



2023 Proposed Business Plan & Budget

Presentation to Town Council

December 13, 2022

2023 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 from 2019-2022

Smart Growth

Sustainable Infrastructure

Community Health and Wellness

Continuous Improvement

Good Governance

Annual progress reports on these strategic priorities are available at
<https://www.tecumseh.ca/en/town-hall/strategic-priorities.aspx>

Planning for the Strategic Priorities of 2023-2026 will commence in Q1 of 2023.



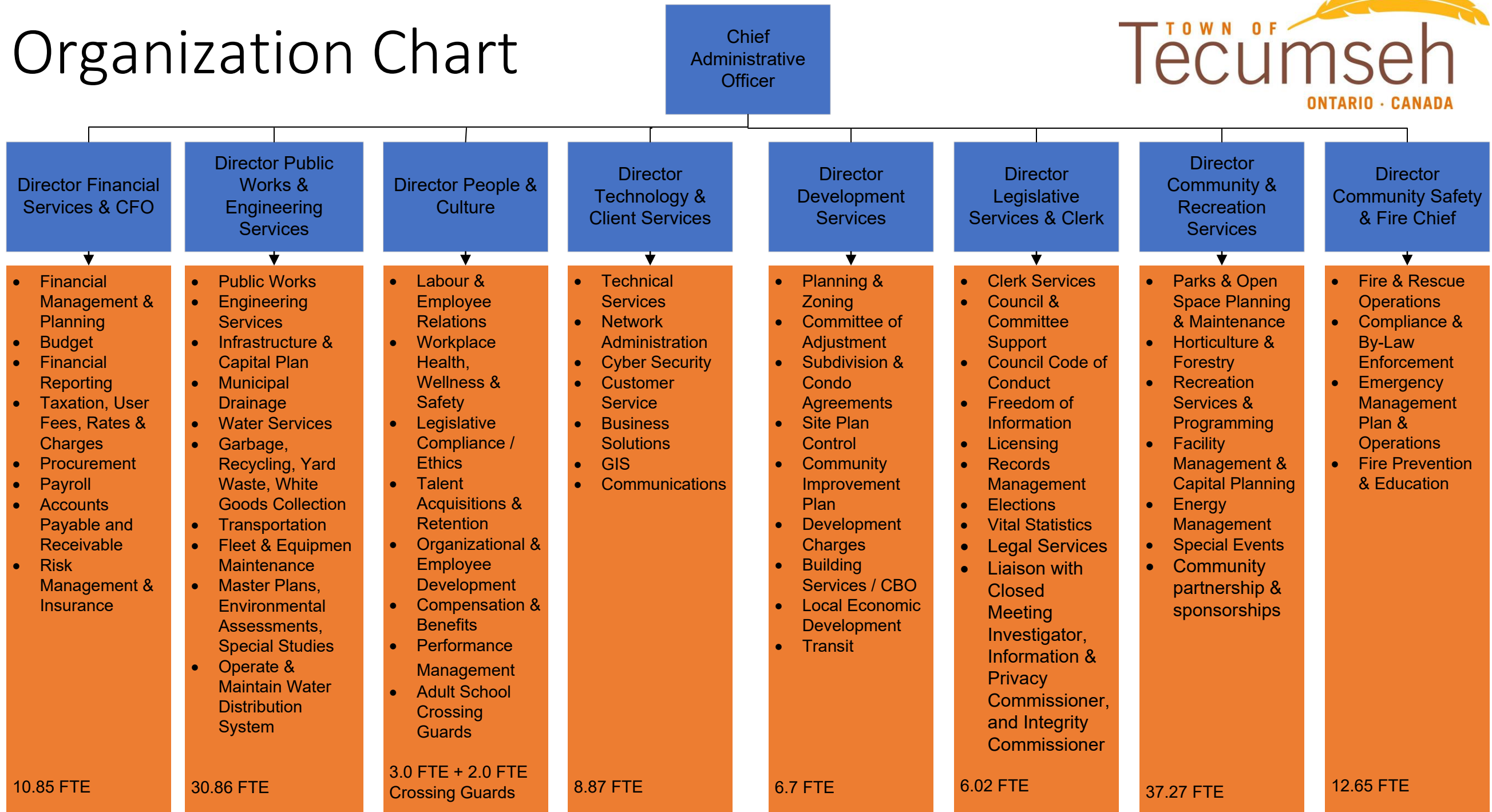
2021 Organizational Review

2021 Organizational Review implementation continues with:

- Customer Services recommendations
- Structure and staffing recommendations
- Service delivery efficiencies
- Implementation of corollary reviews related to Org Review:
 - People Strategy
 - Information Technology Services
 - Digital Strategy
 - Business Continuity and Disaster Recovery Strategy
 - Payroll
 - Clerks Services



Organization Chart



Full Time Equivalent (FTE) – Represents an employee's total hours worked divided by the number of compensable hours in a full-time schedule during a fiscal year. A year round full-time position has an FTE of 1.00. For the Town of Tecumseh, 1.0 FTE equates to 35 or 40 hours/week of work or 1820/2080 hours of work annually.

