their useful life and there is an immediate need to replace. This project is also a critical first step in

addressing greenhouse gas emissions and energy efficiency pathways for City Hall. This project will focus on the renewal of the 10-story administrative tower exterior which will be tendered for construction in the winter of 2024/2025 and construction will commence in the spring of 2025.

Financial Implications

Additional funding of $5.5M has been added to 2025 to address the three priority projects noted above.

Recommendation

For information.