



# 2024 Pre-Budget Council Consultation

Presentation to Town Council  
September 12, 2023



# Strategic Priorities



## **Sustainable Growth**

Achieve prosperity and a livable community through sustainable growth.



## **Community Health & Inclusion**

Integrate community health and inclusion into our places and spaces and everything we do.

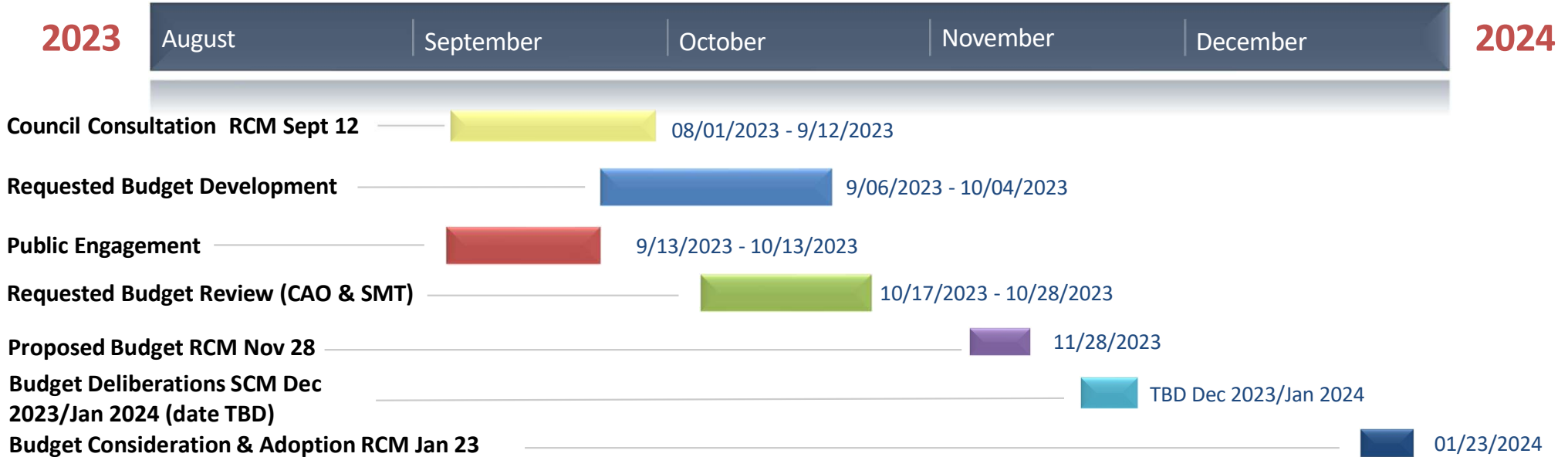


## **Service Experience**

Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.



# 2024 Budget Timelines



2024 Budget Timelines approved by Council as per RCM-191/23



# 2024 Budget Approach

- Strategic Priorities
  - Focus on Program and Service Delivery
  - Respect for Taxpayers
- COVID-19
  - Budget assumes normal operations
- MPAC Assessment Cycle Postponed
  - CVA update postponed – 2020 assessed values will carry to 2024



# 2023 Approved Budget & Forecast

Budget Drivers	2022	2023	2024	2025	2026	2027
		Approved				
Base Department Operations (excl Pay/Ben)	-0.13%	0.44%	0.94%	0.22%	1.67%	1.91%
Service Level Enhancements	2.70%	1.73%	1.77%	0.49%	0.67%	0.79%
Payroll/Benefits	1.19%	1.19%	1.83%	1.13%	1.10%	1.05%
<b>Sub-total - Operating</b>	<b>3.76%</b>	<b>3.36%</b>	<b>4.53%</b>	<b>1.84%</b>	<b>3.43%</b>	<b>3.75%</b>
Lifecycle	0.18%	0.96%	0.73%	0.69%	1.00%	0.95%
New Infrastructure Levy	0.00%	0.77%	0.73%	0.69%	0.50%	0.48%
<b>Sub-total - Capital</b>	<b>0.18%</b>	<b>1.72%</b>	<b>1.46%</b>	<b>1.38%</b>	<b>1.50%</b>	<b>1.43%</b>
<b>Total</b>	<b>3.94%</b>	<b>5.09%</b>	<b>5.99%</b>	<b>3.22%</b>	<b>4.93%</b>	<b>5.18%</b>
Assessment (Growth)/Loss	-1.00%	-1.26%	-1.64%	-1.72%	-2.33%	-2.54%
<b>Total w/ Growth factor</b>	<b>2.94%</b>	<b>3.82%</b>	<b>4.35%</b>	<b>1.50%</b>	<b>2.60%</b>	<b>2.64%</b>

