



2022 Proposed Business Plan & Budget

Presentation to Town Council

November 9, 2021

2022 Proposed Budget

- Overview – Chief Administrative Officer
- Budget – Treasurer & Deputy Treasurer
 - Budget Document
 - Operations
 - General
 - Water & Wastewater
- Lifecycle
- Reserves
- Conclusion
- Q & A

Council Vision:

The Tecumseh of tomorrow will be a community of economic vitality, environmental leadership and a high quality of life for all of our citizens.

Council Mission:

We will work together strategically to accomplish sustainable growth that integrates the principles of health and wellness in everything we do.



Strategic Priorities 2019-2022

Smart Growth

Goal: Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.

Sustainable Infrastructure

Goal: Ensure that the Town of Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision making.

Community Health and Wellness

Goal: Integrate the principles of health and wellness into all of the Town of Tecumseh's plans and priorities.

Continuous Improvement

Goal: Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.

Good Governance

Goal: Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.



2021 Organizational Review

- In 2021, with Council's approval, an Organizational Review was completed with the assistance of KPMG Consultants

Linked to Council Strategic Priorities:

- Continuous Improvement
 - A special focus on Customer Service
 - Smart Growth and economic development
 - Sustainable Infrastructure
- Organizational Review completed in June and Council direction given in July to proceed with implementation of findings over 2022 - 2024



