



2019 Proposed Business Plan & Budget

As presented to Town Council December 11, 2018



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Tecumseh

Ontario

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morill

Executive Director



Transmittal

In accordance with Council policy and the provisions of The Municipal Act, we are pleased to submit for your consideration the 2019 Proposed Operating, Lifecycle & Reserve Budgets & Business Plans. The proposed budget, including the departmental business plans, supports the goals in the Town of Tecumseh's Strategic Priorities as well as the Transportation, Parks and Recreation, and Official Plan Master Plans.

The budget submission requires an additional \$994,000 over the 2018 budget. This is equivalent to a 2.7% tax levy increase net of growth on the Tecumseh portion of taxes (53% of the total residential tax bill) and represents an increase in the municipal tax bill of approximately \$50 on a property assessed at \$250,000 (the average assessed value of a home in Tecumseh).

The Proposed 2019 Operating Budget:

- Maintains the base 2018 levels of service
- Recognizes assessment growth
- Includes inflationary allowances
- Reflects the Town's user fees
- Addresses contractual labour allowance
- Includes Capital Reserve contributions to support long-term sustainability of Town infrastructure

In closing, we extend our sincere thanks to the Town staff that have worked so diligently to bring forward a budget that invests in key strategic priorities to strengthen the future of the Town while also balancing affordability with the delivery of quality programs and services. We look forward to continuing to work collaboratively with Council to meet the expectations of our community.

Sincerely,

Tony Haddad

Chief Administrative Officer

Luc Gagnon

Director Financial Services & Treasurer



Executive Summary

The 2019 Business Plan and Budget represents the 2019 Proposed Operating, Lifecycle and Reserve Budgets for the Town of Tecumseh as presented to Council on December 11, 2018.

The Municipal General Tax Levy is one of three levies included in property taxes. County Tax Levy and Education Tax Levy are the other two components. The three levies combined comprise the property tax levy and are referred to as the Consolidated Tax Levy. The Estimated Consolidated Tax Levy for Tecumseh property owners for 2019 is \$49,779,000, an increase of 4.5% from 2018.

The Municipal General Tax Levy for 2019 is \$23,320,000, an increase of 4.45% from 2018 (1.75% increase from estimated assessment growth and **2.7% increase in the tax levy**). The total estimated assessment change for 2019 is 5.0%, of which 1.5% is growth and 3.5% is due to phase-in increases. The assessment growth is estimated to generate \$391,000 in municipal tax revenue.

The 2019 budget provides for:

- Assessment growth translating into \$391,000 of additional tax revenue for a 1.75% decrease to the general tax levy.
- A \$150,000 increase towards the New Infrastructure Levy (NIL), bringing the annual levy to \$1,350,000, representing a 0.7% increase to the general tax levy. Initiated in 2015, the annual levy target is \$1,750,000 and will help fund known near-term new capital investments.
- A \$100,000 increase towards Lifecycle representing a 0.5% increase to the levy. This increase is required to address new asset additions and specific Lifecycle category deficiencies identified in recent study updates. Details are fully explained in Lifecycle.
- \$17.5 million capital expenditure program supported by an increase in Provincial OCIF grant of \$377,000 (\$700,000 to \$1,077,000) and Federal Gas Tax grant funding of \$1,127,500 (a decrease of \$21,000 from 2018 level of \$1,148,500).

- Service level enhancements in some areas, including:
 - Extended Parks and Recreation office hours to include evenings and weekends
 - Additional resources to maintain Parks facilities during extended operating hours
 - Additional Parks resources to improve department efficiency and effectiveness and to address health and safety issues
 - Additional Public Works resources by substituting one full-time labourer position for an existing part-time seasonal position
- Some of the proposed Service level enhancements will require additional staffing resources, detailed thoroughly in Staffing Summary, which will increase payroll and benefit costs by \$120,000, representing a 0.5% increase to the general tax levy.
- \$330,000 for known employee wage and benefit increases including:
 - \$170,000 for negotiated wage and related benefit increases,
 - \$60,000 for Bill 148 impact of increasing wages for certain part-time/seasonal employees,
 - \$55,000 for impact of income tax changes affecting Council compensation, and
 - \$45,000 for employee retirement payouts.
- \$330,000 increase to general operations including:
 - \$92,000 estimated increase to contracted policing costs,
 - \$80,000 increase in materials and supplies, largely impacted by fuel costs, and
 - \$130,000 increase to professional services, largely due to various studies to be undertaken during 2019, much of which will be funded through reserves.
- The fifth consecutive year in which Tecumseh's **municipal tax rate** either decreased or remained unchanged.

The goal of the municipal budget process is to produce a **balanced budget** while maintaining the following Town **fiscal policies**:

- The use of Reserve Funds where applicable
- The use of Reserves to fund one-time expenditures
- Debt issuance for long-term projects

The 2019 proposed budget is focused on Town **Strategic Priorities** identified in 2017 and approved through Council Resolution 79/17, which include:

- Make the Town an even better place to live, work and invest through a shared vision for our residents and newcomers.
- Ensure that the Town's current and future growth is built upon the principles of sustainability and strategic decision-making.
- Integrate the principles of health and wellness into all of the Town's plans and priorities.
- Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
- 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.

Furthermore, the Town's budget development focuses on a multi-year approach. The current year budget was developed along with forecasts for the ensuing two years.

Strategic Priorities for the upcoming Council term will be developed in early 2019.

The budget requires a municipal tax levy increase of 2.7%. When phase-in and assessment growth is taken into account the **average residential property** assessed at \$250,000 will see a \$46 or 2.6% increase. The impact on the various other property classes will vary based on numerous factors. Future municipal levy increases forecast for 2020 to 2023 are 3.1%, 2.3%, 2.1% and 1.7% respectively.

Table 2.1 details estimated tax levy for an average residential property valued at \$250,000 experiencing phase-in assessment increase of 3.5%. That is, a 2019 assessed value of \$250,000 would be comparable to a 2018 assessed value of \$241,500. The overall impact is a \$104 or 3.13% increase.

Table 2.1	2019	2018	\$Change	%Change
Municipal	\$1,813	\$1,767	\$46	2.62%
County estimate	\$1,209	\$1,151	\$58	5.07%
Education estimate	\$410	\$411	\$(1)	(0.13)%
Total	\$3,432	\$3,328	\$104	3.13%

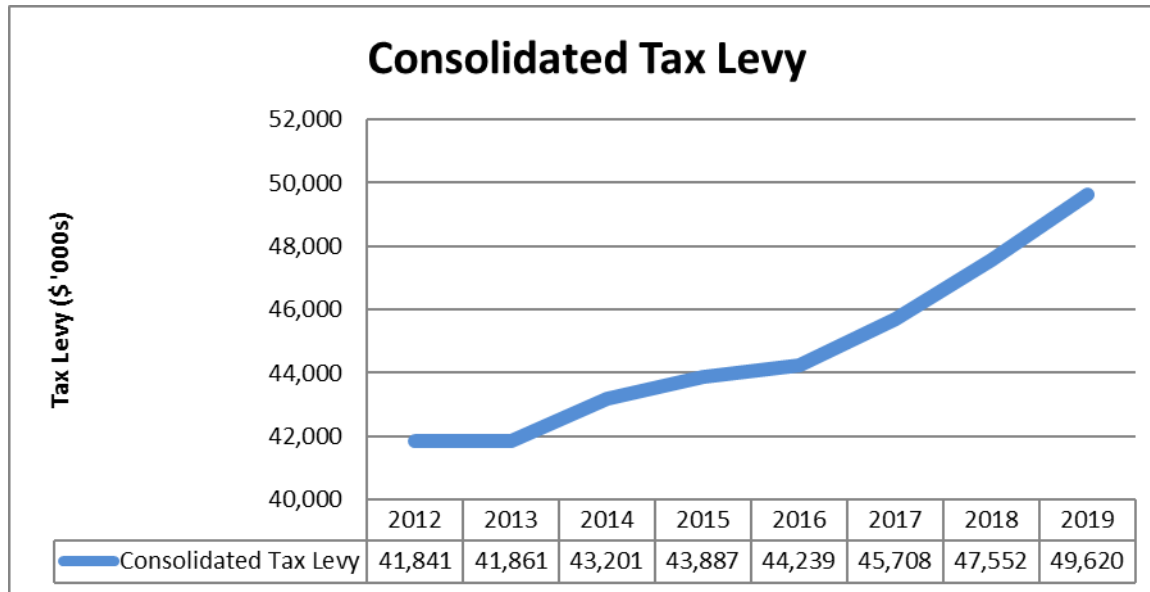
Table 2.2 details estimated tax levy per \$100,000 in assessment for a commercial property experiencing phase-in growth of 0.0%, which is the average for the Town commercial properties based on preliminary 2019 assessment data. Based on a phase-in increase of 0.0%, 2018 comparable assessment would be \$100,000. The overall impact is a \$1, or 0.03% levy increase per \$100,000 of assessed value.

Table 2.2	2019	2018	\$Change	%Change
Municipal	\$785	\$792	\$(7)	(1.33)%
County estimate	\$523	\$516	\$8	1.50%
Education estimate	\$1,324	\$1,324	\$0	0.00%
Total	\$2,632	\$2,631	\$1	0.03%

Table 2.3 details estimated tax levy per \$100,000 in assessment for an industrial property experiencing phase-in growth of 1.0%, which is the average for Town industrial properties based on preliminary 2019 assessment data. Based on a phase-in increase of 1.0%, 2018 comparable assessment would be \$99,000. The overall impact is a \$38, or 1.05% levy increase per \$100,000 of assessed value.

Table 2.3	2019	2018	\$Change	%Change
Municipal	\$1,409	\$1,407	\$(2)	(0.33)%
County estimate	\$939	\$916	\$23	2.53%
Education estimate	\$1,340	\$1,327	\$13	1.01%
Total	\$3,688	\$3,650	\$38	1.05%

As illustrated in Tables 2.1 to 2.3, the estimated consolidated levy change will vary between properties. The recent historical trend has been and continues to be a shift of tax burden from Commercial/Industrial properties to Residential properties due to the relative impact of the Education levy and assessment weakness of the Commercial/Industrial classes.

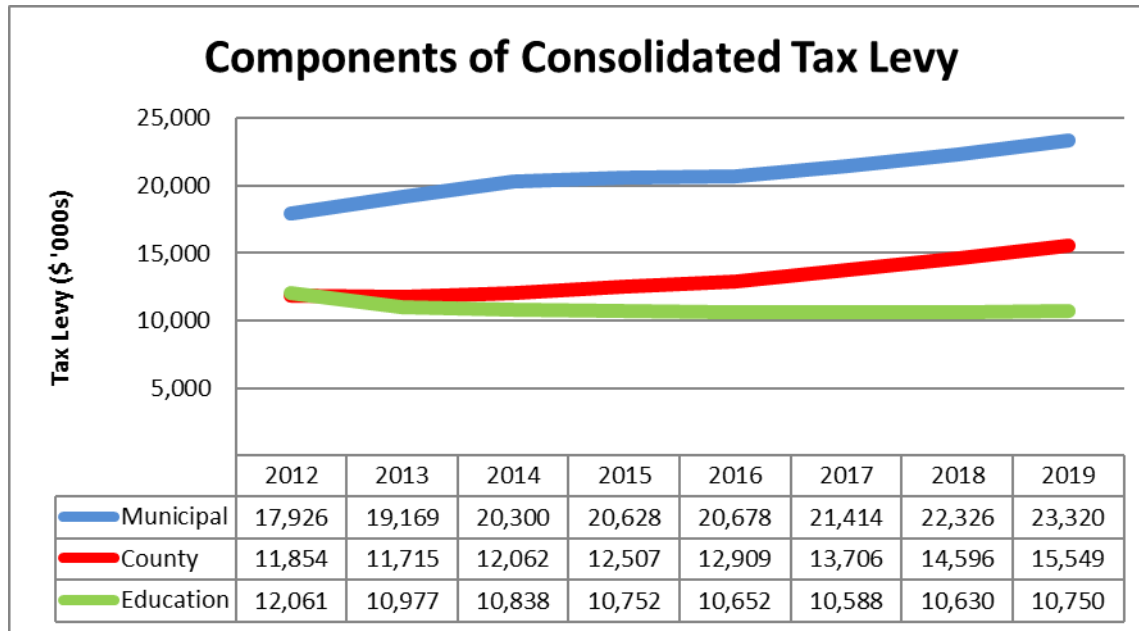


The chart above tracks the recent trend of the consolidated levy, whose annual increases has ranged from 0% to 4% during this time frame and has averaged 2.5%.

It is important to note that the 2019 County and Education levies are estimates. The estimated County levy increase is based on recent trends with respect to both gross County levy increases and the Town's proportionate share of that levy. The Town's proportionate share of the County levy bottomed in 2015 and has begun to increase the last two years as assessment growth in the Town has marginally surpassed average assessment growth of the other lower tier municipalities in the County.

The estimated Education levy decrease is based on recent trends due to province-wide assessment shifts and the 2016 Current Value Assessment figures (for tax years 2017 – 2020).

The following chart illustrates recent trends of the component tax levies.



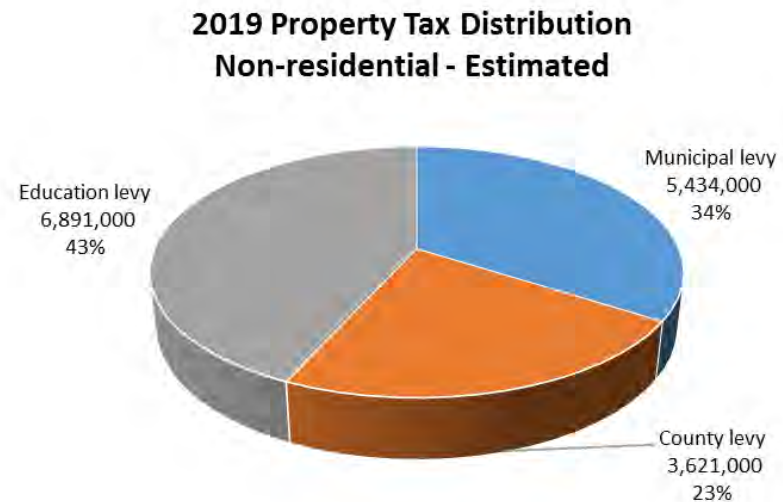
Current Value Assessments (CVA) of all properties in Ontario are updated periodically by MPAC. The latest update occurred during 2016, valuing all properties as at January 1, 2016 and forms the basis of property assessment for taxation years 2017 to 2020. The previous update occurred during 2012, with valuation date of January 1, 2012, and formed the basis of property assessment for taxation years 2013 to 2016.

Based on figures made available by MPAC, CVA for Ontario properties, on average, will increase over 23% over 2012 valuation. The CVA for Tecumseh properties increases by over 14% during that same re-valuation. This disparity in assessment valuation change affects the Education levy imposed on municipalities as the Education levy is assessed province-wide. Declining proportion of province-wide assessment combined with a relatively stable provincial education levy has resulted in declining Education levies. This trend is expected to continue for the next assessment cycle (2017-2020), however not nearly to the extent that was experienced during 2013-2016 as Tecumseh phased-in CVA increases are expected to lag behind provincial averages.

The estimated consolidated levy increase will impact property classes differently as Municipal/ County/Education levy weightings differ for Residential versus Non-residential classes. Additionally, CVA updates from the 2012 base year to the 2016 base year have shown larger increases to Residential valuations as compared to increases to Non-residential valuations within Tecumseh.

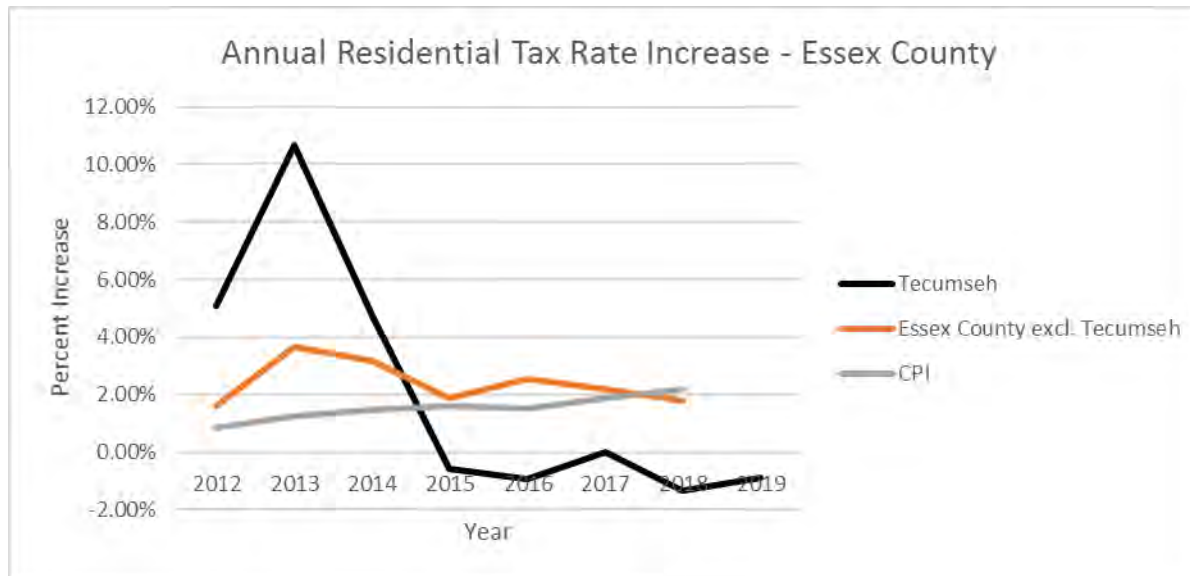
The recent trends of increasing Municipal and County levies and declining Education levies combined with Residential CVA increases exceeding Non-residential CVA increases within Tecumseh has resulted in a shift in total tax burden from Commercial/Industrial classes to Residential classes. This means that generally speaking, Residential properties will experience a larger percentage levy increase than Non-residential properties.

The following charts illustrate the composition of the consolidated levy for Residential versus Non-residential properties.



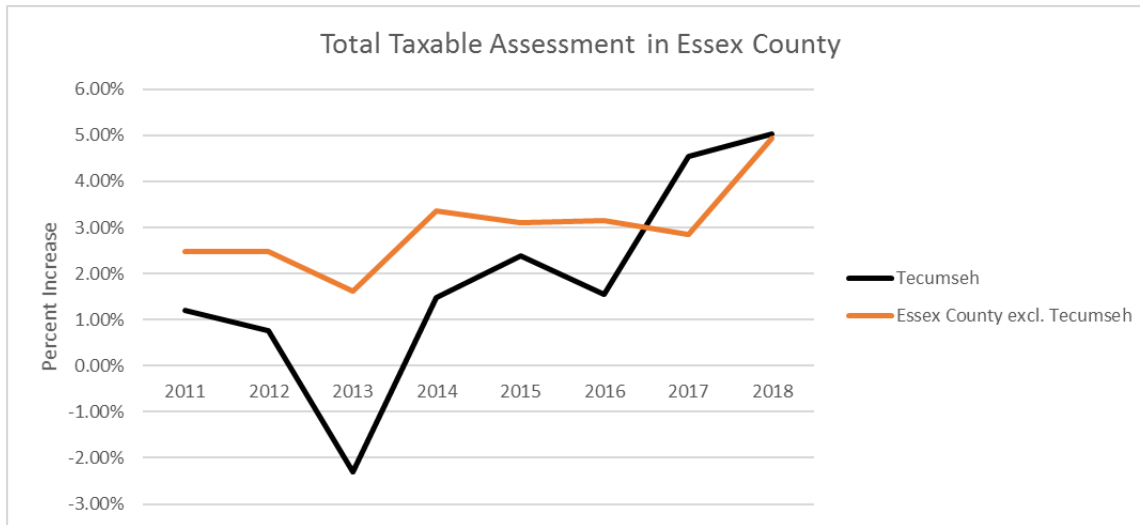
Comparable Tax Rates and Assessment

The chart below illustrates the annual change to the residential tax rate for Tecumseh as compared to the Essex County lower tier average and annual CPI since 2012.

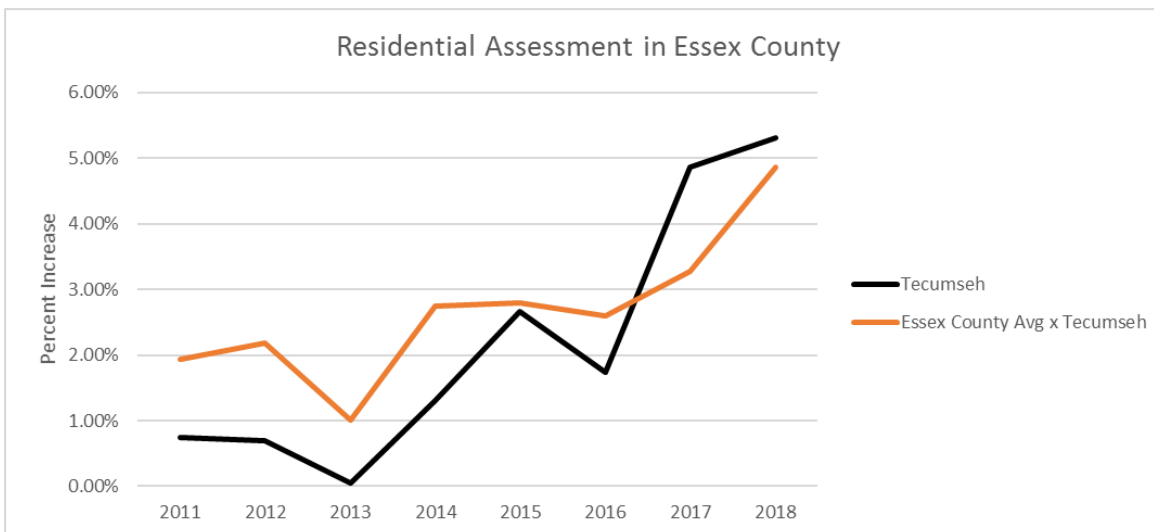


Tecumseh's annual tax rate increases have been at 0% or less for the last five years, following three years of relatively high increases. On average during this period, Tecumseh's annual tax rate increase is 2.1% as compared to the Essex County lower tier average of 2.4% and CPI of 1.5%. Note that Tecumseh averages include 2019 figures that are not yet available for the County or CPI.

The spike in Tecumseh rates during 2012-2014 was due in part to negative total assessment growth particularly with respect to Industrial properties. Tecumseh has the greatest exposure to the Industrial class with 7% of total taxable assessment within this category (2018). In contrast, the Industrial class category represents 2.5% of total taxable assessment for the average of Essex County lower tiers (2018).



The impact of the Industrial sector can be seen when comparing annual changes to Total Taxable Assessment to annual changes to Residential Taxable Assessment. Annual changes to assessment includes both phased-in CVA increases and assessment growth.

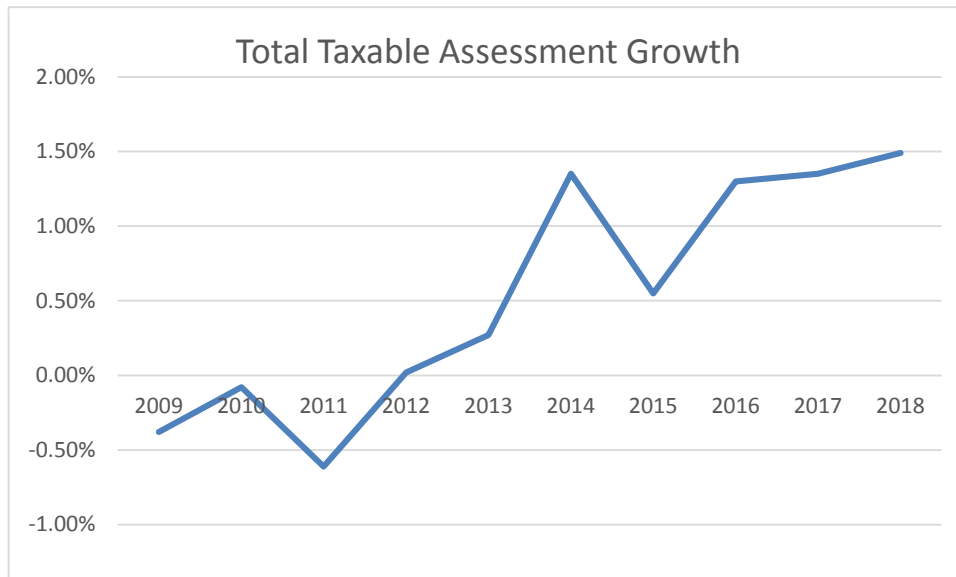


Challenges

Major factors that will challenge the Town's ability to manage the tax levy include:

- Bill 148, Fair Workplaces, Better Jobs Act, 2017, will increase operating costs; particularly with respect to increases to wages for part-time and seasonal employees included in collective bargaining agreements (CBA). Subsequent to the passing of Bill 148, the new provincial government has indicated its intention to repeal certain aspects of the Bill. Notwithstanding those potential changes, increases to wages included in CBAs will remain effective.
- Stagnant revenue streams for most billable services, such as Arena rentals, will remain throughout the budget timeframe. This puts added pressure on the general tax levy.
- Large capital expenditures will be required to enable assessment growth to continue. The DC Study update, completed in September 2014, estimates growth-related capital expenditures to be \$15 million over the next five years, with \$4 million of that figure to be borne by the Town.
- The recent jump in assessment growth will peak in 2018 as most residential development projects are nearing completion. Continued assessment growth is anticipated for this budget timeframe, however not to the extent of the past two years.
- The Town has a Post-Retirement Benefits liability of approximately \$10.8 million with \$1.7 million in reserves (2018 year-end forecast). Contributions to this reserve have been made on an irregular basis only. Prudent financial management would include a systematic process to funding this liability. The Town no longer provides this benefit to new employees. The Town has implemented a new Investment Policy, which includes investing the reserve funds in the equity market through the LAS Investment Program.
- Lifecycle Program – The 10-year program to fully fund replacement of existing assets was reached with the 2014 budget. However, as additional assets are added and studies undertaken it is imperative to adjust the annual requirement on a year to year basis. Results of a Storm Drainage Master Plan are to be known in early 2019 and are likely to indicate the LC contribution for stormwater needs to be increased from its current \$903,000 level.
- New Infrastructure – The Town's ability to finance new infrastructure continues to be limited. A New Infrastructure Levy was initially established with a target of \$1.3 million. While this levy is substantial, it isn't adequate to fund the new infrastructure on the horizon, i.e. Multi-Use Sportsplex, Tecumseh Main Street CIP Streetscape Plan, Park and Trail Enhancements, Share of Development Charge Projects, etc. Administration recommends a revised annual target of at least \$1.75 million. The 2019 budget includes \$1.35 million towards NIL, with additional increases of \$200,000 and \$100,000 recommended in budget forecast years 2020 and 2021 respectively.

- Lottery license litigation has been ongoing since 2009. The Town is a defendant in a class action suit seeking the repayment of all licensing fees paid by gaming licensees between at least 1990 and the present. The Town's liability if unsuccessful in defending the claim could be in the millions of dollars.
- Assessment Growth History



Annual taxable assessment growth has improved recently and is expected to be relatively strong during this three-year budget timeframe.

Grants

The strategy of maintaining budget flexibility with the lifecycle program and reserve accumulation has enabled the Town to take advantage of recent senior government capital infrastructure initiatives (COMRIF, RinC, Build Canada Fund, Infrastructure Stimulus Fund, OCIF and CWWF). Without funding from senior government sources, many large capital infrastructure projects would be deferred or unattainable. The Town's ability to continue to take advantage of these programs is somewhat limited, as significant amounts of reserve funds have been utilized.

Emphasis on reserve funding is becoming more important going forward as the province recently announced the Ontario Community Infrastructure Fund (OCIF) grant funding program. Tecumseh received \$494,000 in 2017 and \$700,000 in 2018 and will receive \$1,077,000 for 2019 under the formula allocation program. The Town also received a Top-Up grant of \$806,000 in 2017.

The OCIF also has an application based process for which the Town has been unsuccessful in obtaining an allocation. This component of OCIF is merit based and weighted towards municipalities with less than average household income and property assessment base.

