



Appendix-G | Issue Papers:

Issue Paper Summary



Issue Paper	Op 01 - 2026 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 2026 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. Fees increased by 4% with the exception for rounding. Changes to fees outside of the target 4% are noted below.

Rationale/ Analysis

Economic Development Fees (Fees 2 – 110 on the detailed fee schedule)

- Victoria Park Pavilion (**Fees 82-96**) Added new VPP rental fees for increased fee clarity. Also changed the structure of Facility Attendant to a per attendant rate with a 2 staff minimum for VPP rentals.
- Gaukel Block (**Fees 97-102**) Added new Daily, 2-Day rental, and extended booking fees.
- Square Peg (**Fees 103-106**) Added new daily and monthly rental fees as well as a damage fee.
- 44 Gaukel Creative Arts Hub (**Fee 108**) Added new Tenancy rate as per DSD-2024-065.

Planning Fees (Fees 250 – 346 on the detailed fee schedule)

- Hydrogeological Study (Environmental Engineering) Review Surcharge (**Fee 262**) New review fee added for recovery of staff time for reviewing hydrogeological studies by the environmental engineer. Regional planning responsibility transferred under Bill 23.

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- Letter of Compliance - Amendment Fee (**Fee 272**) New fee added. After a letter of compliance is prepared and sent to an applicant (such as a potential property purchaser), the applicant may coordinate with the existing owner to address deficiencies such as an open building permit then request an updated letter to verify that the matter has been resolved. There is currently no amendment fee that addresses this situation which occurs frequently. The fee will cover staff time to process the update.
- Environmental Site Assessment Review Surcharge (**Fees 282-285**) New review fees added for recovery of staff time for reviewing environmental site assessments. Regional planning responsibility transferred under Bill 23.
- Photocopies (**Fee 286-287**) These fees were held flat.
- Record of Site Condition (RSC) and Certificate of Property Use (CPU) Review Surcharge (**Fee 298**) New review fee for recovery of staff time for reviewing Records of Site Conditions and Certificates of Property Use. Regional planning responsibility transferred under Bill 23.
- Remediation Report Review Surcharge (**Fee 299**) New fee for recovery of staff time for reviewing remediation reports. Regional planning responsibility transferred under Bill 23.
- Rental Replacement By-law Application Fee (**Fee 300**) New fee added as directed by Council for partial recovery of staff time for processing the application.
- Risk Assessment Review Surcharge (**Fee 301**) New fee for recovery of staff time for reviewing risk assessments. Regional planning responsibility transferred under Bill 23.
- Routine Disclosure Requests (**Fee 302**) This rate is held flat.

Transportation Fees (Fees 347-352 on the detailed fee schedule)

- Bike FOB Fee (**Fee 351**) This fee is held flat.

Parking (Fees 397- 427) on the detailed fee schedule)

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- Monthly Parking (**Fees 398-400**) These rates were held flat.
- Remote Parking Lot Rate - Bramm (**Fee 401**) This fee is held flat.
- Theatre Rate (**Fees 408 – 409**) This rate changes every 3-4 years. Last increase was September 2023. Premium Theatre Rate increase to align with market pricing.
- Electric Charging Station Rate per hour (**Fee 417**) Fee reported incorrectly in 2025.
- Part-time 3 Day A Week Permit Package (**Fee 427**) This fee is held flat.

Building (Fees 428 – 529 on detailed fee schedule)

- The Building Enterprise is proposing no change to the 2026 permit fees. Favourable results over the last few years have allowed the Building Stabilization reserve fund to reach its target level. With the exception of:
 - Request for Environmental records (**Fee 527**) Increase by the standard 4%.

Fire (Fees 531 – 608 on the detailed fee schedule)

- Fire Alarm Monitoring Cellular Alarm Fees – Monthly (**Fee 576**) There is no increase proposed for this fee. This fee is based on cost recovery from Bell Canada and there was no increase to these fees.
- Fire Response and Investigation Recovery (**Fee 592**) The fee increase proposed is 1.9% which matches the MTO rate.
- Dispatch Systems administration and analysis (**Fee 596**) This fee increase is proposed at higher than 4% to align wee with salary recovery.
- Post Fire Property Security/Safety (**Fee 597**) This fee increase is proposed at higher than 4% to align fee with salary recovery.

Neighbourhood Programs & Services (Fees 636 – 883 on the detailed schedule)

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Room Rentals All Centres – Damage Deposit (**Fee 648**) There is no increase proposed for this fee. The fee is set to a fixed amount that will not increase annually.

Country Hills Community Centre – Room 4 (**Fee 682**) A higher fee increase is proposed for this room to reflect consistent pricing based on the square footage of the space. This room was previously undercharged.

