



# 2016 Pre-Budget Council Consultation

Presentation to Town Council  
September 8, 2015



# Strategic Priorities

1. Make the Town an even better place to live, work and invest through a shared vision for our residents and newcomers
2. Ensure that the Town's current and future growth is built upon the principles of sustainability and strategic decision-making
3. Integrate the principles of health and wellness into all of the Town's plans and priorities



# Strategic Priorities

4. Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses
5. 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



# 2016 Budget Timelines

	August	September	October	November	December
Pre-Budget Council Consultation	RCM Sep 8				
Requested Budget Development		Administration			
Public Engagement		Sep 8 - 25			
Requested Budget Review			CAO & SMT		
Proposed Budget				RCM Nov 10	
Budget Review & Deliberations				SCM Nov 23 and 30	
Budget Consideration & Adoption					RCM Dec 8



# 2015 Approved Budget & Forecast

	2014	2015	2016	2017	2018	2019
Department Operations (excl pay/benefits)	0.02%	1.06%	1.65%	0.37%	0.51%	0.50%
Payroll/Benefits	1.22%	1.03%	1.01%	0.90%	0.82%	0.81%
Police Services	1.93%	-1.48%	-1.45%	-1.89%	-1.87%	-1.85%
<b>Sub-total</b>	<b>3.17%</b>	<b>0.61%</b>	<b>1.21%</b>	<b>-0.62%</b>	<b>-0.54%</b>	<b>-0.54%</b>
Lifecycle	2.74%	0.00%	0.24%	0.24%	0.23%	0.23%
New Infrastructure / Growth	0.00%	0.99%	0.97%	1.42%	1.41%	1.39%
<b>Total</b>	<b>5.91%</b>	<b>1.60%</b>	<b>2.42%</b>	<b>1.04%</b>	<b>1.10%</b>	<b>1.08%</b>
Assessment (Growth)/Loss	-0.26%	-0.79%	-0.24%	0.00%	0.00%	0.00%
<b>Total w/ Growth factor</b>	<b>5.65%</b>	<b>0.81%</b>	<b>2.18%</b>	<b>1.04%</b>	<b>1.10%</b>	<b>1.08%</b>

Note: 2014 marked the final year of the 10-yr - 2.90% Lifecycle Funding Program which increased Lifecycle funding from \$1.9m per year in 2003 to \$7.5m per year in 2014. The 2015 budget includes the introduction of a Capital allocation for New Infrastructure/Growth of approximately 1.0%. Lifecycle funding allows for the replacement of existing long-term assets. New Infrastructure/Growth allocations set aside funds for known future new capital requirements.



# Budget Pressures & Drivers

	Amount	Percent
Summary:		
Operations	\$(39,000)	(0.19)%
Lifecycle/Capital	\$550,000	2.67%
Assessment Growth	?	?
<b>Total</b>	<b>\$511,000</b>	<b>2.48%</b>
<b>Projected Levy Increase from 2015 Budget:</b>		
Operations	\$249,500	1.21%
Lifecycle/Capital	\$250,000	1.21%
Assessment Growth	\$(50,000)	(0.24)%
<b>Total Projected Levy Increase</b>	<b>\$449,500</b>	<b>2.18%</b>



# Budget Pressures & Drivers

	Amount	Percent
Operating Revenues:		
Assessment Growth	?	?
Supplemental Tax Revenue	\$(100,000)	(0.24)%
Ontario Municipal Partnership Fund (OMPF)	\$15,000	0.07%
Land Lease	\$(21,000)	(0.10)%
Penalties/Interest Income	\$40,000	0.19%
Bank Interest (\$42k ↓ – \$0 net of reserve transfer)	-	-
User Fees – Arena Ice Rental	\$(15,000)	(0.07)%
Building Permits	?	?
<b>Total Revenues</b>	<b>\$(81,000)</b>	<b>(0.39)%</b>



