



2017 Pre-Budget Council Consultation

Presentation to Town Council
September 13, 2016



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

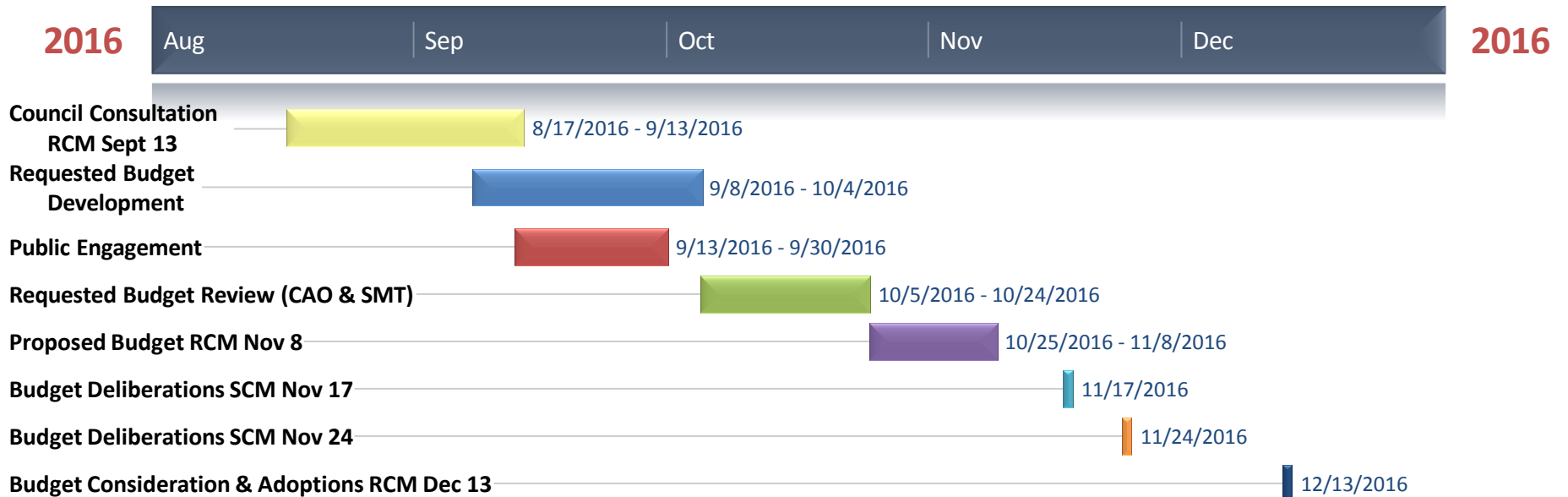


Strategic Priorities

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



2017 Budget Timelines



2016 Approved Budget & Forecast

	2015	2016	2017	2018	2019	2020
Base Department Operations (excl Pay/Ben)	0.47%	1.15%	0.51%	0.06%	0.33%	0.32%
Service Level Enhancements	0.59%	2.53%	0.42%	0.69%	0.00%	0.00%
Payroll/Benefits	1.03%	0.39%	0.97%	0.95%	0.94%	0.91%
Police Services	-1.48%	-6.01%	-1.44%	-0.47%	0.46%	0.57%
Sub-total - Operating	0.61%	-1.94%	0.46%	1.23%	1.73%	1.80%
Lifecycle	0.00%	0.24%	0.24%	0.24%	0.23%	0.23%
New Infrastructure Levy	0.99%	2.42%	1.44%	1.42%	0.00%	0.00%
Sub-total - Capital	0.99%	2.66%	1.68%	1.66%	0.23%	0.23%
Total	1.60%	0.72%	2.14%	2.89%	1.96%	2.03%
Assessment (Growth)/Loss	-0.79%	-0.73%	-1.93%	-2.14%	0.00%	0.00%
Total w/ Growth factor	0.81%	0.00%	0.21%	0.75%	1.96%	2.03%

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 included the introduction of a Capital allocation for New Infrastructure Levy of approximately 1.0%. Lifecycle funding allows for the replacement of existing long-term assets. New Infrastructure Levy allocations set aside funds for known future capital requirements.