Williamsburg Community Centre (**Fees 768 - 779**) New fees are being introduced to reflect the space at the new community Centre. Fees align with other community centres.

Youth Camp, BLYD (**Fees 865 - 866**) A higher increase is proposed for this fee to offset the increased operating costs to run the programs.

Neighbourhood Camps (**Fees 867 - 871**) A higher increase is proposed for this fee to offset the increased operating costs to run the programs.

Kitchener Memorial Auditorium Complex (KMAC) (Fees 884 – 922 on the detailed schedule)

- Affiliated Sports fees (**Fees 900 - 901**) These fees are only increasing by 3% to stay within range of the affiliated rate for neighbouring municipalities.

Sport Development (Fees 923 – 962 on the detailed fee schedule)

- Budd Indoor Fields (**Fees 929 - 931**) Three new fees are being introduced at Budd Park Indoor Fields to align with pricing structure at the Cowan Recreation Centre (CRC) fields.

Aquatic Programs (Fee 963 – 1065 on the detailed fee schedule)

- Children 17 and under and Senior's swim admission (**Fee 965**) Proposing a lower fee increase as Kitchener is currently on the higher end of pricing regionally.

- 10 Visit Pass (**Fee 966 & 968**) New Fees are being introduced to provide a discount for returning visitors.

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- Group Admission (**Fee 969**) New fee being introduced to provide a group discount. This fee will replace "Family" fee and will be available online and at pools.

- Daily Rate – Group (Kiwans Park Only) (**Fee 972**) New fee being introduced to provide a group discount. This fee will replace "Family" fee and will be available online and at pools.

3 Month Swim Pass (**Fees 975 – 976**) No fee increase is being proposed as Kitchener is currently on the higher end of pricing regionally.

- Lessons – Adults 18 and Over (**Fees 984-990**) New fees are being introduced so all levels will be the same rate based off the implementation of the new Kitchener Swims program launched in January 2025. Still among the most expensive in the Region. All lessons adjusted to top group lesson fee from 2025. Lines separated for flexibility for future adjustments. Fees to increase May 2026 for the start of the spring session with Winter registration opening before 2026 user fees are approved.

- Private Lessons (**Fees 1018 - 1022**) These fees have higher proposed increases to align with wage recovery. These fees have not been increased in many years.

- Sessional Lane/Aquafit Programs (**Fees 1024 - 1025**) Two new fees being proposed to encourage multi-visits to our Aquafit/lane swim programs.

- Pool Rentals (**Fees 1030-1033**) Reduction to fees to reflect change in how pools are priced. Fees are now for the facility and all staffing costs are priced separately.

- Head Lifeguard per Hour (**Fee 1036**) New fee proposed for the Headguard hourly rate. This fee will be added to pool rentals.

- Customer Service Attendant per hour (**Fee 1037**) New fee for a Customer Service Attendant per hour would be added to pool rentals outside of operating hours.

- Statutory Holiday per Hour (**Fee 1038**) New fees proposed during Statutory holidays to offset labour costs during statutory holidays.

- BRC Gymnasium rentals (**Fees 1053 - 1059**) New fees being proposed to add additional price points to align with CRC Gym user fee structure.

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Cowan Recreation Centre (CRC) (Fees 1066 – 1101 on the detailed fee schedule)

- New fees are being proposed for the New CRC facility including indoor fields, gymnasium rentals, cricket practice net rentals and room rentals.

Golf Fees (Fee 1109 – 1161 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.
- 9 Hole course – replay fee (**Fee 1123**) A new fee is introduced to optimize play on the 9-hole course.
- Game Pack Bundles 9 Hole (**Fees 1135 - 1138**) New fees are being introduced for the 9-hole course to offer greater flexibility and affordability to players.

Forestry (Fees 1190 – 1206 on the detailed fee schedule)

- Public Tree Removal (**Fees 1193 – 1199**) New fee being introduced based on the recently approved Public Tree Bylaw and tree compensation program.
- Park or Natural Tree Removal (**Fees 1201 – 1206**) New fee being introduced based on the recently approved Public Tree Bylaw and tree compensation program.

Cemeteries (Fees 1207 – 1398 on the detailed fee schedule)

- Saturday Committal Services arriving after 3PM per 1/2 hour (**Fee 1217**) Cost recovery increase as recommended by consultant in of the Cemetery Strategic Plan.
- Weekday Funerals arriving after 3PM per 1/2 hour (**Fee 1218**) Cost recovery increase as recommended by consultant in the Cemetery Strategic Plan.