The Town was also successful in receiving a Canada Water/Wastewater Fund (CWWF) allocation of \$1,678,000. These funds, combined with the OCIF 2017 allocation of \$494,000 and the Top-Up allocation of \$806,000 allowed the Town to embark on a \$3,637,000 Sanitary Sewer Collection System Rehabilitation Project with a Town contribution of only \$559,000.

Within the broader public sector, advocates have been vocal regarding the need to establish a national infrastructure strategy to provide a sustainable infrastructure funding program, in partnership with federal, provincial and municipal governments. Until such a strategy is introduced, municipalities will continue to struggle with investments in upgrades and refurbishing of capital infrastructure assets. In addition, programs that are periodically announced by federal and/or provincial governments reflect priorities which may not be consistent with local priorities.

Economic Outlook

The economic outlook from global, North American, provincial and regional perspectives for 2019 is for the most part optimistic, however somewhat dampened from 2018, based on leading indicator measures.

Strong labour markets in Ontario and regionally, with unemployment rates at 25-year lows, are expected to continue in 2019 despite growing global trade uncertainty. This is good for employees, however the tight supply is expected to impact employers' growth due to labour shortages.

Per RBC's Economic and Financial Market Outlook (September 2018), global growth has likely peaked with trade policy uncertainty high and unemployment rates below pre-recession averages. They expect North American growth to slow modestly from 2018 levels.

Some select excerpts from **RBC Economics – Provincial Outlook September 2018** cite this optimism:

Taken from **RBC Economics – Provincial Outlook September 2018:**

Economic Indicators	2015	2016	2017F	2018F	2019F
Real GDP	2.9	2.6	2.7	2.0	1.9
Nominal GDP	5.0	4.3	4.4	3.8	4.0
Employment	0.7	1.1	1.8	1.4	0.6
Unemployment rate (%)	6.8	6.5	6.0	5.5	5.4
Retail sales	5.5	6.9	7.7	4.6	4.4
Housing starts (units)	70,200	75,000	79,100	76,000	70,000
Consumer price index	1.2	1.8	1.7	2.5	2.4

Strategic Priorities

Commitment to the Town's Strategic Priorities will be the focus of Town initiatives. Notable achievements during 2018 or anticipated in 2019 towards the strategic priorities include:

Make the Town an even better place to live, work and invest through a shared vision for our residents and newcomers.

- Ongoing implementation of the Tecumseh Road Main Street Community Investment Plan (CIP) that was adopted in January 2016. More than \$376,000 has been approved for funding since its inception. Administration is currently waiting on details for National and Provincial funding programs to bring forward for Council consideration and approval.
- Installation of sanitary sewers on Rossi Drive was completed in May 2018.
- Tax, Water and Wastewater rates continue to be among the lowest in the area while supporting municipal services at above average levels.
- Manning Road Secondary Plan Area-Specific Development Charge By-law was denied by the Ontario Municipal Board, resulting in ongoing meetings to evaluate potential next steps to facilitate the appropriate, efficient and economical servicing and development of this area. Discussions are nearing completion with a report to Council on a proposed resolution to key issues expected in early 2019.
- The Town was successful in obtaining OCIF and CWWF grants to assist in funding sewer rehabilitation projects. This includes a grant to remove inflow and infiltration in flood prone areas of Town. Fog testing began the week of October 6, 2017 and continues through 2018.
- Launched Business Satisfaction Survey to more than 900 local businesses.

Ensure that the Town's current and future growth is built upon the principles of sustainability and strategic decision-making.

- Completed update to the Asset Management Plan addressing core infrastructure assets not included in previous versions: culverts less than three meters, pump stations, metering stations, water tower traffic signals and street lights. General capital categories for Facilities and Fleet were added. The plan incorporates various new studies and includes a reserve analysis with a 20-year forecast of reserve balances.
- Appointed an architect to develop detailed design of Multi-Use Sportsplex.
- Continue to work on the five-year update to Parks and Recreation Master Plan with important focus on comprehensive Trails Master Plan that could be used to apply for available grants that would encourage more walking and biking opportunities. This includes an

application to the Ontario Municipal Commuter Cycling Program (OMCC). Total funds received by Tecumseh are approximately \$106,000. The OMCC program has been cancelled and no further funds can be obtained.

Integrate the principles of health and wellness into all of the Town's plans and priorities.

- Undertook numerous tree planting initiatives to increase and improve the Town's urban forest, including 180 trees planted in a new subdivision on Hayes Avenue adjacent to Lakewood Park.
- Completed the St. Mary's splash pad, the first of three facilities planned for the Town.
- Concluded the Senior's Grant which allowed for members of the community to engage in Life After Fifty (LAF) programs and events. Free memberships and social activities were offered to educate older adults on the various ways to participate in the community by engaging in active, healthy and social programming benefits offered by LAF.
- Partnered with Sandwich South and Area Historical Society to construct a Cultural and Resource Centre at Fire Hall 2.

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

- Completed Citizen Satisfaction Survey in late 2017 with results presented to Council in early 2018. Town received 98% satisfaction rating.
- Received ninth consecutive GFOA Distinguished Budget Presentation Award.
- Recruited and filled the Assistant Drainage Superintendent position.
- Met with Provincial representatives at AMO annual meeting to discuss grant funding availability for Multi-Use Sportsplex. Intake for the funding program is expected in 2019.
- Initiated accessibility standards (WCAG 2.0 A) staff training of department champions and created accessible templates for council reports, agendas and minutes to ensure the Town is meeting the needs of all residents.

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.

- Systems review for enhanced issues tracking and communications completed. Implementation of changes, modifications and process improvements underway.
- Worked in partnership with the Youth Advisory Committee and Senior Advisory Committee to provide programs and events to the community such as Earth Day Celebrations and Senior Fitness Around Town.



2019 Budget Reconciliation for PSAB Adjustments

O. Reg. 284/09

The *Municipal Act, 2001* Regulation 284/09 (O. Reg. 284/09) Section 1 allows a municipality to exclude all or a portion of the following expenses from the budget estimates:

- Amortization expenses,
- Post-employment benefits expenses,
- Solid waste landfill closure and post-closure expenses.

Section 2 (1) goes on to require a municipality **before adopting a budget for the year** that excludes any of the above items, to prepare a report about the excluded expenses and adopt the report by resolution.

Section 3 requires the report to include at least the following:

- An estimate of the change in the accumulated surplus to the end of the year resulting from the exclusion of the above expenses, and

- An analysis of the estimated impact of the exclusions on the future tangible capital asset funding requirements of the municipality.

The information presented in this section of the budget document fulfills the reporting requirements of O. Reg. 284/09.

Budget Reconciliation

The PSAB Handbook requires that budget numbers be included in the Financial Statements using the same Basis of Accounting that is used for actual results. The issue facing municipalities is that municipal budgets have typically been prepared on a cash basis with the main focus being the determination of the tax levy required.

The requirements of O. Reg. 284/09 force reconciliation between the typical cash budget and the Financial Statements for those expenses noted above.

Estimated Impact of Future Benefit

Future benefit expense is generally related to the Town's sick leave benefit plan, and health and dental benefits for retired employees. There is no legislated authority requiring a municipality to fully fund these benefits. However, it is sound financial planning to do so where possible.

The chart to the right indicates the Town's total estimated unfunded liability for Future Benefits is \$10.1 million and that on an annual basis in 2019 funding is estimated to be in a \$1.0 million deficit position.

The Town funds current year sick leave payouts from current year budget allocations.

The impact of Health and Dental Benefit will lessen over time as post-retirement benefits have been grandfathered to existing employees when the benefit was terminated.

In 2016, Council adopted Investment Policy No. 87. The effect of the Policy allows the Town to invest in the ONE Equity Portfolio. The purpose of doing so

allows the Town to invest the Post-Retirement Reserve Funds in the stock market. The expectation is that the return on this portfolio will be greater than that earned on current investments thus reducing the Total Unfunded Balance for Health and Dental. The unrecognized gain in market value is \$122,000 as of September 30, 2018.

Status of Future Benefit Liabilities

	2019 Budget	2018 Estimated	2017 Actual
Sick Leave			
Accrued Benefit Liability	\$356,200	\$352,200	\$340,000
Reserve	292,200	320,200	340,000
Unfunded/(Funded) Balance	64,000	32,000	-
Annual Expense	32,000	32,000	35,000
Benefits Paid	28,100	19,700	33,700
	3,900	12,300	1,300
Contribution to reserve	-	-	-
Net Annual Funding Deficit/(Surplus)	3,900	12,300	1,300
Health and Dental			
Accrued Benefit Liability	\$11,798,900	\$10,827,700	\$9,853,200
Reserve	1,781,900	1,730,000	1,709,100
Unfunded Balance	10,017,000	9,097,700	8,144,100
Annual Expense	1,100,000	1,100,000	1,018,700
Benefits Paid	128,800	125,500	114,300
	971,200	974,500	904,400
Contribution to Reserve	-	-	-
Net Annual Funding Deficit	971,200	974,500	904,400
Total Unfunded Balance	10,081,000	9,129,700	8,144,100
Total Net Annual Funding Deficit	975,100	986,800	905,700

Estimated Impact of Solid Waste Landfill Closure: Solid waste landfill closure costs deal with the ongoing costs of maintaining a landfill once it no longer accepts waste. There is no legislated authority requiring a Municipality to fully fund these costs. However, it is sound financial planning to do so where possible.

Status of Solid Waste Landfill Closure

	2019 Budget	2018 Estimated	2017 Actual
Accrued Benefit Liability Reserve	\$ 621,500	\$ 615,500	\$ 606,900
Unfunded balance	621,500	615,500	606,900
Annual expense	35,000	35,000	34,300
Benefits paid	29,000	26,400	26,000
Contribution to reserve	6,000	8,600	8,300
Net annual funding (surplus)/deficit	6,000	8,600	8,300

Landfill #3 is closed so we do not expect this liability to increase significantly unless there is an unplanned increase in requirements for maintaining the site.

Unused Vacation Liability: Although O. Reg. 248/09 does not require comment, the Town has a liability for unused vacation days that has not been fully funded in the past. This liability is a result of employees generally not being able to take vacation days until after their hire anniversary date and employees' ability to bank up to 10 days carry forward. There is no legislated authority requiring a municipality to fully fund these costs. However, it is sound financial planning to do so where possible.

Status of Vacation Leave Liability

	2019 Budget	2018 Estimated	2017 Actual
Liability Reserve	\$ 346,000	\$ 346,000	\$ 345,800
(Funded)/Unfunded Balance	6,300	4,700	-

Typically these funds are not paid out but are taken as days off in the following year. Payments that occur upon retirement are funded out of current year budget allocations or reserves.

Estimated Impact of Excluded Amortization on Future TCA Funding Requirements: The chart below compares the capital funding included in the 2019 budget to the estimated amortization cost for 2019.

	Tax/Rate Funding	Amortization Estimate	Difference
Capital Tax Levy	\$9,374,000	\$5,815,200	\$3,558,800
Gas tax allocated to Lifecycle	1,127,500	-	1,127,500
	10,501,500	5,815,200	4,686,300
Sanitary Sewer Rate	2,326,500	633,600	1,692,900
Water Rate	1,840,100	939,100	901,000
	14,668,100	7,387,900	7,280,200

Amortization expense is an estimate of the consumption of future benefits from past investment in capital assets. It takes the asset's historical cost and spreads it evenly over the expected useful life of the asset. This amortization period can range from 3 years up to as many as 65 years depending on the nature of the asset. Amortization does not take into account inflation, service upgrades or increase in standards. Therefore, funding only for amortization will not provide sufficient funding for replacement in most cases.

The Town adopted a Lifecycle program in 2005 for funding tax supported assets. This program is designed to provide the Town with sufficient funds to replace existing assets. Annual allocation to service areas is based on a review of existing assets and estimated replacement costs.

Water and Wastewater contributions are based on the 2015 Water and Wastewater Rate Study prepared in-house by Financial Services staff, which takes into account lifecycle requirements.

Although there is no definitive answer on how much funding is required, the Town has set a fiscally responsible path that should be adequate to fund its capital replacement needs.

Neither amortization nor the lifecycle program deals with the issue of new capital requirements. As part of the 2015 budget, the implementation of a special New Infrastructure Levy (NIL) was approved to begin addressing the funding issues raised by funds required for new infrastructure. The current levy is \$1,200,000 with an additional \$150,000 budgeted for 2019.

Estimate of the Change in Accumulated Surplus due to Excluded Expenses: The chart below starts with the 2019 surplus per the budget excluding reserve transfers, long term debt incurred and other financing items included in the budget. Various PSAB adjustments are then required to arrive at the surplus to be reported for Statement purposes.

2019 Accumulated Surplus Reconciliation

2019 Surplus	Amount
Budget surplus/(deficit) for the year	\$2,399,195
Add:	
Share of government business enterprise surplus	732,000
Landfill post-closure expenditures	29,000
Gain/(loss) on disposal of tangible capital assets	(607,341)
Capital expenditures	10,421,349
	<u>10,575,008</u>
Less:	
Accrued interest expense	(4,400)
Dividend from government business enterprise	433,000
Employee future benefits expense	975,000
Landfill post-closure expense	43,594
Amortization	7,387,925
	<u>8,835,119</u>
PSAB Surplus per Statement of Operations	4,139,084
PSAB Opening surplus (estimated)	247,026,262
PSAB Surplus end of year	<u>251,165,346</u>

The PSAB Surplus does not mean there is a large amount of cash available to reduce taxation. Rather, it only serves to indicate the difference between assets and liabilities, recorded in compliance with PSAB, at one point in time. The Town continues to budget on a modified accrual basis to determine the taxation requirements for the municipality.

2019 Full-Accrual Proposed Budget

As mentioned previously, the Public Sector Accounting Board requires budgeted amounts on the financial statements be presented on a full accrual basis. A series of accounting adjustments are completed to convert the budgeted amounts from modified accrual to full accrual. These adjustments include amortization, post-employment benefits, solid waste landfill closure and post-closure expenses. Additionally, the Operating, Capital and Reserve/Reserve Funds budgets are consolidated into one budget document thereby eliminating interfund transfers.

The full-accrual version of the 2019 Proposed Budget is presented below. Again, note that the budgeted surplus does not represent a surplus of cash. Rather it is the sum of net financial and non-financial assets. In other words, the surplus represents the Town's investment in assets.

**The Corporation of the Town of Tecumseh
2019 Full-Accrual Proposed Budget**

Revenues	Amount
Property taxes	\$23,636,457
User charges	12,510,070
Government transfers	4,411,936
Capital contributions	2,664,780
Investment income	1,077,800
Income from government business enterprise	782,175
Penalties and interest on property taxes	380,000
Other	8,000
(Loss)/ Gain on disposal of tangible capital assets	(607,341)
Total Revenues	44,863,877
<hr/>	
Expenses	
General government	\$4,952,647
Protection to persons and property	6,306,020
Transportation	7,389,322
Environmental	14,450,591
Social and family	49,289
Recreation and cultural	5,632,312
Planning and development	1,944,612
Total Expenses	40,724,793
Annual surplus	4,139,084
Accumulated surplus, beginning of year (est.)	247,026,262
Accumulated surplus, end of year	\$251,165,346



Recommended New Staffing Enhancements

The 2019 Proposed Budget includes an allowance for an overall increase of 0.5 Full-Time Equivalent (FTE) employees.

Additional staff resources were recommended to facilitate desired service level enhancements and/or increased workloads due to a variety of factors including:

- Decreased resources towards sanitary backflow grant program
- Extended arena/recreation facility operating hours
- Extended parks buildings facility operating hours

Staffing increases are supported by Recommended New Staffing Enhancements (RNSE) forms. An RNSE is completed for staffing increases that are considered permanent in nature. The RNSE forms contain sections on:

- Description of enhancement
- Justification for the staffing enhancement (physical condition, demand, functionality)
- Concerns associated with current situation
- Impact of not proceeding in 2019 (health and safety, risk management, quality of service, quality of life, environmental)
- Budget impact

- [Link to strategic priorities](#)

Staffing Resources Summary page can be found following the RNSEs.

The net increase is a result of the following additions and deletions:

Additions:

- Arena 0.7 addition - Part-time Clerical for extended recreation program hours
- Parks Buildings 0.4 addition – Student for extended facility operating hours
- Parks 0.4 addition - additional Student hours
- Public Works 1.0 addition - Public Works Labourer

Deletions:

- Corporate Services 0.3 reduction – delete Co-op student, substitute with University of Windsor Intern Program
- Financial Services 0.3 reduction – delete part-time Clerical – water billing
- Public Works 0.7 reduction – delete Public Works Seasonal Labourer (replaced with full-time Labourer)
- Sanitary 0.7 reduction – delete temporary position for backflow grant program

Parks & Recreation

Position:	Clerk II-Administrative Clerk
Department:	Parks & Recreation
Service Area:	Parks & Recreation

Description of enhancement: This permanent part-time position would provide enhanced customer service for the Parks and Recreation Administrative Office. The general objective for this position is to provide extended office / service hours into evenings and weekends to better service the customers of the Tecumseh Parks and Recreation Department. Furthermore, the additional administrative support for the department.

Reporting to the Manager Recreation Programs & Events, the Clerk II Administrative Clerk (part-time) position will provide additional administrative and clerical support to the Parks and Recreation Department. Responsibilities would include, but not be limited to servicing in-person and over-the-phone customer service inquiries related to facility rental bookings, program registrations, and funding assistance requests. The Clerk II Administrative Clerk will assist with supply orders for recreation facilities and programs including inventory tracking. The additional administrative support will allow the Department to implement strategies in accordance with record retention bylaw.

Justification for the request: The Tecumseh Recreation Complex & Arena building operates seven days a week with regular facility complex hours from 6:00 a.m. to midnight. The hours for the Parks & Recreation Administrative office are Monday to Friday; 8:30 a.m. to 4:30 p.m.

Upon review of Recreation Complexes across Windsor and Essex County, it was determined that the Town of Tecumseh is the only recreational facility not providing extended hours for customers outside regular business hours.

Municipality	Weekday Hours	Weekend Hours
Tecumseh	8:30 am - 4:30 pm	Closed
Windsor (Community Centre)	9:00 am - 8:00 pm	9:00 am - 1:00 pm
LaSalle (Vollmer)	7:30 am - 8:00 pm	8:30 am - 4:30 pm
Town of Essex (Pool)	7:00 am - 10:00 pm	7:00 am - 10:00 pm
Amherstburg (Libro)	8:30 am - 10:00 pm	7:00 am - 10:00 pm
Lakeshore (Atlas Tube)	6:00 am - 9:30 pm	6:30 am - 7:30 pm

A number of facility rentals and programs are offered outside the administrative office business hours which results in the department not providing office customer services during hours when customers are in the facility. By offering extended office hours to include evenings and weekends, customers will have greater access and opportunities to attend the office to process and complete rental agreements, register for programs and pay account balances.

The current compliment of administrative support of 1.5 staff is challenged to complete the demands of the office. A recent review of time/hours to complete the required duties and responsibilities performed by the current staffing levels determined that staffing levels are not sufficient. Current staffing levels are not able to complete daily required tasks. Contributing factors to the increased demands on the staff include increased programs and rentals that require processing of customer registrations and rental agreements. One particular contributing factor is the increase in financial assistance for recreational programs. Funding sources such as Canadian Tire JumpStart and the Optimist Club funding partnership have increased and in 2018, the Pathway to Potential funding agreement increased from \$24,000 to \$50,000. This increase in funding allows additional families to participate in additional programming thus contributing to an increased demand on Administrative staff time to process funding requests. Each funding recipient is required to meet one-on-one with a representative from the Department to determine/confirm eligibility before funding is allocated and released. Many funding recipients are new Canadians and English is often a second language, contributing to the need to provide additional time to review, communicate and process funding requests.

Impact to residents should the position not be approved: This permanent part-time position will allow the Parks and Recreation Department to provide greater access to services for residents and customers. In addition, this position will provide the necessary administrative support to complete required department responsibilities.

The existing staff levels are challenged to complete the demands of the department.

Budget impact: The estimated cost for adding this position is \$52,000 including wages and benefits and is funded in the Arena budget.

Position:	Facilities – Student
Department:	Parks and Recreation
Service Area:	Parks and Recreation

Description of enhancement: Increase the Summer Student, Facility Staff hours to allow additional time to be allocated for the cleaning and maintenance of the outdoor facilities within the municipality for their regular use and summer time maintenance requirements. With the additional responsibilities of the department taking a more active role in maintaining the municipal facilities and structures, and operating those facilities 7 days a week, it is our goal to provide services during the times any facilities are open and accessible.

It is the goal that this additional student position will be required until activity within the municipality decreases.

Justification for the request: It is the responsibility of the Tecumseh Recreation Parks Buildings Department to maintain the Arena and other outdoor recreation facilities, and assist with special events where required, in order to enhance the quality of life for residents and visitors to Tecumseh. We strive to keep the recreation facilities clean, neat and safe for all users. It is the standard of the department to maintain and support safe, welcoming, secure, clean and reliable facilities, and in doing so make the Town of Tecumseh an even better place to live, work and play.

Over the past number of years, the Parks Buildings Division of the Parks and Recreation Department has become involved and responsible for more outdoor buildings, to assist the Parks Department in their duties. The outdoor facility assets are

continually being upgraded to make them more attractive to our community. The special events being provided by the Recreation Department is ever increasing and has become popular with our users as well.

Currently, our student staffing resources can be scheduled five days a week, not more than eight hours a day and 40 hrs per week. In the past, one (1) student would be sufficient to work the weekend hours when we had activity, which included opening and closing some of the outdoor facilities. We have experienced an increase in more activities throughout the entire week, therefore the facilities need to be monitored more frequently. It is anticipated special events will need more attention and the outdoor facilities will need more than 8 hour coverage which is more than one (1) student can cover on any given day. The additional staff will ensure that all the facilities are maintained to the service level expected by our users.

The full time staff compliment is increasing in years of service and is entitled to more vacation time. These requests need to be covered by part time facility staff, limiting their ability to cover outside facilities and events. When part time facility staff are covering full time staff there is the potential for gaps in service. The additional student could alleviate this gap in service.

Another strain on student hours is, facilities could be open on regular holidays, and full time staff are entitled to those holidays, the use of student staff to assist activities during those days will be needed.

The addition of the requested hours will allow for the scheduling of staff to ensure the quality of service that the community and the users of all Town facilities is maintained seven days a week for the summer season.

Impact to residents should the position not be approved: If we do not proceed with adding the requested additional staffing levels in 2019, consideration will have to be given to limit weekend Arena operational hours due to full and part time operators monitoring the outdoor activities throughout the municipality. This would lead to a loss of revenue for the facility. With continued growth in our programming at the Arena and outdoor facilities, our residents anticipate that the same levels of service will continue to be provided for any current activity we offer.

Any additional amenities we add to our inventory, that same level of service would be expected. Consideration must be given to the requested staffing increase to provide the maintenance and service levels that our community is accustomed to now, and in the future.

Budget impact: The addition of the 800 summer student hours would add approximately \$15,000 to the Parks Buildings budget.

Staffing Resources	2017 Restated Budget	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Financial Services	8.99	10.30	10.00	10.00	10.00
CAO	3.00	3.00	3.00	3.00	3.00
Municipal Intern Program	0.41	0.00	0.00	0.00	0.00
Council	0.60	0.60	0.60	0.60	0.60
Total CAO	4.01	3.60	3.60	3.60	3.60
Information Technology	4.00	4.00	4.00	4.00	4.00
Corporate Services/Clerk	5.56	6.00	5.70	5.70	5.70
Human Resources	1.20	1.30	1.30	1.30	1.30
Crossing Guards	2.02	2.02	2.02	2.02	2.02
Total Corporate Services/Clerk	8.78	9.32	9.02	9.02	9.02
Fire Services	9.65	9.65	9.65	10.92	10.92
Roadways	9.00	9.64	9.69	9.69	9.69
Winter Control	1.36	1.36	1.56	1.56	1.56
Agriculture & Reforestation	1.42	2.00	2.00	2.00	2.00
Storm Sewer	1.00	1.00	1.00	1.00	1.00
Total Public Works & Environmental Services	12.78	14.00	14.25	14.25	14.25

Staffing Resources	2017 Restated Budget	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Parks	14.37	15.33	15.70	15.70	15.70
Parks Buildings	0.91	0.91	1.29	1.29	1.29
Arena Administration/Rink	9.29	9.70	10.38	10.38	10.38
Concession	1.08	1.08	1.08	1.08	1.08
Recreation Programs	2.35	2.69	2.71	2.71	2.71
Pool	3.46	3.28	3.42	3.42	3.42
Corn Festival	0.00	0.25	0.25	0.25	.25
Total Parks & Recreation	32.86	34.64	36.23	36.23	36.23
Building Services	2.90	2.90	2.90	2.90	2.90
By-law Enforcement	1.40	1.40	1.40	1.40	1.40
Planning Services	2.75	2.75	2.75	2.75	2.75
Committee of Adjustment	0.65	0.65	0.65	0.65	1.65
Transit	0.30	0.30	0.30	0.30	0.30
Total Planning & Building Services	8.00	8.00	8.00	8.00	8.00
Sanitary Sewer	1.50	2.25	1.50	1.50	1.50
Water General	2.50	2.50	2.50	2.50	2.50
Watermain	8.62	8.62	8.62	8.62	8.62
Total Water & Wastewater	12.62	13.37	12.62	12.62	12.62
Total Corporation	101.69	106.88	107.37	108.64	108.64



Financial Services

Financial Services is responsible for the overall management of the Town's financial resources in a fiscally responsible and prudent manner. The department is bound by the financial reporting requirements of the Public Sector Accounting Board (PSAB) in accordance with the *Municipal Act*.

Functions of the Financial Services Department include:

- Financial management
- Development of long-range financial plans, strategies, studies and policies
- Formulation of operating, capital and reserves budgets
- Issuance and collection of property tax billings and other revenues
- Financial reporting and controls
- Provision of objective professional support on major strategic and financial initiatives
- Administration of the procurement of goods and services
- Liaison with regulatory officials/agencies
- Corporate banking and investment management
- Administration of accounts payable and receivable

- Payroll calculation and distributions

The Director Financial Services and Treasurer oversees the Corporate Shared (Administration) accounts. This includes those revenues and expenses that are not attributable to a specific department. Examples include: taxation, investment income, penalties and interest and general reserve transactions.

2019 Budget Highlights

Corporate Shared

- Increase of \$994,300 to 'Taxes' representing the net increase to the general tax levy required to deliver the programs as proposed for 2019. The increase is 4.45%, of which 1.75% is from assessment growth.
- Increase of \$250,000 to 'Taxation Allocated to Capital' representing the increase to the annual allocation to capital reserves and includes a \$100,000 increase to Lifecycle Reserves and a \$150,000 increase to the New Infrastructure Levy (NIL). Full detail on this is included in the Lifecycle Budget section.
- Decrease of \$10,000 to 'Fines' revenue as revenue generated through the Provincial Offences Act (POA) has been trending lower for the past few years.

- Decrease of \$15,000 to 'Penalties and Interest' revenue as outstanding property tax receivables has continued to improve, falling below 4.5% of total taxes levied.
- Increase of \$199,200 to 'Investment Income' as higher interest rates are expected to generate an additional \$186,000 in bank interest revenue. Increase of \$13,000 to 'Dividend Income' earned from the Town's ownership share of Essex Power Corporation (EPC).
- Increase of \$10,200 to 'Other Income' due to inflationary increase to general administrative services assessed to the Town's Water and Wastewater departments.
- Increase of \$17,10 to 'Transfers from Reserves' which includes \$13,500 of one-time funding for an independent tax roll review and the use of reserve funding to offset an expected increase to insurance premiums.
- Increase of \$5,500 to 'Maintenance Materials and Supplies' for portable office rental (trailer) as an interim measure to address additional space requirements at Town Hall.
- Increase of \$5,900 to 'Contract Services' for the Town's janitorial service contract following recent request for proposals.
- Increase of \$6,300 to 'Insurance' reflective of higher claims activity.
- Increase of \$18,200 to 'Other' primarily due to the one-time costs associated with the tax roll review.
- Decrease of \$35,000 to 'Financial Expense' due to lower expected Tax Write-offs following the termination of the

Vacancy Rebate Program effective 2019 and declining property assessment appeals.

- Increase of \$179,200 to 'Transfer to Reserves' which includes the transfer of bank interest income and dividend income above base budget levels (\$199,200 collectively) to the Infrastructure Reserve (formerly went to the Tax Rate Stabilization Reserve), offset by the reversal of a one-time \$20,000 provision in the 2018 budget for potential Bill 148 cost increases.