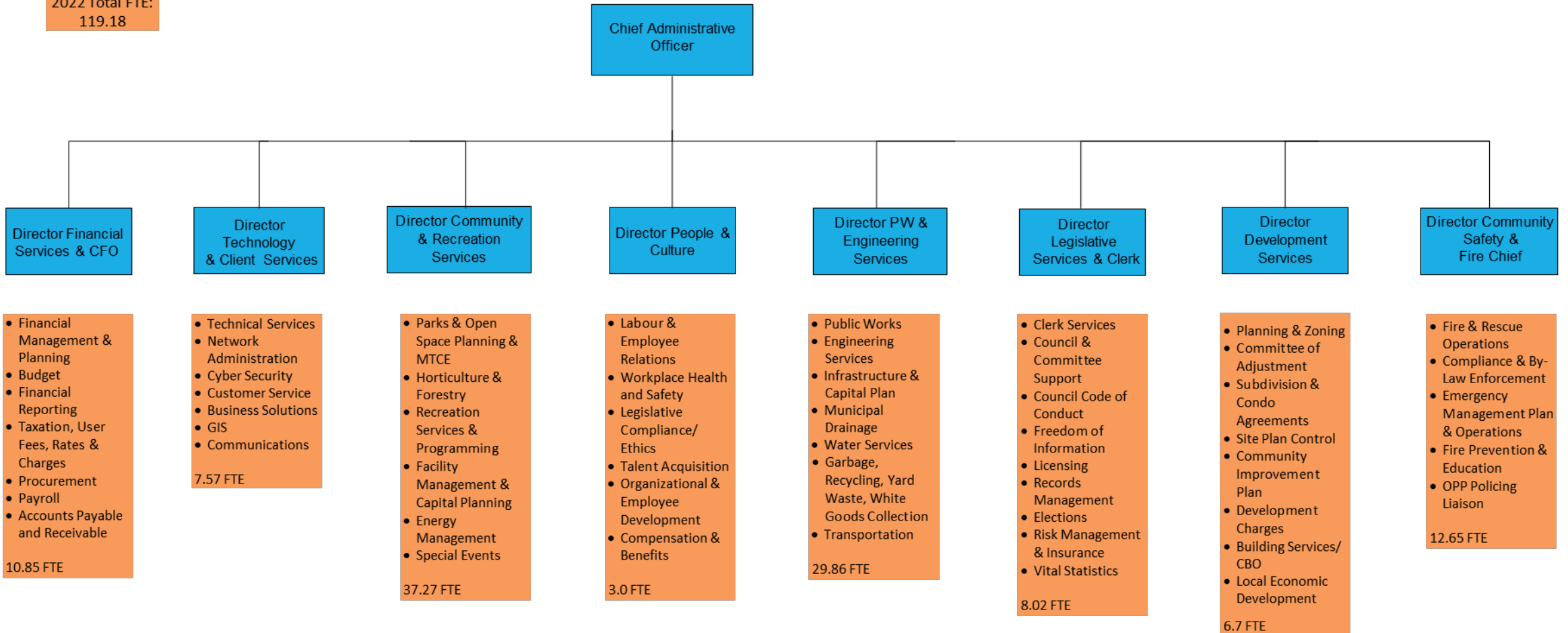
2021 Organizational Review: Findings

- Comparator analysis
 - Compared with high-performing municipalities of similar size and structure, yielded favourable results for Tecumseh
- Strong financial performance
 - Tecumseh's financials are in good order on such metrics as debt levels and reserves
- Below average staffing
 - Relative to comparators, Tecumseh staffing levels are below benchmark levels
 - Recommended staffing enhancements will address shortfalls, however, the Town will still be below average after implementation
- Competitive Service Delivery
 - Tecumseh generally performs well on service delivery relative to comparables
 - Areas for further analysis were identified, such as Payroll and Clerks
 - Specific attention to customer service with restructuring to a customer-centric model



2021 Organization Chart

2022 Total FTE:
119.18



2022 Objectives: Chief Administrative Officer

- Implement 2021 Organizational Review and Information Technology Service Review recommendations
- Complete the Tecumseh-Lakeshore Economic Development Strategy
- Organize the 100th Anniversary Celebration of the Town and its Fire Service
- Initiate implementation of the Community Safety & Wellbeing Plan
- Transition to OPP Detachment Board Model
- Support the 2022 Customer Satisfaction Survey



2022 Objectives: People & Culture

- Conduct Pay Equity Plan maintenance for various CUPE Locals
- Undertake collective bargaining for two CUPE Locals
- Develop and implement a phased Human Resource Strategic Plan for the Town
- Conduct an employee health, safety and wellness audit



2022 Objectives: Legislative Services & Clerk

- Conduct the 2022 Municipal and School Board elections
- Implement the Clerks Department Business Optimization Service Review
- Implement webcasting and closed captioning of Council and Committee meetings
- Conduct a Records & Information Management Service Review
- Report out to Council on the Urban Hen Licensing Pilot Program



2022 Objectives: Financial Services

- Complete and implement 2021 Water and Wastewater Rate Study
- Update the Town's Asset Management Plan Financial Model
- Complete and implement Payroll Process Review
- Complete and implement Budget Software Enhancement
- Purchasing By-law and Policy 5-Year Review and Update
- Pursue GFOA Distinguished Budget Presentation Award
- Administer grants awarded to the Town departments by Provincial and Federal governments



2022 Objectives: Technology & Client Services

- Implement 2021 Information Technology Service Review
- Complete & implement Business Continuity & Disaster Recovery Plan
- Finalize a digital strategy for the Town
- Undertake virtual server and networking upgrades
- Implement additional public wireless hotspots where feasible
- Advocate for high-speed internet for underserved areas through the Tecumseh Rural Broadband Advisory Committee
- Launch an Open Data Portal
- Implement new customer service model from 2021 Organizational Review
- Undertake 2022 Customer Service Survey



2022 Objectives: Community Safety

- Support the celebration events for the Town and Tecumseh Fire Services 100th Anniversary
- Incorporate new high water rescue vehicle into the department fleet and undertake training for its use
- Complete a Community Risk Assessment and Fire Master Plan
- Update the Town of Tecumseh Emergency Response Plan
- Explore grants and sponsorship opportunities to refurbish the 1942 Fire Truck



2022 Objectives: Development Services

- Finalize Tecumseh Hamlet Secondary Plan and incorporate into the Town Official Plan
- Initiate the Oldcastle Hamlet Special Planning Study
- Complete detailed design for the Tecumseh Road Main Street Streetscape Master Plan
- Initiate the preparation of a new Comprehensive Zoning By-law
- Implement the Tecumseh Road Community Improvement Plan
- Implement the On-Demand Transit one-year pilot project
- Complete the Tecumseh-Lakeshore Economic Development Strategy



2022 Objectives: Community & Recreation Services

- Reintroduce recreational day camps and full pool programming
- Implement the Parks and Recreation Master Plan
- Plan a splash pad and outdoor washroom facility for Lakewood Park
- Develop a plan to update the Town's library facility
- Implement upgrades to the grandstands, field lighting and turf for the baseball field at Lacasse Park
- Design and construct a new artificial infield at McAuliffe baseball field
- Complete the new Pickleball Complex at Lacasse Park



