



2024 Proposed Business Plan & Budget

Presentation to Town Council

November 28, 2023

2024 Proposed Budget

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



Council Vision:

Proud of the Past. Confident in the Future. A Community for everyone.



Council Mission:

Working together for sustainable growth and service delivery to support an exceptional quality of life.



Strategic Priorities for 2023-2026

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.

The new corporate Strategic Plan can be found at:

<https://www.tecumseh.ca/en/town-hall/strategic-priorities.aspx>



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



2024 Objectives: Chief Administrative Officer

- Annual report out on Corporate Strategic Priorities
- Act on Council's growth mandate through residential, industrial and commercial growth
- Develop community amenities and facilities in partnership with community agencies and service groups
- Continuous improvement through organizational and service efficiencies
- Implement changes in policing governance arising from CSPA, 2019
- Implement Community Safety and Well-Being Plan in conjunction with area municipalities, the County and partners
- Further the Town's relationship building with our Indigenous Community
- Renew efforts to address Climate Change and focus on sustainability



2024 Objectives: People & Culture

- Development of a leadership competency framework along with succession planning
- Establish an employee reward and recognition strategy
- Conduct an employee compensation review, including the Town's benefit programs
- Implement a Human Resource Information System with records management, onboarding and an HR metrics dashboard
- Create employee engagement and diversity plans for the corporation
- Develop and deliver corporate education platforms
- Continue to raise the profile of health & safety and wellness committee initiatives
- Continue positive labour relations with the Town's labour partners



2024 Objectives: Legislative Services & Clerk

- Continue to implement the Clerks Service Delivery Review
- Implement Year 1 of the Records & Information Management Service Review
- Revamp the Town's Freedom of Information request and search procedures
- Review of various by-laws and policies
- Move forward with set up for implementing an Administrative Monetary Penalty System to augment enforcement of by-laws with potential launch in 2025
- Continue development of in-house legal services with land registry registration and search services brought in-house



2024 Objectives: Financial Services

- Customer Service Strategy implementation – led by TCS
- Commence set up and implementation of the HRIS/Payroll/Time & Attendance software arising from the Payroll Service Review
- Development Charge Background Study Update – led by Development Services
- Asset Management Plan – include all non-core assets – led by Public Works
- Implement FMW Capital module to provide more streamlined capital program tracking in time for 2024 Year End and 2025 Budget
- Implement new accounting standard requirements for asset retirement obligations for 2024 Financial Statements
- Pursue GFOA Distinguished Budget Presentation Award for 14th consecutive year



2024 Objectives: Technology & Client Services

- Implement Information Technology Service Review & Digital Strategy
- Completion and testing of Business Continuity & Disaster Recovery Strategy
- Implement stronger network security and reinforce cybersecurity measures with all users
- Improve connectivity between sites and add public wireless hotspots
- Enhance the Town's new Open Data Portal
- Fully implement new customer service model and enhanced communications program
- Prepare for 2024-25 Citizen Satisfaction Survey
- Refresh corporate website with inclusion of more e-services



2024 Objectives: Community Safety

- Completion and implementation of the Community Risk Assessment and Fire Master Plan
- Update the Town of Tecumseh Emergency Response Plan
- Pursue proactive approach to mandatory firefighter certification and succession planning for senior positions
- Explore funding opportunities to refurbish the 1942 Fire Truck
- Comprehensive review of Municipal By-Laws enforced by Community Safety



2024 Objectives: Development Services

- Finalize Tecumseh Hamlet Secondary Plan and incorporate into the Official Plan
- Complete the Oldcastle Hamlet Special Planning Study
- Implement Council's direction on growth in the Hamlet SPA, MRSPA and Oldcastle
- Conduct the 5-year update to the Town's Development Charges By-law
- Complete the new Comprehensive Zoning By-law
- Implement the 10 Initiatives of the Tecumseh Housing Action Plan, subject to federal funding
- Complete the branding study for the commercial areas of Tecumseh Road, Manning – Amy Croft and Lesperance South at CR22 to promote retail and service businesses
- Continue to promote financial incentives under the Town's CIPs