Financial Services

- Decrease of \$105,000 to 'Other Income' due to the reversal of in-house water billing and collection services included in the 2018 budget. The proposition was not carried forward and services will continue to be provided by Essex Power Corporation (EPC) for a review period.
- Increase of \$28,000 to 'Transfers from Reserves' to fund estimated employee retirement payouts.
- Increase of \$26,300 to 'Wages and Benefits' primarily due to employee retirement payouts (funded through reserves above). Wages also includes the deletion of a part-time Clerk position intended to service water billing.
- Decrease of \$3,300 to 'Office Supplies and Equipment Maintenance' due to the elimination of a financial software application no longer required.
- Decrease of \$5,100 to 'Professional Services' primarily due to the reversal of one-time actuarial costs included in 2018.

Conservation Authority

- Increase of \$6,600 to 'Contract Services' due to the estimated 2.5% inflationary increase to ERCA levy.

2019 Program Objectives

- Completion of 2019 Development Charges (DC) Background Study
- Asset Management Plan updates including development of AMP Policy and incorporating results of Stormwater Master Plan
- Complete Water Financial Plan update
- Bulk water purchase agreement negotiations with Windsor Utilities Commission to be completed in 2019
- 11th consecutive GFOA Distinguished Budget Presentation Award
- Implement electronic tender/proposal procurement system
- Work with Town departments on grant applications and recovery of funds from Provincial and Federal governments if successful

Looking Ahead

- 2020 and 2021 budget years include annual increases to Lifecycle and NIL Reserves to support capital asset replacement and upcoming new capital project initiatives
- Several Town Studies will be updated in 2020 and 2021 including: Asset Management Plan; Water and

Wastewater Rate Study and Energy Conservation and Demand Management Plan

- Financial Services will also assist with development and delivery of the Multi-Use Sportsplex with limited impact to the reserves

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full – Time FTE	10.00	9.00	9.00	9.00
Part – Time FTE	0.31	1.00	1.00	1.00
Total FTE	10.31	10.00	10.00	10.00
Net Change	-	-0.31	-	-

Staffing complement includes:

- 1.00 Director Financial Services and Treasurer
- 1.00 Deputy Treasurer and Tax Collector
- 2.00 Financial Analyst
- 1.00 Procurement Officer
- 4.00 Full-Time Clerical
- 0.69 Part-Time Clerical
- 0.31 Finance Student

**Town of Tecumseh
2019 Draft 2 Budget
Corporate Shared 1200**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Taxes	21,643,473	22,414,667	22,326,128	23,320,357	994,229	4.45%	24,152,330	24,754,708
Supplementary Taxes	315,503	412,272	230,000	230,000	-	-	230,000	230,000
Right of Way	15,021	15,688	15,000	15,000	-	-	15,000	15,000
Payments in Lieu	70,310	71,445	70,000	71,100	1,100	1.57%	71,100	71,100
Total Taxation	22,044,307	22,914,072	22,641,128	23,636,457	995,329	4.40%	24,468,430	25,070,808
Taxation Allocated To Capital	8,909,000	9,124,000	9,124,000	9,374,000	250,000	2.74%	9,674,000	9,874,000
Net Taxation Available for Operating	13,135,307	13,790,072	13,517,128	14,262,457	745,329	5.51%	14,794,430	15,196,808
Grants	61,100	52,000	51,935	51,935	-	-	51,935	51,935
User Charges	75,851	69,054	65,735	67,120	1,385	2.11%	68,322	68,322
Net User Charges Available for Operating	75,851	69,054	65,735	67,120	1,385	2.11%	68,322	68,322
Fines	97,584	110,000	130,000	120,000	-10,000	-7.69%	120,000	120,000
Penalties and Interest	365,356	370,315	395,000	380,000	-15,000	-3.80%	380,000	380,000
Investment Income	1,007,043	1,303,004	990,000	1,189,175	199,175	20.12%	1,189,175	1,189,175
Other Income	500,600	508,120	508,120	518,280	10,160	2.00%	528,280	538,280
Revenues Before Transfers	15,242,841	16,202,565	15,657,918	16,588,967	931,049	5.95%	17,132,142	17,544,520
Transfers from Reserves	130,000	20,000	25,000	42,050	17,050	68.20%	-	-
Total Revenues	15,372,841	16,222,565	15,682,918	16,631,017	948,099	6.05%	17,132,142	17,544,520
Benefits	28,393	-32,097	24,696	22,873	-1,823	-7.38%	22,873	22,873
Total Wages & Benefits	28,393	-32,097	24,696	22,873	-1,823	-7.38%	22,873	22,873
Office Supplies & Equip Mtnce	30,055	33,903	33,660	33,685	25	0.07%	33,685	33,685
Memberships	2,750	2,850	2,850	2,850	-	-	2,921	2,994
Maintenance Materials & Supplies	4,750	22,534	5,800	11,300	5,500	94.83%	11,446	11,595
Maintenance Services	6,998	7,500	7,500	7,500	-	-	7,688	7,880
Contract Services	16,321	26,680	22,300	28,200	5,900	26.46%	28,200	28,200
Vehicle & Equipment Leases	899	950	840	900	60	7.14%	900	900
Utilities	18,121	18,161	23,400	22,520	-880	-3.76%	23,216	23,929
Insurance	102,401	103,714	99,000	105,300	6,300	6.36%	107,933	110,631
Grants & Donations	10,000	10,000	10,000	10,000	-	-	10,000	10,000
Other	17,757	21,953	16,900	35,100	18,200	107.69%	21,600	21,600
Financial Expense	132,138	109,503	235,000	200,000	-35,000	-14.89%	200,000	200,000
Expenditures Before Transfers	370,583	325,651	481,946	480,228	-1,718	-0.36%	470,462	474,287
Transfers to Reserves	963,549	1,647,383	277,825	457,000	179,175	64.49%	457,000	457,000
Total Expenditures	1,334,132	1,973,034	759,771	937,228	177,457	23.36%	927,462	931,287
Net Expenditures	-14,038,709	-14,249,531	-14,923,147	-15,693,789	-770,642	5.16%	-16,204,680	-16,613,233

**Town of Tecumseh
2019 Draft 2 Budget
Financial Services 1240**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	27,506	20,100	25,500	25,500	-	-	25,500	25,500
Net User Charges Available for Operating	27,506	20,100	25,500	25,500	-	-	25,500	25,500
Other Income	-	-	125,000	20,000	-105,000	-84.00%	20,000	20,000
Revenues Before Transfers	27,506	20,100	150,500	45,500	-105,000	-69.77%	45,500	45,500
Transfers from Reserves	9,700	-	-	28,000	28,000	-	-	-
Total Revenues	37,206	20,100	150,500	73,500	-77,000	-51.16%	45,500	45,500
Wages	668,815	661,937	747,937	781,161	33,224	4.44%	770,107	787,434
Benefits	208,562	209,315	256,854	249,927	-6,927	-2.70%	255,607	261,430
Total Wages & Benefits	877,377	871,252	1,004,791	1,031,088	26,297	2.62%	1,025,714	1,048,864
Office Supplies & Equip Mtnce	45,097	43,298	48,597	45,275	-3,322	-6.84%	45,275	45,275
Memberships	3,988	3,944	4,200	4,200	-	-	4,305	4,413
Professional Development	9,292	10,330	8,800	10,100	1,300	14.77%	10,100	10,100
Professional Services	23,248	29,225	33,000	27,900	-5,100	-15.45%	28,400	32,800
Vehicle & Equipment Leases	1,515	1,404	1,200	1,400	200	16.67%	1,400	1,400
Utilities	713	1,040	800	800	-	-	800	800
Other	7,699	7,482	8,850	8,850	-	-	8,850	8,850
Financial Expense	156	174	800	800	-	-	800	800
Expenditures Before Transfers	969,085	968,149	1,111,038	1,130,413	19,375	1.74%	1,125,644	1,153,302
Total Expenditures	969,085	968,149	1,111,038	1,130,413	19,375	1.74%	1,125,644	1,153,302
Net Expenditures	931,879	948,049	960,538	1,056,913	96,375	10.03%	1,080,144	1,107,802

Town of Tecumseh
2019 Draft 2 Budget
Conservation Authority 2500

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Contract Services	251,029	263,061	263,920	270,520	6,600	2.50%	284,283	298,390
Expenditures Before Transfers	251,029	263,061	263,920	270,520	6,600	2.50%	284,283	298,390
Total Expenditures	251,029	263,061	263,920	270,520	6,600	2.50%	284,283	298,390
Net Expenditures	251,029	263,061	263,920	270,520	6,600	2.50%	284,283	298,390

TECUMSEH TOWN HALL

Chief Administrative Officer and Council

Council consists of a Mayor, Deputy Mayor and five (5) Councillors that represent the public on municipal matters in Tecumseh.

The Mayor (or Deputy Mayor in the absence of the Mayor) acts as the Head of Council and presides over Council meetings, provides leadership to the Council, represents the Town of Tecumseh and carries out the duties as Head of Council as dictated by the Municipal Act.

The Chief Administrative Officer (CAO) is appointed by Council and directs and coordinates the general and administrative management and business of the Town.

Police Services and the Police Services Board fall under the responsibility of the CAO. Policing in Tecumseh is provided by the Ontario Provincial Police and oversight is provided by the Police Services Board. The Board is comprised of five members with three appointed by Council and two by Provincial Order-in-Council.

The Police Services Board oversees the provision of policing services for the Town of Tecumseh. The current contract with the OPP is a six-year term, expiring December 2020.

2019 Budget Highlights

Council

- Decrease of \$7,000 in 'User Charges' revenue as a result of the change to the Income Tax Act related to elected officials' expenses. The Town will no longer receive a GST/HST rebate for Council members' expenses.
- Increase of \$69,900 in 'Wages and Benefits' of which \$55,000 is attributable to the changes to the Income Tax Act affecting Council members' taxable income, the remainder attributable to negotiated wage and benefit increases.
- Increase of \$2,500 in 'Professional Development' to bring budget back to pre-election year amount.
- One-time increase of \$4,000 in 'Other' for 20th anniversary of amalgamation celebrations to be organized in 2019. This will be funded through Lifecycle Reserves and is reflected as a one-time revenue in 'Transfers from reserves'.

CAO

- Increase of \$10,000 in 'Professional Services' for Legal services as a result of increasing litigation activity, bringing the budgeted amount up to the five year average incurred.

OPP

- Increase of \$91,800 to OPP 'Contract Services' costs to allow for potential inflationary increase.

2019 Program Objectives

- Actively pursue capital infrastructure grant opportunities under Canada-Ontario Bilateral Agreement for the Sportsplex Project. Move forward with fundraising program.
- Implement proposed expansion of Town Hall.
- Complete recruitment of new Chief Administrative Officer, to commence duties in February 2019.
- Host Strategic Planning and Priorities session with new Council to guide the work of the Town for the 2019-2022 term.
- Implement Council benefits revisions, including elimination of 1/3 tax-free allowance.

Looking Ahead

- There is a potential for impact to 2020 budget from changes to policing grants in the Policing Effectiveness and Modernization (PEM) grant program
- Impacts to future budgets for Police Services Board may result from new requirements for municipalities to develop mandatory Community Safety and Well-Being Plans as part of Safer Ontario Act

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	3.00	3.00	3.00	3.00
Part-Time FTE	0.60	0.60	0.60	0.60
Total FTE	3.60	3.60	3.60	3.60
Net Change	-	-	-	-

Staffing complement includes:

1.00 CAO

1.00 Manager Strategic Initiatives

1.00 Executive Assistant to CAO

0.60 Administrative Assistant to Mayor and Council

**Town of Tecumseh
2019 Draft 2 Budget
Council 1100**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	7,224	7,000	7,000	-	-7,000	-100.00%	-	-
Net User Charges Available for Operating	7,224	7,000	7,000	-	-7,000	-100.00%	-	-
Revenues Before Transfers	7,224	7,000	7,000	-	-7,000	-100.00%	-	-
Transfers from Reserves	-	-	-	4,000	4,000	-	-	-
Total Revenues	7,224	7,000	7,000	4,000	-3,000	-42.86%	-	-
Wages	239,307	243,475	243,475	296,516	53,041	21.78%	303,188	310,010
Benefits	32,907	45,026	67,285	84,142	16,857	25.05%	85,679	87,255
Total Wages & Benefits	272,214	288,501	310,760	380,658	69,898	22.49%	388,867	397,265
Office Supplies & Equip Mtnc	6,607	6,577	6,900	7,100	200	2.90%	7,100	7,100
Memberships	6,832	7,023	7,000	7,475	475	6.79%	7,662	7,854
Professional Development	23,005	17,833	26,000	28,500	2,500	9.62%	28,500	28,500
Utilities	4,202	6,130	7,000	7,000	-	-	7,000	7,000
Grants & Donations	-	-	-	-	-	-	-	-
Other	31,823	23,155	30,500	34,500	4,000	13.11%	30,500	30,500
Expenditures Before Transfers	344,683	349,219	388,160	465,233	77,073	19.86%	469,629	478,219
Total Expenditures	344,683	349,219	388,160	465,233	77,073	19.86%	469,629	478,219
Net Expenditures	337,459	342,219	381,160	461,233	80,073	21.01%	469,629	478,219

Town of Tecumseh
2019 Draft 2 Budget
CAO 1220

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	-	3,520	-	-	-	-	-	-
Net User Charges Available for Operating	-	3,520	-	-	-	-	-	-
Revenues Before Transfers	-	3,520	-	-	-	-	-	-
Transfers from Reserves	106,981	303,382	150,000	150,000	-	-	150,000	150,000
Total Revenues	106,981	306,902	150,000	150,000	-	-	150,000	150,000
Wages	361,126	379,960	379,960	387,559	7,599	2.00%	396,279	405,195
Benefits	114,475	99,214	116,489	112,057	-4,432	-3.80%	114,759	117,529
Total Wages & Benefits	475,601	479,174	496,449	499,616	3,167	0.64%	511,038	522,724
Office Supplies & Equip Mtnce	3,457	3,010	3,650	3,650	-	-	3,650	3,650
Memberships	2,583	2,581	2,750	2,750	-	-	2,819	2,889
Professional Development	11,430	16,094	13,200	13,200	-	-	13,200	13,200
Professional Services	158,914	371,998	240,000	250,000	10,000	4.17%	250,000	250,000
Utilities	1,783	863	1,400	1,400	-	-	1,400	1,400
Other	19,773	17,101	15,000	15,000	-	-	15,000	15,000
Expenditures Before Transfers	673,541	890,821	772,449	785,616	13,167	1.70%	797,107	808,863
Total Expenditures	673,541	890,821	772,449	785,616	13,167	1.70%	797,107	808,863
Net Expenditures	566,560	583,919	622,449	635,616	13,167	2.12%	647,107	658,863

Town of Tecumseh
2019 Draft 2 Budget
Police 2200

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	148,571	139,046	151,187	151,187	-	-	151,187	151,187
User Charges	44,893	47,306	36,200	39,200	3,000	8.29%	39,200	39,200
Net User Charges Available for Operating	44,893	47,306	36,200	39,200	3,000	8.29%	39,200	39,200
Fines	5,814	8,000	8,000	8,000	-	-	8,000	8,000
Revenues Before Transfers	199,278	194,352	195,387	198,387	3,000	1.54%	198,387	198,387
Total Revenues	199,278	194,352	195,387	198,387	3,000	1.54%	198,387	198,387
Benefits	3,765	2,685	4,518	4,148	-370	-8.19%	4,148	4,148
Total Wages & Benefits	3,765	2,685	4,518	4,148	-370	-8.19%	4,148	4,148
Office Supplies & Equip Mtnce	1,819	2,500	2,500	2,500	-	-	2,500	2,500
Maintenance Materials & Supplies	1,652	3,051	2,700	2,700	-	-	2,700	2,700
Maintenance Services	8,772	7,117	6,000	7,000	1,000	16.67%	7,000	7,000
Contract Services	3,182,790	3,291,041	3,353,400	3,445,241	91,841	2.74%	3,545,241	3,645,241
Professional Services	-	565	1,000	1,000	-	-	1,000	1,000
Utilities	15,480	15,589	18,200	16,400	-1,800	-9.89%	16,400	16,400
Insurance	4,749	5,206	4,900	5,400	500	10.20%	5,400	5,400
Other	51	80	300	300	-	-	300	300
Expenditures Before Transfers	3,219,078	3,327,834	3,393,518	3,484,689	91,171	2.69%	3,584,689	3,684,689
Total Expenditures	3,219,078	3,327,834	3,393,518	3,484,689	91,171	2.69%	3,584,689	3,684,689
Net Expenditures	3,019,800	3,133,482	3,198,131	3,286,302	88,171	2.76%	3,386,302	3,486,302

**Town of Tecumseh
2019 Draft 2 Budget
Police Services Board 2200**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Wages	21,918	23,706	24,256	24,256	-	-	24,256	24,256
Benefits	1,492	1,758	1,505	1,504	-1	-0.07%	1,504	1,504
Total Wages & Benefits	23,410	25,464	25,761	25,760	-1	-0.00%	25,760	25,760
Memberships	1,410	1,436	1,420	1,460	40	2.82%	1,460	1,460
Professional Development	9,272	10,804	13,600	10,000	-3,600	-26.47%	10,600	10,600
Maintenance Materials & Supplies	-	316	-	-	-	-	-	-
Insurance	1,190	1,198	1,350	1,300	-50	-3.70%	1,300	1,300
Other	4,866	5,000	5,000	4,500	-500	-10.00%	4,500	4,500
Expenditures Before Transfers	40,148	44,218	47,131	43,020	-4,111	-8.72%	43,620	43,620
Total Expenditures	40,148	44,218	47,131	43,020	-4,111	-8.72%	43,620	43,620
Net Expenditures	40,148	44,218	47,131	43,020	-4,111	-8.72%	43,620	43,620



Information and Communications Services

The Information and Communication Services (ICS) Department enables the effective use of information technology and communications in all departments of the Town and with the Public. These efforts are to ensure established department business objectives and corporate strategic objectives are realized.

Business Solutions - focus on identifying opportunities for delivery and deployment of new business solutions for all Town departments. Specific responsibilities of this unit include:

- Business Needs Analysis
- Communication Plans
- Definition of Requirements
- Acquisition/Deployment
- Project Management and Quality Control
- Implementation
- Support and Maintenance

Technical Services - focus on maintaining a reliable, secure, scalable and cost-effective corporate computing and

telecommunications infrastructure. Specific responsibilities of this unit include:

- Computing and Telecommunications Infrastructure Planning/Design/ Procurement/Maintenance
- Capacity Planning
- Security and Audio/Visual Systems
- Systems Administration
- Performance Monitoring and Fine-tuning
- Data Management
- Assets Co-ordination
- Digital Radios
- GPS/AVL Systems

Client Services - focus on providing support and assistance to clients in the use of corporate computer and telephone facilities. Specific responsibilities of this unit include:

- Help Desk and Desktop Support
- Rollout and Logistics
- Troubleshooting and Diagnosis
- Training

Geographic Information Systems (GIS) - focus on providing support and assistance to clients in use of GIS mapping. Examples of Municipal Information which is managed by GIS are:

- Storm and Sanitary Sewers, Watermains, Municipal Drains
- Fire Hydrants and Valves
- Roads, Street Signs and Lights
- Zoning and Parkland Information
- Registered Plan inventory
- Mobile Field Staff Solutions
- Maintain Tecumseh Alert System
- Aerial Photography
- Tecumseh Transit routes and mapping
- Fleet location and reporting (AVL)

2019 Budget Highlights

- There are no significant budget changes for 2019.

2019 Program Objectives

- Oversee implementation and Training of updated Records Management System (RMS) and implementation of new website and associated e-services.
- Finalize implementation and training of new service request and issue management software, and implementation of a business continuity plan.

- Improve connectivity between sites. Review opportunities and implement additional public wireless hotspots.
- Replace infrastructure as needed through lifecycle.
- Continue to monitor and implement stronger network security measures to prevent unauthorized access.
- Advocate for high-speed internet for underserved areas in Town on behalf of our residents and businesses.
- Upgrade Supervisory Control and Data Acquisition (SCADA) system software including improvements to notification related to system warnings or equipment failure.

Looking Ahead

- Outlook for 2020 and 2021 is for support of existing departments, associated infrastructure and complete review of corporate enterprise financial software
- Adapt to changing technologies with focus on continued improvement to network security over the next two years
- Budget allocations in both operating and capital expenses will be closely monitored as Tecumseh continues to be a leader in municipal technology applications
- Monitor the resource commitment to Town information and communication initiatives

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	4.00	4.00	4.00	4.00
Part-Time FTE	0.00	0.00	0.00	0.00
<hr/>				
Total FTE	4.00	4.00	4.00	4.00
<hr/> <hr/>				
Net Change	-	-	-	-

Staffing complement includes:

1.00 Director Information and Communication Services

1.00 Systems Analyst

2.00 GIS Technicians

Town of Tecumseh
2019 Draft 2 Budget
Information and Communication Services 1230

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	181	110	-	-	-	-	-	-
Net User Charges Available for Operating Revenues Before Transfers	181	110	-	-	-	-	-	-
Transfers from Reserves	76,933	78,780	78,780	82,110	3,330	4.23%	83,910	85,710
Total Revenues	77,114	78,890	78,780	82,110	3,330	4.23%	83,910	85,710
Wages	313,975	322,506	322,505	328,952	6,447	2.00%	336,353	343,921
Benefits	103,529	106,757	110,904	111,877	973	0.88%	114,391	116,968
Total Wages & Benefits	417,504	429,263	433,409	440,829	7,420	1.71%	450,744	460,889
Office Supplies & Equip Mtnce	61,893	66,067	71,131	70,927	-204	-0.29%	70,927	70,927
Memberships	894	1,214	830	1,255	425	51.20%	1,286	1,318
Professional Development	8,084	2,053	5,500	5,500	-	-	5,500	5,500
Maintenance Materials & Supplies	4,276	2,947	3,000	3,500	500	16.67%	3,588	3,678
Professional Services	6,848	2,926	3,000	3,000	-	-	3,000	3,000
Utilities	2,602	2,170	2,300	2,300	-	-	2,300	2,300
Other	1,491	649	1,000	1,000	-	-	1,000	1,000
Expenditures Before Transfers	503,592	507,289	520,170	528,311	8,141	1.57%	538,345	548,612
Total Expenditures	503,592	507,289	520,170	528,311	8,141	1.57%	538,345	548,612
Net Expenditures	426,478	428,399	441,390	446,201	4,811	1.09%	454,435	462,902



Corporate Services and Clerk

The Corporate Services Department is comprised of two divisions: the Clerk's Office and Human Resources.

Under the direction of the Director Corporate Services and Clerk, the **Clerk's Office** performs statutory duties as outlined in the Municipal Act and other legislation.

Council and Committee: secretariat to Council and Committees including preparing all meeting agendas and minutes; ensures the decisions of Council are recorded and actions carried out.

Elections: responsible for coordination and conduct of the Municipal and School Board elections every four years.

Records Management: processes all information requests; management of corporate records.

Licensing: issuance of taxi, dog, marriage and lottery licences.

Vital Statistics: issuance of death certificates and burial permits, as well as marriage certificates and solemnization.

Legislative: compliance with all Federal and Provincial legislation that impacts the Town; liaison with all levels of government, local boards, community groups and associations.

Policy: development and administration of policies in accordance with legislative requirements; provide guidance and advice to both Council and staff.

Risk Management: manage all risks and claims against the municipality.

Human Resources delivers a variety of services to employees through occupational health and wellness, administration of health and life benefits, training and professional development.

In addition, Human Resources manages all recruitment, and is responsible for employee retention, administration of policies and labour relations with four bargaining units and the Tecumseh Fire Fighters' Association.

2019 Budget Highlights

Corporate Services and Clerk

- Increase of \$2,500 to 'Professional Development' based on annual average.
- Decrease of \$58,300 for elections costs which were increased in 2018 to reflect the municipal election (mostly recorded under 'Office Supplies and Equipment Maintenance').

Human Resources

- Increase of \$6,000 to 'Professional Services' for Wellness and Positive Workplace Program.
- Increase of \$800 to 'Other' for medical clearances for new recruits and doctor notes per Collective Agreements.

Animal Control

- Increase of \$5,500 to 'Licences and Permits' revenue due to dog tag enforcement in 2018 leading to more registrations of animals.

2019 Program Objectives

- Implement a corporate-wide Electronic Records Management System and electronic forms.
- Develop a pilot licensing program for the keeping of urban chickens in residential areas.
- Introduce and review policies and by-laws in accordance with amendments to the Municipal Act 2001, Cannabis Act and other legislation.
- Ongoing management of Lottery License Fee Litigation.
- Complete the Pay Equity Plan maintenance for CUPE Local 702.2 and Non-union Management Salary Grid.
- Assist in the recruitment for the Chief Administrative Officer and manage recruitment for a new Director Financial Services and Treasurer and other positions due to retirements.
- Implement a Wellness and Positive Workplace Program.

- Manage the Human Rights Tribunal Hearing on two Complaints - Firefighter mandatory retirement at age sixty.
- Oversee a review of Council's remuneration in consultation with the Review Committee.

Looking Ahead

- Outlook for next two years is support from existing departments, on a corporate-wide changeover to an Electronic Records Management System.
- Improved customer service by streamlining external applications and internal forms processes with electronic forms and e-commerce.
- Adapt to new and changing legislation with a focus on stewarding good governance and policymaking.
- With the looming number of retirements, ensure future staffing needs are met to guarantee the stability of municipal services.

