



# Pre-Budget Council Consultation

Presentation to Town Council September 10, 2024

# 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.

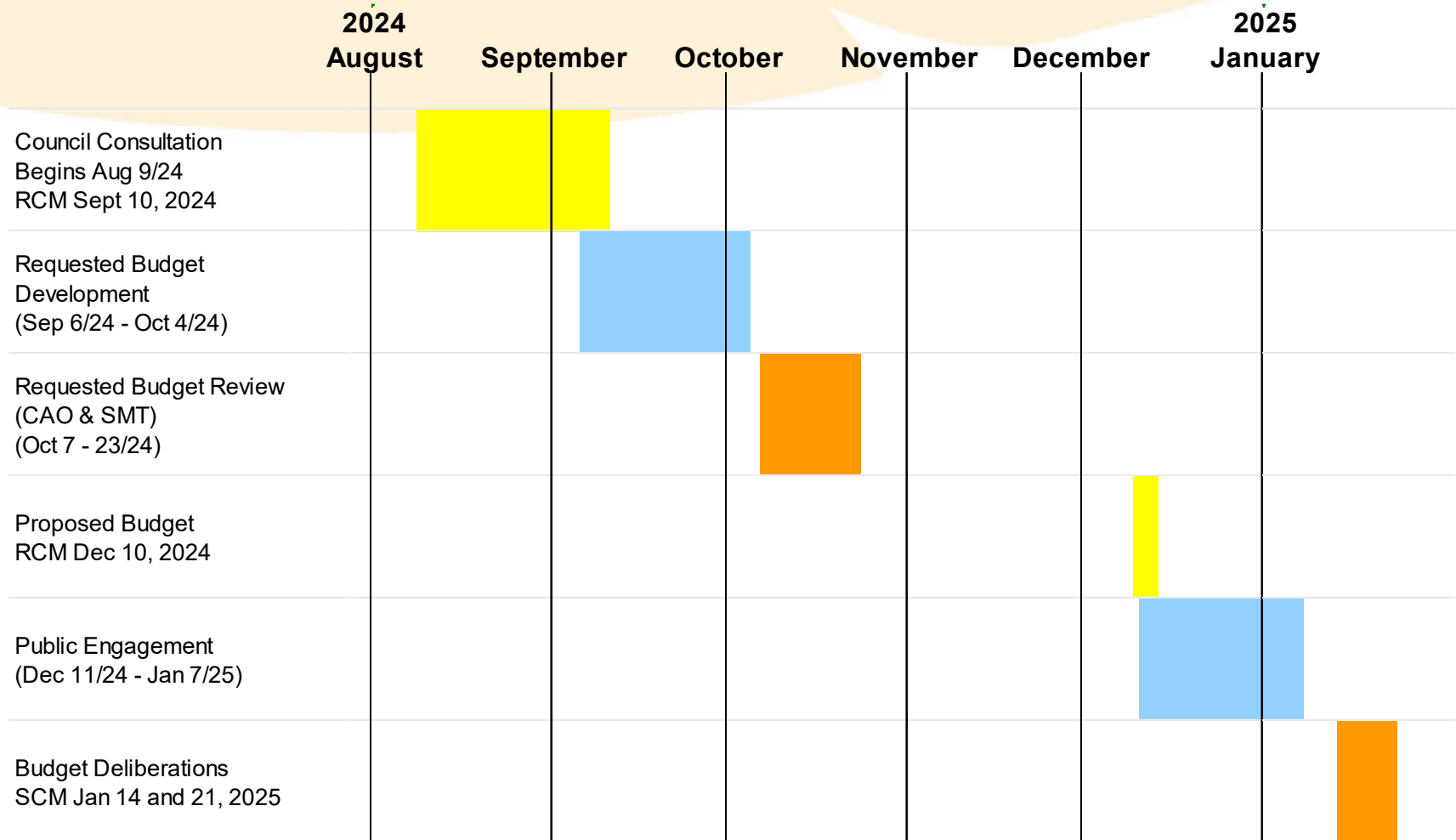


## **Service Experience**

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



# 2025 Budget Timelines



2025 Budget Timelines approved by Council as per FS-2024-13



# 2025 Budget Approach

## Budget Development Methodology

- Council Strategic Priorities
- Focus on Program and Service Delivery
- Respect for Taxpayers