2024 Objectives: Community & Recreation Services

- Develop a Healthy Aging Strategy and expand active and passive programming for seniors
- Develop a master plan for the Tecumseh Arena site in support of a multi-use and wellness centre
- Complete approved capital projects including Lacasse Park Baseball stadium, Maidstone Recreation Centre washrooms and CADA Library facility
- Implement next phase of capital projects including Lakewood Park South washroom pavilion and water feature, arena restoration and sport fields rehabilitation
- Develop a climate change mitigation/adaptation strategy with energy management options
- Work on next phase of Asset Management with inclusion of all Town facilities, amenities and buildings



2024 Objectives: Public Works & Engineering Services

- Complete infrastructure related studies/by-laws, such as: AMP update, growth area FSRs, sanitary outlet cost recovery by-laws, traffic calming policy, bridge & culvert needs study (spans >3m), roads needs study, model updates for sanitary sewer & water distribution systems, SWM rates
- Design/install sanitary sewers - Oldcastle Hamlet (CR46/Webster/Laval & Delduca Dr)
- Design for Tecumseh Hamlet northwest infrastructure
- Design/construction of capital projects with secured funding/partnerships: DMAF – Stormwater pump stations and Centennial & Woodbridge watermain replacements, Lesperance Road multi-use trails, CR43 watermain
- Move forward with Regional Food & Organics & Biosolids Waste Management
- Implement mandated MECP Consolidate Linear Infrastructure ECAs
- Participate in Municipal Class EA's for CR46 and Little River Pollution Control Plant