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	7.00	7.00	7.00	7.00
Part-Time FTE	2.32	2.02	2.02	2.02
Total FTE	9.32	9.02	9.02	9.02
Net Change	-	-.30	-	-

Staffing complement includes:

- 1.00 Director Corporate Services and Clerk
- 1.00 Deputy Clerk and Manager Legislative Services
- 1.00 Manager Committee and Community Services
- 1.00 Administrative Assistant
- 2.00 Clerical II-Administrative Clerk
- 1.00 Human Resources Officer
- 2.02 Crossing Guards (7 regular Adult School Crossing Guard and 5 Alternate Crossing Guards)

Town of Tecumseh
2019 Draft 2 Budget
Corporate Services Clerks 1250

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	-	-	700	-	-700	-100.00%	-	-
User Charges	8,006	7,018	7,400	7,400	-	-	7,400	7,400
Net User Charges Available for Operating	8,006	7,018	7,400	7,400	-	-	7,400	7,400
Licences and Permits	195,452	206,179	204,650	204,650	-	-	204,650	204,650
Revenues Before Transfers	203,458	213,197	212,750	212,050	-700	-0.33%	212,050	212,050
Transfers from Reserves	6,722	55,408	59,800	1,500	-58,300	-97.49%	1,500	1,500
Total Revenues	210,180	268,605	272,550	213,550	-59,000	-21.65%	213,550	213,550
Wages	374,056	430,042	457,541	462,380	4,839	1.06%	472,784	483,422
Benefits	106,304	125,885	144,253	143,008	-1,245	-0.86%	146,421	149,919
Total Wages & Benefits	480,360	555,927	601,794	605,388	3,594	0.60%	619,205	633,341
Office Supplies & Equip Mtnce	13,448	59,326	58,677	7,677	-51,000	-86.92%	7,677	7,677
Memberships	1,388	1,412	1,550	1,550	-	-	1,589	1,629
Professional Development	19,502	12,152	14,500	12,000	-2,500	-17.24%	12,000	12,000
Maintenance Materials & Supplies	-	456	-	-	-	-	-	-
Purchases for Resale	-	5,670	4,800	4,800	-	-	4,800	4,800
Professional Services	13,076	18,201	16,000	16,000	-	-	16,000	16,000
Utilities	832	550	800	800	-	-	800	800
Other	2,663	10,252	11,650	6,350	-5,300	-45.49%	6,350	6,350
Expenditures Before Transfers	531,269	663,946	709,771	654,565	-55,206	-7.78%	668,421	682,597
Transfers to Reserves	7,200	-	-	-	-	-	-	-
Total Expenditures	538,469	663,946	709,771	654,565	-55,206	-7.78%	668,421	682,597
Net Expenditures	328,289	395,341	437,221	441,015	3,794	0.87%	454,871	469,047

Town of Tecumseh
2019 Draft 2 Budget
Human Resources 1260

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	-	-	-	-	-	-	-	-
Wages	101,502	120,433	120,434	126,059	5,625	4.67%	128,895	131,795
Benefits	31,358	36,591	38,577	39,117	540	1.40%	40,059	41,024
Total Wages & Benefits	132,860	157,024	159,011	165,176	6,165	3.88%	168,954	172,819
Office Supplies & Equip Mtnce	2,263	3,041	2,593	2,593	-	-	2,593	2,593
Memberships	338	338	350	350	-	-	359	368
Professional Development	7,777	6,250	8,550	8,550	-	-	8,550	8,550
Professional Services	43,711	40,211	39,800	45,800	6,000	15.08%	34,800	34,800
Other	7,179	10,950	9,950	10,700	750	7.54%	10,700	10,700
Expenditures Before Transfers	194,128	217,814	220,254	233,169	12,915	5.86%	225,956	229,830
Total Expenditures	194,128	217,814	220,254	233,169	12,915	5.86%	225,956	229,830
Net Expenditures	194,128	217,814	220,254	233,169	12,915	5.86%	225,956	229,830

Town of Tecumseh
2019 Draft 2 Budget
Youth Advisory Committee 1280

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	15,000	-	-	-	-	-	-	-
Revenues Before Transfers	15,000	-	-	-	-	-	-	-
Total Revenues	15,000	-	-	-	-	-	-	-
Maintenance Materials & Supplies	2,744	51	-	-	-	-	-	-
Contract Services	173	-	-	-	-	-	-	-
Professional Services	6,000	-	-	-	-	-	-	-
Utilities	-	486	-	500	500	-	500	500
Other	10,086	9,463	10,000	9,500	-500	-5.00%	9,500	9,500
Expenditures Before Transfers	19,003	10,000	10,000	10,000	-	-	10,000	10,000
Total Expenditures	19,003	10,000	10,000	10,000	-	-	10,000	10,000
Net Expenditures	4,003	10,000	10,000	10,000	-	-	10,000	10,000

Town of Tecumseh
2019 Draft 2 Budget
Seniors Advisory Committee 1281

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	4,326	19,701	-	-	-	-	-	-
Revenues Before Transfers	4,326	19,701	-	-	-	-	-	-
Total Revenues	4,326	19,701	-	-	-	-	-	-
Maintenance Materials & Supplies	130	10,590	-	-	-	-	-	-
Contract Services	728	-	-	-	-	-	-	-
Other	4,679	14,111	5,000	5,000	-	-	5,000	5,000
Expenditures Before Transfers	5,537	24,701	5,000	5,000	-	-	5,000	5,000
Total Expenditures	5,537	24,701	5,000	5,000	-	-	5,000	5,000
Net Expenditures	1,211	5,000	5,000	5,000	-	-	5,000	5,000

**Town of Tecumseh
2019 Draft 2 Budget
Crossing Guards 3110**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Wages	68,286	72,659	72,659	75,599	2,940	4.05%	77,300	79,039
Benefits	10,496	8,485	8,021	8,388	367	4.58%	8,598	8,813
Total Wages & Benefits	78,782	81,144	80,680	83,987	3,307	4.10%	85,898	87,852
Other	247	636	2,000	2,000	-	-	2,000	2,000
Expenditures Before Transfers	79,029	81,780	82,680	85,987	3,307	4.00%	87,898	89,852
Total Expenditures	79,029	81,780	82,680	85,987	3,307	4.00%	87,898	89,852
Net Expenditures	79,029	81,780	82,680	85,987	3,307	4.00%	87,898	89,852

**Town of Tecumseh
2019 Draft 2 Budget
Animal Control 2620**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Licences and Permits	20,452	36,356	28,500	34,000	5,500	19.30%	34,000	34,000
Fines	-	550	550	550	-	-	550	550
Revenues Before Transfers	20,452	36,906	29,050	34,550	5,500	18.93%	34,550	34,550
Total Revenues	20,452	36,906	29,050	34,550	5,500	18.93%	34,550	34,550
Office Supplies & Equip Mtnce	2,094	1,500	1,500	1,500	-	-	1,500	1,500
Maintenance Materials & Supplies	484	420	420	420	-	-	431	442
Contract Services	21,221	25,610	25,610	25,610	-	-	25,610	25,610
Other	5,761	17,292	17,750	17,750	-	-	17,750	17,750
Expenditures Before Transfers	29,560	44,822	45,280	45,280	-	-	45,291	45,302
Total Expenditures	29,560	44,822	45,280	45,280	-	-	45,291	45,302
Net Expenditures	9,108	7,916	16,230	10,730	-5,500	-33.89%	10,741	10,752

**Town of Tecumseh
2019 Draft 2 Budget
Golden Age Club 6200**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	27,323	22,217	21,000	22,217	1,217	5.80%	21,000	21,000
Revenues Before Transfers	27,323	22,217	21,000	22,217	1,217	5.80%	21,000	21,000
Total Revenues	27,323	22,217	21,000	22,217	1,217	5.80%	21,000	21,000
Office Supplies & Equip Mtnce	585	1,217	-	1,217	1,217	-	-	-
Maintenance Materials & Supplies	-	400	500	500	-	-	513	526
Maintenance Services	6,154	3,841	2,500	2,500	-	-	2,563	2,627
Professional Services	650	-	-	-	-	-	-	-
Utilities	6,309	6,502	7,400	6,900	-500	-6.76%	7,073	7,250
Insurance	5,561	5,726	5,800	5,900	100	1.72%	6,048	6,199
Grants & Donations	21,000	21,000	21,000	21,000	-	-	21,000	21,000
Expenditures Before Transfers	40,259	38,686	37,200	38,017	817	2.20%	37,197	37,602
Total Expenditures	40,259	38,686	37,200	38,017	817	2.20%	37,197	37,602
Net Expenditures	12,936	16,469	16,200	15,800	-400	-2.47%	16,197	16,602

**Town of Tecumseh
2019 Draft 2 Budget
Cultural Committee 7700**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Transfers from Reserves	15,608	327	2,000	2,000	-	-	1,000	1,000
Total Revenues	15,608	327	2,000	2,000	-	-	1,000	1,000
Maintenance Materials & Supplies	16,557	2,000	2,000	2,000	-	-	2,025	2,051
Professional Services	500	3,843	5,000	5,000	-	-	5,000	5,000
Other	1,286	1,483	2,000	2,000	-	-	1,000	1,000
Expenditures Before Transfers	18,343	7,326	9,000	9,000	-	-	8,025	8,051
Total Expenditures	18,343	7,326	9,000	9,000	-	-	8,025	8,051
Net Expenditures	2,735	6,999	7,000	7,000	-	-	7,025	7,051

Town of Tecumseh
2019 Draft 2 Budget
Heritage Committee 7705

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Transfers from Reserves	-	-	1,484	1,484	-	-	-	-
Total Revenues	-	-	1,484	1,484	-	-	-	-
Memberships	116	116	150	150	-	-	154	158
Other	360	850	3,334	3,334	-	-	1,850	1,850
Expenditures Before Transfers	476	966	3,484	3,484	-	-	2,004	2,008
Total Expenditures	476	966	3,484	3,484	-	-	2,004	2,008
Net Expenditures	476	966	2,000	2,000	-	-	2,004	2,008



TECUMSEH FIRE-RESCUE STATION No.1

Tecumseh Fire and Rescue Services

The Tecumseh Fire and Rescue Service (TFRS) is responsible for providing fire and life safety protection to citizens and their property and providing public education, fire prevention enforcement of the Fire Protection and Prevention Act, and implementing applicable statutes of the Ontario Fire Code. Department programming includes structural firefighting, basic medical intervention, CPR and defibrillation, vehicle and industrial extrication, confined space rescue and shore-based water rescue.

Tecumseh Fire Rescue operates out of two stations: Fire Hall #1 at 985 Lesperance Road and Fire Hall #2 at 5520 Walker Road supported with a fleet of six fire apparatus, two command vehicles and one fire prevention vehicle. TFRS responds to approximately 400 calls annually.

The TFRS is responsible for meeting Emergency Measures, Ontario's essential level of the emergency measures program. Emergency exercises, testing and review of the Town's Emergency Plan are conducted annually as required by legislation.

2019 Budget Highlights

- Negotiated increase of \$32,500 to 'Wages and Benefits' as per settlement with Tecumseh Fire Association Agreement for the 2017-2020 term.

- Increase of \$3,600 in 'Maintenance and Materials' for increased fuel prices and uniform costs.

2019 Program Objectives

- Maintain public education program in conjunction with Manager Strategic Initiatives to encourage residents to take active role in fire prevention.
- Advertise the availability of smoke house, tower and confined space training facilities for use by other organizations.
- Continue participation in Goodfellows paper drive.
- Carry on with the education of Firefighters and Captains as all but three have been grandfathered into the National Fire Protection Association (N.F.P.A.).
- Continue annual Fire Prevention Open Houses in October. Four-night event attracts more than 300 people nightly.
- Joint training with area departments and specialized teams will be ongoing.

Looking Ahead

- The addition of one full-time Certified Training Officer in 2020. Tecumseh Fire Rescue Services requires all firefighters to be trained to NFPA level 1 and 2. A Certified Training Officer is required to deliver the training; this is a large task and very time consuming for a volunteer trainer.

Training is a vital and important part of the fire service for the safety of firefighters.

- The addition of one permanent Volunteer Firefighter – based at Station No 1 in 2020.
- A Confined Space Rescue lead Captain will be attained through specialized training.
- Continue to market the Training Tower, Smoke House and Confined Space Facility.

Staffing Resources

Permanent FTE	2018 Budget	2019 Proposed	2020 Outlook	2021 Outlook
Full-Time FTE	4.00	4.00	5.00	5.00
Part-Time FTE	5.65	5.65	5.92	5.92
Total FTE	9.65	9.65	10.92	10.92
Net Change	-	-	1.27	-

Staffing complement includes:

- 1.00 Director Fire Services
- 1.00 Deputy Fire Chief
- 1.00 Fire Prevention Officer
- 1.00 Full-Time Clerical
- 1.20 Firefighter Captains (8 Part-Time)
- 4.45 Firefighters (32 Part-Time)

Town of Tecumseh
2019 Draft 2 Budget
Fire 2100

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	2,035	2,000	2,000	2,000	-	-	2,000	2,000
User Charges	40,181	31,977	26,800	25,800	-1,000	-3.73%	25,800	25,800
Net User Charges Available for Operating	40,181	31,977	26,800	25,800	-1,000	-3.73%	25,800	25,800
Revenues Before Transfers	42,216	33,977	28,800	27,800	-1,000	-3.47%	27,800	27,800
Total Revenues	42,216	33,977	28,800	27,800	-1,000	-3.47%	27,800	27,800
Wages	740,106	755,588	755,588	790,962	35,374	4.68%	903,759	922,181
Benefits	157,032	161,026	174,606	171,707	-2,899	-1.66%	175,422	179,231
Total Wages & Benefits	897,138	916,614	930,194	962,669	32,475	3.49%	1,079,181	1,101,412
Office Supplies & Equip Mtnce	6,541	7,400	7,400	7,400	-	-	7,400	7,400
Memberships	3,666	3,240	3,240	3,240	-	-	3,321	3,404
Professional Development	5,749	9,800	9,800	9,800	-	-	9,800	9,800
Maintenance Materials & Supplies	61,100	62,501	60,800	64,400	3,600	5.92%	65,885	67,397
Maintenance Services	71,742	92,801	92,800	92,800	-	-	93,495	94,207
Contract Services	76,845	76,781	77,600	77,600	-	-	77,600	77,600
Professional Services	-	4,000	4,000	4,000	-	-	4,000	4,000
Utilities	31,257	31,369	35,610	34,110	-1,500	-4.21%	34,760	35,426
Insurance	29,957	31,653	30,900	32,700	1,800	5.83%	33,518	34,356
Other	15,872	12,251	12,250	12,750	500	4.08%	12,750	12,750
Expenditures Before Transfers	1,199,867	1,248,410	1,264,594	1,301,469	36,875	2.92%	1,421,710	1,447,752
Total Expenditures	1,199,867	1,248,410	1,264,594	1,301,469	36,875	2.92%	1,421,710	1,447,752
Net Expenditures	1,157,651	1,214,433	1,235,794	1,273,669	37,875	3.06%	1,393,910	1,419,952

Town of Tecumseh
2019 Draft 2 Budget
Emergency Measures 2700

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	23,400	15,000	15,000	15,000	-	-	15,000	15,000
Net User Charges Available for Operating Revenues Before Transfers	23,400	15,000	15,000	15,000	-	-	15,000	15,000
Total Revenues	23,400	15,000	15,000	15,000	-	-	15,000	15,000
Office Supplies & Equip Mtnce	6,500	7,300	7,300	7,300	-	-	7,300	7,300
Professional Development	-	1,000	1,000	1,000	-	-	1,000	1,000
Maintenance Materials & Supplies	2,816	1,657	1,700	1,700	-	-	1,743	1,787
Maintenance Services	-	1,000	1,000	1,000	-	-	1,025	1,051
Contract Services	13,352	13,003	14,500	14,500	-	-	14,500	14,500
Utilities	737	732	750	750	-	-	750	750
Insurance	712	851	1,000	1,000	-	-	1,025	1,051
Other	1,002	1,000	1,500	1,500	-	-	1,500	1,500
Expenditures Before Transfers	25,119	26,543	28,750	28,750	-	-	28,843	28,939
Transfers to Reserves	23,400	15,000	15,000	15,000	-	-	15,000	15,000
Total Expenditures	48,519	41,543	43,750	43,750	-	-	43,843	43,939
Net Expenditures	25,119	26,543	28,750	28,750	-	-	28,843	28,939



Public Works and Environmental Services

The Public Works and Environmental Services Department is responsible for both tax and rate supported budgets. For transparency, the rate supported water and wastewater budget is shown separately from the tax supported general operating budget. This section deals with departmental budgets that are tax supported.

The Department is responsible for constructing, operating and maintaining the Town's infrastructure.

This includes the Town's water distribution and drinking water systems and sanitary collection systems, storm sewers and pumping stations, municipal road system and sidewalks, snow removal, bridges and culverts, street signs and traffic signals, street lighting, fleet and equipment maintenance, roadside debris and litter pick-up, administration of garbage collection contract, roadside maintenance, noxious weed control, and municipal drains.

The road network consists of 180 km of roadway, 60 km of sidewalks, 25.7 km of pathways/trails, 3 km of walkways, 17 bridges, 73 culverts, 16 vehicles and six pieces of heavy equipment.

The storm network consists of 138 km of storm sewer pipe; 62 km of storm service connections; 1,414 manholes; 4,713

catch basins; 8 storm pump stations; and 124 municipal drains totaling 200 km.

2019 Budget Highlights

Roadways

- Decrease of \$9,900 in 'Other Income' due to the reduction of cross-functional labour hours to assist the Sanitary Sewer System Department.
- Increase of \$42,300 in 'Wages and Benefits' of which \$36,000 is due to changing a part-time/seasonal position to full-time (split between Roadways and Winter Control). The remainder is due to negotiated wage increases.
- Increase of \$22,000 in 'Maintenance Materials and Supplies' for vehicle fuel and street signs.
- One-time increase of \$75,000 in 'Professional Services' for engineering services with respect to the Tecumseh Hamlet Secondary Plan, funded from Lifecycle Reserves and reflected as a one-time revenue source in 'Transfers from Reserves'.

Winter Control

- Increase of \$19,500 in 'Wages and Benefits' for the transition of one part-time/seasonal staff to full-time split between Roads and Winter Control Departments.

- Increase of \$7,500 in 'Maintenance Materials and Supplies' for inflationary increases to salt costs.

Street Lighting

- Decrease of \$5,000 in 'Utilities' as a result of hydro savings.

Storm Sewer System

- Increase of \$10,800 in 'Maintenance Materials and Supplies' due to back up generator fuel costs as well as catch basin repair materials.
- Increase of \$17,700 in 'Maintenance' due to the planned installation of rain gauges as well as equipment for pump station maintenance.
- Increase of \$7,100 in 'Insurance' due to increase in premiums.

Garbage Collection

- Increase of \$13,500 in 'Waste Collection' due to inflationary/contractual increase and a small allowance for new homes.

Drainage

- Increase of \$13,300 in 'Wages and Benefits' primarily due to overtime costs to address the backlog of drain maintenance works.

2019 Program Objectives

- Investigate risk management, resources and costs of Town-wide snow removal on sidewalks.
- Complete Town Development Manual.
- Create a Local Servicing Policy for new infrastructure (i.e. sidewalks, street lighting, etc.)
- Finalize the Storm Drainage Master Plan.

Looking Ahead

- Future increases to hardtop maintenance programs anticipated.
- Increase patrolling during winter months.
- Recommend upgrades to stormwater collection and pumping stations arising from Storm Drainage Master Plan currently in development. This will include service level improvements to ensure full capacity of systems is utilized during storm events.
- Identify a maintenance and repair program as part of the condition assessment report (bridge and culvert structures).
- Additional staffing and equipment may be required to meet maintenance requirements for sidewalks due to recent court decisions.
- Continued repair and maintenance of municipal drains and creation of a proactive annual maintenance program.

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	11.98	12.99	12.99	12.99
Part-Time FTE	2.02	1.26	1.26	1.26
<hr/>				
Total FTE	14.00	14.25	14.25	14.25
<hr/>				
Net Change	-	0.25	-	-

Staffing complement includes:

0.33 Director Public Works and Environmental Services

1.00 Manager Roads and Fleet

0.33 Manager Engineering Services

0.33 Full-Time Clerical

8.00 Full-Time Labourers

1.00 Full-Time Drainage Superintendent

1.00 Full-Time Assistant Drainage Superintendent

1.00 Full-Time Storm Sewer Operator

1.26 Part-Time Student Labourers (four physical employees)

Town of Tecumseh
2019 Draft 2 Budget
Roadways 3100

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	1,459	-	-	-	-	-	-	-
User Charges	61,704	3,411	6,000	6,000	-	-	6,000	6,000
Net User Charges Available for Operating	61,704	3,411	6,000	6,000	-	-	6,000	6,000
Licences and Permits	16,938	14,123	10,000	10,000	-	-	10,000	10,000
Other Income	29,771	28,897	44,070	34,135	-9,935	-22.54%	34,135	34,135
Revenues Before Transfers	109,872	46,431	60,070	50,135	-9,935	-16.54%	50,135	50,135
Transfers from Reserves	2,597	23,740	-	75,000	75,000	-	105,000	-
Total Revenues	112,469	70,171	60,070	125,135	65,065	108.32%	155,135	50,135
Wages	697,057	723,306	688,306	728,021	39,715	5.77%	744,401	761,150
Benefits	226,866	243,849	247,598	250,201	2,603	1.05%	255,475	260,880
Total Wages & Benefits	923,923	967,155	935,904	978,222	42,318	4.52%	999,876	1,022,030
Office Supplies & Equip Mtnce	6,092	6,164	6,520	6,920	400	6.13%	6,920	6,920
Memberships	10,859	15,000	15,000	15,000	-	-	15,375	15,759
Professional Development	5,800	8,000	8,000	8,000	-	-	8,000	8,000
Maintenance Materials & Supplies	110,316	177,445	151,000	173,000	22,000	14.57%	176,727	180,547
Maintenance Services	137,739	178,266	151,000	154,450	3,450	2.28%	155,863	157,311
Contract Services	66,790	55,839	56,064	56,900	836	1.49%	56,900	56,900
Professional Services	7,198	20,463	6,000	81,000	75,000	1,250.00%	111,000	6,000
Utilities	43,679	44,026	55,250	49,460	-5,790	-10.48%	50,558	51,683
Insurance	64,519	62,661	61,500	64,600	3,100	5.04%	66,215	67,870
Other	21,838	21,926	22,010	24,110	2,100	9.54%	24,110	24,110
Expenditures Before Transfers	1,398,753	1,556,945	1,468,248	1,611,662	143,414	9.77%	1,671,544	1,597,130
Transfers to Reserves	18,500	18,775	18,775	19,050	275	1.46%	19,325	19,600
Total Expenditures	1,417,253	1,575,720	1,487,023	1,630,712	143,689	9.66%	1,690,869	1,616,730
Net Expenditures	1,304,784	1,505,549	1,426,953	1,505,577	78,624	5.51%	1,535,734	1,566,595

**Town of Tecumseh
2019 Draft 2 Budget
Winter Control 3200**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Wages	75,553	156,802	96,802	112,744	15,942	16.47%	115,281	117,875
Benefits	20,897	40,039	32,674	36,273	3,599	11.01%	37,118	37,984
Total Wages & Benefits	96,450	196,841	129,476	149,017	19,541	15.09%	152,399	155,859
Professional Development	-	2,553	1,700	1,700	-	-	1,700	1,700
Maintenance Materials & Supplies	171,760	332,084	187,840	195,340	7,500	3.99%	200,224	205,230
Maintenance Services	9,993	17,558	14,500	14,500	-	-	14,863	15,235
Other	336	500	500	500	-	-	500	500
Expenditures Before Transfers	278,539	549,536	334,016	361,057	27,041	8.10%	369,686	378,524
Total Expenditures	278,539	549,536	334,016	361,057	27,041	8.10%	369,686	378,524
Net Expenditures	278,539	549,536	334,016	361,057	27,041	8.10%	369,686	378,524

**Town of Tecumseh
2019 Draft 2 Budget
Street Lighting 3500**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	1,961	-	-	-	-	-	-	-
Net User Charges Available for Operating Revenues Before Transfers	1,961	-	-	-	-	-	-	-
Total Revenues	1,961	-	-	-	-	-	-	-
Maintenance Materials & Supplies	2,862	9,234	4,000	4,000	-	-	4,100	4,203
Maintenance Services	42,910	45,345	35,000	35,000	-	-	35,875	36,772
Utilities	176,563	185,880	195,000	190,000	-5,000	-2.56%	194,750	199,619
Expenditures Before Transfers	222,335	240,459	234,000	229,000	-5,000	-2.14%	234,725	240,594
Total Expenditures	222,335	240,459	234,000	229,000	-5,000	-2.14%	234,725	240,594
Net Expenditures	220,374	240,459	234,000	229,000	-5,000	-2.14%	234,725	240,594

**Town of Tecumseh
2019 Draft 2 Budget
Garbage Collection 4400**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Contract Services	587,038	602,035	603,000	616,500	13,500	2.24%	631,900	647,600
Professional Services	1,288	-	-	-	-	-	-	-
Other	5,803	2,872	2,200	3,000	800	36.36%	3,000	3,000
Expenditures Before Transfers	594,129	604,907	605,200	619,500	14,300	2.36%	634,900	650,600
Total Expenditures	594,129	604,907	605,200	619,500	14,300	2.36%	634,900	650,600
Net Expenditures	594,129	604,907	605,200	619,500	14,300	2.36%	634,900	650,600

Town of Tecumseh
2019 Draft 2 Budget
Garbage Disposal 4500

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Maintenance Services	26,020	26,406	29,000	29,000	-	-	29,000	29,000
Contract Services	736,997	743,598	810,000	810,000	-	-	810,000	810,000
Expenditures Before Transfers	763,017	770,004	839,000	839,000	-	-	839,000	839,000
Total Expenditures	763,017	770,004	839,000	839,000	-	-	839,000	839,000
Net Expenditures	763,017	770,004	839,000	839,000	-	-	839,000	839,000

**Town of Tecumseh
2019 Draft 2 Budget
Storm Sewer System 4200**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	7,328	4,023	1,440	1,440	-	-	1,440	1,440
User Charges	16,436	18,383	10,000	10,000	-	-	10,000	10,000
Net User Charges Available for Operating Revenues Before Transfers	16,436	18,383	10,000	10,000	-	-	10,000	10,000
Total Revenues	23,764	22,406	11,440	11,440	-	-	11,440	11,440
Wages	48,175	71,052	71,052	72,467	1,415	1.99%	74,098	75,765
Benefits	12,603	22,589	23,381	21,678	-1,703	-7.28%	22,221	22,776
Total Wages & Benefits	60,778	93,641	94,433	94,145	-288	-0.30%	96,319	98,541
Office Supplies & Equip Mtnce	2,925	2,500	5,000	5,000	-	-	5,000	5,000
Professional Development	3,696	3,500	5,000	5,000	-	-	5,000	5,000
Maintenance Materials & Supplies	39,912	31,786	27,000	37,800	10,800	40.00%	38,745	39,714
Maintenance Services	74,376	68,054	66,000	83,680	17,680	26.79%	84,689	86,769
Contract Services	3,687	4,003	5,000	4,000	-1,000	-20.00%	4,000	4,000
Professional Services	5,913	7,260	5,000	5,000	-	-	5,000	5,000
Utilities	125,099	114,401	125,360	125,720	360	0.29%	128,845	132,048
Insurance	49,022	55,829	50,500	57,600	7,100	14.06%	59,040	60,516
Other	-	1,581	-	1,000	1,000	-	1,000	1,000
Expenditures Before Transfers	365,408	382,555	383,293	418,945	35,652	9.30%	427,638	437,588
Transfers to Reserves	16,436	18,383	10,000	10,000	-	-	10,000	10,000
Total Expenditures	381,844	400,938	393,293	428,945	35,652	9.06%	437,638	447,588
Net Expenditures	358,080	378,532	381,853	417,505	35,652	9.34%	426,198	436,148

Town of Tecumseh
2019 Draft 2 Budget
Drainage 8800

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	43,139	50,000	54,500	54,500	-	-	54,500	54,500
User Charges	1,575	2,050	350	700	350	100.00%	700	700
Net User Charges Available for Operating	1,575	2,050	350	700	350	100.00%	700	700
Revenues Before Transfers	44,714	52,050	54,850	55,200	350	0.64%	55,200	55,200
Total Revenues	44,714	52,050	54,850	55,200	350	0.64%	55,200	55,200
Wages	94,987	125,732	137,032	152,473	15,441	11.27%	155,904	159,412
Benefits	24,615	33,254	45,866	43,723	-2,143	-4.67%	44,816	45,937
Total Wages & Benefits	119,602	158,986	182,898	196,196	13,298	7.27%	200,720	205,349
Office Supplies & Equip Mtnce	28	-	-	-	-	-	-	-
Memberships	399	805	805	805	-	-	825	846
Professional Development	3,873	4,200	4,200	7,000	2,800	66.67%	4,800	4,800
Maintenance Materials & Supplies	-	400	1,300	1,400	100	7.69%	1,435	1,471
Maintenance Services	-	250	1,000	1,000	-	-	1,000	1,000
Contract Services	-	-	-	-	-	-	-	-
Professional Services	254	400	3,100	3,100	-	-	3,100	3,100
Utilities	850	660	900	900	-	-	900	900
Insurance	-	4,848	5,500	5,000	-500	-9.09%	5,125	5,253
Other	5,066	3,362	920	1,700	780	84.78%	1,700	1,700
Expenditures Before Transfers	130,072	173,911	200,623	217,101	16,478	8.21%	219,605	224,419
Total Expenditures	130,072	173,911	200,623	217,101	16,478	8.21%	219,605	224,419
Net Expenditures	85,358	121,861	145,773	161,901	16,128	11.06%	164,405	169,219



Water and Wastewater Services

Water Services is responsible for delivering clean, reliable and safe water to residences and businesses in Tecumseh. We are proud to deliver potable water that consistently exceeds Ontario's drinking water standards.

Tecumseh's wastewater collection system provides conveyance for the Town's wastewater flows to the outlets in the City of Windsor. Within the Town's local wastewater collection system, there also exist four local sewage pumping stations required to overcome grade limitations.

The water system consists of 215 km of water main; 1,184 hydrants; 2,559 valves, 12 boundary meters, one elevated storage facility with a capacity of 4,540 cubic metres and 2 water filling stations.

The wastewater system consists of 116 km of sanitary sewer pipe; 1,528 manholes; 4 pump stations and 6 metering stations.

The Supervisory Control and Data Acquisition (SCADA) system provides real time data and alarming for water, wastewater and portions of the storm water infrastructure.

The Town has moved to Electronic Radio Transmitters (ERT) on residential meters. Meters equipped with ERTs can be read from a moving vehicle making the work more efficient,

reducing errors and allowing staff to attend to issues sooner. Installation of ERTs is 95% complete.