2023 Objectives: Chief Administrative Officer

- Develop 2022-2026 Corporate Strategic Plan & Priorities
- Annual report out on Corporate Strategic Priorities
- Act on recreational and public works capital priorities approved in 2022
- Undertake biennial Customer Satisfaction Survey (carried forward from 2022)
- Continue implementing 2021 Org Review and corollary service reviews
- Implement changes in policing services and governance arising from CSPA, 2019
- Implement Community Safety and Well-Being Plan in conjunction with area municipalities, the County and partners
- Progress the Town's relationship building with our Indigenous Community
- Renew efforts to address Climate Change and focus on sustainability



2023 Objectives: People & Culture

- Collective bargaining with CUPE Local 702.13
- Development of a leadership competency framework
- Establish reward and recognition strategy with a plan to roll out end 2023
- Restructure benefit and pension administration into People & Culture
- Review HRIS requirements and source vendors to implement an HRIS solution
- Create employee engagement and diversity plans for the corporation
- Develop and deliver corporate education platforms
- Implement new employee onboarding platform
- Continue to support health/safety and wellness committee initiatives
- Conduct an employee total compensation review



2023 Objectives: Legislative Services & Clerk

- Implement the Clerks Service Delivery Review
- Implement webcasting and closed captioning of Council and Committee meetings
- Complete Records & Information Management Service Review and develop implementation plan for a corporate records management system
- Ongoing management of lottery license litigation
- Develop and implement Mobile Food Vendor Licensing Program
- Review of various by-laws and policies
- Investigate the merits of introducing Administrative Monetary Penalty System to the Town to augment enforcement of by-laws
- Review and coordinate internal and external legal counsel services



2023 Objectives: Financial Services

- Complete and implement budget software enhancement
- Complete financial systems optimization and apply results to implementing Payroll Service Review
- Development Charge Background Study Update, 2024
 - Commence analysis in 2023
- Asset Management Plan
 - Complete Phase II requirements in 2023
- Building Operations and Reserves Financial Review
 - Update Building Code operating costs with proposed service level changes and permit fee structure
 - Review and update in time for 2024 Budget development



2023 Objectives: Technology & Client Services

- Implement Information Technology Service Review & Digital Strategy
- Implement Business Continuity & Disaster Recovery Strategy
- Undertake virtual server and networking upgrades
- Network security initiatives
- Enhance the Town's new Open Data Portal
- Fully implement new customer service model and enhanced communications program
- Undertake 2023 Customer Service Survey
- Corporate projects: cloud permitting, HRIS, Financial System Upgrade, Regional Digital Radio upgrade



2023 Objectives: Community Safety

- 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
- New regional radio system implementation
- Apparatus replacement (lifecycle)
- Comprehensive review of Municipal By-Laws enforced by Community Safety



2023 Objectives: Development Services

- Finalize Tecumseh Hamlet Secondary Plan and incorporate into the Official Plan
- Initiate the Oldcastle Hamlet Special Planning Study
- Implement Council's direction on growth in the Hamlet SPA, MRSPA and Oldcastle
- Administer the incentive program for the Tecumseh Road Main Street CIP
- Complete the new Comprehensive Zoning By-law
- Report out and follow up on the On-Demand Transit one-year pilot project
- Foster local economic development through partnerships with neighbouring municipalities and regional agencies
- Implement the Building Services Operational Review



2023 Objectives: Community & Recreation Services

- Expand programming opportunities year round
- Manage approved capital projects and implement the updated Parks and Recreation Master Plan
- Proceed with construction of a splash pad and outdoor washroom facility for Lakewood Park
- Proceed with renovations to update the Town's library facility
- Commence planned improvements to the Maidstone Recreation Centre
- Implement upgrades to the grandstands, backstop and entrance plaza at Lacasse Park
- In partnership with L'Essor High School, construct new artificial turf playing field
- Implement the updated Energy Conservation & Demand Management Plan



