



# 2018 Pre-Budget Council Consultation

Presentation to Town Council  
September 12, 2017



# 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

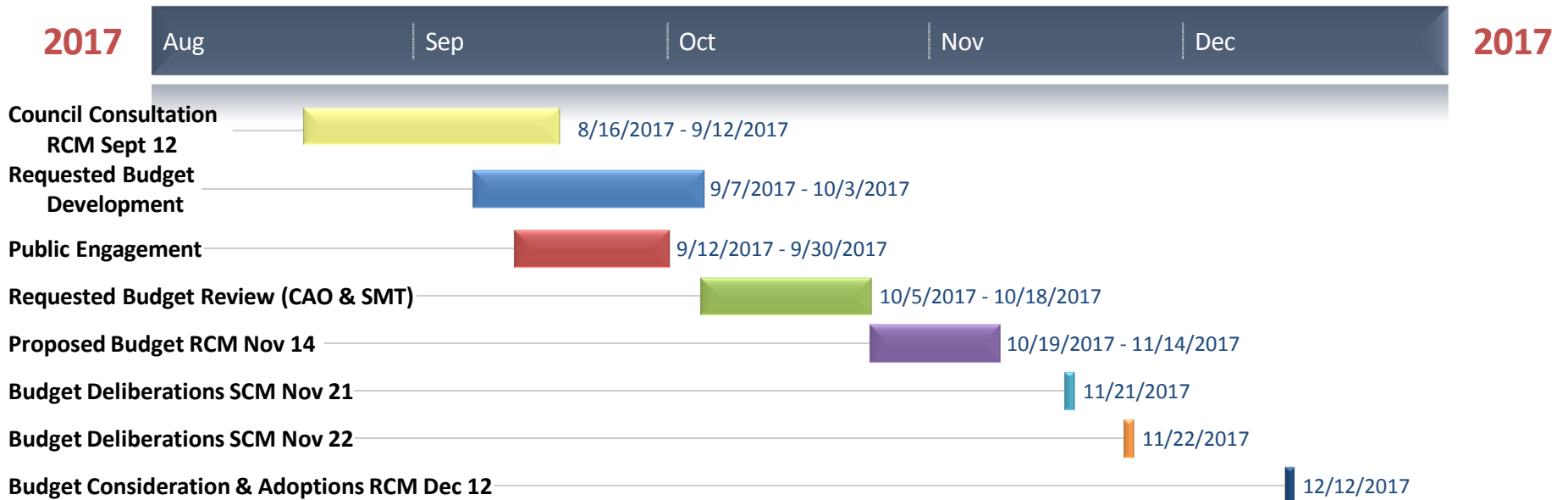


# Strategic Priorities

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



# 2018 Budget Timelines



2018 Budget Timelines approved by Council as per FS Report 11/17



# 2017 Approved Budget & Forecast

	2016	2017 Approved	2018	2019	2020	2021
Base Department Operations (excl Pay/Ben)	1.15%	1.36%	1.21%	0.38%	0.33%	0.31%
Service Level Enhancements	2.53%	0.60%	0.33%	0.45%	0.33%	0.00%
Payroll/Benefits	0.39%	0.99%	0.89%	0.90%	0.87%	0.84%
Police Services	-6.01%	-1.93%	0.35%	0.33%	0.54%	0.52%
<b>Sub-total - Operating</b>	<b>-1.94%</b>	<b>1.02%</b>	<b>2.78%</b>	<b>2.06%</b>	<b>2.07%</b>	<b>1.67%</b>
Lifecycle	0.24%	1.09%	0.56%	0.67%	0.22%	0.21%
New Infrastructure Levy	2.42%	1.93%	0.46%	0.44%	0.99%	0.96%
<b>Sub-total - Capital</b>	<b>2.66%</b>	<b>3.02%</b>	<b>1.02%</b>	<b>1.11%</b>	<b>1.21%</b>	<b>1.17%</b>
<b>Total</b>	<b>0.72%</b>	<b>4.04%</b>	<b>3.80%</b>	<b>3.17%</b>	<b>3.28%</b>	<b>2.84%</b>
Assessment (Growth)/Loss	-0.73%	-1.35%	-0.70%	-0.67%	-0.22%	0.00%
<b>Total w/ Growth factor</b>	<b>0.00%</b>	<b>2.69%</b>	<b>3.10%</b>	<b>2.50%</b>	<b>3.06%</b>	<b>2.84%</b>



# Budget Pressures & Drivers

	\$ Amount	Percent
<b>2018 Preliminary Estimates:</b>		
Operations	631,000	2.01%
Lifecycle/Capital	229,000	1.07%
Assessment Growth	(200,000)	(0.93)%
<b>Total Preliminary Estimates &amp; Levy Increase</b>	<b>660,000</b>	<b>3.08%</b>
<b>Projected 2018 Levy Increase from 2017 Budget:</b>		
Operations		2.78%
Lifecycle/Capital		1.02%
Assessment Growth		(0.70)%
<b>Total Projected Levy Increase</b>		<b>3.10%</b>



