



Funding Allocation Methodology

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Key Messages

1. Historical Background
2. Percentage of Needs
3. Funding Increases
4. Next Steps





Historical Background

- **2008**
 - Estimated funding gap for roads and facilities shared with Council however it was not supported by data.
 - Council told staff to return when we had a data supported infrastructure gap number.
 - Created a reserve, Capital Infrastructure Reinvestment Reserve (CIRRF) dedicated to capital rehabilitation and replacement activities for roads and facilities.
- **2016**
 - Council approved the City's first data driven and comprehensive AMP.





Historical Background

- **2018**
 - Council approved the City's first long-term financial plan.
 - Expanded the CIRRF reserve to include all tax-based funded capital rehabilitation and replacement activities.
- **2019 - now**
 - The City uses asset management data to allocate capital rehabilitation and replacement funding based on a percentage of needs approach.
- **2020-2022, 2023 & 2024-2026 Budget Processes**
 - Council has approved \$4.1 in additional infrastructure for the CIRRF reserve for rehabilitation and replacement projects.





Percentage of Needs

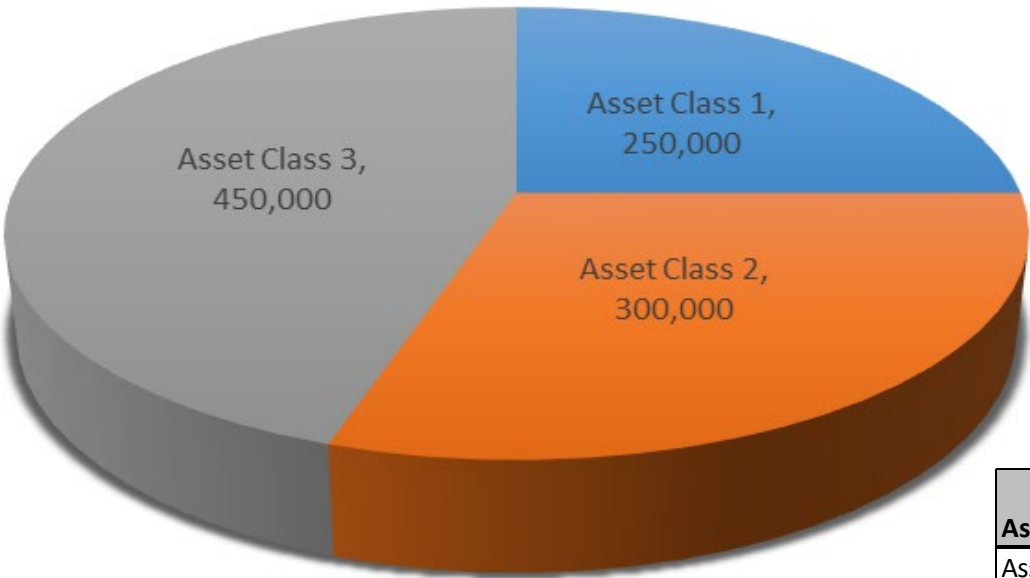
- Since the 2019 budget process, asset rehabilitation and replacement needs identified by the Waterloo Decision Support System (Waterloo DSS) have been used to optimally allocate Capital Infrastructure Reinvestment Reserve Fund (CIRRF) and Canada Community-Building Fund (CCBF) for tax base funded assets.
- The percentage of needs are based on a target scenario (i.e. if we had unlimited funds, what funding level is needed for each asset class?)





Unlimited Funding

Unlimited Funding - \$1,000,000

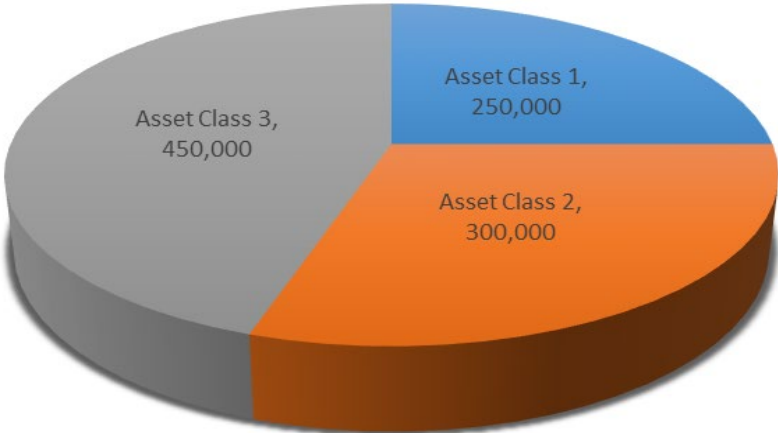


Asset Class	Unlimited Funding	Percentage of Needs
Asset Class 1	250,000	25%
Asset Class 2	300,000	30%
Asset Class 3	450,000	45%
Total Funding Needs	1,000,000	100%