Lifecycle funding allows for the replacement of existing long-term assets. New Infrastructure Levy allocations set aside funds for new capital asset additions.



# Budget Pressures & Drivers

<b>Projected 2024 Levy Increase from 2023 Budget</b>	<b>\$ Amount</b>	<b>Percent</b>
Operations	\$1,244,000	4.53 %
Lifecycle/Capital	\$400,000	1.46 %
Assessment Growth	\$(450,000)	(1.46)%
<b>Total Projected 2024 Levy Increase</b>	<b>\$1,194,000</b>	<b>4.35%</b>
<b>Projected 2024 Levy Increase – Pre-Budget</b>		
Operations	\$1,368,000	4.99%
Lifecycle/Capital	\$443,000	1.62%
Assessment Growth	\$(400,000)	(1.46)%
<b>Total 2024 Preliminary Estimate</b>	<b>\$1,441,000</b>	<b>5.15%</b>



# Operating Revenues

<b>Operating Revenues</b>	<b>\$ Amount</b>	<b>Percent</b>
Assessment Growth	\$(400,000)	(1.46)%
<b>Total Operating Revenues</b>	<b>\$(400,000)</b>	<b>(1.46)%</b>



# Operating Expenditures

Operating Expenditures	\$ Amount	Percent
Staffing enhancements	\$383,000	1.40%
Wages/Benefits increase (contractual)	\$350,000	1.28%
Streetlight Maintenance Service	\$50,000	0.18%
Storm Sewer Flushing	\$125,000	0.46%
Computer software	\$51,000	0.19%
Police – OPP Contract	\$66,000	0.24%
Utilities – Splashpads & bathrooms	\$23,000	0.08%
Insurance (net of reserve transfer)	\$88,000	0.32%
Garbage Collection & Disposal contract	\$121,000	0.44%
Contracts – Outdoor maintenance	\$50,000	0.18%
Balance - inflation and other	\$61,000	0.22%
<b>Total Operating Expenditures</b>	<b>\$1,368,000</b>	<b>4.99%</b>





# Staffing

Description	\$ Amount	Percent
Supervisor – Transportation (part-year implementation)	\$87,500	0.32%
Business Analyst (part-year implementation)	\$69,700	0.25%
P&C Business Partner *	\$ 69,100	0.25%
Senior Building Inspector *	\$46,100	0.17%
Customer Service Receptionist *	\$40,900	0.15%
IT Help Desk (1 FTE and reduce co-op students)	\$36,400	0.13%
PT Arena Clerk hours	\$16,800	0.06%
Parks Students	\$16,600	0.06%
<b>Total Operating Expenditures</b>	<b>\$383,100</b>	<b>1.40%</b>

\* Note: Balance of positions added in 2023 Budget



# 2024 Operating Drivers Not Yet Quantified

<b>Drivers Not Yet Quantified</b>	<b>\$ Amount</b>	<b>Percent</b>
CBA 702.13	TBD	TBD
Non-Union Compensation Review	TBD	TBD
Fire Master Plan Results	TBD	TBD
Records Management	TBD	TBD
Other Ongoing Process Reviews	TBD	TBD
Education & County Levies	TBD	TBD



# Lifecycle/Capital

<b>Lifecycle/Capital Drivers</b>	<b>\$ Amount</b>	<b>Percent</b>
Lifecycle	\$243,000	0.89%
New Infrastructure Levy (NIL)	\$200,000	0.73%
<b>Total Lifecycle/Capital</b>	<b>\$443,000</b>	<b>1.62%</b>