# Budget Pressures & Drivers

	\$ Amount	Percent
Operating Revenues:		
Assessment Growth	(200,000)	(0.93)%
Interfunctional Revenue (Water billing)	(121,000)	(0.56)%
Marriage Licences	(13,000)	(0.06)%
Dog Licences	(5,000)	(0.02)%
Building Permits	50,000	0.23%
<b>Total Revenues</b>	<b>(289,000)</b>	<b>(1.35)%</b>



# Budget Pressures & Drivers

	\$ Amount	Percent
Operating Expenditures:		
Staffing Enhancements	363,000	1.69%
Negotiated wage increases	160,000	0.75%
Utilities – Hydro savings LED Street light conversion	(100,000)	0.47%
Garbage Collection and Disposal	120,000	0.56%
CIP – Grant expense	75,000	0.35%
Minimum wage increase	60,000	0.28%
Health benefits	10,000	0.05%
Building maintenance – Arena	10,000	0.05%
Miscellaneous Other	22,000	0.10%
<b>Total Operating Expenditures</b>	<b>720,000</b>	<b>3.36%</b>

\* - CPI (Ontario monthly) July 2016 – July 2017 = 1.2%





# Budget Pressures & Drivers

	\$ Amount	Percent
Lifecycle/Capital:		
New Infrastructure Levy (NIL)	100,000	0.47%
Lifecycle - Prior years' additions (2016-2019)	50,000	0.23%
Lifecycle – Bridges/culverts	50,000	0.23%
Lifecycle – Parks development	20,000	0.09%
Lifecycle – Fleet	45,000	0.21%
Lifecycle – Elections	9,000	0.04%
Lifecycle – Fire equipment	5,000	0.02%
Lifecycle – Fire apparatus	5,000	0.02%
Lifecycle – Roads – Federal Gas Tax	(55,000)	(0.26)%
<b>Total Lifecycle/Capital</b>	<b>229,000</b>	<b>1.07%</b>



# 2018 Drivers not Quantified

	\$ Amount	Percent
Collective Bargaining Agreements (CUPE & Fire)		
Education & County Levies		
ERCA		
EWSWA		



# Outlook Years

	2019	2020
Assessment growth	(100,000)	(50,000)
Staffing enhancements		20,000
Lifecycle	150,000+	?
OPP Contract	?	?
CIP Grant incentives	?	?
Lottery Licencing claim	?	?
OCIF Grant	(1,077,000)	?
New Infrastructure Levy (NIL)	100,000	?
Sportsplex		
CIP Infrastructure		
Town Hall		



# 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

\* Target of \$1.3-million established in 2015 – based on capital projects identified at that time, i.e. Development Charges, CWATS, Parks Master Plan, Fire Master Plan and Trails and Pathways



# Unfunded Capital

	2018	2019	2020	2021	2022
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 Implementation	175,000	175,000	175,000	175,000	175,000
CIP Streetscape Improvements	-	5,500,000	2,000,000	2,000,000	2,000,000
Sportsplex	-	17,500,000			
Town Hall	2,000,000				
New Fire Truck	600,000				
	3,775,000	24,175,000	3,175,000	3,175,000	3,175,000
New Infrastructure Levy	1,200,000	1,300,000	1,300,000	1,300,000	1,300,000
Unfunded Capital by Year	2,575,000	22,875,000	1,875,000	1,875,000	1,875,000



# Unfunded Capital

Annual LC re new projects	2018	2019	2020	2021	2022
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	-	138,000	50,000	50,000	50,000
Sportsplex	-	438,000	-	-	-
Town Hall	50,000	-	-	-	-
New Fire Truck	30,000				
<b>Additional LC Requirement</b>	<b>109,000</b>	<b>605,000</b>	<b>79,000</b>	<b>79,000</b>	<b>79,000</b>



# Water & Sanitary Rates

- Water & Wastewater Rate Study (2015)
  - Fixed Rate – to double over 10 year study period
    - Water 6% increase, Sanitary 6% increase for 2018
  - Variable - lesser increases over study period
    - Water 1% increase, Sanitary 2% increase for 2018
- Consumption Trends
- Reserve Fund Balances
  - Water
  - Sanitary



# Water/Sanitary Drivers

- Water specific
  - Watermain replacement program
  - Cathodic protection program (anode)
- Sanitary specific
  - Inflow & Infiltration (I&I) program
    - Program funds diverted towards Lakewood P.S.
    - CWWF and OCIF Grant funding - \$3.4-million
  - North Talbot Road Sanitary Sewer Service Area
  - 8<sup>th</sup> Concession Road Sanitary Sewer Service Area
  - Debt Servicing





# Water/Sanitary Drivers

- Billing and Collection of Fees
  - Currently performed by Essex Power
  - Annual cost \$258,000
  - ERT meters facilitate in-house operation
  - Annual savings approximately \$100,000