# Budget Pressures & Drivers

	Amount	Percent
Operating Expenditures:		
OPP Contract - Police	\$(750,000)	(3.64)%
Employee Compensation	\$146,000	0.71%
Youth & Senior Advisory Committees - Clerk	\$10,000	0.05%
Vehicle Maintenance - Fire	\$10,000	0.05%
Contracts – Parks	\$12,000	0.06%
Grants – Planning (CIP)	\$35,000	0.17%
Other	\$7,000	0.03%
Inflation impact */ Utilities / Benefits	\$50,000	0.24%
<b>Total Operating Expenditures</b>	<b>\$(480,000)</b>	<b>(2.33)%</b>

\* - CPI (Ontario monthly) July 2014 – July 2015 = 1.5%





# Budget Pressures & Drivers

	Amount	Percent
Operating Staffing Enhancements:		
1.0 FTE Strategic Initiatives – CAO	\$90,000	0.44%
1.0 FTE Purchasing/Analyst – Finance*	\$100,000	0.48%
1.0 FTE Labourer – Public Works – Storm*	\$100,000	0.48%
0.5 FTE Labourer – Public Works – (Seasonal to F/T)*	\$36,000	0.17%
0.6 FTE Students (2) – Public Works	\$20,000	0.10%
0.3 FTE Clerk I – Building (P/T to F/T)	\$24,000	0.12%
1.0 FTE Labourer – Rec Programs (Student to F/T)	\$50,000	0.24%
1.0 FTE Students (3) – Parks	\$33,000	0.16%
0.2 FTE Labourer – Parks Buildings (add'l hrs)	\$20,000	0.10%
0.5 FTE By-law officer – By-law (return to 1.0 FTE)	\$49,000	0.24%
<b>Total Staffing Enhancements</b>	<b>\$522,000</b>	<b>2.53%</b>

\* - Were included in the 2015 budget as outlook items for 2016



# Budget Pressures & Drivers

	Amount	Percent
Lifecycle/Capital:		
New Infrastructure Reserve (NIL)	\$500,000	2.43%
Lifecycle	\$50,000	0.24%
<b>Total Lifecycle/Capital</b>	<b>\$550,000</b>	<b>2.67%</b>



# 2016 Drivers not Quantified

	Amount	Percent
Assessment Growth – returned roll December		
Education & County Levies		
ERCA		
EWSWA		
PSAB 3260 – Contaminated sites		



# Outlook Years

	2017	2018
Collective Bargaining Agreements (CUPE & Fire)	?	?
Staffing levels expected to be stable	-	-
OPP Contract	\$(400,000)	\$(400,000)
Garbage Collection contract	?	?
CIP Grant incentives	?	?
Lottery Licencing	?	?
New Infrastructure Levy (NIL)	\$300,000	\$300,000
Lifecycle	\$50,000	\$50,000
Assessment Growth	\$(200,000)	\$(250,000)



# Lifecycle/Capital

- Lifecycle Funding Model
  - Asset replacement
- New Infrastructure Levy – Target \$1.3 M
  - New capital requirements
- Allocated to Capital Reserves
- Recommendations for annual project allocations follows budget process
  - Department 5-yr Capital Plans



# Water & Sanitary Rates

- Water & Waste Water (Sanitary) Rate Study
- Current Rates – forecast 3% increase
  - Fixed – to double over 10 year period
  - Variable - lesser increases
- Consumption Trends
- Reserve Fund Balances
  - Water
  - Sanitary



# Water/Sanitary Drivers

- Water specific
  - Encoder Receiver Transmitter (ERT) meters
- Sanitary specific
  - Inflow & Infiltration (I&I) Program
    - Program funds diverted towards Lakewood P.S.
  - North Talbot Road Sanitary Sewer Service Area
  - 8<sup>th</sup> Concession Road Sanitary Sewer Service Area
  - Debt Servicing