2023 Objectives: Public Works & Engineering Services

- Complete infrastructure related studies/by-laws, such as: shoreline management plan, AMP, growth area FSRs, sanitary outlet cost recovery by-laws, traffic calming policy, model updates for sanitary sewer & water distribution systems, SWM rates
- Design & installation of sanitary sewers in the Oldcastle Hamlet
- Design of planned capital projects aligned with Council's growth directive: Tecumseh Hamlet northwest infrastructure
- Design/construction of capital projects with secured funding/partnerships: DMAF Ph 1 & 2, Centennial & Woodbridge watermain replacements, Lesperance Road multi-use trail, Riverside Drive trail, CR42 & CR43 water & wastewater services
- Move forward with Regional Food & Organics & Biosolids Waste Management
- Implement mandated MECP Consolidate Linear Infrastructure ECAs





2023 Draft Business Plan & Budget

As presented to Town Council December 13, 2022



2023 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



Budget Process



Council Consideration

- Total Municipal tax levy required is \$27.6M
 - \$1.45M or 5.6% increase vs prior year approved budget
- Municipal tax rate increase of 4.4% vs prior year approved rate

Impact on \$250K Property	% of Increase	\$ Increase
Noncontrollable/Inflationary	1.6%	32
Contribution to Capital	1.5%	29
Operations (net of growth)	1.3%	\$ 25
	4.4%	\$ 86

- Consolidated levy increase ~ 4.0% expected
 - \$142 consolidated increase on \$250K assessed property
- Province again postponed the 2023 Assessment Update
 - Property assessments are based on fully phased-in January 1, 2016 values



2023 Proposed Levy Summary

Budget Drivers	2023					
	2022	Proposed	2024	2025	2026	2027
Base Department Operations (excl Pay/Ben)	-0.13%	0.93%	1.02%	0.22%	1.66%	1.90%
Service Level Enhancements	2.70%	1.73%	1.76%	0.49%	0.66%	0.79%
Payroll/Benefits	1.19%	1.19%	1.82%	1.12%	1.09%	1.04%
Sub-total – Operating	3.76%	3.85%	4.60%	1.83%	3.42%	3.73%
Lifecycle	0.18%	0.96%	0.73%	0.68%	1.00%	0.95%
New Infrastructure Levy	0.00%	0.77%	0.73%	0.68%	0.50%	0.47%
Sub-total – Capital	0.18%	1.73%	1.46%	1.37%	1.49%	1.42%
Total	3.94%	5.58%	6.06%	3.20%	4.91%	5.15%
Assessment (Growth)/Loss	-1.00%	-1.27%	-1.63%	-1.71%	-2.32%	-2.53%
Total w/ Growth factor	2.94%	4.31%	4.41%	1.49%	2.59%	2.63%



Key Revenue Items

		Increase (\$)
Assessment Growth	\$	180,000
Supplementary Taxes		150,000
Total Growth		330,000
Building Permits		NIL
- \$214K increase, transferred to reserve		
Lottery Licence		
- Bingo hall moving to Lakeshore		(97,000)



Key Expenditure Items

		Increase (\$)	% of Levy Increase
Contribution to Capital (LC/NIL)	\$	450,000	31%
Wages	\$	466,800	32%
Benefits		295,900	20%
Total Payroll (net of transfers)	\$	762,700	52%
Discussed in more depth on next slide			
OPP Contract	\$	(119,000)	(8.2%)
Insurance (\$40K before transfers)	\$	25,000	1.7%
Gasoline	\$	74,000	5.1%
Computer Software/Support	\$	96,000	6.6%
- \$50K re: new building permit software			
Professional Development	\$	97,000	6.7%
- Returning to pre-COVID only			



Dominant Themes - Payroll

		Increase (\$)	% of Payroll Increase
Building support (council approved in principle)	\$	191,000	25%
Implementation of recommendations from the Town's Organizational Review – Phase 2 Phased-in over a three-year period 2022-2024		105,600	14%
Technology & Client Services – TSC Help desk, CS Receptionist, and CS Coop (Offset by reduction of 1 Coop)		59,700	8%
People & Culture - Business Partner (Offset by a reduction in student hours)		57,400	8%
Community and Recreation		38,900	5%
Other - 119 FTE, 4 bargaining units (contractual salary and benefit increases)		310,100	40%
	\$	762,700	100%