# 2024 Approved Budget & Forecast

Budget Drivers	2023	2024 Approved	2025	2026	2027	2028
Base Department Operations (excl Pay/Ben)	0.44%	0.05%	2.56%	0.73%	1.25%	1.29%
Service Level Enhancements	1.73%	3.29%	2.08%	0.42%	0.00%	0.00%
Payroll/Benefits	1.19%	0.78%	1.36%	1.49%	1.74%	1.74%
<b>Sub-total - Operating</b>	<b>3.36%</b>	<b>4.12%</b>	<b>6.00%</b>	<b>2.64%</b>	<b>2.99%</b>	<b>3.02%</b>
Lifecycle	0.96%	0.73%	0.87%	1.04%	1.04%	1.04%
New Infrastructure Levy	0.77%	0.73%	0.69%	0.69%	0.69%	0.69%
<b>Sub-total - Capital</b>	<b>1.72%</b>	<b>1.46%</b>	<b>1.56%</b>	<b>1.74%</b>	<b>1.74%</b>	<b>1.74%</b>
<b>Total</b>	<b>5.09%</b>	<b>5.58%</b>	<b>7.57%</b>	<b>4.38%</b>	<b>4.72%</b>	<b>4.76%</b>
Assessment (Growth)/Loss	-1.26%	-0.55%	-1.13%	-1.39%	-1.39%	-1.39%
<b>Total w/ Growth factor</b>	<b>3.82%</b>	<b>5.03%</b>	<b>6.44%</b>	<b>2.99%</b>	<b>3.33%</b>	<b>3.37%</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 2025 Levy Increase from 2024 Budget</b>	<b>\$ Amount</b>	<b>Percent</b>
Operations	\$1,728,000	6.00 %
Lifecycle/Capital	450,000	1.56 %
Assessment Growth	(325,000)	(1.13)%
<b>Total Projected 2025 Levy Increase</b>	<b>\$1,853,000</b>	<b>6.44%</b>
<b>Projected 2025 Levy Increase – Pre-Budget</b>		
Operations	\$1,617,000	5.57%
Lifecycle/Capital	450,000	1.55%
Assessment Growth	(400,000)	(1.38)%
<b>Total 2025 Preliminary Estimate</b>	<b>\$1,667,000</b>	<b>5.74%</b>



# Operating Revenues

Operating Revenues	\$ Amount	Percent
Electricity sales to the grid	\$(44,000)	(0.15)%
Rental income	(45,000)	(0.16)%
Other	(24,000)	(0.08)%
<b>Total Operating Revenues</b>	<b>\$(113,000)</b>	<b>(0.39)%</b>



# Operating Expenditures

Operating Expenditures	\$ Amount	Percent
Wages/Benefits increase	\$440,000	1.52%
Maintenance Materials & Supplies	58,000	0.20%
Maintenance Services – Building Maintenance	25,000	0.09%
Contracts – HVAC & Indigenous Program	115,000	0.40%
Traffic Lights Maintenance Service	23,000	0.08%
Police – OPP Contract	387,000	1.33%
Computer Software	67,000	0.23%
Utilities – Rate Increase	27,000	0.09%
Insurance – Premium Increase	58,000	0.20%
Tax Write-Offs – Appeals & CIP/BPIG	70,000	0.24%
Reversal of one-time transfers	250,000	0.86%
Balance – Inflation and Other	210,000	0.72%
<b>Total Operating Expenditures</b>	<b>\$1,730,000</b>	<b>5.96%</b>





# 2025 Operating Drivers Not Yet Quantified

Drivers Not Yet Quantified	\$ Amount	Percent
CBA – All Units (702.1, 702.2, 702.5, 702.13)	TBD	TBD
Non-Union Compensation Review	TBD	TBD
Recycling (Blue box program)	TBD	TBD