Budget Pressures & Drivers

	Amount	Percent
Summary:		
Operations	157,500	0.76%
Lifecycle/Capital	380,000	1.84%
Assessment Growth	(200,000)	(0.97)%
Total	337,500	1.63%
Projected Levy Increase from 2016 Budget:		
Operations		0.46%
Lifecycle/Capital		1.68%
Assessment Growth		(1.93)%
Total Projected Levy Increase		0.21%



Budget Pressures & Drivers

	Amount	Percent
Operating Revenues:		
Assessment Growth	(100,000)	(0.48)%
Supplemental Tax Revenue	(100,000)	(0.48)%
Penalties & Interest Income	35,000	0.17%
OPP Reports & Clearances Revenue	20,000	0.10%
User Fees - Arena Ice Rental	15,000	0.07%
Total Revenues	(130,000)	(0.63)%



Budget Pressures & Drivers

	Amount	Percent
Operating Expenditures:		
OPP Contract - Police	(300,000)	(1.45)%
Utilities – Hydro rate increase	80,000	0.39%
Utilities – Hydro savings LED Street light conversion	(110,000)	(0.53)%
Staffing Enhancements	171,000	0.83%
Legal – overall	60,000	0.29%
Benefits – preliminary estimate	45,000	0.22%
Roadside Maintenance	40,000	0.19%
Parks Maintenance	40,000	0.19%
Canada Day Events	15,000	0.07%

* - CPI (Ontario monthly) July 2015 – July 2016 = 1.5%



Budget Pressures & Drivers

	Amount	Percent
Operating Expenditures cont'd		
ERCA	13,000	0.06%
Youth & Senior Advisory Committees – Clerk	12,500	0.06%
Vehicle Maintenance – Fire	10,000	0.05%
Other (various < \$5k)	11,000	0.05%
Inflation impact */ Utilities / Benefits		
Total Operating Expenditures	87,500	0.42%

* - CPI (Ontario monthly) July 2015 – July 2016 = 1.5%



Budget Pressures & Drivers

	Amount	Percent
Lifecycle/Capital:		
New Infrastructure Reserve (NIL)	300,000	1.45%
Lifecycle - Prior years' additions (2016-2019)	50,000	0.24%
Lifecycle – Fire Apparatus	30,000	0.15%
Total Lifecycle/Capital	380,000	1.84%



2017 Drivers not Quantified

	Amount	Percent
Collective Bargaining Agreements (CUPE & Fire)		
Assessment Growth – returned roll December		
Education & County Levies		
EWSWA		



Outlook Years

	2018	2019
Staffing enhancements	100,000	75,000
OPP Contract	(100,000)	100,000
Garbage Collection contract	?	?
CIP Grant incentives	?	?
Lottery Licencing	?	?
New Infrastructure Levy (NIL)	300,000	?
Lifecycle	50,000+	50,000+
Assessment Growth	(200,000)	(200,000)



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



Lifecycle/Capital

- Funding increases required
 - Annually 2016 – 2019 re prior years \$50,000
 - Bridge culverts < 3 metres \$270,000
 - Fire apparatus \$30,000
 - Storm pump stations Unknown



Unfunded Capital

	2017	2018	2019	2020	2021
Development Charge Projects	800,000	800,000	800,000	800,000	800,000
CWATS	80,000	80,000	80,000	80,000	80,000
Trails & Pathways	120,000	120,000	120,000	120,000	120,000
Parks Master Plan	175,000	175,000	175,000	175,000	175,000
CIP Streetscape Improvements	500,000	5,500,000	2,000,000	2,000,000	2,000,000
Sportsplex	500,000	17,500,000			
Town Hall		1,500,000			
New Fire Truck	600,000				
	2,775,000	25,675,000	3,175,000	3,175,000	3,175,000
New Infrastructure Levy	1,000,000	1,300,000	1,300,000	1,300,000	1,300,000
	1,775,000	24,375,000	1,875,000	1,875,000	1,875,000



Unfunded Capital

Annual LC re new projects	2017	2018	2019	2020	2021
Development Charge Projects	20,000	20,000	20,000	20,000	20,000
CWATS	2,000	2,000	2,000	2,000	2,000
Trails & Pathways	3,000	3,000	3,000	3,000	3,000
Parks Master Plan	4,000	4,000	4,000	4,000	4,000
CIP Streetscape Improvements	13,000	138,000	50,000	50,000	50,000
Sportsplex	13,000	438,000	-	-	-
Town Hall	-	38,000	-	-	-
New Fire Truck	30,000	-	-	-	-
	85,000	643,000	79,000	79,000	79,000