2022 Objectives: Public Works & Engineering Services

- Prepare a cost recovery By-law for the 8th Concession Sanitary Service Area
- Finalize the Sanitary Sewer Model Update
- Continue installation of local sanitary sewers in the Oldcastle Hamlet Settlement Area
- Continue Sanitary Sewer Rehabilitation Program to eliminate inflow and infiltration
- Investigate options for Town-wide snow removal on sidewalks
- Undertake planned capital projects, focusing on those with secured Federal and/or Provincial funding
- Complete the Shoreline Management Plan
- Complete the Storm Water Rates study



2022 Proposed Business Plan and Budget



2022 Business Plan and Budget Overview

Electronic Document Overview

1. Transmittal
2. Executive Summary
3. Budget Reconciliation – PSAB Adjustments
4. Recommended New Staffing Enhancements
5. Operating Budget
6. Lifecycle
7. Reserves
8. Supplementary Information
 - Budget Process
 - Revenue and Expenditure Analysis



Council Consideration

- Municipal tax levy increase net of growth 3.10%
 - \$1.0M increase to \$26.1M

- Tax rate increase 4.25%
 - \$79 Town increase on \$250K home

Operations	5.37 %	\$ 100
Capital	0.25 %	\$ 5
Growth	-1.37 %	-\$ 26
Total	4.25 %	\$ 79

- Consolidated levy increase ~ 2.81% expected
 - \$97 consolidated increase on \$250K home
- Province again postponed the 2020 Assessment Update
 - 2022 property assessments based on fully phased-in January 1, 2016 values



Budget Process

- Town staff drafts proposed budget
- Public survey done to inform draft budget
- Town staff presents recommended budget & business plans
- Town Council deliberates & adopts budget



2022 Town Budget & Fees Presentation & Deliberations
Tuesday, Nov. 9, 2021 @ 7 pm
Tuesday, Nov. 16, 2021 @ 4 pm

Council via Zoom

2021 Town Budget & Fees Adoption Day
Tuesday, Dec. 14, 2021 @ 7 pm



Budget Process

- Department budgets formulated
 - **6.7% net of growth**
- Administration review
 - **3.1% net of growth**
- Table budget with Council
- Council Review
- Council budget by-law approval

November 9

November 16

December 14



2022 Proposed Levy Summary

Budget Drivers	2022					
	2021	Proposed	2023	2024	2025	2026
Base Department Operations (excl Pay/Ben)	0.31%	0.03%	2.28%	1.04%	1.34%	1.29%
Service Level Enhancements	0.39%	2.70%	0.44%	0.96%	0.00%	0.00%
Payroll/Benefits	0.83%	1.19%	1.27%	1.11%	1.06%	1.02%
Police Services	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
Sub-total - Operating	1.67%	3.92%	3.99%	3.11%	2.40%	2.31%
Lifecycle	1.52%	0.18%	0.77%	0.73%	0.87%	0.84%
New Infrastructure Levy	0.83%	0.00%	0.38%	0.73%	0.70%	0.67%
Sub-total - Capital	2.35%	0.18%	1.15%	1.46%	1.57%	1.51%
Total	4.02%	4.10%	5.14%	4.57%	3.96%	3.82%
Assessment (Growth)/Loss	-1.22%	-1.00%	-1.15%	-1.09%	-1.04%	-1.00%
Total w/ Growth factor	2.80%	3.10%	3.99%	3.48%	2.92%	2.81%