2019 Budget Highlights

Sanitary Sewer System

- Increase of \$180,000 in 'User Charges' due to changes to the rates as recommended in the Town's 2015 Water and Wastewater Rate Study.
- Increase of \$465,300 in 'User Charges Allocated to Capital', which represents funds transferred to reserve accounts to support capital projects.
- Decrease of \$32,300 in 'Wages and Benefits' due to the removal of the temporary Backwater Valve Inspector.
- The 2018 budget considered bringing water (and wastewater) billing in-house. The decision was deferred pending a review period and as such, the 2019 budget represents water billing and collection performed by Essex Power (EPC). Budget line items in Sanitary Sewer Systems impacted by this change are as follows:
 - Decrease of \$21,000 in 'Office Supplies and Equipment Maintenance' for postage, office supplies and software.
 - Decrease of \$4,500 in 'Other' for miscellaneous services and advertising.

- Decrease of \$50,000 within 'Transfers to Reserves' due to an inter-admin charge.
- Increase of \$65,700 within 'Contract Services' for billing and collection fees from EPC, representing a 33% decrease from EPC 2017 rates
- Decrease of \$3,000 in 'Professional Development' as the requirement for legislated training for sanitary services has not yet materialized.
- Decrease of \$165,000 within 'Contract Services' paid to the City of Windsor for sanitary treatment costs due to lower volumes and lower rates.
- Decrease of \$5,000 in 'Professional Services' as there has been a decreased need for Professional Engineering Services.
- Decrease of \$60,000 in 'Grants and Donations' for the Backwater Valve and Downspout Disconnection subsidy program as applications have decreased.

General Waterworks

- Increase of \$307,000 in 'User Charges' revenue due to changes to rates. The 2019 budget proposes a deviation from the Town's 2015 Water and Wastewater Rate Study recommendations; increasing the water consumption rate by 3% as opposed to by 1% to address significant cost increases to bulk water supply, detailed in Watermain and Services.
- The 2018 budget considered bringing water billing in-house. The decision was deferred pending a review period and as such, the 2019 budget represents water billing and

collection performed by EPC. Budget line items in General Waterworks impacted by this change are as follows:

- Decrease of \$21,500 within 'Office Supplies and Equipment Maintenance' for postage, office supplies and software.
- Decrease of \$4,500 in 'Other' for miscellaneous services and advertising.
- Decrease of \$50,000 within 'Transfers to Reserves' due to an inter-admin charge.
- Increase of \$98,300 within 'Contract Services' for billing and collection fees from EPC, representing a 33% decrease from EPC 2017 rates.
- Increase of \$65,000 in 'Professional Services' for the mediation/arbitration process for the Windsor Utilities Commission bulk water purchase agreement.

Watermain and Services

- Increase of \$6,400 in 'User Charges' due to an increase in work orders related to development activity.
- Increase of \$199,000 in 'Purchases for Resale' for bulk water purchase from the Windsor Utilities Commission (WUC). The Town's bulk water purchase agreement with WUC allows for rate adjustments, where warranted, at 10-year intervals of the agreement's 50-year life. The increase is retroactive to January 1, 2017. Annualized impact of the increase is approximately \$100,000.

2019 Program Objectives

- Prepare a cost recovery By-law for the 8th Concession Sanitary Service Area in early 2019.
- Finalize the Water and Wastewater Master Plan Update.
- Continuation of the installation of local sewers in the Oldcastle Hamlet Area.
- Continuation of the Sanitary Sewer Rehabilitation Program (Inflow and Infiltration removal).

Looking Ahead

- Annual maintenance and repair work of the sanitary pump stations and metering stations.
- Subsidies for homeowners flood protection to continue with promotion of ways to protect basements from flooding provided quarterly.
- Sanitary trunk sewer extensions to developable lands as Secondary Plans evolve and new development proposals come forward.

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	12.00	12.00	12.00	12.00
Part-Time FTE	1.37	0.62	0.62	0.62
Total FTE	13.37	12.62	12.62	12.62
Net Change	-	-.75	-	-

Staffing complement includes:

0.66 Director Public Works and Environmental Services

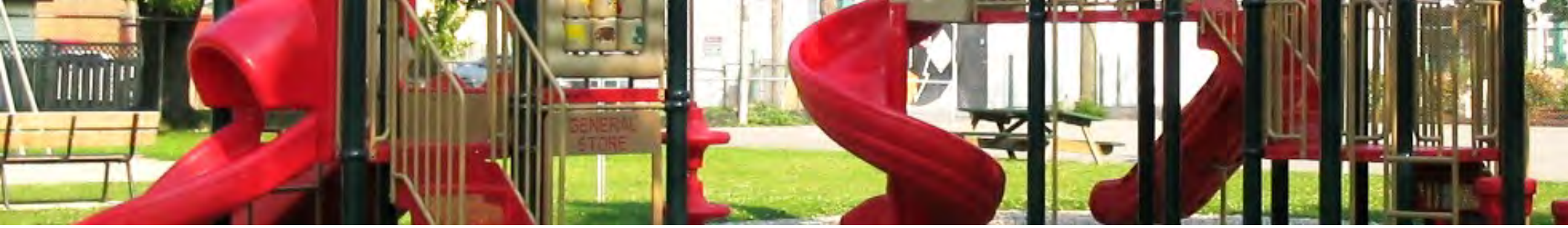
0.66 Manager Engineering Services

1.00 Manager Water and Wastewater

1.67 Full-Time Clerical

8.00 Full-Time Licensed Water Operators

0.62 Seasonal Labourer (1 Physical Employee)



Parks and Recreation Department

The Parks and Recreation Department manages the following work: maintenance of Town buildings/ facilities; planning and maintenance of parks; recreation programming and activities; supervision, concessions and programming at the Arena; supervision and programming at the Pool; annual special events; community event coordination; and support for the Essex County Library operation in Tecumseh.

The Parks and Recreation Department is committed to providing affordable, healthy lifestyle opportunities for individuals, families, businesses in our community that enhance the quality of life and livability for today and tomorrow.

2019 Budget Highlights

Parks

- One-time increase of \$5,000 in 'Grants' for the Canada Summer Student Grant Program.
- Increase of \$74,200 in 'Wages and Benefits' for extended park hours in the evening and on weekends as well as impact of Bill 148 for Seasonal employees.
- Increase of \$13,000 in 'Maintenance' primarily for gasoline.

Parks Buildings

- Increase of \$4,000 in 'User Charges' revenue for increased fees for facility rentals.
- Increase of \$17,800 in 'Wages and Benefits' for extended community center hours at Green Acres and impact of Bill 148 for part-time employees.

Arena

- Increase of \$11,000 in 'User Charges' revenue due to inflationary increase to user fees.
- Increase of \$79,400 in 'Wages and Benefits' for one part-time clerk (\$52,000) and Bill 148 wage increases.
- Increase of \$3,000 in 'Financial Services' for credit card fees for online registrations.

Pool

- Increase of \$7,000 in 'Grants' for the Canada Summer Student Grant Program.
- Decrease of \$4,500 in 'User Charges' revenue due to competition in the area.

Christmas in Tecumseh

- Decrease of \$3,800 in 'User Charges' revenue due to the withdrawal of sponsorship funding.

Corn Festival

- Increase of \$3,500 in 'User Charges' revenue due to higher gate admission fees for the 2019 event.
- Increase of \$11,900 in 'Maintenance Materials and Supplies' for stage rental and entertainment.
- Increase of \$6,000 in 'Maintenance' for grounds maintenance.

Cultural

- Increase of \$1,800 in 'User Charges' revenue for facility rental at the new Oldcastle Heritage Center. This is offset by the \$1,500 maintenance cost for the location.

2019 Program Objectives

- Continue to manage approved Capital Projects and implement the Parks and Recreation Master Plan
- Enhance recreational programs through the Healthy Kids Community Challenge funding and examine potential opportunities for new programs and activities
- Construct new washroom facilities at McAuliffe Park
- Complete the detailed design of the Multi-Use Sportsplex

- Finalize the updated Parks and Recreation Master Plan Document inclusive of a new Trails section
- Work with local school boards to add additional soccer field facilities to the Town's current inventory
- Develop a plan working with the Essex County Library administration to upgrade our Library facility
- Design and construct a new artificial infield at McAuliffe Field to accommodate for the loss of Hebert Field

Looking Ahead

- Outlook for 2020 and beyond includes the development of a detailed Asset Management plan for all Town facilities and buildings
- Accessibility audits for all Town facilities to ensure compliance with AODA regulations will continue
- Update to the Town Memorial Tree program
- Implementation of the Parks Recreation and Trails Master Plan
- The Multi-Use Sportsplex will move forward based on grant information from Provincial and Federal governments and availability of municipal funds
- Design and construct a multi-court pickle ball facility
- Two additional community splash pads will be constructed with one to be completed in 2020 and one in 2021

Staffing Resources

Permanent FTE	2018 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	15.00	15.00	15.00	15.00
Part-Time FTE	19.64	21.23	21.23	21.23
Total FTE	34.64	36.23	36.23	36.23
Net Change	-	1.56	-	-

7.28 Student Labourers (18 Physical Employees)
 4.00 Full-Time Facility Attendants (4 Physical Employees)
 2.50 Part-Time Facility Attendants (6 Physical Employees)
 0.72 Student Intern
 1.08 Concession Staff (6 Physical Employees)
 0.46 Camp Coordinators (2 Physical Employees)
 0.91 Camp Counselors (7 Physical Employees)
 0.62 Pool Coordinators (2 Physical Employees)
 2.53 Lifeguards (18 Physical Employees)

Staffing complement includes:

1.00 Director Parks and Recreation
 3.00 Managers Facilities, Parks, Recreation Programs
 1.00 Full-Time Maintenance Labourer
 1.00 FT Recreation Program and Events Supervisor
 1.00 Parks Leader
 3.00 Parks Labourers
 1.00 Full-Time Clerical
 1.36 Part-Time Clerical (2 Physical Employees)
 3.77 Seasonal Labourers (5 Physical Employees)

Town of Tecumseh
2019 Draft 2 Budget
Parks 7100

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	5,563	20,160	-	5,000	5,000	-	5,000	5,000
User Charges	73,984	62,886	62,500	64,500	2,000	3.20%	64,500	64,500
Net User Charges Available for Operating Revenues Before Transfers	73,984	62,886	62,500	64,500	2,000	3.20%	64,500	64,500
Total Revenues	79,547	83,046	62,500	69,500	7,000	11.20%	69,500	69,500
Wages	653,177	743,838	737,038	800,878	63,840	8.66%	818,895	837,317
Benefits	158,948	194,248	197,739	208,068	10,329	5.22%	212,878	217,808
Total Wages & Benefits	812,125	938,086	934,777	1,008,946	74,169	7.93%	1,031,773	1,055,125
Office Supplies & Equip Mtnce	711	853	900	900	-	-	900	900
Memberships	1,636	1,765	1,556	1,806	250	16.07%	1,851	1,897
Professional Development	7,263	8,689	8,100	8,100	-	-	8,100	8,100
Maintenance Materials & Supplies	156,417	168,008	149,980	162,980	13,000	8.67%	169,506	176,193
Maintenance Services	81,476	91,141	90,600	91,600	1,000	1.10%	98,063	103,562
Contract Services	6,442	6,456	7,100	7,100	-	-	7,100	7,100
Utilities	50,148	56,409	60,200	59,260	-940	-1.56%	67,675	76,126
Insurance	29,542	33,953	30,500	35,000	4,500	14.75%	35,875	36,772
Other	18,338	44,623	44,350	45,350	1,000	2.25%	47,850	50,350
Financial Expense	1,096	-	-	-	-	-	-	-
Expenditures Before Transfers	1,165,194	1,349,983	1,328,063	1,421,042	92,979	7.00%	1,468,693	1,516,125
Transfers to Reserves	16,500	10,100	8,500	8,500	-	-	8,500	8,500
Total Expenditures	1,181,694	1,360,083	1,336,563	1,429,542	92,979	6.96%	1,477,193	1,524,625
Net Expenditures	1,102,147	1,277,037	1,274,063	1,360,042	85,979	6.75%	1,407,693	1,455,125

**Town of Tecumseh
2019 Draft 2 Budget
Parks Buildings 7110**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	17,808	15,861	11,350	15,350	4,000	35.24%	15,350	15,350
Net User Charges Available for Operating	17,808	15,861	11,350	15,350	4,000	35.24%	15,350	15,350
Revenues Before Transfers	17,808	15,861	11,350	15,350	4,000	35.24%	15,350	15,350
Total Revenues	17,808	15,861	11,350	15,350	4,000	35.24%	15,350	15,350
Wages	30,674	31,080	31,080	46,859	15,779	50.77%	47,903	48,971
Benefits	4,211	3,822	3,607	5,652	2,045	56.70%	5,793	5,936
Total Wages & Benefits	34,885	34,902	34,687	52,511	17,824	51.39%	53,696	54,907
Maintenance Materials & Supplies	3,393	3,000	3,000	4,200	1,200	40.00%	5,205	6,235
Maintenance Services	2,736	4,000	4,000	5,500	1,500	37.50%	6,138	6,791
Utilities	10,975	8,850	10,400	9,500	-900	-8.65%	9,713	9,931
Insurance	2,208	2,409	2,300	2,500	200	8.70%	2,563	2,627
Expenditures Before Transfers	54,197	53,161	54,387	74,211	19,824	36.45%	77,315	80,491
Total Expenditures	54,197	53,161	54,387	74,211	19,824	36.45%	77,315	80,491
Net Expenditures	36,389	37,300	43,037	58,861	15,824	36.77%	61,965	65,141

Town of Tecumseh
2019 Draft 2 Budget
Maintenance 1210

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Transfers from Reserves	5,000	-	-	-	-	-	-	-
Total Revenues	5,000	-	-	-	-	-	-	-
Wages	114,318	115,885	115,886	118,189	2,303	1.99%	120,848	123,567
Benefits	36,205	38,831	39,853	39,759	-94	-0.24%	40,652	41,566
Total Wages & Benefits	150,523	154,716	155,739	157,948	2,209	1.42%	161,500	165,133
Maintenance Materials & Supplies	3,473	3,576	3,300	3,600	300	9.09%	3,691	3,783
Maintenance Services	555	2,198	1,000	1,000	-	-	1,000	1,000
Utilities	308	521	500	500	-	-	500	500
Other	11,191	10,484	10,500	10,500	-	-	10,500	10,500
Expenditures Before Transfers	166,050	171,495	171,039	173,548	2,509	1.47%	177,191	180,916
Total Expenditures	166,050	171,495	171,039	173,548	2,509	1.47%	177,191	180,916
Net Expenditures	161,050	171,495	171,039	173,548	2,509	1.47%	177,191	180,916

Town of Tecumseh
2019 Draft 2 Budget
Library 7600

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Maintenance Materials & Supplies	49	1,000	1,000	1,000	-	-	1,025	1,051
Maintenance Services	299	1,803	1,500	1,650	150	10.00%	1,841	2,037
Insurance	4,858	5,347	5,100	5,600	500	9.80%	5,740	5,884
Expenditures Before Transfers	5,206	8,150	7,600	8,250	650	8.55%	8,606	8,972
Total Expenditures	5,206	8,150	7,600	8,250	650	8.55%	8,606	8,972
Net Expenditures	5,206	8,150	7,600	8,250	650	8.55%	8,606	8,972

**Town of Tecumseh
2019 Draft 2 Budget
Cultural Other 7701**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	1,800	1,800	1,800	3,600	1,800	100.00%	3,600	3,600
Net User Charges Available for Operating Revenues Before Transfers	1,800	1,800	1,800	3,600	1,800	100.00%	3,600	3,600
Total Revenues	1,800	1,800	1,800	3,600	1,800	100.00%	3,600	3,600
Maintenance Materials and Supplies	57	15	-	-	-	-	-	-
Maintenance Services	270	1,000	1,000	2,500	1,500	150.00%	2,563	2,627
Utilities	2,607	2,729	3,100	3,100	-	-	3,178	3,258
Expenditures Before Transfers	2,934	3,744	4,100	5,600	1,500	36.59%	5,741	5,885
Total Expenditures	2,934	3,744	4,100	5,600	1,500	36.59%	5,741	5,885
Net Expenditures	1,134	1,944	2,300	2,000	-300	-13.04%	2,141	2,285

Town of Tecumseh
2019 Draft 2 Budget
Arena 7500

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	935,482	916,579	907,000	918,000	11,000	1.21%	928,000	938,000
Net User Charges Available for Operating	935,482	916,579	907,000	918,000	11,000	1.21%	928,000	938,000
Other Income	8,000	8,000	8,000	8,000	-	-	8,000	8,000
Revenues Before Transfers	943,482	924,579	915,000	926,000	11,000	1.20%	936,000	946,000
Total Revenues	943,482	924,579	915,000	926,000	11,000	1.20%	936,000	946,000
Wages	612,058	640,218	640,218	707,023	66,805	10.43%	722,931	739,197
Benefits	186,351	198,819	204,402	216,995	12,593	6.16%	221,898	226,923
Total Wages & Benefits	798,409	839,037	844,620	924,018	79,398	9.40%	944,829	966,120
Office Supplies & Equip Mtnc	6,851	12,195	13,900	13,900	-	-	13,900	13,900
Memberships	2,829	3,500	3,500	3,800	300	8.57%	3,895	3,992
Professional Development	5,210	5,439	7,500	8,500	1,000	13.33%	8,500	8,500
Maintenance Materials & Supplies	40,672	41,452	42,900	43,400	500	1.17%	44,474	45,574
Maintenance Services	61,134	71,442	67,200	68,200	1,000	1.49%	71,788	75,465
Contract Services	1,260	1,350	1,350	1,350	-	-	1,350	1,350
Vehicle & Equipment Leases	280	720	720	720	-	-	720	720
Utilities	283,252	279,617	281,000	279,800	-1,200	-0.43%	286,725	293,824
Insurance	40,499	44,884	42,300	46,300	4,000	9.46%	47,458	48,644
Other	20,079	21,315	21,850	21,850	-	-	21,850	21,850
Financial Expense	13,492	12,500	12,500	15,500	3,000	24.00%	15,500	15,500
Expenditures Before Transfers	1,273,967	1,333,451	1,339,340	1,427,338	87,998	6.57%	1,460,989	1,495,439
Transfers to Reserves	42,868	38,000	38,000	38,000	-	-	38,000	38,000
Total Expenditures	1,316,835	1,371,451	1,377,340	1,465,338	87,998	6.39%	1,498,989	1,533,439
Net Expenditures	373,353	446,872	462,340	539,338	76,998	16.65%	562,989	587,439

**Town of Tecumseh
2019 Draft 2 Budget
Concessions 7503**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	73,929	77,421	80,000	80,000	-	-	80,000	80,000
Net User Charges Available for Operating	73,929	77,421	80,000	80,000	-	-	80,000	80,000
Revenues Before Transfers	73,929	77,421	80,000	80,000	-	-	80,000	80,000
Total Revenues	73,929	77,421	80,000	80,000	-	-	80,000	80,000
Wages	23,772	34,760	32,760	35,100	2,340	7.14%	35,890	36,698
Benefits	2,097	4,145	3,030	3,305	275	9.08%	3,388	3,472
Total Wages & Benefits	25,869	38,905	35,790	38,405	2,615	7.31%	39,278	40,170
Professional Development	-	-	1,000	-	-1,000	-100.00%	-	-
Maintenance Materials & Supplies	184	500	500	500	-	-	513	526
Purchases for Resale	37,822	36,732	40,000	40,000	-	-	40,000	40,000
Maintenance Services	1,242	1,812	1,700	1,700	-	-	1,743	1,787
Other	449	-	700	500	-200	-28.57%	500	500
Financial Expense	-	-203	-	-	-	-	-	-
Expenditures Before Transfers	65,566	77,746	79,690	81,105	1,415	1.78%	82,034	82,983
Total Expenditures	65,566	77,746	79,690	81,105	1,415	1.78%	82,034	82,983
Net Expenditures	-8,363	325	-310	1,105	1,415	-456.45%	2,034	2,983

**Town of Tecumseh
2019 Draft 2 Budget
Pool 7550**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	20,452	30,000	8,000	15,000	7,000	87.50%	15,000	15,000
User Charges	122,320	132,668	135,000	130,500	-4,500	-3.33%	130,500	130,500
Net User Charges Available for Operating Revenues Before Transfers	122,320	132,668	135,000	130,500	-4,500	-3.33%	130,500	130,500
Total Revenues	142,772	162,668	143,000	145,500	2,500	1.75%	145,500	145,500
Wages	142,971	146,172	140,110	143,659	3,549	2.53%	146,891	150,196
Benefits	18,826	20,343	20,401	20,798	397	1.95%	21,305	21,825
Total Wages & Benefits	161,797	166,515	160,511	164,457	3,946	2.46%	168,196	172,021
Office Supplies & Equip Mtnce	1,495	3,052	3,875	3,875	-	-	3,875	3,875
Memberships	-	243	350	350	-	-	359	368
Professional Development	1,186	2,000	2,500	2,500	-	-	2,500	2,500
Maintenance Materials & Supplies	21,419	23,476	22,750	23,250	500	2.20%	24,426	24,606
Maintenance Services	8,772	5,070	9,000	9,000	-	-	9,225	9,456
Professional Services	2,090	1,562	2,000	2,000	-	-	2,000	2,000
Utilities	23,983	21,950	26,400	25,000	-1,400	-5.30%	25,590	26,195
Insurance	9,358	10,265	9,700	10,600	900	9.28%	10,865	11,137
Other	7,011	6,803	7,100	7,100	-	-	7,100	7,100
Expenditures Before Transfers	237,111	240,936	244,186	248,132	3,946	1.62%	254,136	259,258
Total Expenditures	237,111	240,936	244,186	248,132	3,946	1.62%	254,136	259,258
Net Expenditures	94,339	78,268	101,186	102,632	1,446	1.43%	108,636	113,758

Town of Tecumseh
2019 Draft 2 Budget
Recreation Programs 7501

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	8,664	8,400	5,000	6,500	1,500	30.00%	6,500	6,500
User Charges	92,663	95,781	94,550	93,900	-650	-0.69%	93,900	93,900
Net User Charges Available for Operating	92,663	95,781	94,550	93,900	-650	-0.69%	93,900	93,900
Revenues Before Transfers	101,327	104,181	99,550	100,400	850	0.85%	100,400	100,400
Total Revenues	101,327	104,181	99,550	100,400	850	0.85%	100,400	100,400
Wages	99,755	126,209	127,320	137,234	9,914	7.79%	140,322	143,479
Benefits	29,435	29,518	30,740	35,197	4,457	14.50%	36,009	36,840
Total Wages & Benefits	129,190	155,727	158,060	172,431	14,371	9.09%	176,331	180,319
Office Supplies & Equip Mtnce	490	2,045	2,500	2,500	-	-	2,500	2,500
Professional Development	58	235	1,000	1,000	-	-	1,000	1,000
Maintenance Materials & Supplies	4,181	6,114	3,800	4,400	600	15.79%	4,511	4,623
Contract Services	2,614	1,902	2,500	2,500	-	-	2,500	2,500
Professional Services	5,850	4,595	6,000	6,000	-	-	6,000	6,000
Utilities	556	300	600	600	-	-	600	600
Other	6,440	7,729	8,500	8,500	-	-	8,500	8,500
Expenditures Before Transfers	149,379	178,647	182,960	197,931	14,971	8.18%	201,942	206,042
Total Expenditures	149,379	178,647	182,960	197,931	14,971	8.18%	201,942	206,042
Net Expenditures	48,052	74,466	83,410	97,531	14,121	16.93%	101,542	105,642

**Town of Tecumseh
2019 Draft 2 Budget
Christmas in Tecumseh 7720**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	10,305	5,842	9,300	5,500	-3,800	-40.86%	5,500	5,500
Net User Charges Available for Operating Revenues Before Transfers	10,305	5,842	9,300	5,500	-3,800	-40.86%	5,500	5,500
Total Revenues	10,305	5,842	9,300	5,500	-3,800	-40.86%	5,500	5,500
Maintenance Materials & Supplies	1,800	400	400	400	-	-	400	400
Contract Services	13,535	15,000	15,000	15,000	-	-	15,000	15,000
Other	6,502	7,600	7,600	7,800	200	2.63%	7,800	7,800
Expenditures Before Transfers	21,837	23,000	23,000	23,200	200	0.87%	23,200	23,200
Total Expenditures	21,837	23,000	23,000	23,200	200	0.87%	23,200	23,200
Net Expenditures	11,532	17,158	13,700	17,700	4,000	29.20%	17,700	17,700

**Town of Tecumseh
2019 Draft 2 Budget
Special Events 7790**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	3,500	-	-	-	-	-	-	-
User Charges	3,000	4,208	2,000	2,000	-	-	2,000	2,000
Net User Charges Available for Operating Revenues Before Transfers	3,000	4,208	2,000	2,000	-	-	2,000	2,000
Transfers from Reserves	14,300	-	-	-	-	-	-	-
Total Revenues	20,800	4,208	2,000	2,000	-	-	2,000	2,000
Wages	1,761	750	-	-	-	-	-	-
Benefits	229	98	-	-	-	-	-	-
Total Wages & Benefits	1,990	848	-	-	-	-	-	-
Maintenance Materials & Supplies	30,201	18,493	20,000	20,000	-	-	20,000	20,000
Other	5,415	4,599	4,000	4,000	-	-	4,000	4,000
Expenditures Before Transfers	37,606	23,940	24,000	24,000	-	-	24,000	24,000
Total Expenditures	37,606	23,940	24,000	24,000	-	-	24,000	24,000
Net Expenditures	16,806	19,732	22,000	22,000	-	-	22,000	22,000

**Town of Tecumseh
2019 Draft 2 Budget
Corn Festival 7710**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	2,500	-	-	-	-	-	-	-
User Charges	157,286	92,844	109,000	112,500	3,500	3.21%	112,500	112,500
Net User Charges Available for Operating Revenues Before Transfers	157,286	92,844	109,000	112,500	3,500	3.21%	112,500	112,500
Total Revenues	159,786	92,844	109,000	112,500	3,500	3.21%	112,500	112,500
Wages	-	6,394	6,698	7,654	956	14.27%	7,826	8,002
Benefits	-	1,185	788	909	121	15.36%	932	955
Total Wages & Benefits	-	7,579	7,486	8,563	1,077	14.39%	8,758	8,957
Office Supplies & Equip Mtnce	241	-	600	600	-	-	600	600
Memberships	275	275	525	525	-	-	538	551
Professional Development	898	2,200	1,500	1,500	-	-	1,500	1,500
Maintenance Materials & Supplies	39,938	44,174	33,000	44,900	11,900	36.06%	45,935	46,997
Purchases for Resale	-	-	-	-	-	-	-	-
Maintenance Services	29,751	25,794	20,000	26,000	6,000	30.00%	26,000	26,000
Contract Services	2,611	2,348	2,000	2,500	500	25.00%	2,500	2,500
Utilities	59	52	100	100	-	-	100	100
Other	64,386	63,290	57,000	64,000	7,000	12.28%	64,000	64,000
Expenditures Before Transfers	138,159	145,712	122,211	148,688	26,477	21.66%	149,931	151,205
Total Expenditures	138,159	145,712	122,211	148,688	26,477	21.66%	149,931	151,205
Net Expenditures	-21,627	52,868	13,211	36,188	22,977	173.92%	37,431	38,705



Planning and Building Services

Planning and Building Services is a multi-disciplinary team of Planners, Building Officials, By-Law Enforcement Officers, and support staff responsible for providing land use planning advice; developing and implementing land use policies, regulations and approvals; reviewing and making recommendations on new development proposals; enforcing the Ontario Building Code and various Municipal By-laws; and overseeing the Town's public transit system. The Planning and Building Services Department participates in the County-Wide Active Transportation System (CWATS) Implementation Committee and Inter-Municipal Planning Consultation Committee.

2019 Budget Highlights

Building

- Decrease of \$22,000 in 'Licences and Permits' (building permit) revenue as recent major developments have completed.
- Transfer from reserves of \$15,000 (\$10,265 from Building, \$4,150 from Bylaw) to cover retirement payouts in Building and By-law Departments as also reflected in wages.

By-law

- Increase of \$5,000 in 'Professional Services' to reflect increased use of Legal services.

Transit

- One-time \$75,000 increase in 'Grants' due to Provincial grant for fleet purchase.
- Increase of \$8,200 in 'Contract Services' for inflationary increase and Bill 148 adjustment to Transit service agreement with First Student.
- One-time transfer of \$70,200 to 'Transfers to Reserves' related to grant.