2024 Draft Business Plan & Budget

As presented to Town Council
November 28, 2023

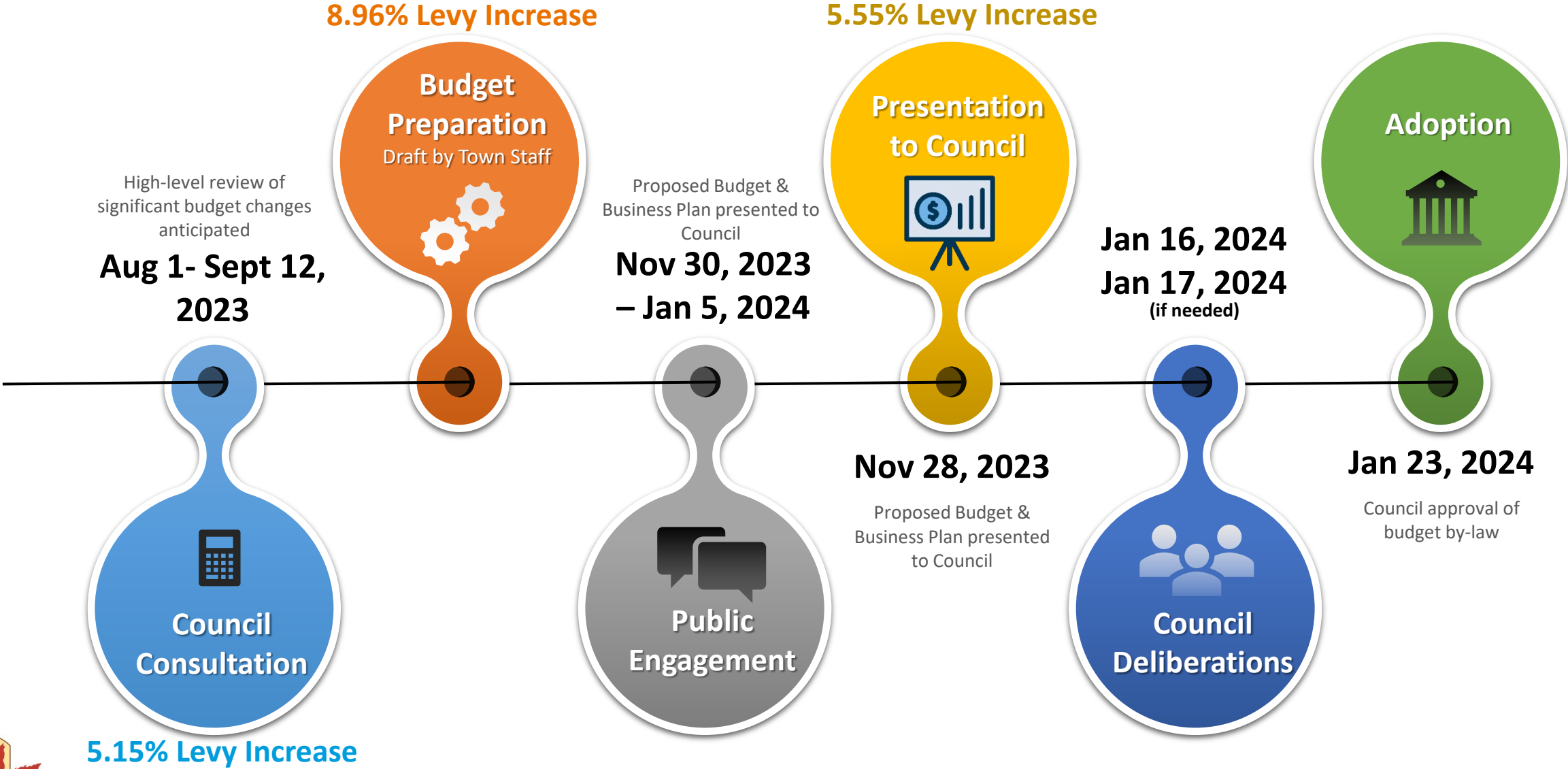
2024 Business Plan and Budget Overview

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



5.15% Levy Increase



Council Consideration

- Total Municipal tax levy required is \$28.9M
 - \$1.5M or 5.55% increase vs prior year approved budget
- Municipal tax rate increase of 5.48% vs prior year approved rate

Impact on \$250K Property	% of Increase	\$ Increase
Noncontrollable/Inflationary	1.82%	\$ 36
Contribution to Capital	1.44%	29
Operations (net of growth)	2.22%	45
	5.48%	\$ 110

- Consolidated levy increase ~ 4.74% expected vs prior year approved budget
 - \$175 consolidated increase on \$250K assessed property
- Province again postponed the 2024 Assessment Update
 - Property assessments are based on fully phased-in January 1, 2016 values



2024 Proposed Levy Summary

Budget Drivers	2024					
	2023	Proposed	2025	2026	2027	2028
Base Department Operations (excl Pay/Ben)	-0.13%	0.15%	2.37%	0.73%	1.24%	1.27%
Service Level Enhancements	2.70%	3.29%	2.07%	0.42%	0.00%	0.00%
Payroll/Benefits	1.19%	1.15%	1.36%	1.48%	1.73%	1.73%
Sub-total - Operating	3.76%	4.59%	5.80%	2.63%	2.96%	3.00%
Lifecycle	0.18%	0.73%	0.86%	1.04%	1.04%	1.04%
New Infrastructure Levy	0.00%	0.73%	0.69%	0.69%	0.69%	0.69%
Sub-total - Capital	0.18%	1.46%	1.56%	1.73%	1.73%	1.73%
Total	3.94%	6.05%	7.35%	4.36%	4.69%	4.73%
Assessment (Growth)/Loss	-1.00%	-0.49%	-1.12%	-1.38%	-1.38%	-1.38%
Total w/ Growth factor	2.94%	5.55%	6.23%	2.98%	3.31%	3.35%