# Outlook Years - Operating

Operating Outlook	2025	2026
Assessment growth	\$(400,000)	\$(400,000)
IESO Market Participant	\$(100,000)	\$(100,000)
CBA 702.1, 702.2 and 702.5	\$TBD	\$TBD
Regional Organic Disposal Services	\$TBD	\$TBD
Supervisor – Transportation (balance of part-year implementation)	\$43,800	\$NIL
Business Analyst (balance of part-year implementation)	\$34,800	\$NIL
Parks & Recreation Amenities	\$TBD	\$TBD
Internal Legal Office Support	\$TBD	\$TBD
Stormwater Environmental Compliance	\$TBD	\$TBD



# Outlook Years – Lifecycle/Capital

Lifecycle/Capital Outlook	2025	2026
Lifecycle	\$250,000	\$250,000
OCIF Grant - \$2,419,000 in 2023	TBD	TBD
New Infrastructure Levy (NIL)	\$200,000	\$NIL
CIP Infrastructure - \$30+ million	TBD	TBD
Storm Drainage Master Plans - \$140+ million	\$6,500,000	\$3,200,000
Storm Drainage – DMAF Grant	\$(3,250,000)	\$(1,600,000)



# Lifecycle/Capital

- Lifecycle Funding Model
  - Asset replacement
- New Infrastructure Levy – Target \$2.35 M
  - New capital requirements
- Allocated to Capital Reserves (\$10.06 M 2023)
- Recommendations for annual project allocations follows budget process
  - Department 5-yr Capital Plans



# Water & Sanitary Rates

- Water & Wastewater Rate Study (2023)
  - Rate Study completed for the period of 2023-2032
  - Fixed Rate
    - Water + 3%, Sanitary + 3% proposed for 2024
  - Variable
    - Water + 3%, Sanitary + 3% proposed for 2024
- Consumption Trends
- Reserve Fund Balances (2022 YE)
  - Water                   \$16,300,000
  - Sanitary               \$ 7,300,000



# Water/Sanitary Drivers

- Water specific
  - Watermain replacement program
  - Cathodic protection program (anode)
- Sanitary specific
  - \$125K annual flushing, video inspection and repairs
  - Sanitary treatment costs
  - Completion of Sanitary Sewer Model Update
  - North Talbot Road Sanitary Sewer Service Area
  - 8<sup>th</sup> Concession Road Sanitary Sewer Service Area
  - Little River Pollution Control Plant – Municipal Class EA & Upcoming Expansion(s)
  - MECP Consolidated Linear Infrastructure, Environmental Compliance Approval





# Water & Sanitary Rates

Comparative Rates – 2023\*



	A'burg	Windsor	Lakeshore	Essex	Leamington	Tecumseh	Lasalle	Kingsville
<b>Water</b>								
Fixed	\$24.28	\$20.29	\$21.68	\$20.49	\$26.96	\$18.98	\$22.00	\$9.27
Variable	\$1.28	\$0.725**	\$1.56	\$1.59	\$1.07	\$1.21	\$1.17	\$1.15
<b>Sanitary</b>								
Fixed	\$34.89	\$20.17	\$23.24	\$22.50	\$52.88	\$18.98	\$13.50	\$20.05
Variable	\$2.36	\$3.11	\$1.83	\$2.02	\$2.53*	\$1.34	\$1.17	\$0.66***
<b>Total Cost</b>	<b>\$1,584</b>	<b>\$1,594</b>	<b>\$1,353</b>	<b>\$1,380</b>	<b>\$1,187</b>	<b>\$1,067</b>	<b>\$988</b>	<b>\$786</b>