Planning and Zoning

- One-time increase of \$42,000 in 'Development Charge Study' due to five-year required update of the Town's 2019 Development Charge Background Study; funded through reserves.

2019 Program Objectives

- Implement necessary actions to facilitate development in the Manning Road Secondary Plan Area.

- After public input and Council adoption, oversee approval by County (Approval Authority) of New Official Plan.
- Work with Financial Services to prepare Town-wide Development Charges By-law (by September 2019).
- Finalize Tecumseh Hamlet Secondary Plan document and incorporate into New Official Plan. Integrate the following related studies: Upper Little River Watershed Master Drainage and Stormwater Master Plan and Tecumseh Hamlet Traffic Study.
- Introduce GPS technology on Tecumseh Transit buses to give riders app access to live updates.
- Work with Public Works to complete the design of the Tecumseh Road Main Street Streetscape Master Plan/Detailed Design.
- Continue to promote financial incentive programs under the Tecumseh Road Community Improvement Plan.

Looking Ahead

- Future budgets may be impacted by “next steps” in Tecumseh Hamlet Secondary Plan Area in light of lessons learned from Manning Road Secondary Plan decisions.
- Investigate software for electronic processing of building permit applications.
- Additional staff may be required in future years depending on Planning and Building Services functions responding to review and permitting pressures.

- Have discussions with Transit Windsor where deemed appropriate regarding ways to optimize integration of services for cross-boundary transit riders.

Staffing Resources

Permanent FTE	2018 Budget	2019 Proposed	2020 Outlook	2021 Outlook
Full-Time FTE	8.00	8.00	8.00	8.00
Total FTE	8.00	8.00	8.00	8.00
Net Change	-	-	-	-

Staffing complement includes:

- 1.00 Director Planning and Building Services
- 1.00 Manager Building Services/CBO
- 1.00 Manager Planning Services
- 1.00 Full-Time Building Officer
- 1.00 By-law Enforcement/Development Officer
- 1.00 Junior Planner
- 2.00 Full-Time Clerical

Town of Tecumseh
2019 Draft 2 Budget
Building 2600

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	6,604	5,150	5,000	5,000	-	-	5,000	5,000
Net User Charges Available for Operating	6,604	5,150	5,000	5,000	-	-	5,000	5,000
Licences and Permits	423,133	359,457	356,800	334,800	-22,000	-6.17%	314,800	314,800
Revenues Before Transfers	429,737	364,607	361,800	339,800	-22,000	-6.08%	319,800	319,800
Transfers from Reserves	-	-	-	10,265	10,265	-	-	-
Total Revenues	429,737	364,607	361,800	350,065	-11,735	-3.24%	319,800	319,800
Wages	221,688	225,145	225,146	239,912	14,766	6.56%	234,814	240,097
Benefits	85,737	87,310	93,574	90,286	-3,288	-3.51%	92,013	93,783
Total Wages & Benefits	307,425	312,455	318,720	330,198	11,478	3.60%	326,827	333,880
Office Supplies & Equip Mtnce	3,808	3,329	5,650	3,500	-2,150	-38.05%	6,000	3,500
Memberships	1,005	905	1,050	1,050	-	-	1,076	1,103
Professional Development	2,784	2,013	4,700	4,700	-	-	4,700	4,700
Maintenance Materials & Supplies	3,713	3,685	3,350	4,150	800	23.88%	4,253	4,358
Maintenance Services	883	1,000	1,000	1,000	-	-	1,000	1,000
Professional Services	1,496	-	3,500	3,500	-	-	3,500	3,500
Utilities	820	833	1,000	1,000	-	-	1,000	1,000
Insurance	11,382	11,463	11,800	11,900	100	0.85%	12,198	12,503
Other	744	1,000	1,000	1,000	-	-	1,000	1,000
Expenditures Before Transfers	334,060	336,683	351,770	361,998	10,228	2.91%	361,554	366,544
Total Expenditures	334,060	336,683	351,770	361,998	10,228	2.91%	361,554	366,544
Net Expenditures	-95,677	-27,924	-10,030	11,933	21,963	-218.97%	41,754	46,744

Town of Tecumseh
2019 Draft 2 Budget
Bylaw 2610

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	5,555	-	-	-	-	-	-	-
Net User Charges Available for Operating Revenues Before Transfers	5,555	-	-	-	-	-	-	-
Transfers from Reserves	-	-	-	4,150	4,150	-	-	-
Total Revenues	5,555	-	-	4,150	4,150	-	-	-
Wages	109,695	111,656	111,656	118,040	6,384	5.72%	116,453	119,073
Benefits	33,176	34,332	35,286	36,487	1,201	3.40%	37,309	38,150
Total Wages & Benefits	142,871	145,988	146,942	154,527	7,585	5.16%	153,762	157,223
Office Supplies & Equip Mtnce	45	-	150	150	-	-	150	150
Memberships	224	224	375	375	-	-	384	394
Professional Development	-	-	100	100	-	-	100	100
Maintenance Materials & Supplies	586	746	700	800	100	14.29%	821	842
Maintenance Services	6,023	500	500	500	-	-	500	500
Professional Services	24,918	13,600	5,000	10,000	5,000	100.00%	10,000	10,000
Utilities	291	240	300	300	-	-	300	300
Insurance	7,588	7,642	7,900	7,900	-	-	8,098	8,300
Other	470	811	500	500	-	-	500	500
Expenditures Before Transfers	183,016	169,751	162,467	175,152	12,685	7.81%	174,615	178,309
Total Expenditures	183,016	169,751	162,467	175,152	12,685	7.81%	174,615	178,309
Net Expenditures	177,461	169,751	162,467	171,002	8,535	5.25%	174,615	178,309

Town of Tecumseh
2019 Draft 2 Budget
Transit 3300

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
Grants	88,784	163,761	86,657	161,657	75,000	86.55%	86,657	86,657
User Charges	25,638	27,000	31,000	31,000	-	-	31,000	31,000
Net User Charges Available for Operating	25,638	27,000	31,000	31,000	-	-	31,000	31,000
Revenues Before Transfers	114,422	190,761	117,657	192,657	75,000	63.74%	117,657	117,657
Transfers from Reserves	75,800	95,000	83,415	88,000	4,585	5.50%	88,000	88,000
Total Revenues	190,222	285,761	201,072	280,657	79,585	39.58%	205,657	205,657
Wages	30,016	30,616	30,616	31,229	613	2.00%	31,932	32,650
Benefits	9,689	10,014	10,247	10,289	42	0.41%	10,519	10,755
Total Wages & Benefits	39,705	40,630	40,863	41,518	655	1.60%	42,451	43,405
Office Supplies & Equip Mtnce	416	637	500	2,100	1,600	320.00%	2,100	2,100
Maintenance Materials & Supplies	-	1,500	1,500	1,500	-	-	1,525	1,551
Maintenance Services	193	11,002	5,000	5,000	-	-	5,000	5,000
Contract Services	207,139	218,629	209,000	217,200	8,200	3.92%	221,500	225,900
Utilities	-	-	850	850	-	-	850	850
Insurance	12,066	12,120	12,500	12,500	-	-	12,813	13,133
Other	-	2,500	2,500	2,500	-	-	2,500	2,500
Expenditures Before Transfers	259,519	287,018	272,713	283,168	10,455	3.83%	288,739	294,439
Transfers to Reserves	11,245	82,383	11,415	81,640	70,225	615.20%	11,640	11,640
Total Expenditures	270,764	369,401	284,128	364,808	80,680	28.40%	300,379	306,079
Net Expenditures	80,542	83,640	83,056	84,151	1,095	1.32%	94,722	100,422

**Town of Tecumseh
2019 Draft 2 Budget
Planning and Zoning 8100**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	26,110	30,084	25,000	25,000	-	-	25,000	25,000
Net User Charges Available for Operating Revenues Before Transfers	26,110	30,084	25,000	25,000	-	-	25,000	25,000
Transfers from Reserves	6,205	6,440	59,500	103,050	43,550	73.19%	-	-
Total Revenues	32,315	36,524	84,500	128,050	43,550	51.54%	25,000	25,000
Wages	259,321	264,470	264,470	271,309	6,839	2.59%	275,829	282,035
Benefits	84,253	87,375	86,951	90,388	3,437	3.95%	92,364	94,388
Total Wages & Benefits	343,574	351,845	351,421	361,697	10,276	2.92%	368,193	376,423
Office Supplies & Equip Mtnce	3,104	3,800	4,100	4,100	-	-	4,100	4,100
Memberships	2,098	2,118	2,285	2,285	-	-	2,342	2,401
Professional Development	5,320	6,100	6,100	6,100	-	-	6,100	6,100
Professional Services	29,828	12,322	58,000	98,000	40,000	68.97%	3,000	3,000
Utilities	1,560	1,600	1,600	1,600	-	-	1,600	1,600
Grants & Donations	16,987	117,384	125,000	125,000	-	-	125,000	125,000
Other	1,321	2,542	6,000	8,000	2,000	33.33%	1,500	1,500
Expenditures Before Transfers	403,792	497,711	554,506	606,782	52,276	9.43%	511,835	520,124
Transfers to Reserves	58,013	7,616	-	-	-	-	-	-
Total Expenditures	461,805	505,327	554,506	606,782	52,276	9.43%	511,835	520,124
Net Expenditures	429,490	468,803	470,006	478,732	8,726	1.86%	486,835	495,124

**Town of Tecumseh
2019 Draft 2 Budget
Committee of Adjustment 8110**

Budget Line Item	2017 Actuals	2018 Forecast	2018 Budget	2019 Budget	\$ Change	% Change	2020 Forecast	2021 Forecast
User Charges	30,250	24,125	25,000	25,000	-	-	25,000	25,000
Net User Charges Available for Operating	30,250	24,125	25,000	25,000	-	-	25,000	25,000
Revenues Before Transfers	30,250	24,125	25,000	25,000	-	-	25,000	25,000
Total Revenues	30,250	24,125	25,000	25,000	-	-	25,000	25,000
Wages	52,611	58,027	61,327	65,245	3,918	6.39%	66,713	68,214
Benefits	21,546	23,414	27,280	24,216	-3,064	-11.23%	24,627	25,047
Total Wages & Benefits	74,157	81,441	88,607	89,461	854	0.96%	91,340	93,261
Office Supplies & Equip Mtnce	56	150	150	150	-	-	150	150
Memberships	840	910	880	900	20	2.27%	923	946
Professional Development	8,593	8,894	12,300	12,300	-	-	12,300	12,300
Professional Services	-	-	4,500	4,500	-	-	4,500	4,500
Other	87	-	-	-	-	-	-	-
Expenditures Before Transfers	83,733	91,395	106,437	107,311	874	0.82%	109,213	111,157
Total Expenditures	83,733	91,395	106,437	107,311	874	0.82%	109,213	111,157
Net Expenditures	53,483	67,270	81,437	82,311	874	1.07%	84,213	86,157



2019 Lifecycle Budget

Definition of Capital

A project or an acquisition must meet the following requirements to be considered a Capital Expenditure:

- Useful life longer than one year
- Cost equal or greater than \$5,000
- Meets strategic priorities and fiscal policies

Capital Planning

The following master plans and studies drive the Town's capital planning program:

- **Asset Management Plan (AMP)** is a long-range, holistic planning tool for the care of existing and new infrastructure. It takes into consideration strategic priorities, expected levels of service, risk, maintenance strategies, integration and funding. It is a capital works planning tool to assist decision-making with respect to infrastructure investments and is a component of a Long-Term Financial Plan. The Town's AMP 2.0 was adopted by Council on May 8, 2018.
- **Road and Bridge and Culvert Needs Studies** provide information on construction needs and cost estimates. The studies identify critical deficiencies and list structures in order of a priority rating with respect to reconstruction and/or upgrades. The Road Needs Study is normally updated every five years, with the next update anticipated in 2019. The Bridge and Culvert Needs Study (for spans greater than 3-metres) is normally updated every two years, with the next update scheduled for 2020. These studies are used as a tool for support of the Town's Asset Management and Lifecycle Plans and in the preparation of Capital Work Plans.
- A **Bridge Signage and Roadside Safety Review** was completed in 2015. As part of the review, potential roadside safety deficiencies were identified, along with potential and preferred solutions at each bridge structure using Ministry of Transportation Ontario (MTO) guidelines. Field reviews were used to document existing conditions and potential hazards. Clear zone widths and guide rail warrants were evaluated according to the MTO Roadside safety Manual (1993). The majority

of the recommended works consist of the addition or extension of Steel Beam Guide Rails (SBGR) and Steel Beam Energy Attenuating Terminals (SBEAT). The probable cost of construction estimates for the roadside safety improvements were also developed. The review is used in the preparation of Capital Work Plans.

- **A Culvert Need Study** (for spans less than 3-metres) was completed in 2016. The purpose of the Culvert Needs Study was to identify all of the existing culverts with spans less than three metres, conduct a condition assessment, and prepare a comprehensive plan for improving and maintaining these structures for the next ten year period. There are a total of seventy-one existing culverts with a span less than three metres that were inspected in accordance with the latest version of the Ontario Structure Inspection Manual (OSIM) published by the Ministry of Transportation of Ontario (MTO). The assessment is used in the preparation of Capital Work Plans.
- **A Development Charge (DC) Study** was completed in 2014 pursuant to the requirements of the Development Charges Act, 1997. The DC Study details capital service needs that will arise due to future residential and non-residential growth and imposes a charge against new development to cover the cost of those future capital services. A new, updated DC By-law must be prepared every five years. Accordingly, an update will take place in 2019.
- The Town **Official Plan** is a statutory document which sets out the land use policy directions for long-term growth and development in the municipality. Twelve Discussion Papers issued over the past number of years were put out for public review in late 2016, following which a draft new Official Plan continued to be prepared throughout 2018. It is projected to be tabled in late 2018. This will be followed by public, agency and Council review and subsequent adoption.
- **A Fire Master Plan** was completed in 2008 which addressed the Fire Department's service delivery model. This report included discussion on the capital requirements necessary to support recommended service improvements.
- The **Water and Wastewater Rate Study** addresses operating costs, identifies all current and future water systems capital needs and reviews potential methods of cost recovery. A full Water and Wastewater Rate Study was completed by in-house staff in the fall of 2015.
- **A Water and Wastewater Master Plan Update** was initiated in 2016, and is anticipated to be completed in 2018. Since the completion of the 2008 Water and Wastewater Master Plan Update, further planning studies and discussion papers related to the preparation of a new Official Plan have been completed. In order to ensure that the Town implements the most cost effective infrastructure servicing strategies required to support new growth and maintain a high level of service into the future, an update to the current Master Plan is being planned in accordance with the Class Environmental Assessment (EA) process for water and wastewater projects. The purpose of the Master Plan Update is to re-examine water and wastewater infrastructure timing and costing requirements for the existing settlement areas in the Town of Tecumseh.

- **A Pump and Metering Station Condition Assessment** was completed in 2016. The purpose of the report was to identify immediate required repairs and to develop a recommended program for expected repairs and maintenance over a ten year period.
- **A Traffic Signal Infrastructure Assessment** was completed in 2015. The condition assessment was conducted for all traffic signal infrastructures owned and maintained by the Town, including 11 intersections and one mid-block cross walk. The assessment was used as the basis for identifying the recommended priority, scope and cost for related infrastructure improvements, which could be utilized by the Town to develop a long-term, comprehensive maintenance and capital replacement strategy for traffic signal infrastructure.
- The **(Tecumseh) Storm Drainage Master Plan** was initiated in 2017 and is anticipated to be completed in early 2019. The Town's stormwater infrastructure network is supported through eight stormwater pumping stations, which are primarily located near the shore of Lake St. Clair due to the topography of the area within Wards 1, 2, and 3. The Storm Drainage Master Plan will focus on an analysis of the storm infrastructure within the eight storm pumping station service areas. This analysis will review how the Town's stormwater infrastructure functions during minor rainfall events (what can be contained within the storm sewer network), and major rainfall events (which would follow overland flood routes). The storm pumping stations will also be reviewed to determine if any modifications or improvements are required based on any of the recommended storm sewer network improvements (i.e. capacity upgrades). A Public Information Centre was held in July of 2018 and identified a number of recommendations. High level costs are in the order of \$85 million.
- The **(Oldcastle Hamlet) Storm Drainage Master Plan** was initiated in 2018 and is anticipated to be completed in early 2020. The stormwater infrastructure network located within the Oldcastle Hamlet area is comprised of a combination of roadside ditches, Municipal Drains, storm sewers, swales/sub-drains, as well as County and Provincial storm infrastructure. There are three distinct watershed areas within the Oldcastle Hamlet which include Little River, Turkey Creek, and River Canard. This study will focus on an analysis of the stormwater infrastructure within these watersheds and will set the framework for how stormwater is addressed for new and re-developments.
- The **Drinking Water Quality Management Standard (DWQMS) Financial Plan** was updated in-house in 2015 for the purpose of forecasting capital requirements and ensuring sustainability of the system. This is required in order to apply for and renew a Municipal Drinking Water License as per the Safe Water Drinking Act (O. Reg 453/07). License renewal occurs every five years.
- The current **DWQMS Operational Plan** was updated and presented to Council on February 27, 2018. As mandated by the MOECC, the next Annual DWQMS Operational Plan Report will be presented to Council in February or March 2019.

- The **Manning Road Secondary Plan Area, Area-Specific DC (MRSPA)** By-law was adopted in 2015 and was appealed to the OMB, which issued a decision in mid-2017 having the effect of quashing the By-law for technical reasons. Discussions with the majority property owners and various agencies have continued through 2018 with an attempt to arrive at a consensus regarding the means by which orderly development can proceed in this area. If consensus is ultimately achieved, efforts will be made to implement strategies that allow some level of development to commence in 2019.
- The **Parks and Recreation Master Plan** (Master Plan) was completed in 2010. The plan, developed with input by Council, residents, community agencies and volunteer sport groups, identifies park development and outdoor and indoor recreation facilities needs for the next twenty years. This plan was augmented by a Lakewood Park South Master Plan (LPSMP) process that was completed in 2013. The LPSMP identified the elements, and where they should go, for development of the park. Discussion concerning funding and long term implementation can be found under New Infrastructure Funding later in this section.

One of the Master Plan recommendations was that the Master Plan be subject to a major review after five years to evaluate whether the long-term perspective of the Master Plan remained relevant and the need to determine if new emerging trends support the redevelopment of the plan in whole, or in part. A comprehensive review of the Parks and Recreation Master Plan is underway and will be completed in 2019. In addition, the Lakewood Master Plan, Fair Play Woods, and the Trail Master Plan will now all be consolidated into one plan.

- The **Transportation Master Plan** was completed in early 2017. The goal is to develop a multi-modal, sustainable transportation system that provides improved mobility and transportation choices for Town residents.
- The **Tecumseh Road Mainstreet Community Improvement Plan (CIP)** was adopted by Council on January 12, 2016. It is intended to develop a cohesive vision for this area by establishing design guidelines, identifying redevelopment opportunities and various implementation schemes including financial incentives for a range of private-property initiatives. The CIP also contemplates the completion of a **Streetscape Plan and Final Design (Streetscape Plan)**, which will direct the future construction of public capital infrastructure projects in the road allowances of Tecumseh and Lesperance Roads in the CIP area. The Town retained the services of Dillon Consulting Limited and Dialog to assist in the completion of the Streetscape Plan. A detail design for Phase 1 and 2 is anticipated to be completed in 2019. The Streetscape Plan will establish hard landscape elements and design specifications, sidewalk improvements and the introduction of curb extensions, street furnishing, soft landscaping elements and design specifications.
- The **Tecumseh Hamlet Secondary Plan** is a planning process that provides a strategic opportunity for creating a long-term vision for greenfield sites in the Hamlet based on the principles of complete community planning with strong urban design. The Plan will address the integration of existing and new development, land use distribution and related infrastructure

requirements. A draft plan was presented to Council; however final revisions are being made as a result of the completion of the City of Windsor's Banwell Road Municipal Class EA and the tabling of the Upper Little River Stormwater Management Study. Adoption is anticipated by way of an amendment to the Town's New Official Plan. An Area-Specific DC Study had been contemplated in order to properly fund the necessary infrastructure and ensure that each development in the area pays its fair share. Engineering work was previously commenced to support this approach. However, the impact of the OMB decision regarding the MRSPA Area-Specific Development Charge By-law has caused a reconsideration of the preferred method to achieve the desired result for the coordinated and equitably funded installation of infrastructure needed to support development in the Tecumseh Hamlet Secondary Plan Area. As solutions are arrived at and implemented in the MRSPA, a preferred approach (Area-Specific DC vs. alternative approaches) for the Tecumseh Hamlet Secondary Plan will be evaluated.

- The **County Wide Active Transportation Study (CWATS)** is a comprehensive strategy to promote and increase awareness regarding active transportation within the County of Essex as well as guide the construction of new active transportation facilities. The study proposes a set of policies and a detailed network on both local and county roads that facilitate both recreational and utilitarian transportation as well as increased connectivity and partnerships among the local municipalities. The Town's estimated share of costs over the 20 year planning horizon is \$1,600,000 which equates to \$80,000 per year. Discussion concerning funding can be found under New Infrastructure Funding. The County, with participation from lower-tier municipalities, is currently undergoing an update to CWATS, with an anticipated completion in 2019.
- The **County Road Rationalization Study** is a comprehensive study toward developing a transparent, rational and equitable framework for updating the existing County Road network. The study has three phases: Phase 1 – Define the Transportation Network; Phase 2 – Examine Recommendations/Jurisdictional Impacts; and Phase 3 – Implementation Action Plan. The Study is currently in Phase 1, and upon Phase 1 completion, the County will be providing an update to County Council. There is a potential for roads to be uploaded or downloaded upon completion of this study, which would have impacts across multiple sectors such as: CWATS, roads, storm drainage, municipal drains, bridges and culverts, and operations (i.e. road patrol, shoulder and ditch maintenance, winter control, etc.). Further updates will be brought before Council as the Study progresses through its various phases.

Recommendations arising out of these documents are factored into program development and future budgetary considerations.

Definition of Lifecycle

Lifecycle encompasses the Town's plan to provide funding for expenditure items that are cyclical in nature. The Lifecycle Plan (LC) consists of identifying:

- Categories to be included in the LC
- Net annual requirement for each category
- Whether the Town will borrow to meet the net annual requirement
- The length of time required to achieve full funding of the net annual requirement

Category Classifications are:

- Replace Existing Capital Assets – funds provided for replacing existing infrastructure with no provisions for new/expanded services
- Replace Existing Capital Assets and Provision for New Assets – funds provided for replacing existing infrastructure with provision for new/expanded services
- Operating Cyclical Expenditures – funds accumulate over a period of time to offset costs that occur on a periodic basis, such as elections, or for smoothing costs that fluctuate, up or down, on an annual basis
- Other – funds are provided for special purposes including Strategic Issues which allows for funding projects that are expected to occur infrequently and New Issues which provides funding for new issues that arise

The LC provides the Town with the ability and resources to respond to capital infrastructure replacement needs, ensures prudent capital asset management and provides flexibility for new issues.

Lifecycle Budget Highlights

2019 Lifecycle Budget highlights include:

- Expenditures of \$17.5 million (excluding debt)
- Major projects anticipated:
 - South Talbot Road reconstruction and culverts \$2.8 million

- North Talbot Road Sanitary sewer extension including related road, storm and water works:
 - County Road 11 (North) \$1.0 million
- Sanitary Sewer I and I removal (Phase 3) \$3.0 million
- Asphaltting \$1.3 million
- Water Tower internal lining replacement \$0.5 million
- Riverside Drive Trail \$0.8 million
- Scully and St. Mark's Storm Pump Stations (Engineering in 2019/2020) \$0.7 million
- Parkland improvements including washroom facility \$1.1 million
- Drain construction and maintenance \$1.0 million
- Debt payments of \$2.5 million
- Grant revenue of \$3.9 million including \$1.1 million from OCIF formula allocation
- Revenue from gas tax of \$1.1 million (dedicated to support the Lifecycle allocation)

Lifecycle Notes

As part of the 2005 budget, the Town adopted a lifecycle plan for a variety of infrastructure and operating expenditure categories. The 2014 budget year marked the completion of the original 10 year plan. Major components of the lifecycle plan for 2019 forward are:

- Annual net requirement is \$7.62 million
- Gas tax revenues remain allocated on an 80/20 split with the County. The Town revenue from the gas tax decreased by \$75,000 as a result of a province wide reallocation of funds based on updated census data
- The \$7.62 million is funded by gas tax revenue \$1.13 million, taxation \$6.37 million and \$0.12 million from rates
- Annual Debt payments of \$1.5 million supporting the LC program are funded from taxation. Debt payments start to expire beginning in 2026

Additional increases to LC allocations are expected to be identified in 2019 coming out of the (Tecumseh) Storm Drainage Master Plan, the (Oldcastle Hamlet) Storm Drainage Master Plan, and the Parks and Recreation Master Plan. In addition, the Drain LC is experiencing significant pressure as a result of the increase in drain activity continuing over the next number of years. The long range plan is to include a \$100,000 increase in LC allocation for the outlook years to partially deal with the increases expected in those years.

2019 BUDGET - Annual Requirement

	Notes	2019	2018	2017	Change
Arenas		140,000	140,000	140,000	
Bridges and culverts	1)	390,000	390,000	540,000	
Buildings	2)	190,000	185,000	185,000	5,000
Community trails		50,000	50,000	50,000	
Drains		100,000	100,000	100,000	
Election		16,000	16,000	16,000	
Fire apparatus	3)	194,000	174,000	174,000	20,000
Fire equipment		45,000	45,000	45,000	
Fleet	4)	536,000	525,000	497,000	11,000
ITS infrastructures	5)	128,000	128,000	133,000	
New lifecycle issues		100,000	100,000	100,000	
Outdoor pool		55,000	55,000	55,000	
Park development and Play equipment	6)	355,000	350,000	350,000	5,000
Reforestation		30,000	30,000	30,000	
Roads		4,160,000	4,160,000	4,160,000	
Sidewalks		74,000	74,000	74,000	
Storm sewers	7)	902,700	864,700	840,000	38,000
Strategic issues - one time		50,000	50,000	50,000	
Transit		100,000	100,000	100,000	
		7,615,700	7,536,700	7,639,000	79,000

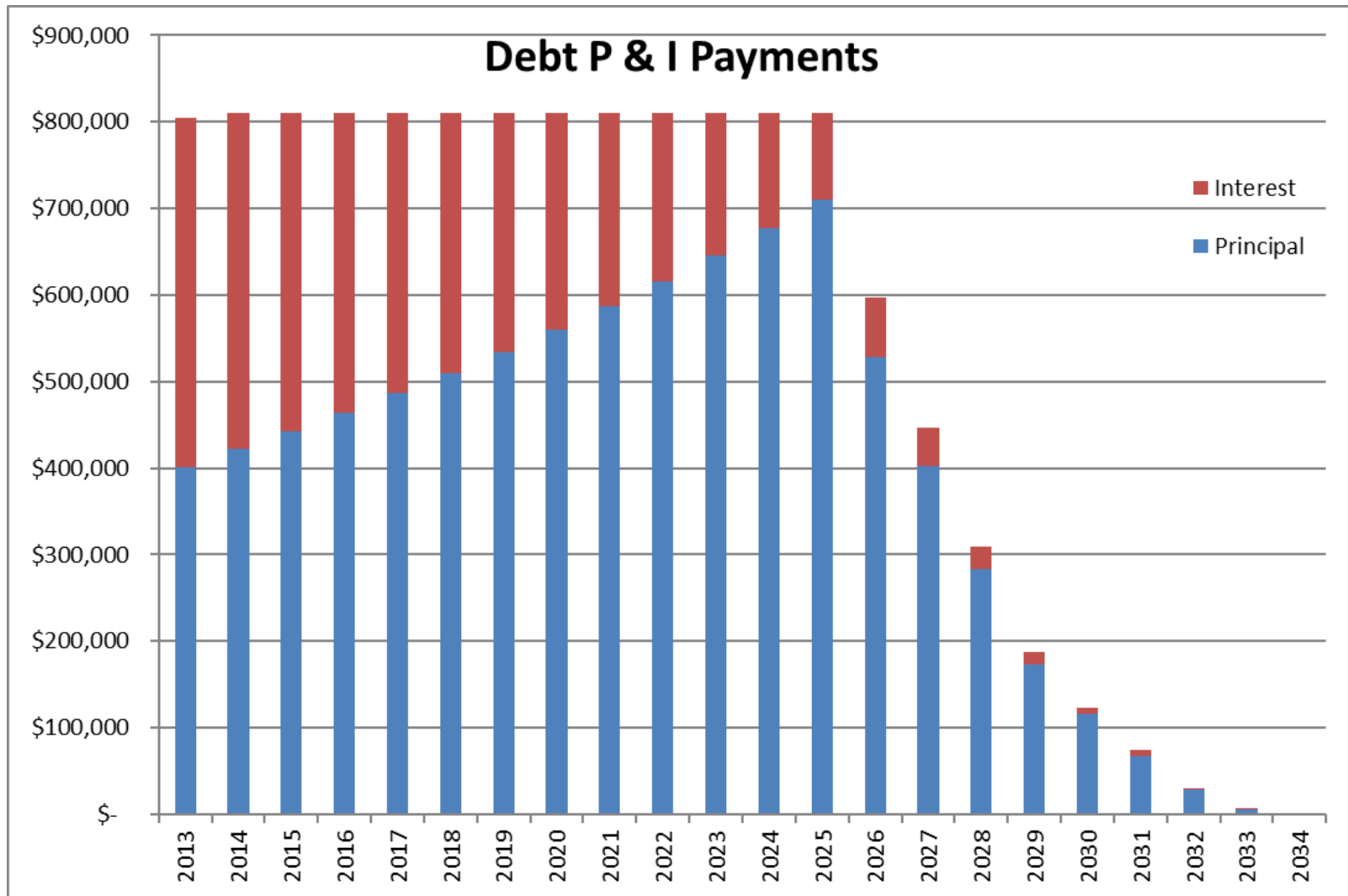
Notes

1. 2017 doubled the annual allocation to account for the cost of maintenance for culverts under 3 metres. Subsequent evaluations occurred suggesting that \$390,000 is sufficient.
2. 2019 will require an additional annual allocation for the Historical Society Room added to Fire Station No. 2.
3. A 25 year forecast of the fire apparatus lifecycle requirement shows the current allocation is inadequate. A \$20,000 increase is required based on current fleet value and replacement costs.
4. 2018 increased allocation for new vehicles in fleet and transit bus upgrade to low floor accessible unit instead of a lift system. 2019 fleet increased by \$5,000 for addition of Recreation van and \$6,000 for valve turner.
5. Adjust for Escribe agenda management software now paid on an annual subscription basis \$5,000.
6. Allocation to be reviewed after Parks Master Plan update. Parks and Recreation Report No. 22/17 on splash pads suggests we need \$3,000,000 in total infrastructure. That would take almost nine years of the allocation to complete the three pads and ancillary requirements. 2019 will require an annual allocation increase of \$5,000 for the splash pad at St. Mary's park.
7. Allocation to be reviewed after storm pump assessment studies undertaken. Preliminary expectations are that there will be significant shortfall in the reserve to fund all requirements.