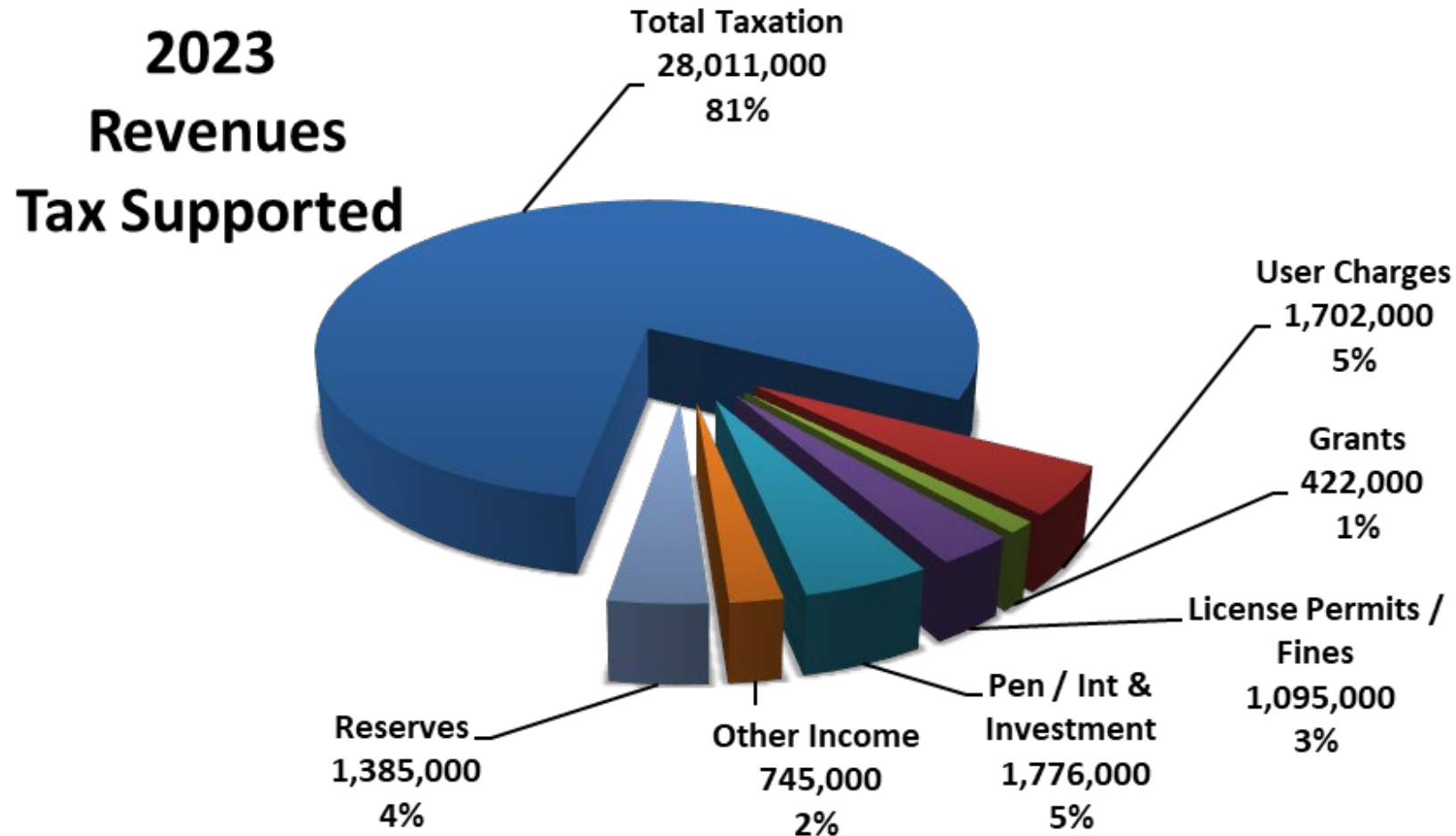


What's Not in the Budget

- Organics recycling (green box / compost)
- Regional garbage collection
- Lottery License Litigation
 - up to \$7M