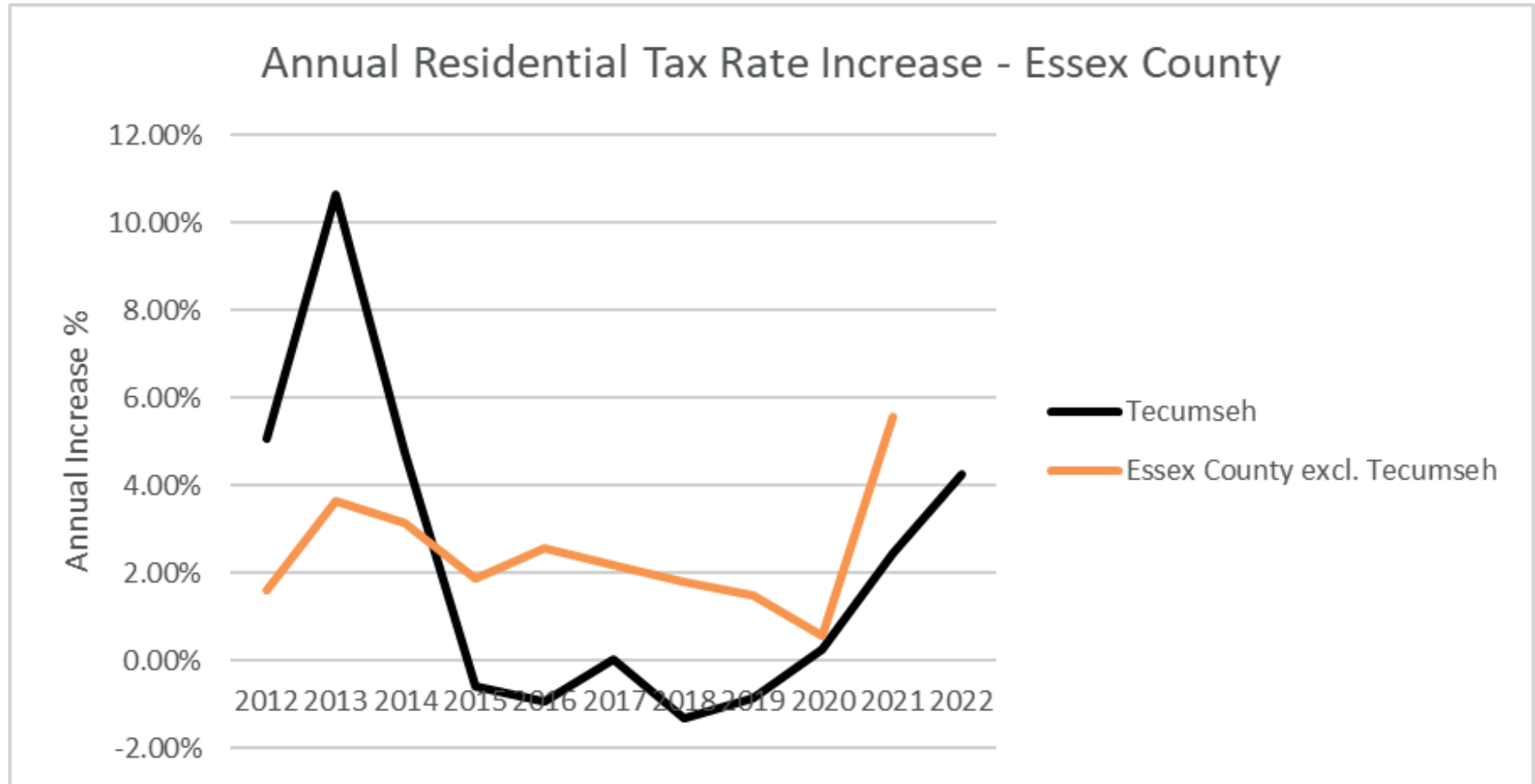


Comparative Levy Forecasts

	2019	2020	2021	2022	2023	2024	2025	2026
2017 Municipal Budget and projected future levy increases	2.50%	3.06%	2.84%	N/A	N/A	N/A	N/A	N/A
2018 Municipal Budget and projected future levy increases	2.63%	3.01%	2.61%	2.21%	N/A	N/A	N/A	N/A
2019 Municipal Budget and projected future levy increases	2.70%	3.14%	2.29%	2.10%	1.66%	N/A	N/A	N/A
2020 Municipal Budget and projected future levy increases	N/A	3.27%	3.11%	2.49%	2.72%	2.67%	N/A	N/A
2021 Municipal Budget and projected future levy increases	N/A	N/A	2.79%	2.40%	2.27%	3.34%	3.28%	N/A
2022 Proposed Municipal Budget and projected future levy increases	N/A	N/A	N/A	3.10%	3.99%	3.48%	2.92%	2.81%



Tax Rate Increase – Essex County



Dominant Themes

- Return budget formulation to represent normal, full capacity operations
 - Reversal of budgeted 2021 COVID-19 impacts
- Implementation of recommendations from the Town's Organizational Review – Phase 1
 - Full implementation phased-in over a three year period 2022-2024
- Completion and implementation of several operational process reviews
 - Human Resources Service Delivery Review – implementation 2021-2022
 - IT Service Delivery Review – implementation 2021-2024