Water & Sanitary Rates

- Water & Wastewater Rate Study (2015)
 - Fixed Rate – to double over study period
 - Water 6% increase, Sanitary 6% increase for 2017
 - Variable - lesser increases over study period
 - Water 1% increase, Sanitary 2% increase for 2017
- Consumption Trends
- Reserve Fund Balances
 - Water
 - Sanitary



Water/Sanitary Drivers

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



Water & Sanitary Rates

- Comparative Rates – 2016



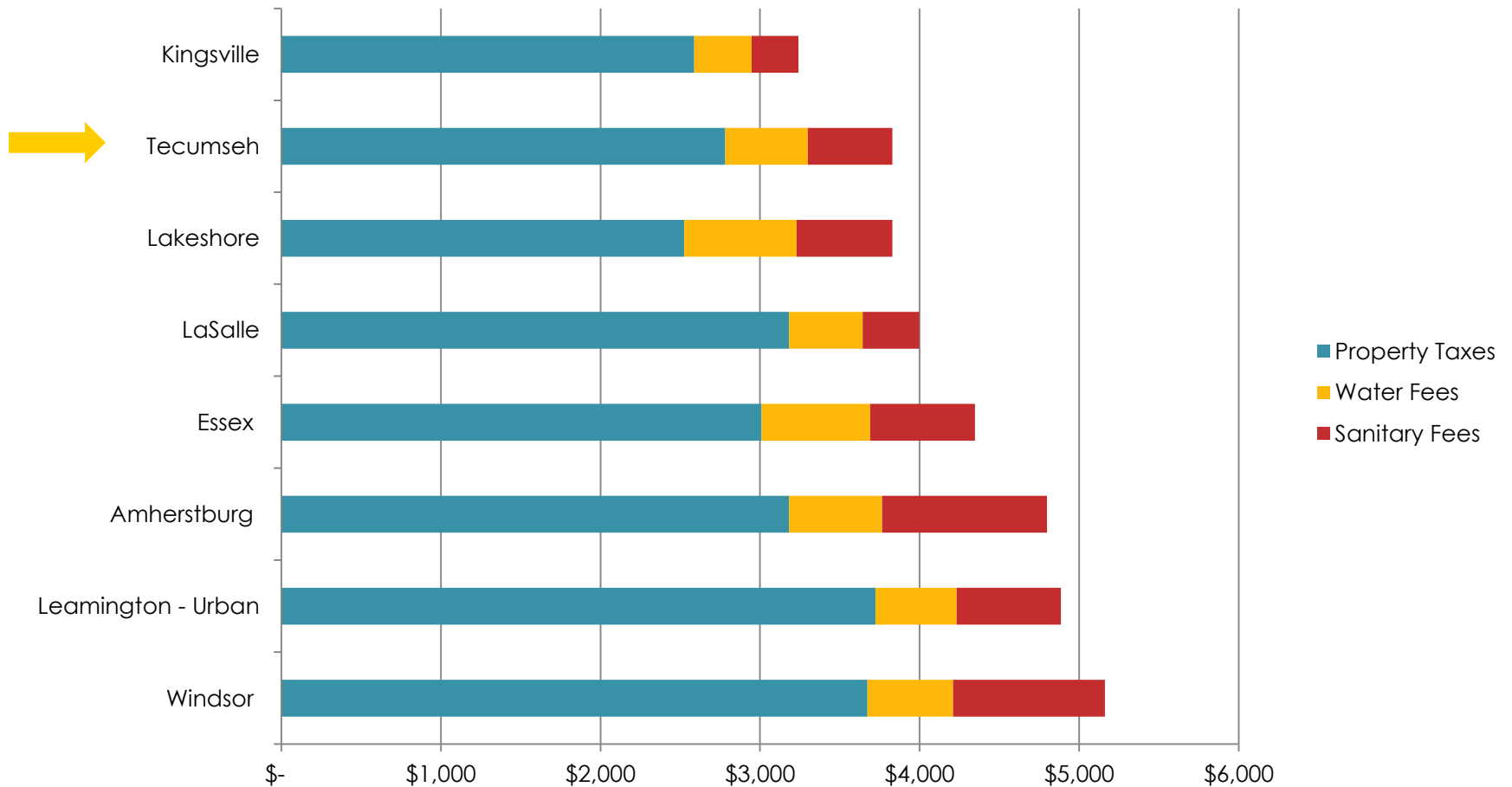
	A'burg	Windsor	Essex	Lakeshore	Leamington	Tecumseh	Lasalle	Kingsville
Water								
Fixed	\$20.05	\$16.84	\$18.92	\$19.62	\$21.06	\$12.62	\$15.00	\$5.67
Variable	\$1.06	\$0.52*	\$1.40	\$1.44	\$0.79	\$1.13	\$0.87	\$0.90
Sanitary								
Fixed	\$30.46	\$15.87	\$19.10	\$15.07	\$42.19	\$12.62	\$6.00	\$24.52
Variable	\$2.06*	\$2.35	\$1.32	\$1.30	\$2.02*	\$1.16	\$0.87	N/A
Total Cost	\$1,617	\$1,489	\$1,338	\$1,304	\$1,163	\$1,046	\$816	\$654