# Water & Sanitary Rates

- Comparative Rates – 2017



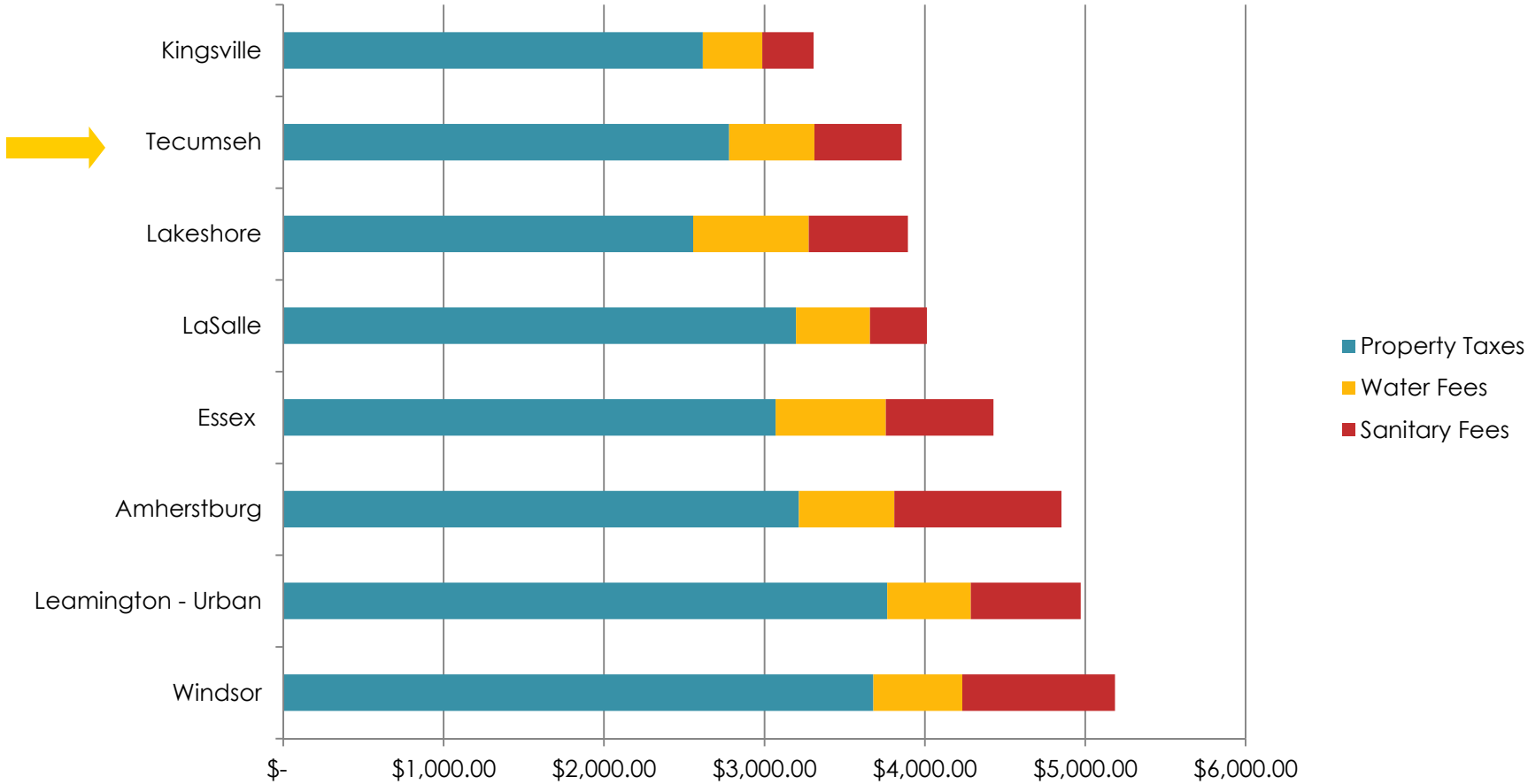
	A'burg	Windsor	Essex	Lakeshore	Leamington	Tecumseh	Lasalle	Kingsville
<b>Water</b>								
Fixed	\$20.45	\$16.84	\$19.11	\$20.01	\$21.28	\$13.38	\$15.00	\$6.00
Variable	\$1.08	\$0.56*	\$1.41	\$1.48	\$0.82	\$1.14	\$0.87	\$0.92
<b>Sanitary</b>								
Fixed	\$30.76	\$15.87	\$19.49	\$15.37	\$44.30	\$13.38	\$6.00	\$26.67
Variable	\$2.08	\$2.35	\$1.35	\$1.34	\$2.12*	\$1.19	\$0.87	N/A
<b>Total Cost</b>	<b>\$1,638</b>	<b>\$1,507</b>	<b>\$1,357</b>	<b>\$1,338</b>	<b>\$1,163</b>	<b>\$1,076</b>	<b>\$816</b>	<b>\$690</b>

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



# 2017 Comparative – Essex County

## Combined Tax, Water and Sanitary 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 *	\$3,212,000	\$2,670,000	\$542,000
New Infrastructure Levy	?	\$2,095,000	?
Post Retirement Benefits	\$8,949,000	\$1,665,000	\$7,284,000

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



# Discussion