Operating Budget Revenues



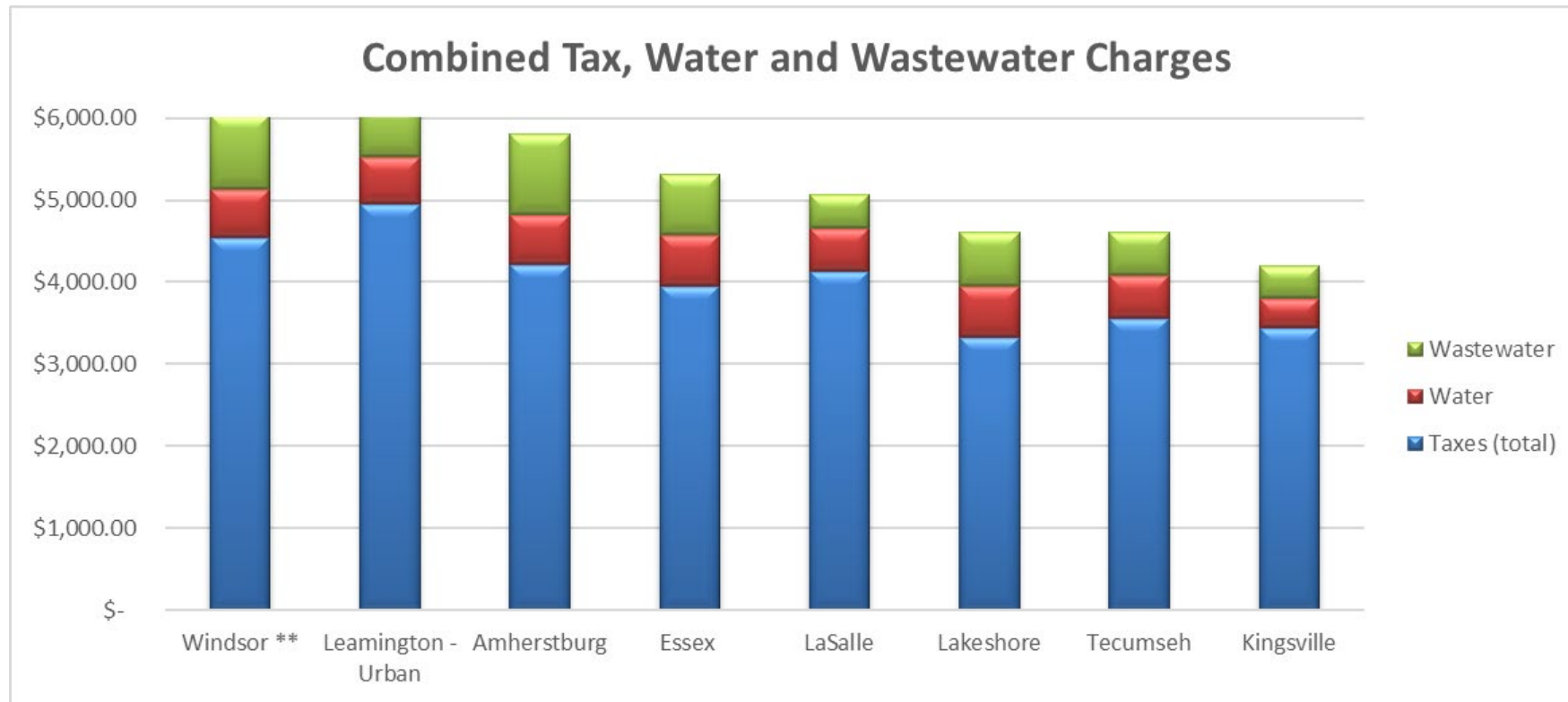
2023 Tax Levy Change - \$250K Home

Levying Authority	2023 Levy	2022 Levy	Dollar Difference	Percent Difference
Municipal	\$ 2,025	\$ 1,939	\$ 86	4.42%
County	\$ 1,298	\$ 1,242	\$ 56	4.50%
Education	\$ 383	\$ 383	\$ 0	0.00%
Total	\$ 3,706	\$ 3,564	\$ 142	3.97%

- Property Assessment update postponed by Province due to COVID-19
 - Property valuations unchanged from 2022, i.e. 2022 CVA of \$250,000 becomes 2023 CVA of \$250,000.



2022 Comparative – Essex County



* Property Taxes calculated based on an average property 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 - 2023 Rate Study
(2020 Study update to be completed 2023 Q1)
- Rate increase average residential user
 - 2023 \$38 or 3.6% (\$1,044 to \$1,082)*
- Rate revenue
 - Wastewater \$5.2M
 - Water \$5.8M
- 2023 Budgeted capital funding 4.5M



Wastewater – Key Items

- 8th Concession sewer area (Oldcastle)
 - Cost recovery by-law to be created in 2023
 - Next phases County Road 46/Webster/Laval and Del Duca Drive extensions - 2024 construction
 - Approximately 18 phases remain
- Flood mitigation measures
 - Sanitary sewer model update to be completed in 2023
 - Anticipated recommendations/improvements of \$35+ million