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



2016 Comparative – Essex County

Combined Tax, Water & Sewer Burden Comparison *



* - Property Taxes calculated based on home with an assessed value of \$200,000.
Water and Sanitary Fees based on monthly consumption of 27 cubic meters.



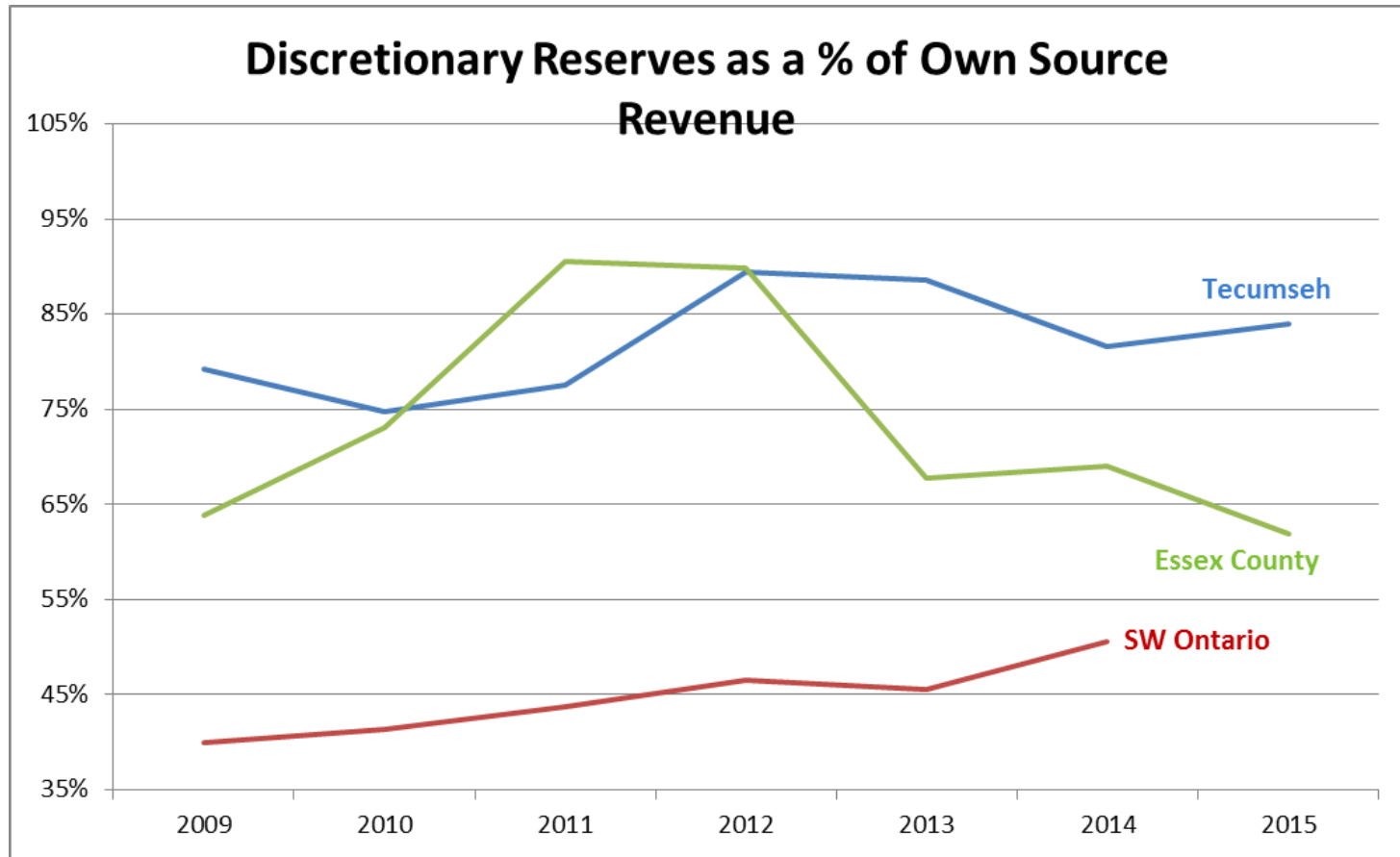
Reserves

	Target	Actual	Deficiency
Tax Rate Stabilization Reserve *	\$3,100,000	\$1,930,000	\$1,170,000
Sick Pay	\$325,000	\$342,000	\$(17,000)
Vacation Accrual	\$322,000	\$303,000	\$19,000
Post Retirement Benefits	\$8,140,000	\$1,651,000	\$6,489,000