Dominant Themes

- Cont'd – operational process reviews
 - IT Digital Strategy, Business Continuity and Disaster Recovery Plan Review - review to be completed 2022 Q1 - recommendations/implementation to follow
 - Tecumseh and Lakeshore Economic Development Study – review to be completed 2022 Q1 – recommendations/implementation to follow
 - Payroll Process Review – review to be completed 2022 Q1 – recommendations/implementation to follow
 - Clerks Process Review – review to be completed 2022 Q1 – recommendations/implementation to follow
 - Records & Information Management Service Review – review to be completed 2022 Q1 – recommendations/implementation to follow



COVID-19 Budgeted Impacts Reversed

- Revenue reductions \$ 389,000
 - Expenditure increases \$ 106,000
 - Program changes \$ (99,000)
 - Reserve transfers \$ (396,000)
 - Cost containment measures \$ (97,000)
-
- Grant funding received during 2020 and 2021
 - Surplus to Tax Rate Stabilization Reserve
 - Mindful when comparing 2022 Budget against 2020 and 2021 actuals



Organizational Review – Implementation Plan and Funding Strategy

- Staffing changes for 2022 referenced in Budget booklet – Recommended New Staffing Enhancements (RNSE)
- Recommendations phased-in over three years for operational and budgeting considerations
- Mid-year implementations also considered for budgeting considerations
- Funding strategy temporarily reduces annual increases to New Infrastructure Levy and Lifecycle Reserves to minimize tax rate impact



Organizational Review – Implementation Plan and Funding Strategy

General Tax Levy Impact	2022	2023	2024
Phased implementation	340,000	150,000	180,000
One-time sources		40,000	
General Tax Levy Impact as %	1.35%	0.73%	0.67%
Funding Sources			
NIL - no increase for 2022 / half for 2023	200,000	100,000	
LC - limit allocaton increase to \$100k yr 1	100,000		
LC Strategic Initiatives - One-time	40,000		
Total Funding Sources	340,000	100,000	-
Net General Levy Impact	-	90,000	180,000
Net General Tax Levy Impact as %	0.00%	0.35%	0.67%



Organizational Review – Implementation Plan and Funding Strategy

- Water Operator position will be absorbed within existing Water Rate Structure
- Engineering Project Manager position supports capital budget
 - Funded indirectly through Lifecycle – New Issues Reserve
 - Annual allocation will be reallocated to appropriate Lifecycle Reserves in support of Public Works infrastructure projects



Key Expenditure Impacts

- HR Service Delivery Review \$ 144,000
- Staffing Enhancement \$ 56,000
- Salaries & Benefits (contractual) \$ 300,000
- Insurance \$ 59,000
- Operations - Other \$ 87,000
- OPP Contract \$(119,000)
- 100th Anniversary (\$286k offset by grants and reserves)



Key Revenue Impacts

- Assessment Growth \$ 250,000
- Bank Revenue \$ 50,000
- OPP – Community Policing Grant \$ (96,000)