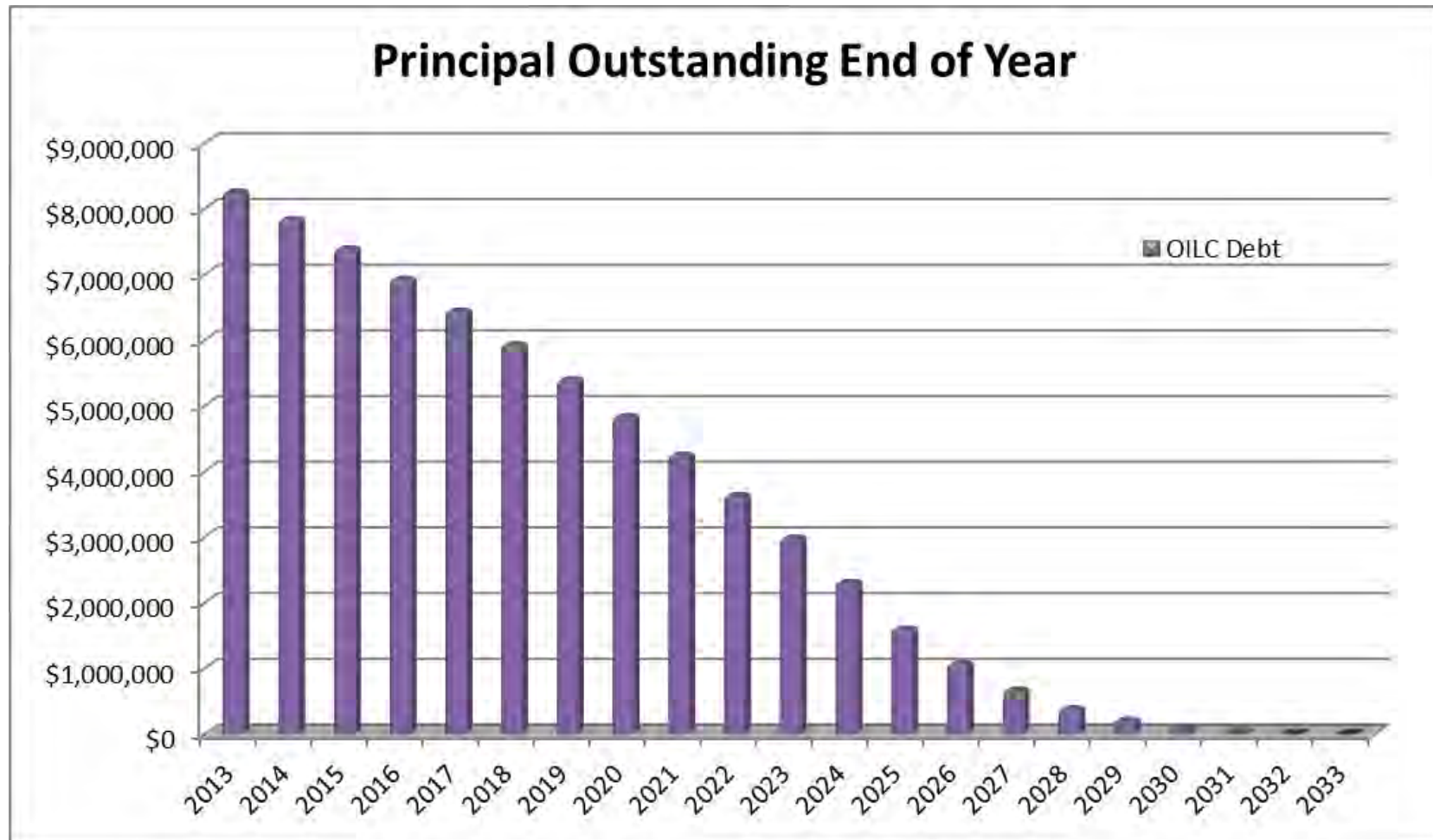
Prioritization of capital investments should be reviewed periodically to ensure capital forecasts remain accurate and that planned investments are being responsive to community needs. Occasionally, opportunities exist whereby revised priorities allow for options and solutions to be considered to address new challenges in the short-term, which will mitigate long-term issues and result in sound business practices and decisions.

Having a Lifecycle Plan provides the Town with the ability and resources to respond to capital infrastructure needs and ensure prudent capital asset management.

Implementation of the LC plan included borrowing to fully fund road and bridges requirements. This chart shows the annual principal and interest payments required for lifecycle debt (excluding water, sanitary and recreation). The payments top out at \$823,000.



This chart highlights the total debt principal outstanding in any one year. The maximum principal outstanding was in 2011 at a balance of \$8.6 million. Total funds borrowed over the program are just under \$10.4 million whereas the original plan in 2005 contemplated borrowing \$11.5 million.



New Infrastructure Funding

A quick review of new infrastructure items on the horizon includes the following:

- 1) The 2014 Development Charges Study (DC Study) highlighted expected growth-related new infrastructure costs of \$15 million to be incurred over the duration of the By-law (five years). Development Charges were to recover \$11 million, thus leaving **\$4 million to be borne by the general tax levy**. The DC Study is due to be updated in 2019, and it is expected that the Town responsibility will again be in the \$ millions. Contributing towards a New Infrastructure reserve early will ease upcoming levy requirements.
- 2) The County Wide Active Transportation System (CWATS) is a county wide master plan that guides the County and the lower-tier municipalities in the development of an integrated and coordinated transportation network dedicated to pedestrian and bicycle traffic. The plan looked at a 20 year planning horizon and identified the Town of Tecumseh's share of projects costs as \$1.6 million or \$80,000 annually for 20 years. Recent actual costs incurred for construction indicates the original cost estimates were low. The County, with participation from lower-tier municipalities, is currently undergoing an update to CWATS, with an anticipated completion in 2019. Note that a Trail Master Plan is being formulated to take a more detailed look at costs and funding models.
- 3) There has been an emphasis placed on enhancing trails and pathways in the Town. These facilities have been identified within the Town's Transportation Master Plan (2017), and will be further detailed within the Parks and Recreation Master Plan which is anticipated to be completed in 2019. Currently trails and pathways constructed within the right-of-way are managed by PWES and funded through the Infrastructure Reserve Fund. The Parks and Recreation Master Plan will identify a total estimated cost for trails and pathways located within parkland, and will recommended an annual allocation required to implement the park's infrastructure.
- 4) The Parks Master Plan identified a number of improvements classified as High, Medium and Low Priority. Total funding required of all recommendations would exceed \$7 million. Over 20 and 40 year horizons this would amount to \$350,000 and \$175,000 per year respectively. Note that a review of the 2010 Parks Master Plan is being undertaken, with completion expected in 2019, which will include a review of funding models.
- 5) Community Improvement Plan implementation project is ongoing. In 2015 Council approved the establishment of a CIP reserve for the purpose of managing CIP funding. The 2019 budget includes an annual grant allocation of \$125,000. The original CIP Study suggests the annual allocation should be \$417,000.

- 6) A proposal for Town Hall renovations was presented to Council in 2017. The proposal recommended a 5,300 sq. ft. addition at a cost of \$2.8 million with \$0.9 million coming from the Tax Rate Stabilization Reserve and \$1.9 million coming from the Infrastructure Reserve. Council deferred the recommendation for consideration at a future date.
- 7) The CIP Streetscape Plan was approved by Council in principal. The approved Plan carries a price tag in excess of \$32 million. Administration is currently overseeing engineering design of the Plan as well as options for phasing in construction. Detailed designs for Phase 1 and 2 are to be completed by mid-2019. It is expected that updated financial impacts will be provided as the project progresses.
- 8) The Multi-Use Sportsplex, at an estimated capital cost of \$24,750,000, was approved by Council in principal. Parks and Recreation Report No. 06/17 outlined the financial implications of the project and presented three funding options. For capital planning purposes, the following has been assumed:
 - 2/3 grant funding
 - Municipal debt of \$6,600,000
 - Balance from fundraising

As detailed in the 2019 – 2023 Arena and Pool Five (5) Year Capital Works Plan, the project has been split into two distinct phases - Architectural Services and Construction.

Architectural services were awarded to CSandP Architects. Costs are estimated at \$1,390,000, or 5.9% of the estimated \$24 million construction cost. Detailed design is to be completed in 2019 at a cost of \$400,000. The remaining \$990,000 is to cover construction drawings, tender documents, project management and close out.

It is anticipated that successful Canada/Ontario Infrastructure grant funding will be announced in the 3rd to 4th quarter of 2019. If so, construction could potentially begin late 2019/early 2020. The cost of this phase is estimated at \$23,260,000, which includes an allowance of \$250,000 for project management.

Assuming the Town's debt financing occurs in 2020, annual debt payments should commence the following year. **Note that \$450,000 of the annual New Infrastructure Levy (NIL) has been allocated to service Multi-Use Sportsplex debt.**

Administration has identified that the NIL target level of \$1.3 million is probably not sufficient to fully fund all new infrastructure items on the horizon or any new infrastructure items that will be added in the future. The 2019 budget proposes an increase in the New Infrastructure Levy (NIL) of \$150,000 in 2019, \$200,000 in 2020 and \$100,000 in each of 2021 and 2022 to reach an annual target amount of \$1,750,000 (allocation of \$450,000 to fund the Sportsplex project; \$1.3 million to fund other new infrastructure).

The Infrastructure Reserve has a projected 2019 year-end balance of only \$4.8 million which doesn't go very far in funding the projects currently under consideration. Other sources, such as Grants and Debt, will need to be obtained to move major projects such as the CIP Streetscape Plan and Multi-Use Sportsplex forward in the near term.

Capital Projects

For budget purposes, we have included committed projects as well as estimates of what typically would be spent on capital projects. **Actual approval of specific projects will come back to Council prior to proceeding with any project.**

The following highlights some of the significant capital investment and initiatives included in the 2019 Lifecycle Budget:

Recurring projects:

- **Tar and Chip, Asphaltting, and Crack Sealing** – \$1.3 million has been allocated for the asphaltting of roads.

Significant/Non-Recurring projects:

- **Bridge and Culvert Works (Structures with Spans > 3.0m)** – The 2016 Bridge and Culvert Needs Study (Structures with Spans > 3.0m) had identified three structures to be rehabilitated within a 1-5 year time frame. The recommended works for 2019 consist of rehabilitation of the following bridges at a cost of \$0.6 million:
 - Pike Creek at 12th Concession Road (Bridge number 1004),
 - Merrick Creek at 8th Concession Road (Bridge number 1013),
 - Colchester Townline Drain at 6th Concession Road (Bridge number 1014)
- **Culvert Works (Structures with Spans < 3.0m)** – The 2016 Culvert Needs Study (Structures with Spans < 3.0m) had identified two structures to be replaced immediately; 10 structures to be rehabilitated or replaced within a 1-5 year timeframe; and three structures to be rehabilitated or replaced within a 6-10 year timeframe. The recommended works for 2019 consist of completing the construction of Culverts numbered 46 and 47 as part of the South Talbot Road Reconstruction Project at a cost of \$0.5 million.
- **County Road 11 (North) re North Talbot Road Sanitary Sewer Area** – The engineering and utility relocation was completed in 2017 and 2018. The estimated cost including a CWATS trail is \$1.6 million with \$0.17 million being recovered from the County for the CWATS trail, and \$1.1 million being recovered from property owners as a sanitary connection charge.

- **Sylvestre Drive Sanitary Sewer Extension** – This project proposes engineering to be completed in 2018 and 2019, with construction commencing in 2020. The estimated cost, including sanitary, road and storm works is \$1.9 million with \$0.8 million being recovered from property owners as a sanitary connection charge.
- **County Road 46/Webster Drive/Laval Easement Sanitary Sewer Extension** – This project proposes engineering to be completed in 2019 and construction commencing in 2020. The estimated costs, including sanitary, water, road and storm works is \$3.3 million with an estimated \$1.7 million being recovered from property owners as a sanitary connection charge.
- **Delduca Drive Sanitary Sewer Extension** – This project proposes engineering to be completed in 2019 and 2020, with construction commencing in 2021. The estimated cost, including sanitary, road and storm works is \$3.0 million with an estimated \$1.0 million being recovered from property owners as a sanitary connection charge.
- **Scully and St. Mark's Storm Pump Stations** – This project proposes engineering to be completed in 2019 and 2020, with future construction most likely contingent on grant funding opportunities. The estimated cost, including storm pump stations, trunk storm sewers and road is \$14.0 million.
- **(Tecumseh) Storm Drainage Master Plan** – The Master Plan will look for efficiencies in the storm sewer network and whether a consolidation of storm pumping stations is feasible. The Master Plan will follow the Municipal Class Environmental Assessment (EA) process, and is equivalent to the same steps that a Schedule “B” EA would follow. This will provide the Town the necessary analysis/study under the Municipal Class EA process to complete future improvements, reconstruct and/or decommission storm pumping stations without having to complete a separate Schedule “B” EA at a later date. The approved budget for this study was \$0.6 million; however, the Town was successful in receiving a Grant from FCM in the amount of \$0.175 million for this study.
- **(Oldcastle Hamlet) Storm Drainage Master Plan** – The stormwater infrastructure network located within the Oldcastle Hamlet area is comprised of a combination of roadside ditches, Municipal Drains, storm sewers, swales/sub-drains, as well as County and Provincial storm infrastructure. There are three distinct watershed areas within the Oldcastle Hamlet which include Little River, Turkey Creek, and River Canard. This study will focus on an analysis of the stormwater infrastructure within these watersheds and will set the framework for how stormwater is addressed for new and re-developments. This study is proposed to commence in 2018 and be completed in early 2020. The estimated cost for this study is \$0.45 million.

- **South Talbot Road Reconstruction** – The engineering for this project was completed in 2017 with construction proposed for 2019. This will consist of the reconstruction of a 1 km section of South Talbot between County Road 9 and County Road 11. This project will be combined with the proposed culvert improvements within this section of South Talbot Road. The estimated cost is \$2.9 million for the combined road and culverts components.
- **Highway No. 3 / County Road 11 Watermain Replacement** – This project proposes to complete the engineering in 2018/2019 and construction in 2020. The work consists of replacement of existing ductile iron water main and improved connections and extensions to the existing main. The estimated cost for the 2019 engineering works is \$0.08 million.
- **Tecumseh Road Community Improvement Project (CIP) Streetscape Plan and Detail Design** – The Tecumseh Road Main Street area represents the historical commercial core of the former Town of Tecumseh settlement area. It comprises an approximate 1.2 kilometer corridor centered on Tecumseh Road, from its border with the City of Windsor to the west to its intersection with the Via Rail crossing to the east. The **Streetscape Plan and Final Design (Streetscape Plan)** will direct the future construction of public capital infrastructure projects in road allowances of Tecumseh and Lesperance Roads in the CIP area. The Town retained the services of Dillon Consulting Limited and Dialog to assist in the completion of the Streetscape Plan. A detail design for Phase 1 and 2 is to be completed by mid-2019. The Streetscape Plan will establish hard landscape elements and design specifications, sidewalk improvements and the introduction of curb extensions, street furnishing, soft landscaping elements and design specifications.
- **Sanitary Sewer Rehabilitation (Inflow and Infiltration Removal), Phase 3** includes sealing leaks in manholes, mainline sewers and laterals, and is an extension of the investigative works and testing completed as part of Phases 1 and 2 (to be completed by the end of 2018). The Town submitted an application to the National Disaster Mitigation Program-Intake 5, and should learn if we are successful in early 2019. The federal cost sharing covers up to 50% of eligible costs to a maximum \$1.5 million. The Town's \$3 million project would only commence if the funding application is approved, and the works would then have to be completed by March 31, 2020 to be eligible for grant funding.

The summary of proposed projects includes a certain amount of grant funding from Federal and Provincial governments. Two major factors allowing the Town to access these grants include the current practice of having **projects engineered and ready to go** on short notice and the fact our lifecycle funding program allows us to provide the Town's share of funding required. **The 2019 budget continues to enhance the Town's financial strength with the New Infrastructure Funding Levy.** In the uncertain economic times facing the community it is important the Town continue to provide stimulus to the economy by leveraging project funding and continuing our infrastructure projects.

OCIF

The Ontario Community Infrastructure Fund (OCIF) is a relatively new grant that has an Application Based Component and a Formula Based Component. Both grants are multi-year programs that currently are scheduled to end March 31, 2027. OCIF is dedicated to 1) the development and implementation of asset management plans and 2) the renewal, rehabilitation and replacement of core infrastructure assets or capital construction of new core infrastructure that addresses an existing health or safety issue.

Eligible core infrastructure categories include:

- 1) Water:
 - a) Treatment
 - b) Distribution/Transmission
- 2) Wastewater:
 - a) Treatment and disposal
 - b) Sanitary sewer systems
 - c) Storm sewer systems (urban and rural)
- 3) Roads:
 - a) Paved
 - b) Unpaved
 - c) Bus-only lanes
 - d) Street lighting when part of a road project
 - e) Sidewalks and/or cycling lanes located along an existing road
- 4) Bridges and Culverts:
 - a) Sidewalks and/or cycling lanes located along an existing road

The Application Component is based on a competitive process. The Town has submitted applications with no success.

The Formula Component provides a fixed annual amount which for 2017 was \$494,000 but increases to \$700,000 for 2018 and \$1,077,000 in 2019. Funding can be accumulated from year to year but must be spent within five funding years of the year the funds were allocated.

Based on eligible core infrastructure categories and the relative funding the Town has available for each category, Administration is recommending funds be saved for the short term and consideration be given to using the funds to address storm sewer requirements arising from the (Tecumseh) Storm Drainage and (Oldcastle Hamlet) Storm Drainage Master Plans.

Debt

The Town has, since 2005, adopted an aggressive strategy to use 10 year debt for financing long-term capital requirements for sanitary and water purposes to ready the Town for development when circumstances dictate. Over this period the Town has issued \$12.2 million and \$2.0 million for sanitary and water purposes respectively.

At the same time the Town embarked on a Lifecycle program in order to ensure funding for replacement of existing infrastructure was in place. As part of the program, the Town agreed to borrow 20 year debt for road and bridge requirements to provide full funding of these two categories. Borrowing has totaled \$10.4 million. No further debt issuance is expected.

In addition, 25 year debt was issued in December 2011 to fund the Lakewood Park North and South property acquisitions in the amount of \$11.2 million.

In 2012, the Town completed sewage works to service parts of the North Talbot Road Sanitary Sewer Area. As part of the program it was agreed that property owners could repay their share of the connection charge over a five year period, or over ten years in hardship cases. To date the Town has borrowed \$1.5 million. The amount of borrowing required for future projects will not be known until after the project is complete. **The Town is recovering these funds from the property owners as a charge on the tax roll.**

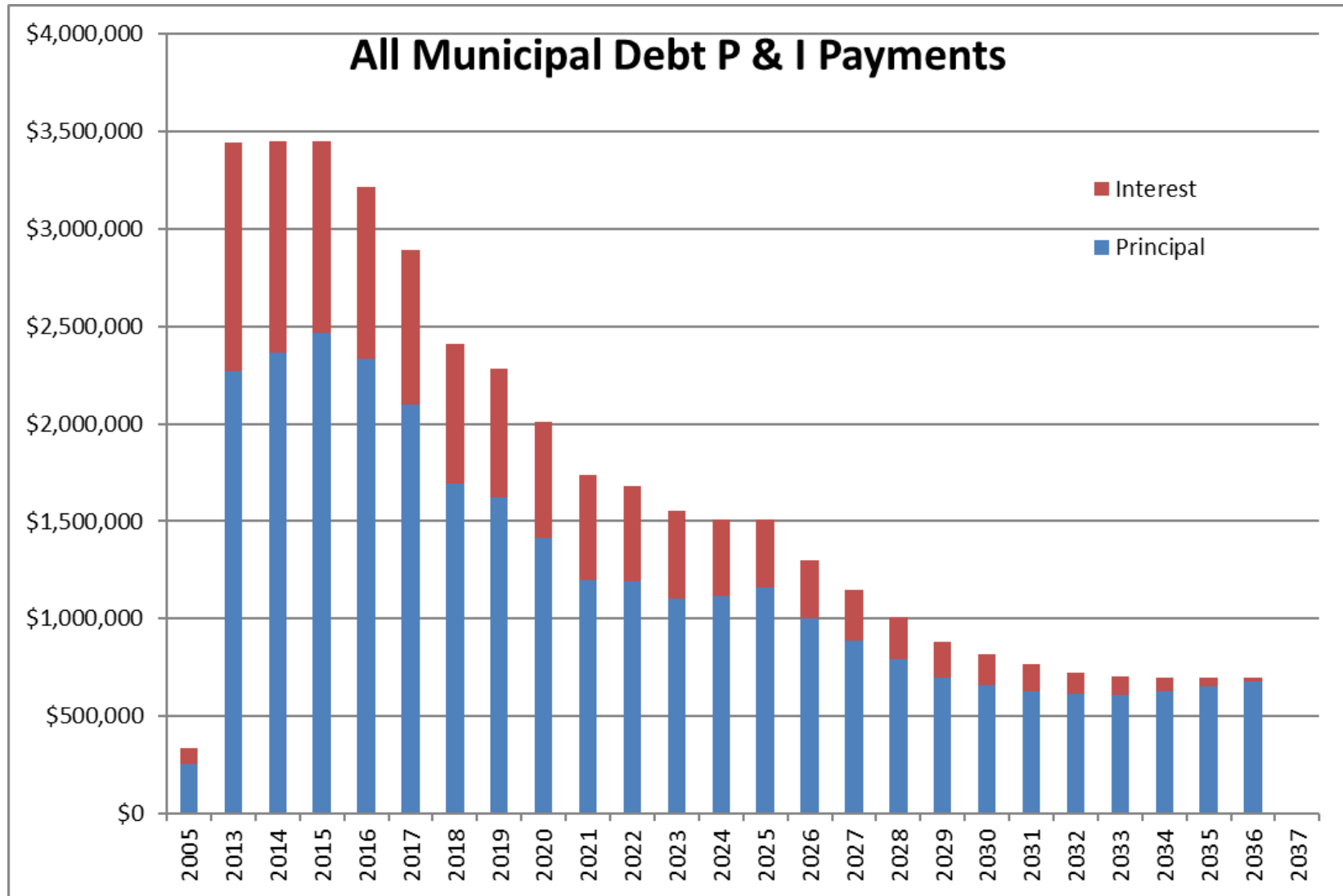
The Town is in the process of finalizing the program and cost recovery By-law for servicing the 8th Concession Road Sanitary Sewer Outlet area. The Town's share of the total cost of the program is estimated to be \$27.0 million over a 30 year period. Almost \$9.8 million was constructed between 2009 and 2012 utilizing grants under the Infrastructure Stimulus Fund (ISF). The nature of this project is that the Town has to make a substantial upfront investment in infrastructure with landowner recoveries occurring as connections are made. In order to fund this initial investment the Town will need to borrow an as yet undetermined amount of funds.

Outstanding debt balances and principal and interest payments expected, for selected years, are outlined in the table below.

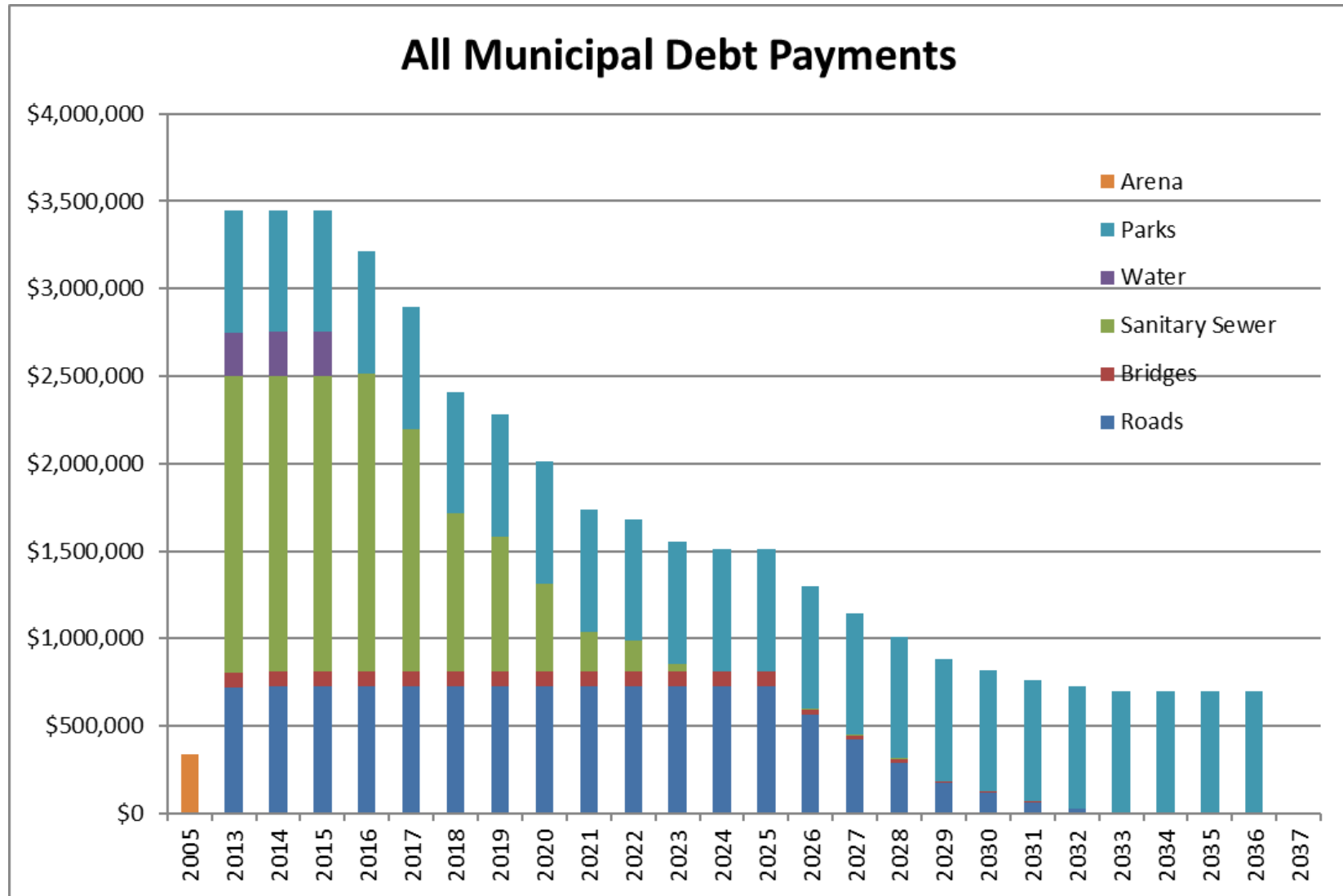
	2004	2017	2018	2019	2032
Debt	\$1,633,734	\$18,072,000	\$17,007,000	\$16,387,000	\$3,180,000
Principal and Interest	\$570,593	\$2,892,000	\$2,400,000	\$2,237,000	\$725,000

The remaining debt outstanding in 2032 is the balance remaining on the purchase of a portion of the Lakewood Golf Course which will be paid off in 2036.