# Water & Sanitary Rates

- Comparative Rates – 2015



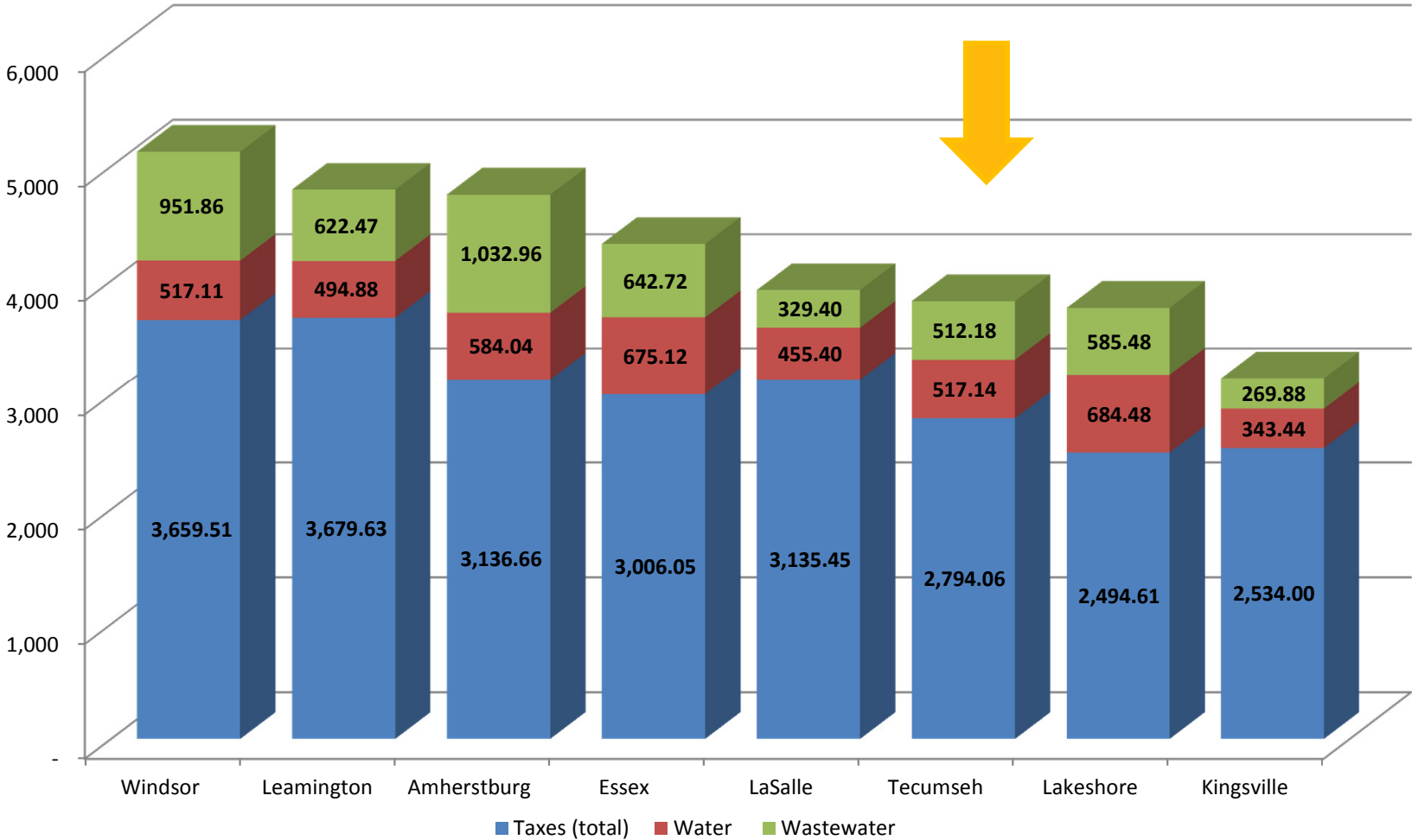
	A'burg	Windsor	Essex	Lakeshore	Leamington	Tecumseh	Lasalle	Kingsville
<b>Water</b>								
Fixed	\$20.05	\$16.84	\$18.73	\$19.24	\$20.45	\$11.91	\$15.00	\$5.67
Variable	\$1.06	\$0.48*	\$1.39	\$1.40	\$0.77	\$1.16	\$0.85	\$0.85
<b>Sanitary</b>								
Fixed	\$30.46	\$15.87	\$18.73	\$14.77	\$40.18	\$11.91	\$4.50	\$22.49
Variable	\$2.06*	\$2.35	\$1.29	\$1.26	\$1.92*	\$1.14	\$0.85	N/A
<b>Total Cost</b>	<b>\$1,617</b>	<b>\$1,469</b>	<b>\$1,318</b>	<b>\$1,270</b>	<b>\$1,117</b>	<b>\$1,029</b>	<b>\$785</b>	<b>\$613</b>