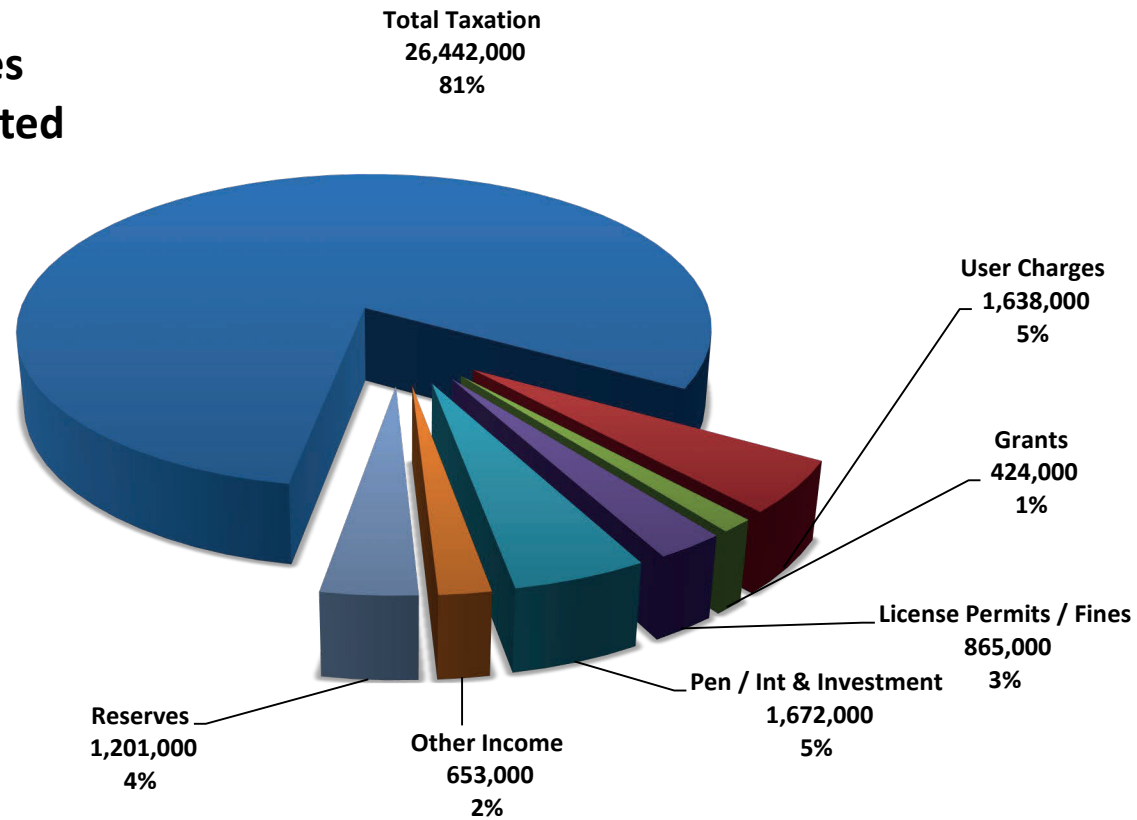
What's Not in the Budget

- Collective Bargaining Agreements (CUPE 702.13 & Fire Association)
- Lottery License Litigation
 - up to \$7M