# Lifecycle/Capital

Lifecycle/Capital Drivers	\$ Amount	Percent
Lifecycle	\$250,000	0.86%
New Infrastructure Levy (NIL)	200,000	0.69%
<b>Total Lifecycle/Capital</b>	<b>\$450,000</b>	<b>1.55%</b>



# Outlook Years - Operating

Operating Outlook	2026	2027
CBA – All Units (702.1, 702.2, 702.5, 702.13)	TBD	TBD
IESO Market Participant	\$(50,000)	\$NIL
Staff Positions Deferral	\$293,000	\$NIL
CIP BPIG Incentives Maturing	\$NIL	\$(120,000)
Housing Action Plan	TBD	TBD



# Outlook Years – Lifecycle/Capital

<b>Lifecycle/Capital Outlook</b>	<b>2026</b>	<b>2027</b>
Lifecycle	\$250,000	\$250,000
New Infrastructure Levy (NIL)	\$200,000	\$200,000
Lifecycle Debt Maturing	\$0	\$(213,000)

<b>Major Capital Projects</b>	<b>Grant Program</b>	<b>Grant Funding</b>
Tecumseh Hamlet Northwest Water/Wastewater Servicing	HEWSF	\$15.1M
Housing Action Plan	HAF	\$4.4M
Scully/St. Mark's and PJ Cecile Storm Pump Stations	DMAF	\$10.7M
Centennial and Woodbridge Watermains	ICIP-Green	\$2.6M
Lesperance Trail (Riverside to First)	ATF	\$2.6M
Cedarwood Sanitary Pump Station	DMAF	\$3.6M



# Lifecycle/Capital

- Lifecycle Funding Model
  - Asset replacement
- New Infrastructure Levy – Target \$2.35 M
  - New capital requirements
- Allocated to Capital Reserves (\$10.5 M 2024)
- 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 + 5% proposed for 2025
  - Variable
    - Water + 3%, Sanitary + 5% proposed for 2025
- Sanitary Treatment Costs (Little River Plant)
- Reserve Fund Balances (2023 YE)
  - Water                      \$14,600,000
  - Sanitary                    \$ 6,700,000



# Water & Sanitary Rates

Comparative Rates – 2024<sup>(1)</sup>



	Windsor	A'burg	Lakeshore	Essex	Leamington	Tecumseh	Lasalle	Kingsville
<b>Water</b>								
Fixed	\$ 21.06	\$ 25.01	\$ 22.55	\$ 21.31	\$ 27.44	\$ 19.55	\$ 23.50	\$ 11.27
Variable	0.753 <sup>(2)</sup>	1.32	1.68	1.60	0.98	1.31	1.19	1.22
<b>Sanitary</b>								
Fixed	21.65	35.94	25.33	22.94	53.94	19.55	15.00	24.53
Variable	\$3.37	2.43	1.99	2.07	2.58 <sup>(1)</sup>	1.38	1.19	0.74 <sup>(3)</sup>
<b>Total Cost</b>	<b>\$ 1,697</b>	<b>\$ 1,631</b>	<b>\$ 1,455</b>	<b>\$ 1,411</b>	<b>\$ 1,184</b>	<b>\$ 1,114</b>	<b>\$ 1,033</b>	<b>\$ 900</b>