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





# 2015 Comparative – Essex County



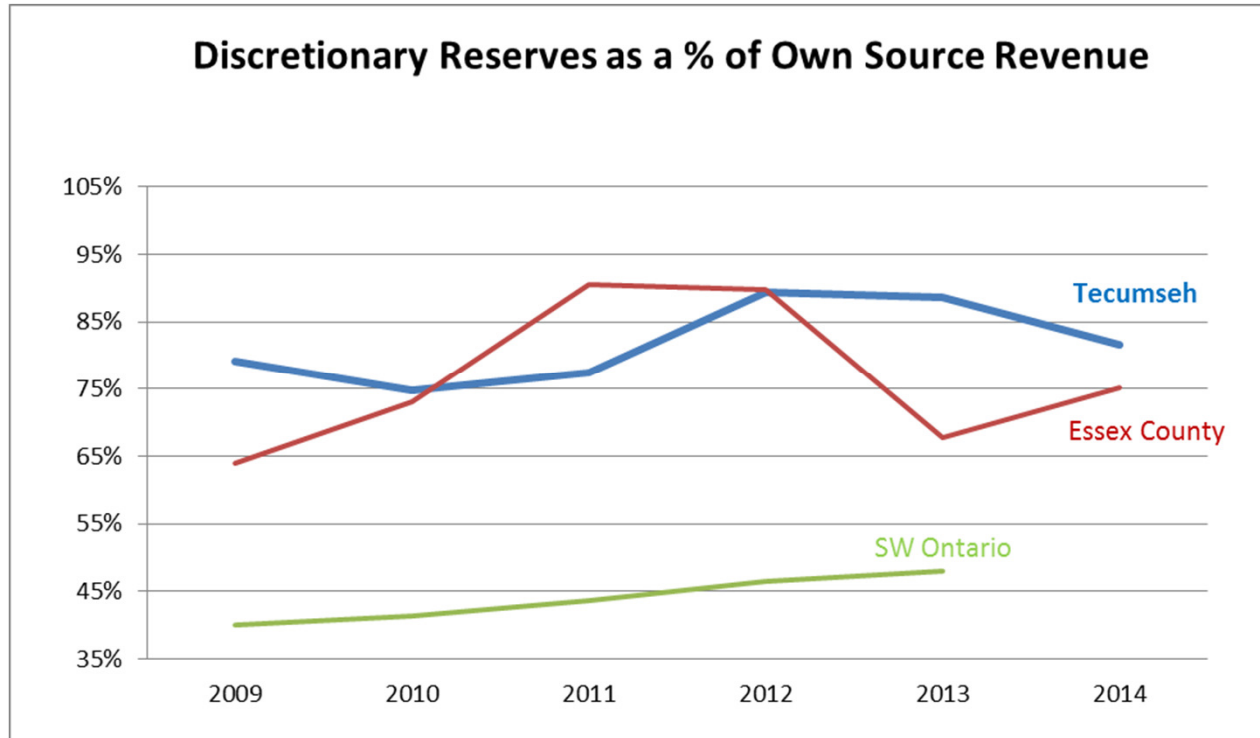
# Reserves

	<b>Target</b>	<b>Actual</b>	<b>Deficiency</b>
Tax Rate Stabilization Reserve *	\$3,000,000	\$2,015,000	\$985,000
Sick Pay	\$305,000	\$305,000	\$0
Vacation Accrual	\$348,000	\$348,000	\$0
Post Retirement Benefits	\$7,000,000	\$1,650,000	\$5,350,000