Operating Budget Revenues

2022 Revenues Tax Supported



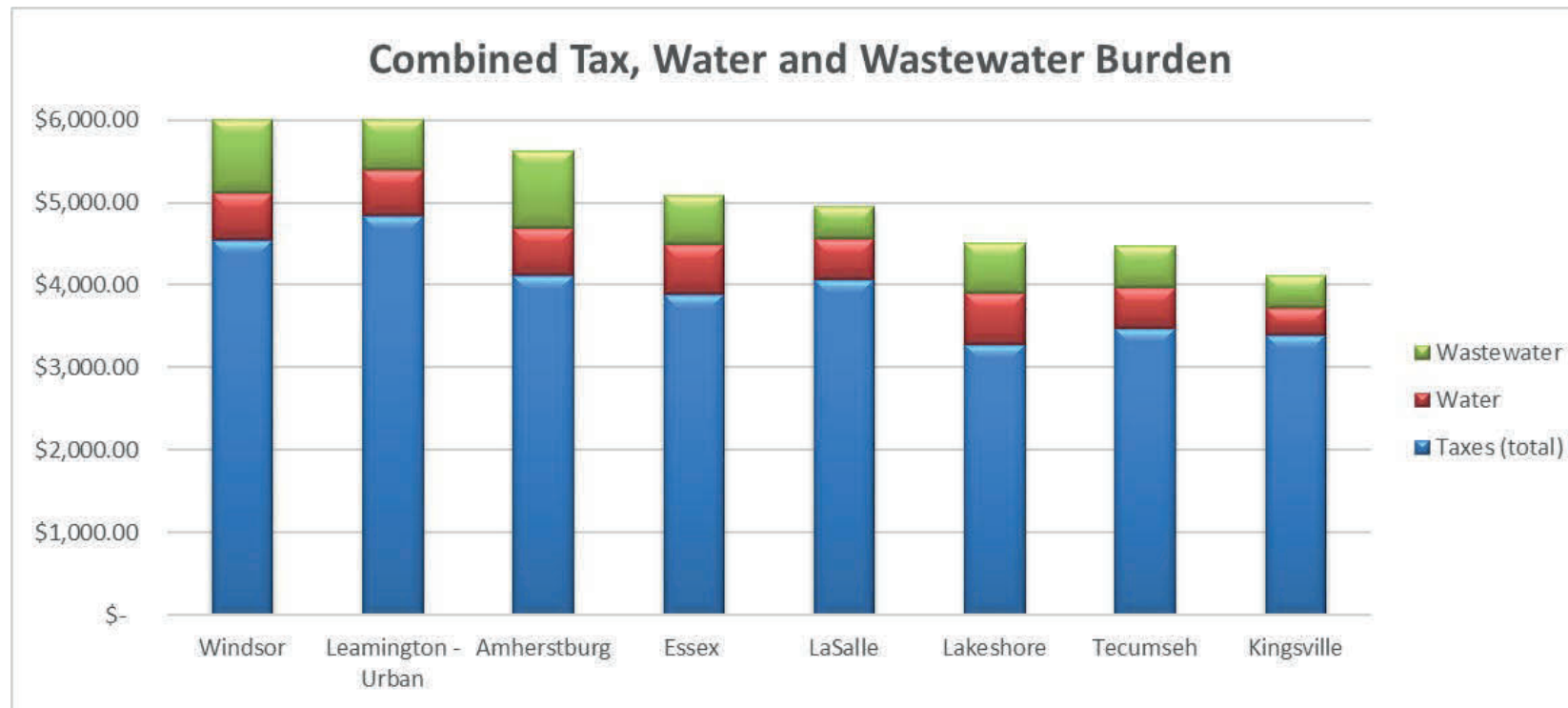
2022 Tax Levy Change - \$250K Home

Levying Authority	2022 Levy	2021 Levy	Dollar Difference	Percent Difference
Municipal	\$1,942	\$1,863	\$79	4.25%
County	\$1,242	\$1,224	\$18	1.50%
Education	\$383	\$383	\$0	0.00%
Total	\$3,567	\$3,470	\$97	2.81%

- Property Assessment update postponed by Province due to COVID-19
 - Property valuations unchanged from 2021, i.e. 2021 CVA of \$250,000 becomes 2022 CVA of \$250,000.



2021 Comparative – Essex County



* Property Taxes calculated based on home with an assessed value of \$250,000. Water and Wastewater Fees based on monthly consumption of 20 cubic meters.