Key Revenue Items

		Increase (\$)
Assessment Growth	\$	210,000
Supplementary Taxes		(75,000)
Total Growth		135,000
User Charges		85,000
Building Permits		NIL
- \$148K decrease, transferred to reserve		
Investment Income		
- \$1.1M increase, transferred to reserve		NIL



Key Expenditure Items

		Increase (\$)	% of Levy Increase
Contribution to Capital (LC/NIL)	\$	400,000	23%
Wages	\$	479,400	28%
Benefits		258,100	15%
Total Payroll (net of transfers)	\$	737,500	43%
OPP Contract	\$	(83,600)	(5%)
Insurance	\$	86,000	5%
Contracts	\$	225,400	13%
(Indigenous initiatives \$60K offset by Transfers, Garbage, Parks, ERCA)			
Computer Software/Support	\$	75,200	4%
Housing Action Plan – Prof Fees	\$	NIL	NIL
\$308,000; offset by grant funding			
Maintenance Service	\$	157,600	9%
(\$85K Storm flushing, \$24K Street lights, \$34K Building Maintenance)			



Dominant Themes - Payroll

		Increase (\$)	% of Payroll Increase
Implementation of Results of Reviews - 2021 Organization Review (\$126K), Building Review (\$17K) & HR Review (\$58K)	\$	201,500	27%
Legislative & Clerk Services (Records Management Clerk, Prosecution Coordinator)		90,100	12%
Community and Recreation (Facility Leader and Programs/Events Leader)		95,300	13%
Other (contractual salary and benefit increases)		350,600	48%
Total increase (net of transfers)	\$	737,500	100%



Financial Reporting Changes:

- **Consolidation of Legal Services Budget:**

- External legal services expenditures are now consolidated under the Legislative & Clerk Services Department, aligning with corporate structural change
- **Exception:** Labour relations matters will remain in People & Culture's budget

- **Building Maintenance and Janitorial Supplies Centralization:**

- All building maintenance expenditures are now consolidated within the Maintenance department under the Community & Recreation Services budget, aligning with reporting responsibilities
- **Exception:** Arena-related Maintenance and Fire-related Janitorial Supplies costs remain separate

- **Retiree Benefits Consolidation:**

- All retiree benefits expenditures are now consolidated under the Corporate Shared department, providing a cohesive overview of these expenses in the financial statements