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



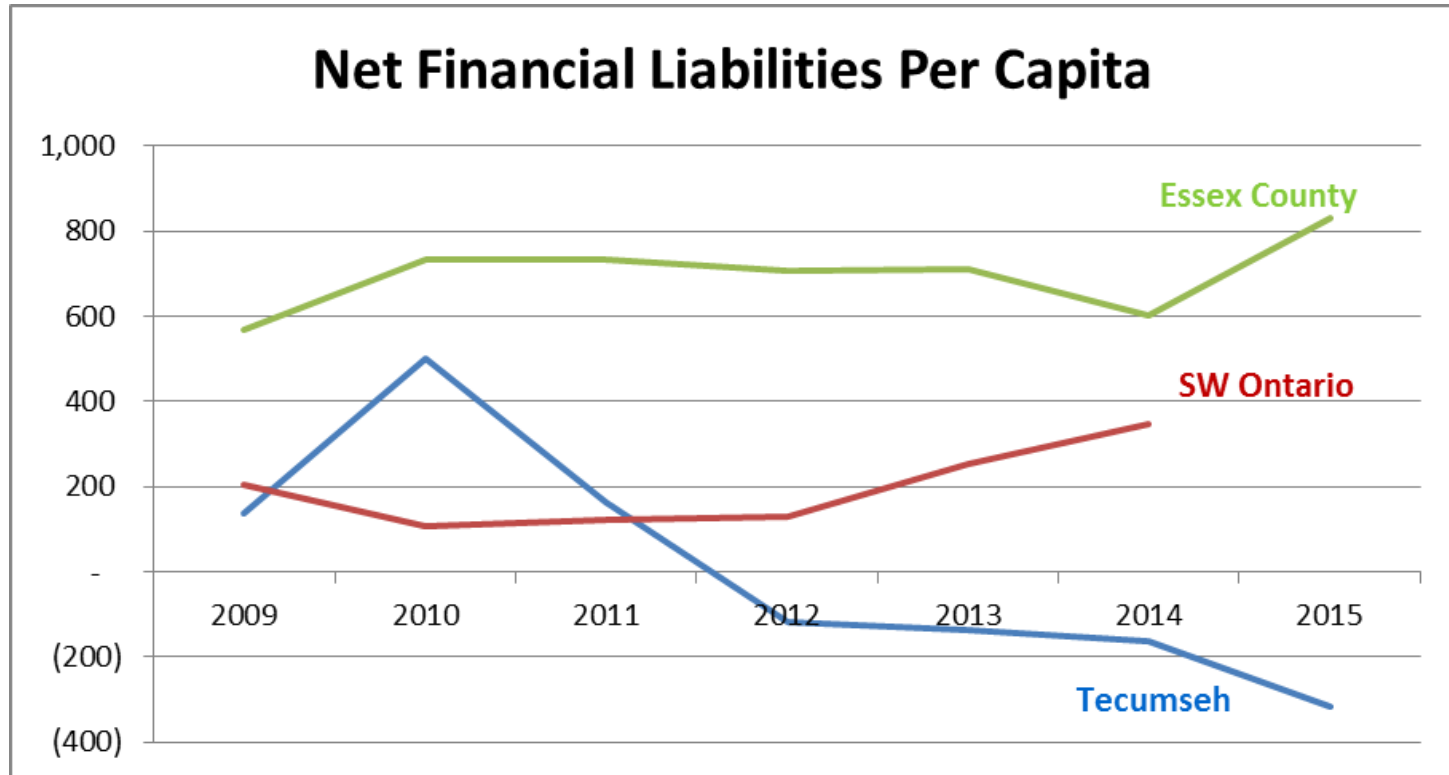
Financial Metrics



- Source: MIDAS (FIR) and MMAH (FIR)
- Essex 2015 data not yet available
- SW Ontario 2015 data not yet available