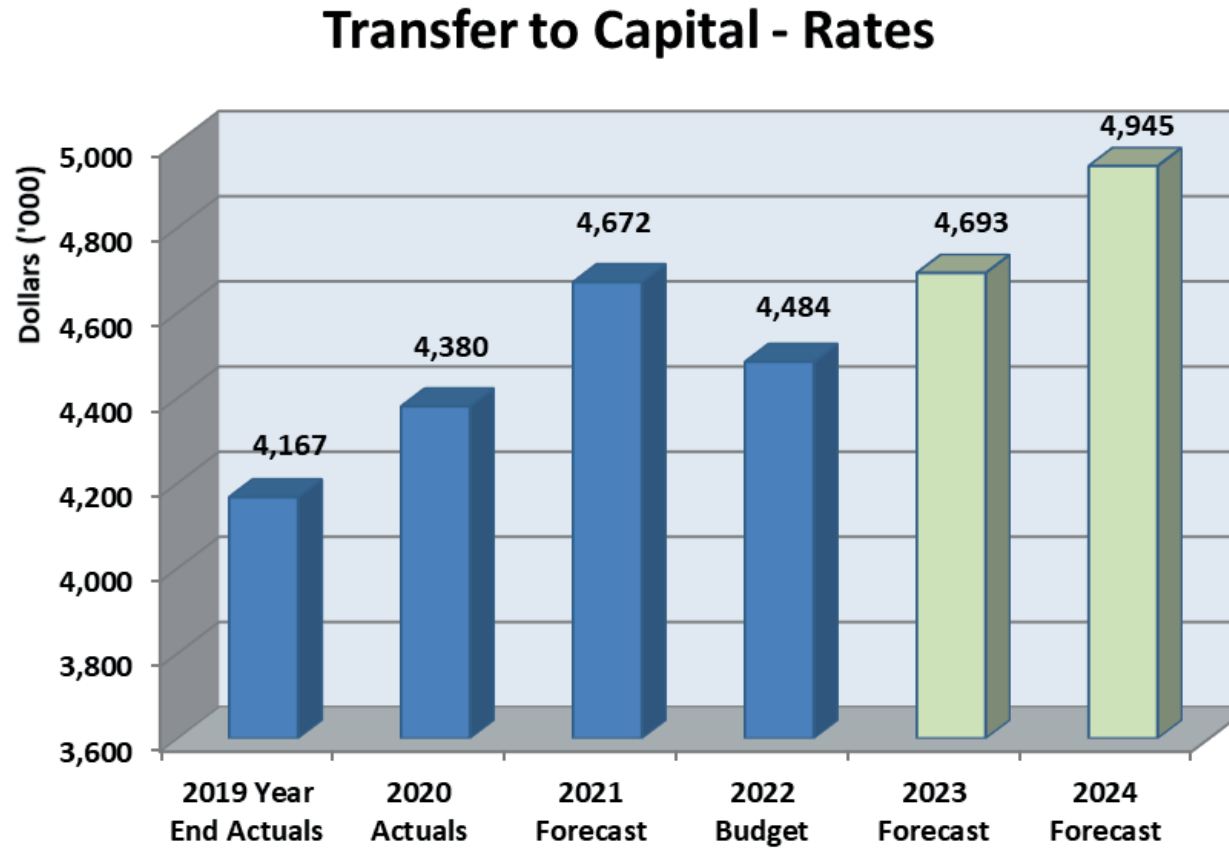
Rate Supported – Water and Wastewater

- Full Cost Recovery Rates - 2015 Rate Study (2020 Study update to be completed 2022 Q1)
- 2015-2021 Transfers to Reserve Funds within 0.5% of study targets
- Rate increase average residential user
 - 2022 \$33 or 3.3% (\$1,011 to \$1,044)*
- Rate revenue
 - Wastewater \$5.0M
 - Water \$5.6M
- Annual target capital funding 4.5M

*Based on monthly consumption of 20m³.



Rate Supported Transfer to Capital



Wastewater – Key Items

- 8th Concession sewer area
 - Cost recovery by-law to be created in 2022
 - Next phases County Road 46/Webster/Laval and Del Duca Drive extensions
 - Approximately 18 phases remain
- Flood mitigation measures
 - Sanitary sewer model update to be completed in 2022
 - Anticipated recommendations/improvements of \$30+ million
- Disaster Mitigation and Adaptation Fund – 2021 Intake
 - Town submitted application for \$28.7 million (\$26.6 million attributable to sanitary sewers)



Water Key Items

- Watermain breaks
 - Replacement of various watermains to continue in 2022
 - 2021 watermain anode program delayed into 2022
- Watermain improvements associated with County projects
 - County roads 42, 43 and 19
- Water Model Update in 2022
- Investing in Canada Infrastructure Program – Green Stream II, 2021 Intake
 - Town submitted application for \$3.5 million in improvements



Capital Program and Funding Strategy

- Lifecycle Funding – 2022 allocation \$8.6M (increase \$45,000)
 - Lifecycle Annual funding target = \$9.5M
- NIL – 2022 allocation \$1,750,000
 - NIL Annual funding target = \$2.35M
- Pay as you go Policy vs Debt
 - Annual interest on debt payments \$0.6M
 - Current debt balance \$13.6 million (\$0.5 million rate supported)
- Grant Funding
 - Pursue all opportunities – may impact our priorities
- County Capital Program
- Projects shovel-ready



Capital Works Plans

- 5-Year Capital Plans - Approval for 2022 with forecasts 2023-2026
 - Recommendations for proposed projects follow budget process
- Over \$30M est. expenditures
 - Scully and St. Mark's Storm Pump Station
 - P.J. Cecile Storm Pump Station
 - Lesperance/VIA Rail Improvements
 - Tecumseh Road Storm and Road Improvements
 - Riverside Dr. Trail
 - County Road 19 Watermain
 - County Road 42 & 43 Watermain and Sanitary
 - Fire Aerial Truck
- Debt Payments \$1.7M



Reserves Key Impacts

- Tax Rate Stabilization Reserve
 - Funding source for ongoing lottery litigation
 - Operating support for COVID-19 revenue and expenditure impacts
- Stormwater Lifecycle Reserve
 - Storm drainage Master Plans
 - Stormwater Rate Study
 - DMAF grant funding
- Sanitary sewer DC balances are insufficient
 - 2020 DC Report shows an \$11.9M deficit



Conclusion

- Budget Deliberations
 - SCM – November 16 @ 4:00pm
- Budget Approval
 - RCM – December 14 @ 7:00 pm



Discussion