(1) Based on monthly consumption of 20 cubic meters of water

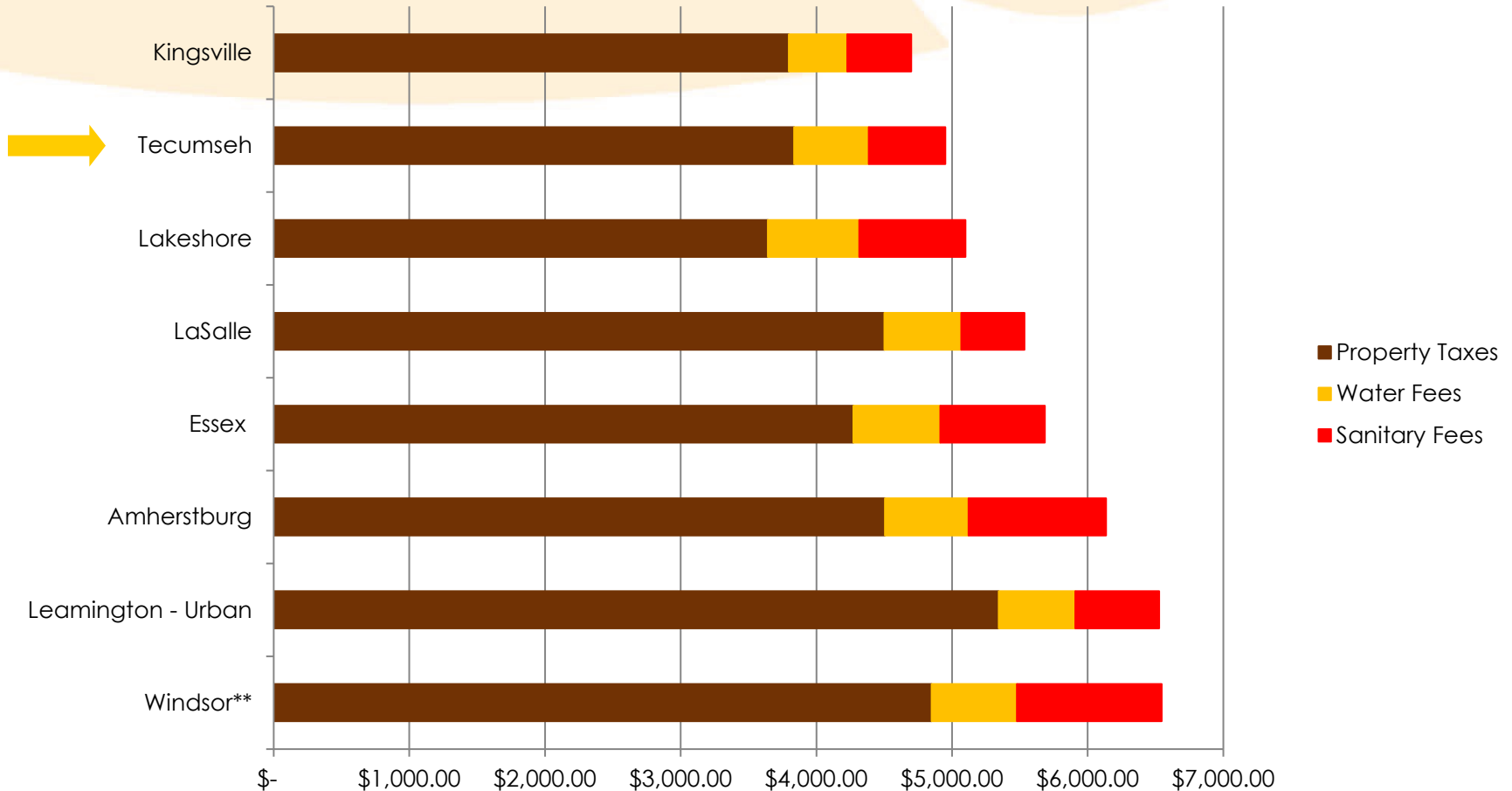
(2) Limitations on variable rate and/or additional capital charges applicable

(3) Charges are capped at \$20.80 per month



# 2024 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 2023 rate.





# Reserves

Key Reserve and Reserve Funds	Target	Actual**	Deficiency
Tax Rate Stabilization Reserve*	\$4,600,000	\$4,000,000	\$600,000
New Infrastructure Levy	TBD	\$12,773,000	TBD
Post Employment Benefits	\$10,600,000	\$3,100,000	\$7,500,000

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

\*\* 2024 Year-end estimate



# Discussion