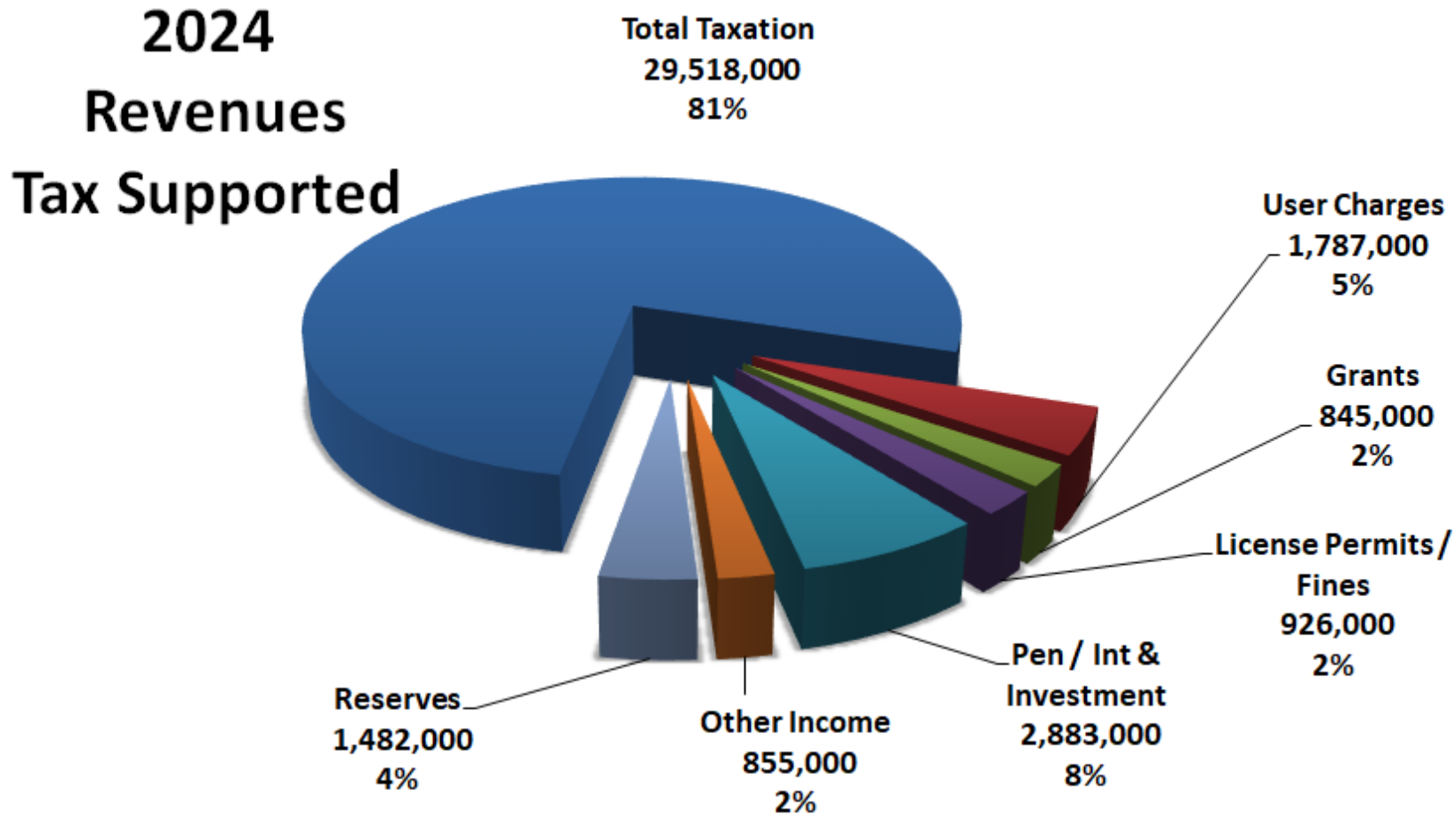


What's Not in the Budget

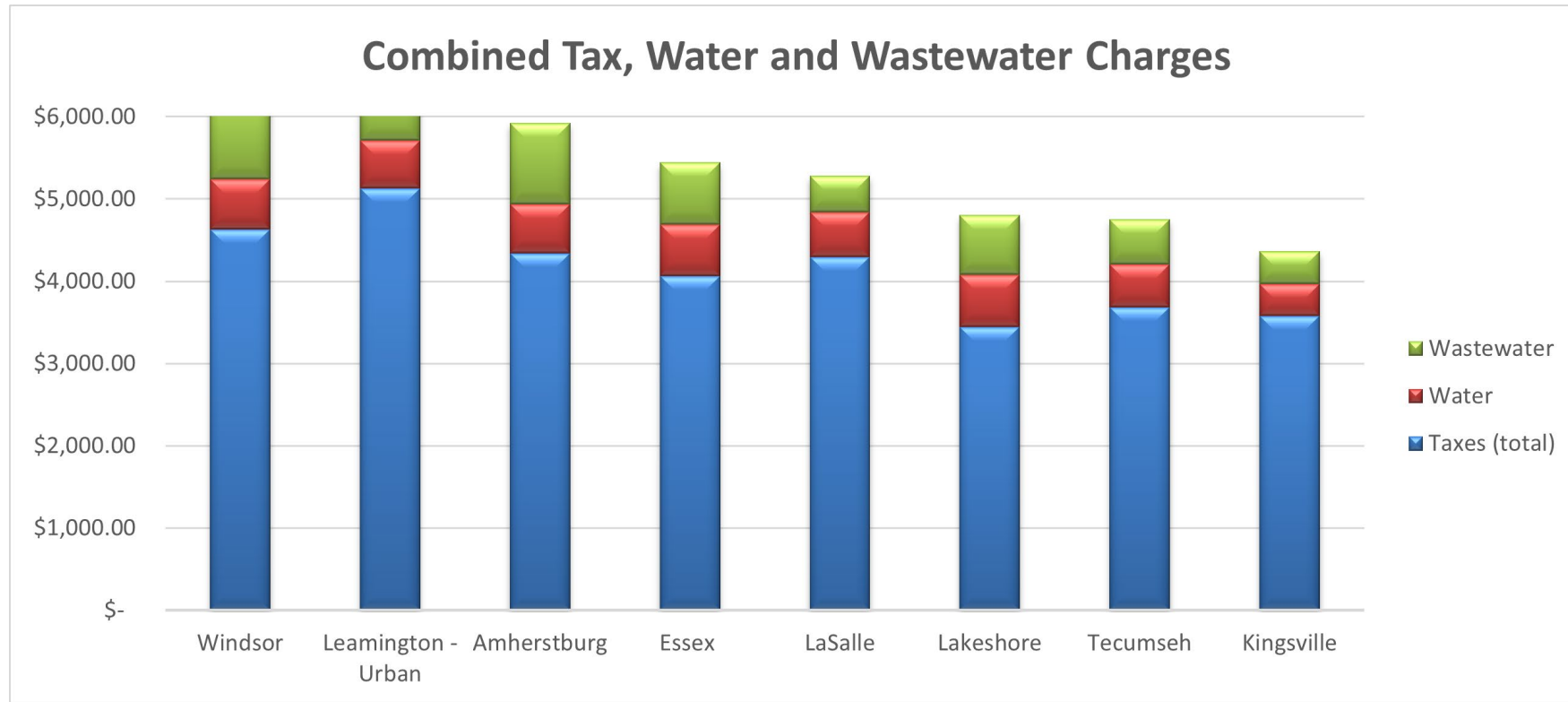
- Implementation of recommendations from the following process reviews
 - Fire Master Plan
 - HRIS / Payroll / Time and Attendance
- Lottery License Litigation
 - up to \$7M



Operating Budget Revenues



2023 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.



2024 Tax Levy Change - \$250K Home

Levying Authority	2024 Levy	2023 Levy	Dollar Difference	Percent Difference
Municipal	\$ 2,124	\$ 2,014	\$ 110	5.48%
County	1,354	1,289	65	5.00%
Education	383	383	0	0.00%
Total	\$ 3,706	\$ 3,564	\$ 175	4.74%

- Property Assessment update postponed by Province
 - Property valuations unchanged from 2023
i.e. 2023 CVA of \$250,000 remains 2024 CVA of \$250,000.



Rate Supported – Water and Wastewater

- Full Cost Recovery Rates - 2023 Rate Study
- Rate increase average residential user
 - 2024 \$32 or 3% (\$1,082 to \$1,114)*
- Rate revenue
 - Wastewater \$5.4M
 - Water \$6.05M
- 2024 Budgeted capital funding \$4.3M



* Based on monthly consumption of 20m³

Wastewater – Key Items

- Wastewater treatment costs
 - Significant inflationary increases
- Annual flushing program
- 8th Concession sewer area (Oldcastle)
 - Cost recovery by-law to be created in 2024
 - Next phases County Road 46/Webster/Laval and Delduca Drive extensions - 2024 construction
 - Approximately 18 phases remain
- Flood mitigation measures
 - Sanitary sewer model update to be completed in 2024
 - Anticipated recommendations/improvements of \$35+ million
- Tecumseh Hamlet Secondary Plan Area
 - Northwest W&WW (Phase 1) – construction in 2024