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



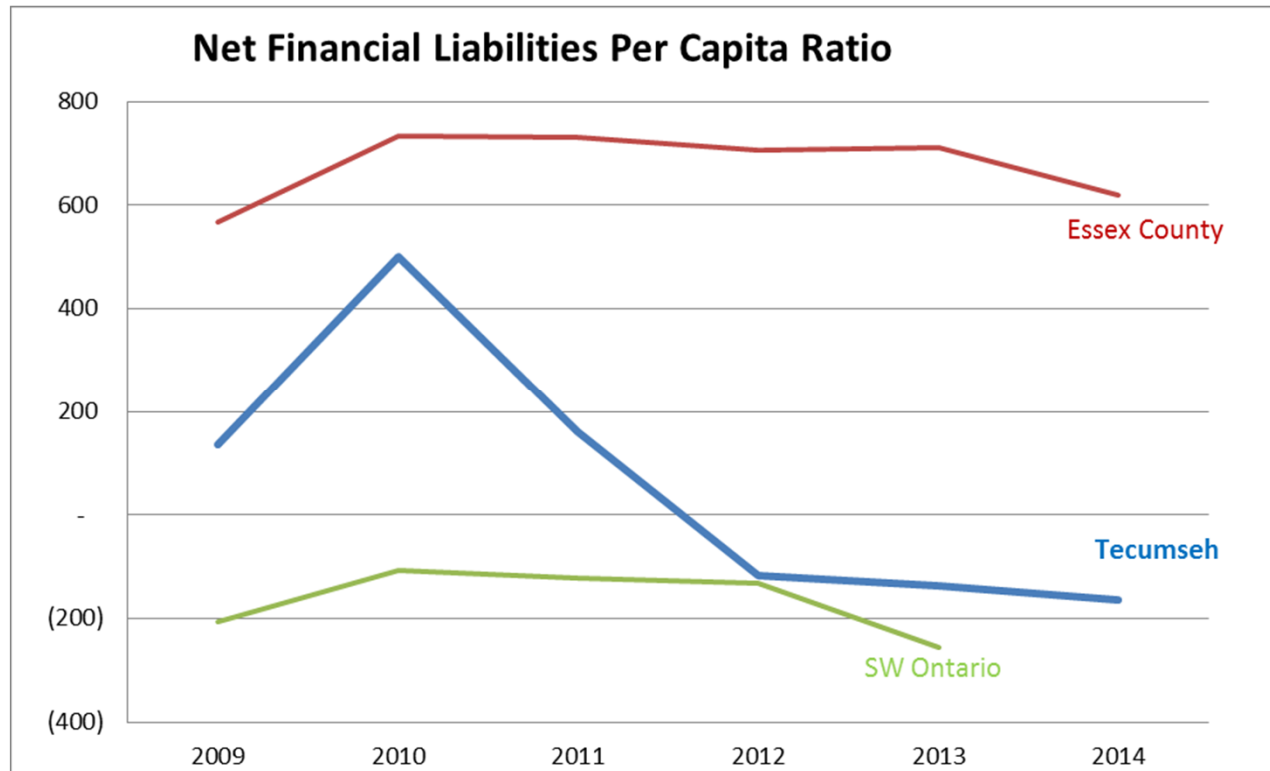
# Financial Metrics



- Source: MIDAS (FIR) and MMAH (FIR)
- Lakeshore 2014 data not yet available
- SW Ontario 2014 data not yet available