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- Exterior Niche 4 & Niche 5; Doves in Flight; Meadow Lark (**Fee 1283**) Cost recovery increase required.
- Charge for concrete (per cubic ft) includes installation fee (**Fee 1325**) Fee is only increased every few years. Cost recovery.
- Regional Services – Adult Flush Marker (**Fee 1356**) This is a set price by the Region of Waterloo based on their funding.

Gas Utility (Fees 1400 – 1501 on the detailed schedule)

- Gas Service Abandonment (**Fee 1409**) This fee consolidates previous fees for Gas Service Abandonments that were based on type of pipe.
- Impact Post (100mm diameter) for Gas Meter Set Protection (**Fee 1410**) The fee has been decreased to match average contractor costs.
- Impact Post (150mm diameter) for Gas Meter Set Protection (**Fee 1411**) The fee has been decreased to match average contractor costs.
- Gas Service – Peak Capacity Upgrade – High Volume Conversion and Service Replacement (**Fees 1422-1423**) This new fee is to facilitate peak capacity upgrades with no anticipated change in overall gas use. Capacity upgrades with increased overall gas use would remain free.
- Frost Charges for Winter Excavation per Gas Meter (**Fee 1426**) The fee has been decreased due to the decrease in contractor costs.
- Rental Gas Water Heater Rates – Yearly (**Fees 1433-1477**) Due to significant increases to the rental rates in 2024, it was determined that the majority of the 2026 rates would be increased by 3%, with the exception of the following:
 - Maximus (**Fee 1465**) – this rental water heater fee increased by 14% in order to keep the cost in line with the increased purchase price of a new tank.
 - CBH-199DVLN (**Fee 1468**) – this is a new water heater available for rental. It is an additional rental option for combination space and water heating.
 - Anti-Scald Valve Rental (**Fee 1477**) – this fee has been held flat for ease of administration.
- Direct Purchase Billing (**Fees 1496 – 1501**) These fees were adjusted to be in line with Enbridge fees.

Water Utility (Fees 1502 – 1541 on the detailed schedule)

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- New Water Meter Fee – 1”-2” (flanges and adaptors are additional, if required) (**Fees 1520-1522**) These fees have been increased based on updated costing for the work, plus first 45 minutes free.
- Water Meter Water Shut-Off Fee for Denied Access (**Fee 1526**) This fee was rounded to the nearest dollar, for ease of administration.
- Water Meter Remote (**Fee 1539**) This is a new fee to cover the replacement cost of a water meter remote due to loss or damage.
- New Construction Water Meter Fee (**Fee 1540**) This is a new fee for the cost of a new water meter used during new construction.
- New Subdivision Hydrant Flushing (per hydrant) (**Fee 1541**) This is a new fee to cover the cost of water the flushing of hydrants in new development subdivisions in order to maintain chlorine residuals. The cost is for the two-year maintenance period per hydrant to cover staff time and water used.

Sanitary and Stormwater Utilities (Fees 1542-1574 on the detailed schedule)

- Dewatering Discharge Permit Application Fee (**Fee 1562**) This new fee is to cover the administrative review and processing of discharge permit applications. This includes technical and capacity analyses which are required to ensure that discharges into the City’s stormwater system can be accommodated and appropriately tracked.

Legislated Services Fees (Fees 1614 – 1756 on the detailed schedule)

- Commissioning of Non-City Related Documents (**Fee 1626**) Holding the fee from 2025 to align with neighbouring municipalities.
- Commissioning of Domestic & Foreign Pension Documents (**Fee 1627**) This fee needs to be \$15.00 (Including HST) for first document, \$5.00 (Including HST)/additional document. Holding the fee from 2025.
- Information Access Request (**Fees 1628-1631**) Legislated fee that cannot be changed.
- Lottery/Bingo License (**Fee 1634**) Legislated fee that cannot be changed.
- Death Registration (**Fee 1635**) Holding the fee from 2025 to ensure the fee is in line with the City of Waterloo.

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- Dog and Animal Designation Appeal Fee (**Fee 1638**) Fee implemented in 2025 through Dog Designation Appeal Committee composition review.

- Licensing Appeal Tribunal Fee (**Fee 1639**) Imposing an appeal fee to maintain consistency with all other quasi-judicial appeal committees. Maintaining the fee in line with Dog Designation which was implemented in 2025.

- Farmers' Market - Class B - Renewal (**Fee 1691**) This fee is held flat.

Revenue (Fees 1758-1780 on the detailed schedule)

- Payment Review Fee (**Fee 1768**) A payment review fee will be charged when a payment cannot be processed as expected. This fee helps cover the work involved in reviewing, reconciling, and updating account activity to ensure a customer account balance is accurately reflected.