Water Key Items

- Watermain breaks
 - Replacement of various watermains to continue in 2023
- Watermain improvements associated with County projects
 - County roads 42, 43 and 19
- Water Model Update in 2022/2023
- Investing in Canada Infrastructure Program – Green Stream II, 2021 Intake
 - Town successful with application for \$3.5 million in improvements on Centennial & Woodridge



Capital Program and Funding Strategy

- Lifecycle Funding – 2023 allocation \$8.9M (increase of \$250,000)
 - Lifecycle Annual funding target = \$9.5M
- NIL – 2023 allocation \$1,950,000 (increase of \$200,000)
 - NIL Annual funding target = \$2.35M
- Funding Mix – Use of Debt
 - Current Annual Repayment Limit ~ 5%
- Grant and Partnership Funding
 - Pursue all opportunities – may impact our priorities
- County Capital Program



Capital Works Plans

- 5-Year Capital Plans - Approval for 2023 with forecast for 2024-2027
 - Recommendations for proposed projects follow budget process
- Capital Priorities Workshop – Special Council Meetings 2022 Q2
- Recreation and Cultural Amenities – SCM March 29, 2022
 - Lacasse Ball Diamond
 - Sportsplex components
 - Lakewood Park amenities
 - Southfield Park splash pad
 - Maidstone Recreation Centre
 - Cada Library
 - Artificial Turf Fields



Capital Works Plans

- Public Works – SCM May 5, 2022
 - Scenarios for competing Capital Priorities
 - Development and Growth
 - Climate Change and Flood Mitigation
 - Tecumseh Road Mainstreet
 - Approved Grant Funding Projects
 - Coordination with County of Essex Infrastructure Projects
 - Focus on development and growth opportunities in Tecumseh Hamlet Secondary Planning Area and Oldcastle Industrial and Business Park per Council direction
 - Scully and St. Mark's and P.J. Cecile Storm Pump Stations
 - County Road 42/43 Phase 1 Improvements
 - Lesperance/VIA Rail Improvements



Capital Works Plans

- Over \$42M Capital Projects for 2023 and Contributing Funding
 - Scully and St. Mark's Storm Pump Station - (DMAF grant contribution)
 - P.J. Cecile Storm Pump Station - (DMAF grant contribution)
 - Lesperance/VIA Rail Improvements - (RSIP grant contribution)
 - Lacasse Ball Diamond - (CCBF grant use, St Clair College and Tecumseh Thunder contribution)
 - Riverside Dr. Trail - (CCRF grant contribution)
 - Cada Library Renovation – (County contribution)
 - County Road 42 & 43 Watermain and Sanitary
 - Lakewood Park – Washroom and Splash Pad
 - L'Essor High School – Artificial Turf - (School Board contribution)
 - Fire Radio System Replacement
- Debt Payments \$1.7M



Reserves Strategy

- 2022 Reserves/Reserve Funds Estimated Balance - \$60M
 - Lifecycle / Infrastructure / Water / Wastewater
- Infrastructure Reserve
 - Funding source for new and/or enhanced infrastructure
 - \$5.8M toward Recreation/Community Projects in 2023
- Lifecycle Reserves and Reserve Funds
 - Funding sources for replacement
 - \$20M towards PW Infrastructure Projects in 2023



Reserves Strategy

- 2024-2027 Outlook
 - Continuance of Capital Works Plans of 2022 Q2
- Pressures
 - Annual expenditures well above average
 - Material and Labour Cost Inflation (much greater than CPI)
 - Construction Industry Capacity
 - Rising Borrowing Rates



Reserves Strategy

- Mitigating Measures
 - Strength of Town's Lifecycle Program and Reserves provides flexibility
 - Grant and Partnership Opportunities
 - Borrowing Capacity
 - Developer Option to Finance and Recover



Closing

- The 2023 Proposed Budget:
 - Incorporates Council's Adopted Capital Works Plans
 - Continues Implementation of Organizational Review
 - Addresses Growth Demands on Building Department
 - Includes Modernization and Efficiency Initiatives
- Advances on Council and Community Strategic Priorities
- Proposes Fair Value Tax Rate Increase to Property Owners



Conclusion

- Budget Deliberations
 - SCM – January 17, 2023 @ 4:00pm
 - SCM – January 19, 2023 @ 4:00pm (if needed)
- Budget Approval
 - RCM – January 24, 2023 @ 7:00 pm



Discussion