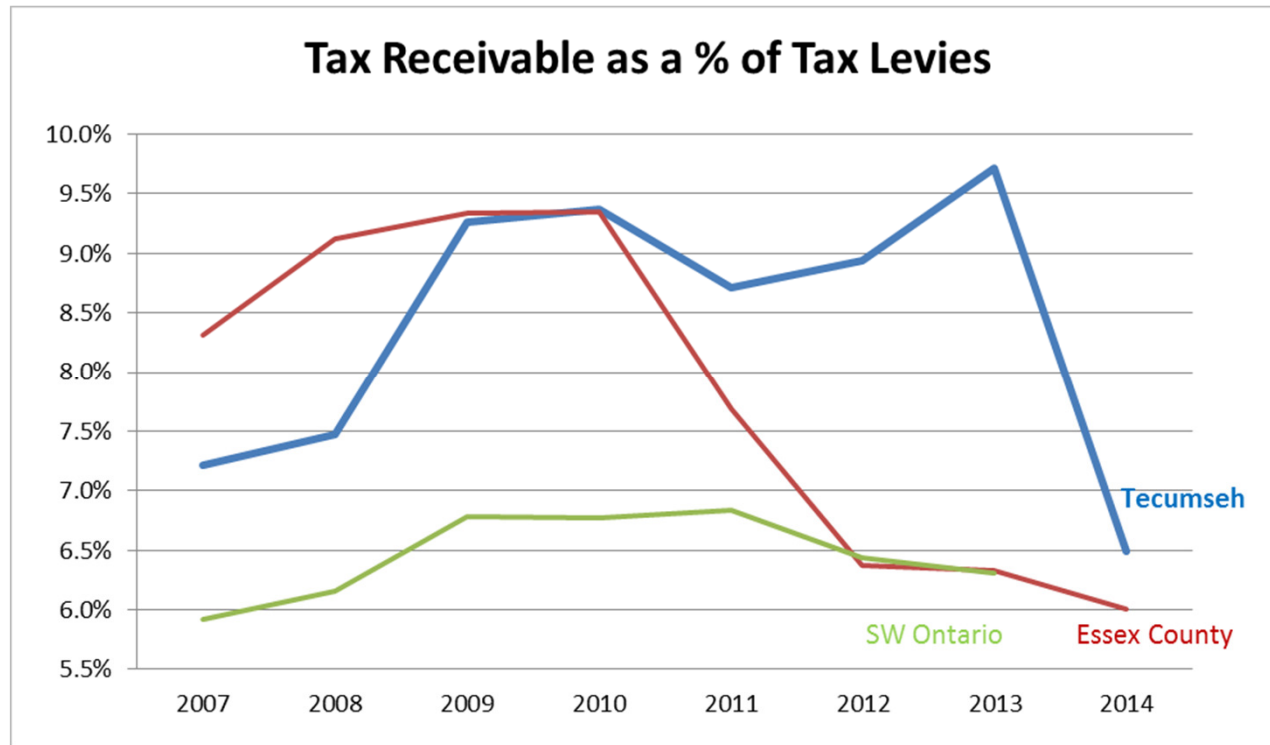
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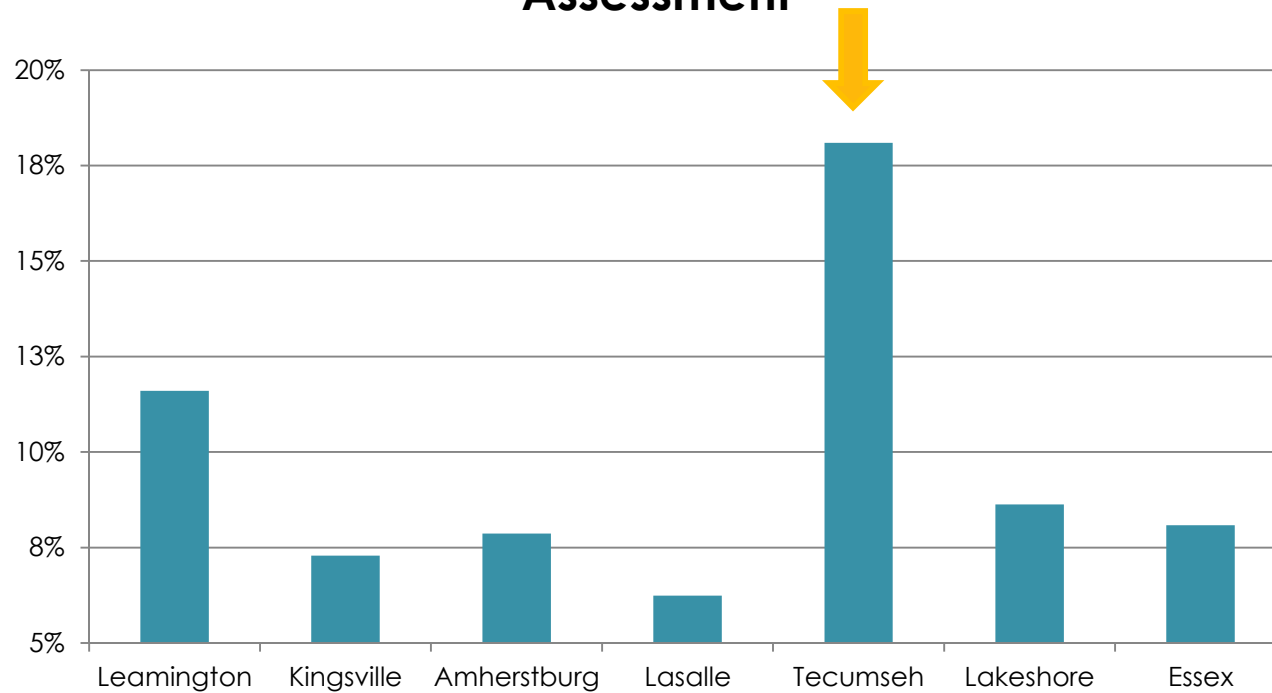
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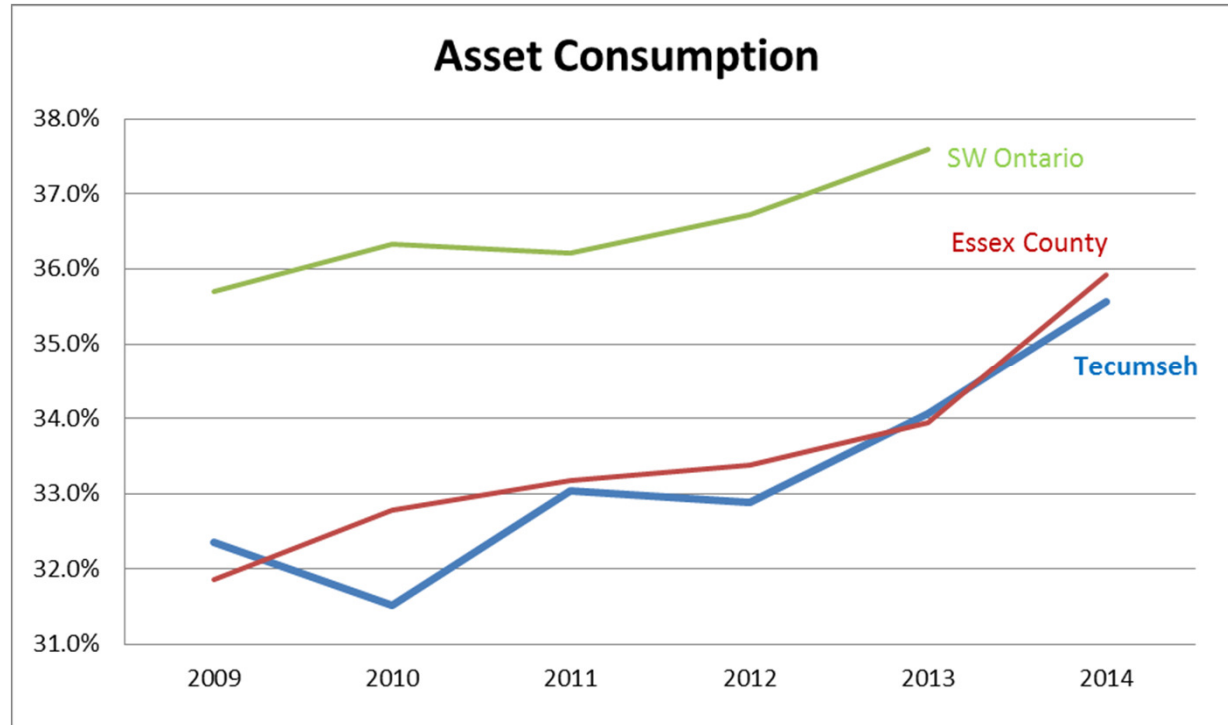
# Financial Metrics

- Commercial/Industrial assessment concentration and its effect on Taxes Receivable

**Comm/Ind Assessment as % of Taxable Assessment**



# Financial Metrics



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# Discussion