\* Based on monthly consumption of 20 cubic meters of water

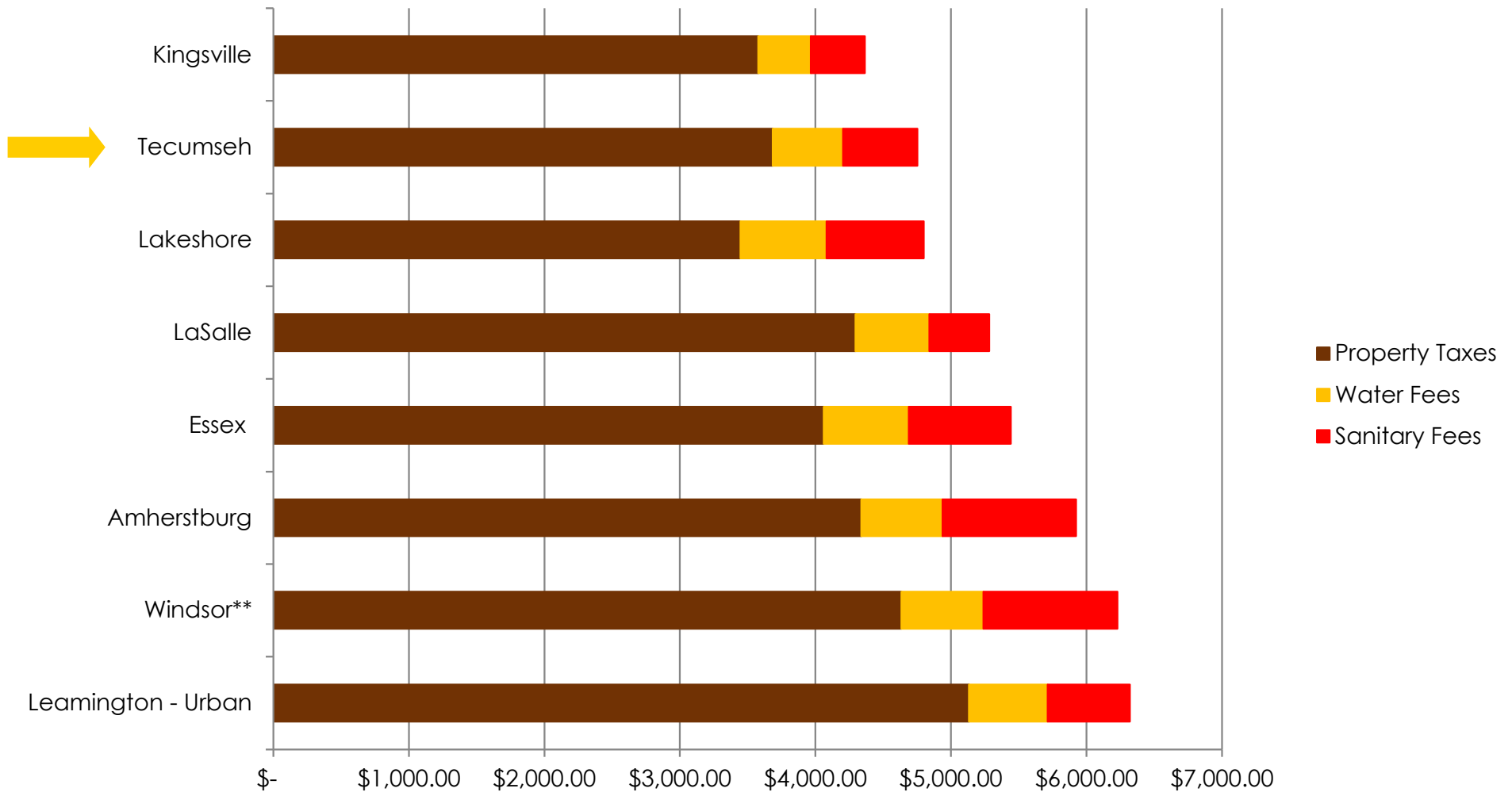
\*\* Limitations on variable rate and/or additional capital charges applicable

\*\*\* Charges are capped at \$20.80 per month



# 2023 Comparative – Essex County

## Combined Tax, Water and Sanitary Burden Comparison \*



\* - Property Taxes calculated based on home with an assessed value of \$250,000.

Water and Sanitary Fees based on monthly consumption of 20 cubic meters.

\*\* - Windsor taxes calculated using 2022 rate.



# Reserves

Key Reserve and Reserve Funds	Target	Actual**	Deficiency
Tax Rate Stabilization Reserve*	\$4,112,000	\$3,421,000	\$691,000
New Infrastructure Levy	TBD	\$13,336,000	TBD
Post Retirement Benefits	\$11,450,000	\$2,048,000	\$9,402,000

\* Healthy Tax Rate Stabilization Reserve is 10 – 15% of annual levy (15% used in this table)

\*\* 2022 Year-end values



# Discussion