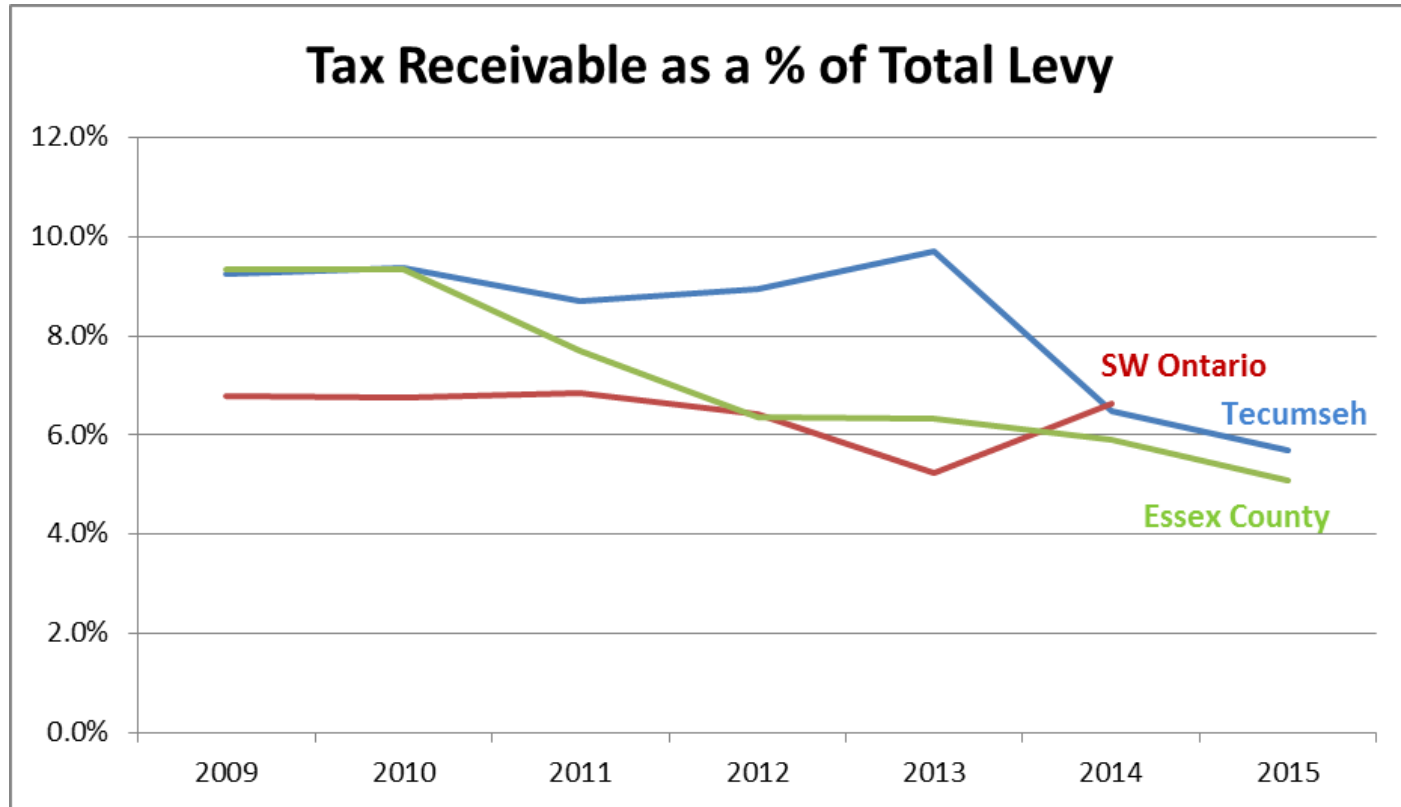
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