Water Key Items

- Bulk water purchases
 - Annual rate increase
- Watermain improvements associated with County projects
 - County roads 42, 43 and 19
- Investing in Canada Infrastructure Program – Green Stream II, 2021 Intake
 - Town successful with application for \$3.5 million in improvements on Centennial & Woodridge
 - Design 2023/2024 - Construction to begin 2025
- Tecumseh Hamlet Secondary Plan Area
 - Northwest W&WW (Phase 1) – construction in 2024



Capital Program and Funding Strategy

- Capital Strategic Workshop 2022
- Lifecycle Funding – 2024 allocation \$9.1M (increase of \$200,000)
 - Lifecycle Annual funding target = \$9.8M
- NIL – 2024 allocation \$2,150,000 (increase of \$200,000)
 - NIL Annual funding target = \$2.35M
- Funding Mix – Use of Debt
 - Annual Repayment Limit / Net Debt : Own Revenues ~ 3%
 - Grant and Partnership Funding
 - Pursue all opportunities – may impact our priorities
- County Capital Program / City Capital Program



Capital Works Plans

- 5-Year Capital Plans - Approval for 2024 with forecast for 2025-2028
 - Recommendations for proposed projects follow budget process
- Recreation and Cultural Amenities – SCM March 29, 2022
 - Lacasse Ball Diamond – complete early 2024
 - Lakewood Park amenities
 - Southfield Park splash pad
 - Maidstone Recreation Centre
 - CADA Library – complete early 2024
 - Sport Field Turf



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
 - Oldcastle Sanitary Extensions



Capital Works Plans

- Over \$68M Capital Projects for 2024 and Contributing Funding
 - Scully and St. Mark's Storm Pump Station - (DMAF and OCIF)
 - P.J. Cecile Storm Pump Station - (DMAF)
 - CR46/Webster/Laval Sanitary Extension - (CCBF, Owner contributions)
 - Delduca Sanitary Extension - (CCBF, Owner contributions)
 - Tecumseh Hamlet Planning Area Water and Wastewater Servicing - (Development Charges)
 - CR43 Trunk Watermain
 - Lesperance Trail – Cty Rd 22 to Cty Rd 42 - (ICIP-Transit)
 - Fire Radio System
 - Lakewood Park South – water feature, pavilion, washroom
 - Lacasse Park – landscaping, parking lot, pathways
 - Maidstone Recreation Centre – washrooms - (MRC contribution)
 - Arena Restoration
- Debt Payments \$1.6M



Reserves Strategy

- 2023 Year-End Reserves/Reserve Funds Estimated Balance - \$77M
 - Lifecycle / Infrastructure / Water / Wastewater
- Infrastructure Reserve
 - Funding source for new and/or enhanced infrastructure
 - \$7.4M toward Recreation/Community/Infrastructure Projects in 2024
- Lifecycle Reserves and Reserve Funds
 - Funding sources for replacement
 - \$35M towards PW Infrastructure Projects in 2024
- 2024 Estimated Net Draw Reserves/Reserve Funds - \$34M



Reserves Strategy

- 2025-2028 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
 - Higher 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 2024 Proposed Budget:
 - Incorporates Council's Adopted Capital Works Plans
 - Continues Implementation of Organizational Review
 - Implementation of Corollary Reviews
 - Includes Modernization and Efficiency Initiatives
- Advances on Council and Community Strategic Priorities
 - Implementation of Housing Accelerator Plan
- Proposes Fair Value Tax Rate Increase to Property Owners



Conclusion

- Budget Deliberations
 - SCM – January 16, 2024 @ 4:00pm
 - SCM – January 17, 2024 @ 4:00pm (if needed)
- Budget Approval
 - RCM – January 23, 2024 @ 7:00 pm



Photo of:
Southfield Green Apartments by Skyline Living
(from <https://www.southfieldgreen.ca/gallery>)

Discussion