- Final Utility Meter Read Fee (**Fee 1778**) The City processes approximately 8,300 final utility bills each year, which often require a final meter reading to accurately close customer accounts. These readings fall outside the regular monthly billing cycle and necessitate an on-site visit by a meter reader. This process results in additional costs due to fees from our third-party meter reading provider and extra administrative work for Revenue staff, including initiating the move-out process, scheduling the reading, and finalizing the bill outside the standard billing schedule. Municipalities such as Cambridge, Toronto, and Hamilton charge similar fees. Staff are recommending the implementation of a \$30 fee per final meter read in Kitchener to offset some of the costs associated with completing final meter reads.

Financial Implications

User fees make up approximately 12% of the revenues used to fund the tax supported operating budget. The proposed 2026 tax supported budget includes increases to fees and charges by 4% in most instances.

Recommendation

For information.

Issue Paper Summary



Issue Paper	Cap 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 this year's capital budget for direction to continue advancing important Council and community priorities. 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 this budget will have an opportunity to be considered in the future.

Staff have identified areas potential investment which are summarized below. These are just suggested areas for investment and Council is free to consider other options not included in the list below.

1) Improvements to Park Amenities & Recreation – Seating and Shade in Parks and/or Cricket Improvements

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 and experiences they provide. Data from the 2025 asset management plan (AMP) shows the City owns and operates parks, trails, and open spaces with a combined replacement value of nearly \$125 million. Examples of projects that are important but unfunded include much needed seating and shade in parks which would benefit all park users, as well as improved access to cricket amenities to meet the growing demand of this sport.

2) Strategy Implementation – Special Events Strategy

In addition to the City's overall Strategic Plan, divisions within the City prepare strategies which focus on a specific area of service delivery for the community. These strategies are prepared periodically to ensure divisions are putting their efforts towards the right programs, activities, and infrastructure to meet the needs of local residents and businesses. The Special Events Strategy was recently presented to Council and noted some items that could benefit from one-time funding. For example, the City sees a benefit of purchasing equipment that is often rented by the City or other organizations that put on special events. Owning this equipment would reduce costs of running events and ensure its availability.



3) Economic Development – Business Retention and Expansion

As a result of current economic conditions, Downtown Kitchener is experiencing significant office vacancy rates. As part of the Make It Kitchener 2.0 strategy refresh, staff anticipate a major focus will emerge to support the attraction and retention of office-based companies in the core. Any initiatives would be developed and implemented in partnership with major office building owners and organizations like the Waterloo Region Economic Development Corporation. One-time capital funding would be used to implement City-driven actions that emerge. This could include, for example, business attraction efforts, physical improvements in the downtown, new financial incentives, marketing strategy implementation, etc.

4) Continuing with Pitch Kitchener – Supporting Local Partnerships and Innovation

In October of 2024 the City of Kitchener launched a \$100,000 pilot program called Pitch Kitchener. This initiative saw the City partner with Communitech to provide opportunities for local startups and companies to “pitch” innovative technologies that could be used in city operations with the aim of using technology to improve overall service delivery. The initial year of the program resulted in 3 local proponents piloting technologies with the City. A report on the pilot is expected to come back to Council in Q1 of 2026 but it has largely been seen as successful. One-time capital funding could be used to continue with a second year of the program in 2026 supporting more local partnerships and innovation.

Financial Implications

\$1M has been added to the Strategic Addition capital account in General Expense to be allocated as part of the budget process. If the funds are not allocated, they will be returned to the appropriate reserve fund and can be allocated at a future date.

Recommendation

For direction.

Issue Paper Summary



Issue Paper	Cap 02 - Road Reconstruction Timing Changes - 2026 Budget
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 try to maximize the funding available to complete the as many projects as possible within the funding constraints.

Rationale/ Analysis

The following changes have been made to the construction timing of the full reconstruction program:

- 1) Fairfield Ave: moved up to 2026 due to funding availability
- 2) Floyd St: moved up to 2027 due to funding availability
- 3) Stirling Ave: moved up to 2028 to tie into Expressway crossing project
- 4) Woodward Ave: moved up to 2028 due to funding availability
- 5) Crestwood Ave: moved up to 2028 due to funding availability
- 6) Belleview-Smithson-Layton-Suffolk: moved up to 2029 due to stormwater and pavement issues
- 7) Avalon-Barbara: moved up to 2029 due to stormwater, water and pavement issues
- 8) Elizabeth St: moved back to 2029 to tie in with Oxford work planned for 2028

Financial Implications

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

Recommendation

For information.