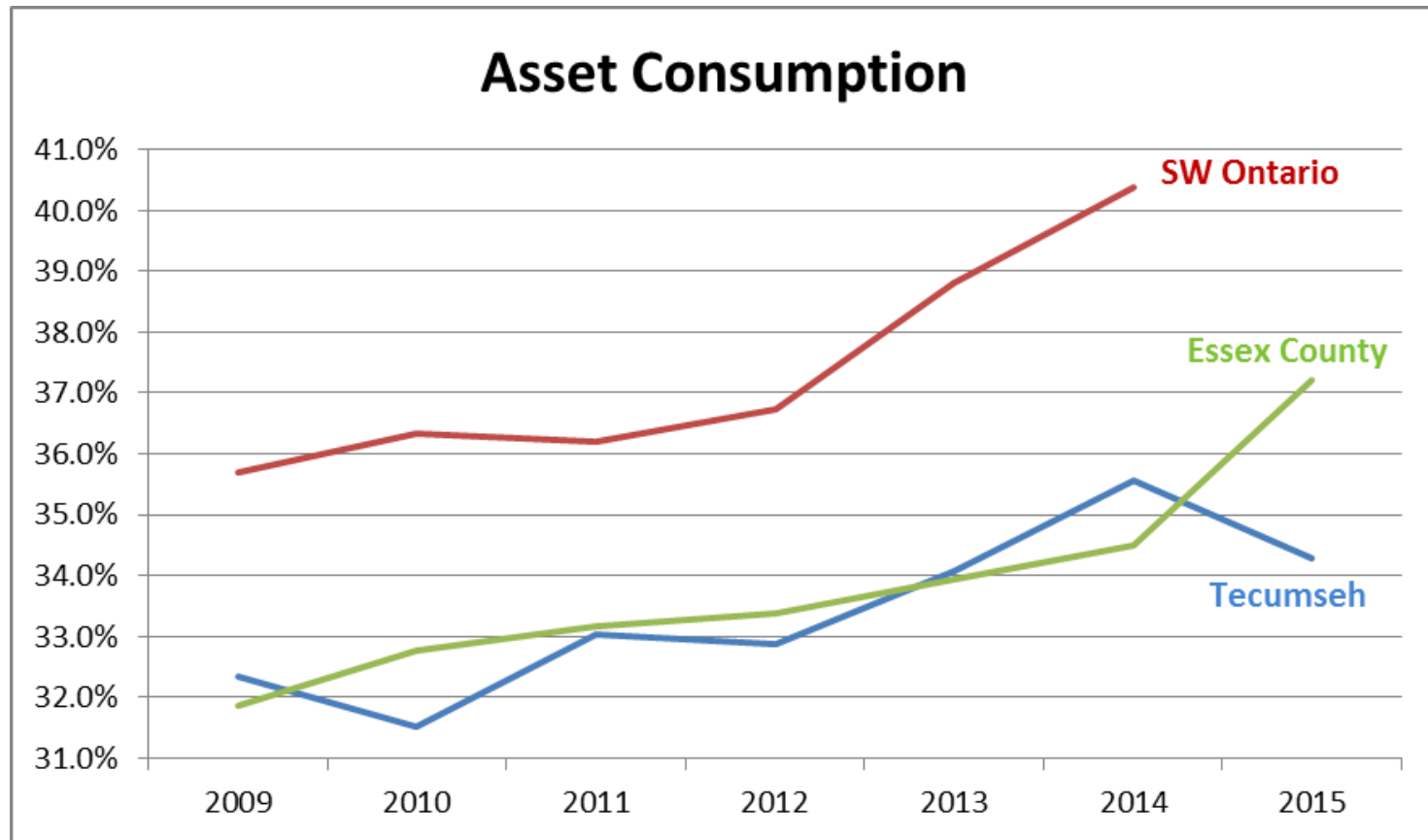
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Discussion