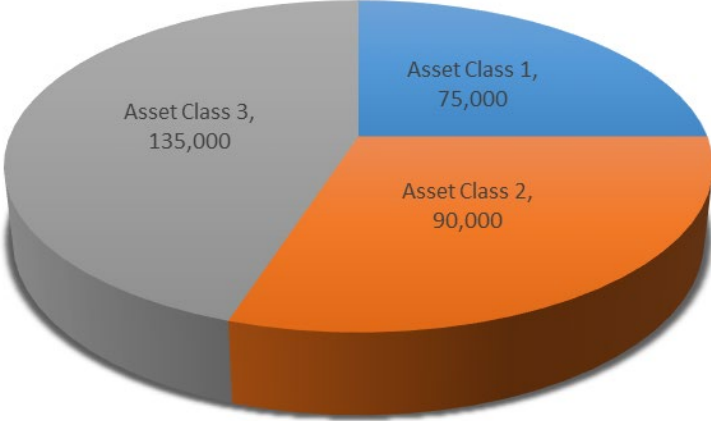
Unlimited Funding vs Available Funding

Unlimited Funding - \$1,000,000



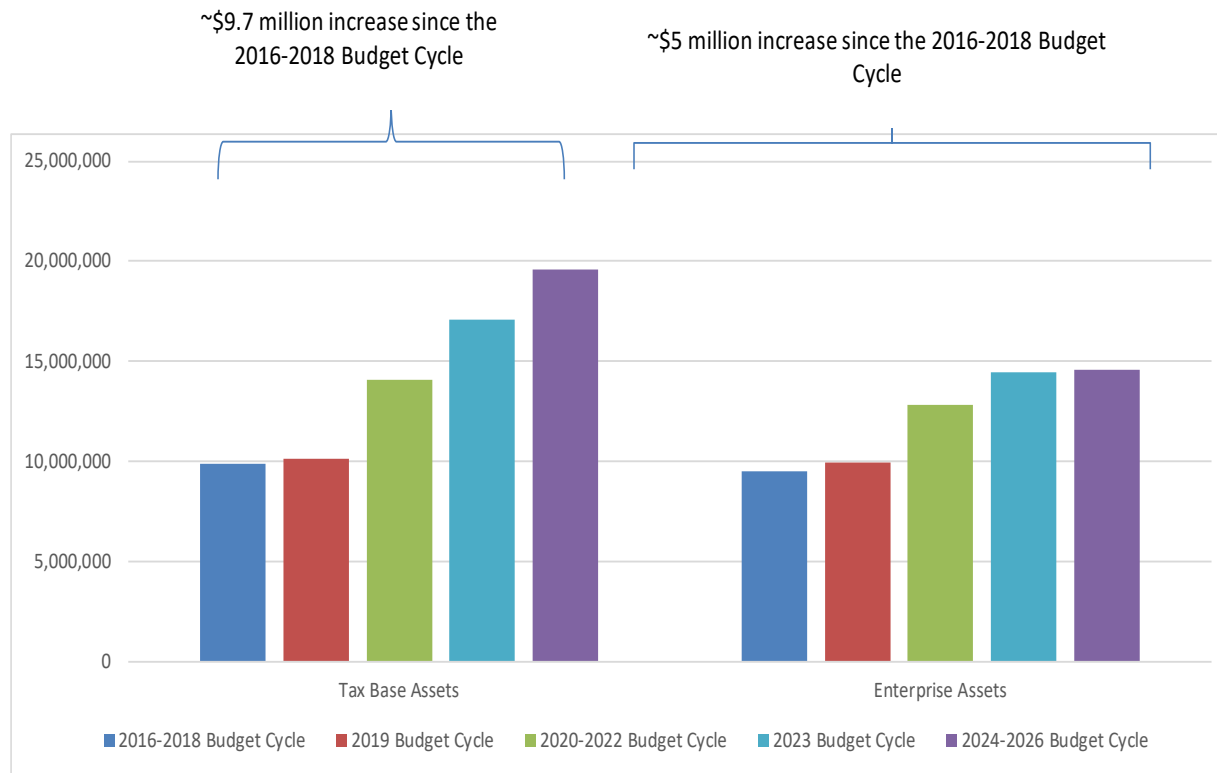
Asset Class	Unlimited Funding	Percentage of Needs
Asset Class 1	250,000	25%
Asset Class 2	300,000	30%
Asset Class 3	450,000	45%
Total Funding Needs	1,000,000	100%

Available Funding - \$300,000



Asset Class	Available Funding	Percentage of Needs
Asset Class 1	75,000	25%
Asset Class 2	90,000	30%
Asset Class 3	135,000	45%
Total Available Funding	300,000	100%

Funding Increases



Funding Increases continued

<i>Asset Groups</i>	<i>2024 Average Annual Funding</i>	<i>2016 Average Annual Funding</i>	<i>Change in Funding since 2016</i>	<i>% Change</i>
<i>Transportation*</i>	9,300	6,500	2,800	43%
<i>Facilities</i>	5,500	2,000	3,500	175%
<i>Parks</i>	1,400	400	1,000	250%
<i>Information Technology</i>	1,200	600	600	100%
<i>Fire</i>	1,300	400	900	225%
<i>Bridges and Culverts^</i>	450	0	450	NA
<i>Forestry^^</i>	200	0	200	NA
<i>Library</i>	200	0	200	NA
<i>Public Art</i>	0	0	0	0%
Total Tax Base	\$ 19,550	\$ 9,900	\$ 9,650	97%
<i>Stormwater</i>	4,800	3,200	1,600	50%
<i>Water Distribution</i>	3,600	2,600	1,000	38%
<i>Sanitary Collection</i>	2,300	1,700	600	35%
<i>Fleet and Shop Equipment</i>	3,200	1,900	1,300	68%
<i>Bridges and Culverts^</i>	460	0	460	NA
<i>Parking</i>	100	130	-30	-23%
<i>Cemeteries</i>	100	0	100	NA
Total Enterprise	\$ 14,560	\$ 9,530	\$ 5,030	53%
Total City of Waterloo Funding	\$ 34,110	\$ 19,430	\$ 14,680	76%

Note: Some numbers may not add due to rounding.

Next Steps Examples

- Using condition rather than estimated service life (where possible)
- Improve programming for projecting asset performance

Pedestrian Bridge Bank – Emergency Repair



After restoration





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