This chart shows the annual principal and interest payments required for all municipal debt.



The chart below shows annual debt payments by service area.



The need for these levels of debt has arisen due to a number of factors including:

- Little development over the last 10 plus years
- Reduction in long term sustainable grant funding from the Provincial and Federal levels
- Unexpected opportunities being available to acquire parkland property, and
- Requirement to invest in sanitary sewer capacity to accommodate growth

The Town's Debt to Reserves Ratio has ranged from 0.52 to 0.95 over the course of the past five years (2017 – 52%). The general benchmark for this ratio is 1.00. A measure of 0.52 or 52% suggests that the Town is not over-leveraged.

Additional debt expected over the next few years will generally be related to infrastructure improvements required for sanitary sewer purposes in the North Talbot Road Sanitary Sewer Area and then in the 8th Concession Road Sanitary Sewer Area. The 2015 Water/Wastewater Rate Study contemplates little debt being required. The 2016-2019 update to the Water/Wastewater Master Plan will review this issue.

The Town has approved, in principal, the Tecumseh Road Main Street CIP Streetscape Plan as well as the Multi-Use Sportsplex Feasibility Study and Business Plan. Both of these plans, if fully implemented, are in excess of \$30 million and \$24 million respectively. Implementation of either or both of these plans is likely to require some debt to enable the projects to move ahead in the near term. Funding considerations are more fully discussed in the Capital Projects section.

Annual Repayment Limit

The annual repayment limit is a Ministry formula which limits the amount of debt repayment a Municipality can commit to without requiring OMB approval. The limit is based on a maximum of 25% of municipal (own purposes) revenues based on the Financial Information Return and as adjusted by the Treasurer. The Town's current ratio of Net Debt Charges to Own Purposes Revenue is 7.9% (2017 FIR). The limit as of October 1, 2018 is \$5,950,000. The following table illustrates the potential debt that could be issued within the ARL.

Term	Interest Rate	Principal
5	2.82%	\$27,000,000
10	3.22%	\$50,000,000
20	3.51%	\$84,000,000
30	3.60%	\$108,000,000

It is important to be aware that as our ARL decreases, our ability to fund additional projects is impaired and our cost of debt may increase.

Operating Impacts by Functional Area

General Government

A total budget of \$216,000 has been allocated for Information and Communications capital initiatives. Generally speaking, the impact to operations is minimal. Computer replacements, network upgrades, video surveillance and AV systems hardware, and street photo purchases have no impact. Some of the more noteworthy items are as follows:

- Document management system maintenance is part of the base budget with no additional increase anticipated.
- Maintenance costs may change when copiers are replaced. Impact is anticipated to be immaterial.
- Cityworks will replace Cartegraph, saving \$13,000 in annual maintenance costs.
- Arena Sound System may have an annual \$900 impact to operations if a second year option is exercised.

Protection to Persons and Property

Fire

The annual allocation of \$13,000 for the replacement of Firefighter PPE has no bearing on operating costs.

The garage floor refurbishment of \$8,000 at Fire Hall Number 1 has no impact to operating as well.

A budget of \$45,000 is proposed for the acquisition of vehicle extrication tools. This equipment will require an annual inspection starting in 2020 at a cost of \$1,050.

Transportation Services

Rehabilitation or replacement of existing transportation infrastructure generally has no operating impact. Annual operating costs (as of 2006) for additional lane kilometers of road are approximately \$7,400 for Public Works and \$760 for Winter Control.

Roads

An amount of \$1,300,000 has been allocated for the annual asphaltting program. There is no direct operating budget impact as this budget is for the paving of existing roads.

On January 12, 2016, Council adopted the Tecumseh Road Main Street Community Improvement Plan (CIP) in accordance with Section 28(2) of the Planning Act. The CIP applies to an area that represents the historical commercial core of the Town, encompasses 96 acres and approximately 115 properties with a mix of commercial and residential along with many tracks of underutilized land. The tentative phasing and associated project costs are broken up into the five following phases:

- Phase 1: \$14.6 million - Tecumseh Road (St. Anne's to VIA) and Lesperance (St. Denis to Arbour)
- Phase 2: \$7.7 million - Tecumseh Road (St. Anne's to Shawnee)
- Phase 3: \$4.0 million - Tecumseh Road (Shawnee to Southfield)
- Phase 4: \$4.2 million - Tecumseh/Southfield intersection
- Phase 5: \$2.2 million - Lesperance (McNorton to St. Denis)

The \$528,000 proposed 2019 budget allocation for the Tecumseh Road CIP project Phase 1 and 2 is largely for design of the Road component. There is no operating impact at this point. There is no construction date scheduled as per the current PWES Five Year Capital Works Plan. Further analysis as to the operating impact of this project is warranted.

Budget allocation for engineering of Sylvestre Drive has no immediate operating budget impact.

The one pickup truck being purchased replaces the existing pickup of similar type.

The South Talbot Road project involves the reconstruction of the existing road and thus there is no impact to operations.

The bike lane pavement markings planned for the Lesperance Road will not have an impact to operations as they would be replacing the existing line painting for the centre turning lane.

The Traffic Signal Controllers Upgrade will improve operational efficiencies amongst the Town's and County's traffic signal infrastructure.

The Public Works Yard (North) expansion and improvement will increase the operational efficiencies and use of the maintenance yard.

The Road Line Painter will increase operational efficiencies due to less maintenance required on the newer equipment.

The following projects and studies are in the design phase and would not have any impact on operations:

- Scully and St Mark's Storm pump station project
- County Road 46, Webster, and Laval Sanitary Sewer project
- Delduca Drive Sanitary Sewer project
- Traffic Calming Study
- Roads Needs Study
- Brighton Road Traffic Study

Servicing of existing debt has been provided for in the base budget. No additional debt is planned for 2019.

Bridges

The budget allocation of \$0.62 million for Bridge Structures 1004, 1014, 1013 have no operating budget impact as the capital works involve the construction for the rehabilitation of existing bridges.

Servicing of existing debt has been provided for in the base budget. No additional debt is planned for 2019.

Sidewalk

An amount of \$69,000 has been allocated for the annual sidewalk program. There is no direct operating budget impact as this budget is for the repair/replacement of existing sidewalk segments.

A multi-use trail on County Road 11, from Highway 401 to North Talbot Road, has been proposed as part of the County Road 11 (North) Sanitary Sewer Extension. The \$0.6 million for 2019 is slated for construction of the sanitary sewer and the multi-use

trail. The Town may see an operating impact in future years for the snow clearing of the trail should Council request this addition to the Approved Clearing List.

A new trail is proposed for Riverside Drive from Lesperance Road to Manning Road. The trail will be 2.4m wide with a length of approximately 2.4km. The trail will be included in the network of roads to be cleared of snow as required. The work is to be undertaken by existing staff with a minimum impact on gasoline and salt.

Environmental Services

Storm Sewer

The following projects and studies are in the design phase and would not have any impact on operations:

- Scully and St Mark's Storm pump station project
- County Road 46, Webster, and Laval Sanitary Sewer project
- Delduca Drive Sanitary Sewer project
- Oldcastle Storm Drainage Master Plan

The Storm Pump Station Repairs should result in efficiencies in the operations of the West St Louis, East St Louis and Lesperance Road Pump Stations.

The Storm Sewer component of the Manhole Restoration program has no immediate impact to operations.

There is no direct operating impact of the (Tecumseh) Storm Drainage or (Oldcastle Hamlet) Storm Drainage Master Plans and the Pump Station Emergency Response.

Sanitary Sewers

The County Road 11 (North) Sanitary Sewer Extension project involves the sanitary sewer servicing area. The new sewer will ultimately drain into the North Talbot Road Sanitary Trunk. As per the 2015 Water and Wastewater Rate Study, the estimated volume attributable to these projects is minimal and corresponding 2019 treatment costs and revenues are minor and have been factored into the operating budget. Volumes will increase annually as new connections are made to the system.

The 2016 Pump and Metering Station Condition Assessment identified several sanitary pump stations and sanitary metering stations that required 'Immediate Repairs'. As these are repairs to existing assets, there are no anticipated operating impacts.

The Collection System Rehabilitation project (Phases 1and2) involves the renewal of approximately 30,000 linear metres of sanitary sewer pipe, 500 manholes and the rehabilitation of approximately 500 sanitary sewer service connections. It is anticipated that upon completion of this project there could be up to a 10% reduction in volume or 433,000 m³. Possible

sanitary sewer treatment cost savings could be up to \$150,000. This estimate is highly speculative at this point. Actual volume reductions depend on the extent of the system rehabilitation required which will not be known until the camera inspection phase of the project has been completed. Phase 3 of the project is proposed for 2019 subject to the availability of grant funding.

The Sanitary Sewer component of the Manhole Restoration program has no immediate impact to operations.

The following projects and studies are in the design phase and would not have any impact on operations:

- Scully and St Mark's Storm pump station project
- Sanitary Sewer Model Update and Analysis
- County Road 46, Webster, and Laval Sanitary Sewer project
- Delduca Drive Sanitary Sewer project
- Sylvestre Drive Sanitary Sewer project

Water

The 2019 budget contains the engineering of water main replacement on Hwy. 3/Walker Road, which are replacing existing water mains with no operating impact.

The following projects and studies are in the design phase and would not have any impact on operations:

- County Road 46, Webster, and Laval Sanitary Sewer project
- Highway No.3 - County Road 11 Watermain Replacement project
- Water Audit and Water Balance Study

The Water Tower Internal Lining Replacement project does not have any anticipated operating impacts.

The valve turner/hydrovac will provide efficiencies to the operations and maintenance of the watermain system.

A total of \$95,000 has been allocated to Electronic Radio Transmitter (ERT) installation and meter purchases. Residential meters are replaced at the same time ERTs are installed. Meters equipped with ERTs can be read from a moving vehicle using radio frequency technology. This is in contrast to the traditional method which required staff to read meters on foot. While there is no impact on staffing levels, ERTs make meter reading more efficient and allow the Town to offer a better service to residents (reduces errors and allows Town staff to attend to discrepancies sooner). The program is 95% complete.

Recreation and Culture

Parks

The 2019 budget contains an allocation of \$200,000 to replace the play equipment at Optimist Park; there is no direct impact on operations.

Replacement of a section of wood boardwalk at Lakewood Park with a concrete surface is planned at a cost of \$40,000. During the past number of years, annual replacement of the wood deck has been ongoing. The substitution of this section of wood deck will result in a reduction of operational time as the concrete surface will require minimum maintenance.

A washroom facility is proposed for McAuliffe Park at a cost of \$550,000. Existing facilities cannot service the current park activities. Outlook years call for the introduction of a splash pad which will increase volumes of users and generate further demand for additional washroom and change room space. Annual operational impact is expected to be between \$2,000 to \$4,000 depending on the number of amenities (sinks/toilets). Costs include hydro, water and maintenance allocations.

The Parks and Recreation Master Plan has been budgeted at \$83,500 with no impact to operations.

There has been \$30,000 budgeted for Tree Planting in 2019. The majority of trees are planted by Town staff, requiring approximately 6 days for 3 staff at a total of 144 labour hours. Equipment needs include a truck, trailer, and one tractor. The estimated operating impact is \$5,040 for labour with some associated fuel and equipment maintenance costs. The tree planting program is a normal ongoing project and is included in the Parks budget allocation.

The Parks fleet budget includes a pickup truck, tractor, and mowers which are replacements of existing assets with no operational impact.

Other budgeted line items for Parks generally include the replacement of existing facility components or are maintenance in nature with no operating impact.

Arena

A building environmental control system at a budgeted cost of \$45,000 is proposed for 2019. This system allows the temperature to be programmed for various zones based on usage. As per the Town's Energy Audit, there is an estimated reduction of 25% in energy usage anticipated with use of this system. This amounts to 21,500 m³ natural gas at an estimated annual savings of \$5,500 and 81,800 kWh hydro at an estimated annual savings of \$11,000. Savings will be reflected in future budget years.

Installation of a hot water pre-heater at \$60,000 is proposed for 2019. This is a waste heat recovery system that can recycle the wasted heat generated by the refrigeration system and use it to pre-heat water. As per the Town's Energy Audit, this could save 21,000 m³ of natural gas with an estimated annual cost reduction of \$5,000. Savings will be reflected in future budget years.

A Multi-Use Sportsplex has been approved in principal for addition to the existing arena. Detailed design drawings budgeted at \$350,000 will be undertaken in 2019 to further prepare for the construction of this facility upon Council approval. There are no operating impacts at this stage of the project.

Ice Resurfacing Machine is scheduled for replacement. There will be some operational efficiencies with the new ice leveling equipment on the machine.

Other budgeted line items for the Arena generally include the replacement of existing facility components or are maintenance in nature with no operating impact.

Pool

Two tankless hot water heaters and a mixing valve will replace the existing hot water tanks with an estimated 10% reduction in gas costs.

The tot pool is proposed for pressure washing and painting which are maintenance in nature with no operating impact.

Planning and Development

Drains

The Town of Tecumseh is responsible for the repair, maintenance and/or improvements to the municipal drainage systems located within the Town boundaries on behalf of the community of affected landowners involved. All costs to repair or improve municipal drainage systems are assessed to the affected upstream landowners who benefit from the drains.

Issues

1. Sanitary Sewer and Water Revenues

Volumes continue to decline on a per household basis which has caused some funding concerns on the revenue side of budget forecasts. A detailed analysis of the full impact is recommended for early 2019 to determine if an update is required to the Water Wastewater Rate study.

2. Funding Major Capital Projects – CIP and Sportsplex

The approval in principal of two major projects has highlighted budget issues with respect to funding new projects. Main Street CIP Streetscape and Multi-Use Sportsplex projects are multi-million dollar projects for which the Town has no funding included in the budget. If Council wishes to do these projects in the near term then debt is most likely the only way they will proceed. The 2018 budget took the initial steps to identify funding for Sportsplex debt payments, however additional allocations will be required if grants are not achieved. No funding has currently been identified for the Main Street CIP Streetscape project.

3. Funding of Storm Infrastructure

The (Tecumseh) Storm Drainage Master Plan was initiated in 2017 and is anticipated to be completed in early 2019. The 2D Modelling and resulting recommendations to improve the level of service for the storm infrastructure is anticipated to cost \$85+M in improvements. The current allocation to the Storm Sewer Reserves (\$902,700) is intended for the replacement of the existing assets and not meant for 'level of service improvements'. There is no significant increase planned in the Storm Sewer Reserves within the 2019 budget, however it is intended that the 'level of service improvements' may be funded from the New Infrastructure Reserve. This approach may find storm infrastructure projects competing for funding with other Council initiatives such as the Multi-Use Sportsplex and the Main Street CIP Streetscape project. Administration has, and will continue to, apply to upper levels of government funding for the storm infrastructure projects. However once the (Tecumseh) Storm Drainage Master Plan has been finalized in early 2019 and the recommendations prioritized, a funding strategy should be developed as part of the 2020 budget and beyond.

2019 BUDGET - Lifecycle Summary

	Tax & Revenues	Annual Requirement	Deficiency
Lifecycle - Replace Existing Capital Assets			
Arenas	140,000	140,000	-
Bridges and culverts	390,000	390,000	-
Buildings	190,000	190,000	-
Drains	100,000	100,000	-
Fire apparatus	194,000	194,000	-
Fire equipment	45,000	45,000	-
Fleet	536,000	536,000	-
ITS infrastructures	128,000	128,000	-
Outdoor pool	55,000	55,000	-
Roads	4,160,000	4,160,000	-
Sidewalks	74,000	74,000	-
Storm sewers	902,700	902,700	-
	<u>6,914,700</u>	<u>6,914,700</u>	-
Lifecycle - Replace Existing Capital and Provision for New Assets			
Park development & play equipment	355,000	355,000	-
Reforestation	30,000	30,000	-
Community trails	50,000	50,000	-
	<u>435,000</u>	<u>435,000</u>	-
Lifecycle - Operating Cyclical Expenditures			
Election	16,000	16,000	-
Transit	100,000	100,000	-
	<u>116,000</u>	<u>116,000</u>	-
Lifecycle - Other			
New lifecycle issues	100,000	100,000	-
Strategic issues - one time	50,000	50,000	-
	<u>150,000</u>	<u>150,000</u>	-
Lifecycle Total	<u>7,615,700</u>	<u>7,615,700</u>	-
Debt payments	<u>1,505,800</u>		
Miscellaneous			
Small equipment	150,000		
Rehabilitation/Renewal	1,077,000		
New Infrastructure Levy	1,350,000		
	<u>2,577,000</u>		
Total	<u>11,698,500</u>		
Reconciliation	2019	2018	2017
Lifecycle - prior year	7,924,000	7,809,000	7,583,000
Lifecycle - increase	100,000	120,000	226,000
ITS reduction re Agenda Manager		(5,000)	
	<u>8,024,000</u>	<u>7,924,000</u>	<u>7,809,000</u>
New Infrastructure Levy - prior year	1,200,000	1,100,000	700,000
New Infrastructure Levy - increase	150,000	100,000	400,000
	<u>1,350,000</u>	<u>1,200,000</u>	<u>1,100,000</u>
	9,374,000	9,124,000	8,909,000
Water/Sanitary rates	120,000	120,000	120,000
Share of gas tax	1,127,500	1,148,500	1,093,800
OCIF Grant	1,077,000	700,000	493,900
Total	<u>11,698,500</u>	<u>11,092,500</u>	<u>10,616,700</u>

Town of Tecumseh
Proposed 2019 Lifecycle Budget

	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/19		
	Unfinanced Capital Dec. 31/18Est	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Tax-Supported General Government Lifecycle														
Arena			140,000				-			-		140,000	140,000	-
Bridges			390,000				-			-		390,000	390,000	-
Buildings			190,000				-			-		190,000	190,000	-
Community Trails			50,000				-			-		50,000	50,000	-
Drains			100,000				-			-		100,000	100,000	-
Elections			16,000				-			-		16,000	16,000	-
Fire Apparatus			194,000				-			-		194,000	194,000	-
Fire Equipment			45,000				-			-		45,000	45,000	-
Fleet			416,000				-			-		416,000	416,000	-
ITS			128,000				-			-		128,000	128,000	-
New issues			100,000				-			-		100,000	100,000	-
Outdoor Pool			55,000				-			-		55,000	55,000	-
Park Development			355,000				-			-		355,000	355,000	-
Reforestation			30,000				-			-		30,000	30,000	-
Roads			4,160,000	1,127,500			1,127,500			-		3,032,500	4,160,000	-
Sidewalks			74,000				-			-		74,000	74,000	-
Storm Sewers			902,700				-			-		902,700	902,700	-
Strategic Issues - one time			50,000				-			-		50,000	50,000	-
Transit			100,000				-			-		100,000	100,000	-
Total Lifecycle	-	-	7,495,700	1,127,500	-	-	1,127,500	-	-	-	-	6,368,200	7,495,700	-
Administration														
ICS - Computer Replacements		25,000					-		25,000	25,000			25,000	-
ICS - Network Upgrades		10,000					-		10,000	10,000			10,000	-
ICS - Video Surveillance (2 sites)		12,000					-		12,000	12,000			12,000	-
ICS - AV Systems		5,000					-		5,000	5,000			5,000	-
ICS - Misc. Software		3,000					-		3,000	3,000			3,000	-
ICS - Street Photos		10,000					-		10,000	10,000			10,000	-
ICS - RMS setup/training		10,000					-		10,000	10,000			10,000	-
ICS - Virtual Server Upgrades		10,000					-		10,000	10,000			10,000	-
ICS - GPS Data Collector Units		6,000					-		6,000	6,000			6,000	-
ICS - Arena Sound System (Phase 2)		35,000					-		35,000	35,000			35,000	-
ICS - Cityworks - <i>cfwd</i>		30,000					-		30,000	30,000			30,000	-
ICS - Copiers - <i>cfwd</i>		60,000					-		60,000	60,000			60,000	-
Small Equipment		150,000					-					150,000	150,000	-
New Infrastructure funding enhancement			1,350,000				-					1,350,000	1,350,000	-
Total Administration	-	366,000	1,350,000	-	-	-	-	-	216,000	216,000	-	1,500,000	1,716,000	-
Total General Government	-	366,000	8,845,700	1,127,500	-	-	1,127,500	-	216,000	216,000	-	7,868,200	9,211,700	-
Protection To Persons & Property														
Fire														
Swiss Phone Pagers (4)		3,000					-		3,000	3,000			3,000	-
Helmets (5)		2,250					-		2,250	2,250			2,250	-
Bunker Gear (8 sets)		13,000					-		13,000	13,000			13,000	-
Leather Boots (4)		2,000					-		2,000	2,000			2,000	-
Vehicle Extrication		45,000					-		45,000	45,000			45,000	-
Fire Hall # 1 Garage Floor Refurbishment		8,000					-		8,000	8,000			8,000	-
Total Fire	-	73,250	-	-	-	-	-	-	73,250	73,250	-	-	73,250	-
Police														
Total Emergency Measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Dept.														
Total Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Protection To Persons & Property	-	73,250	-	-	-	-	-	-	73,250	73,250	-	-	73,250	-

Town of Tecumseh
Proposed 2019 Lifecycle Budget

	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/19		
	Unfinanced Capital Dec. 31/18Est	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Transportation Services														
Roads														
Asphalt		1,300,000					-		1,300,000	1,300,000		-	1,300,000	-
Traffic Signal Controllers Upgrade (5)		150,000							150,000	150,000		-	150,000	-
Road Line Painter		30,000							30,000	30,000		-	30,000	-
South Talbot Rd Reconstruction		2,240,500					-		2,240,500	2,240,500		-	2,240,500	-
Sylvestre Dr Sanitary Sewer Extension Eng.		20,000					-		20,000	20,000		-	20,000	-
Lesperance Rd Bike Lanes		115,000		80,000			80,000		35,000	35,000		-	115,000	-
Brighton Road Traffic Circle Review		25,000							25,000	25,000		-	25,000	-
Traffic Calming Policy		20,000							20,000	20,000		-	20,000	-
Roads Needs Study		63,000					-		63,000	63,000		-	63,000	-
Scully & St. Marks Storm PS		43,600					-		43,600	43,600		-	43,600	-
CR46 Webster Laval Sanitary Sewer Ext		120,750							120,750	120,750		-	120,750	-
Delduca Dr Sanitary Sewer (LRPCP) Eng.		92,450							92,450	92,450		-	92,450	-
Tecumseh Road CIP - Phase 1 <i>cfwd</i>		450,000							450,000	450,000		-	450,000	-
Tecumseh Road CIP - Phase 2 <i>cfwd</i>		78,000							78,000	78,000		-	78,000	-
PW Yard North Expansion/Improvements		30,000							30,000	30,000		-	30,000	-
Valve Turner/Hydrovac (Roads share)		5,000							5,000	5,000		-	5,000	-
Pickup		35,000					-		35,000	35,000		-	35,000	-
							-					-		-
							-					-		-
Total Road Construction	-	4,818,300	-	80,000	-	-	80,000	-	4,738,300	4,738,300	-	-	4,818,300	-
Debt payment - re 2005 debt		159,500					-				159,500	159,500	159,500	-
Debt payment - re 2006 debt		144,700					-				144,700	144,700	144,700	-
Debt payment - re 2007 debt		128,900					-				128,900	128,900	128,900	-
Debt payment - re 2008 debt		116,300					-				116,300	116,300	116,300	-
Debt payment - re 2009 debt		59,500					-				59,500	59,500	59,500	-
Debt payment - re 2010 debt		49,400					-				49,400	49,400	49,400	-
Debt payment - re 2011 debt		38,900					-				38,900	38,900	38,900	-
Debt payment - re 2012 debt		22,300					-				22,300	22,300	22,300	-
Debt payment - re 2013 debt		4,900					-				4,900	4,900	4,900	-
Total Road Debt		724,400	-	-	-	-	-	-	-	-	-	724,400	724,400	-
							-							-
Total Road Construction & Debt	-	5,542,700	-	80,000	-	-	80,000	-	4,738,300	4,738,300	-	724,400	5,542,700	-
							-							-
Bridges														
Culvert 46: South Talbot Rd		370,500					-		370,500	370,500		-	370,500	-
Culvert 47: South Talbot Rd		175,410					-		175,410	175,410		-	175,410	-
Sullivan Creek @ 12th (1004)		207,300					-		207,300	207,300		-	207,300	-
Townline Rd Drain @ 6th (1014)		207,300					-		207,300	207,300		-	207,300	-
Merrick Creek @ 8th (1013)		207,300					-		207,300	207,300		-	207,300	-
							-					-		-
							-					-		-
Total Bridge Construction	-	1,167,810	-	-	-	-	-	-	1,167,810	1,167,810	-	-	1,167,810	-
Debt payment - re 2005 debt		54,000					-				54,000	54,000	54,000	-
Debt payment - re 2006 debt		5,800					-				5,800	5,800	5,800	-
Debt payment - re 2007 debt		7,300					-				7,300	7,300	7,300	-
Debt payment - re 2008 debt		6,700					-				6,700	6,700	6,700	-
Debt payment - re 2009 debt		3,600					-				3,600	3,600	3,600	-
Debt payment - re 2010 debt		3,100					-				3,100	3,100	3,100	-
Debt payment - re 2011 debt		2,400					-				2,400	2,400	2,400	-
Debt payment - re 2012 debt		1,600					-				1,600	1,600	1,600	-
Debt payment - re 2013 debt		400					-				400	400	400	-
Total Bridge Debt		84,900	-	-	-	-	-	-	-	-	-	84,900	84,900	-
							-							-
Total Bridge Construction & Debt	-	1,252,710	-	-	-	-	-	-	1,167,810	1,167,810	-	84,900	1,252,710	-

Town of Tecumseh
Proposed 2019 Lifecycle Budget

	Unfinanced Capital Dec. 31/18Est	Uses of Funds		Sources of Funds								Unfinanced Capital Dec. 31/19		
		Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Sidewalk														
General Allowance		69,000					-		69,000	69,000		-	69,000	-
Riverside Drive Trail		782,000					-		782,000	782,000		-	782,000	-
CWATS CR11: Hwy 401 to NTR		292,950		56,000		117,180	173,180		119,770	119,770		-	292,950	-
							-			-		-		-
Railway Crossing														
							-			-		-		-
							-			-		-		-
Total Sidewalk//Railway Crossing	-	1,143,950	-	56,000	-	117,180	173,180	-	970,770	970,770	-	-	1,143,950	-
Transit														
							-			-		-		-
							-			-		-		-
Total Transit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street Lighting														
							-			-		-		-
							-			-		-		-
Total Streetlights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transportation Services	-	7,939,360	-	136,000	-	117,180	253,180	-	6,876,880	6,876,880	-	809,300	7,939,360	-
Environmental Services														
Storm Sewer														
West St Louis Storm PS - Repairs		66,300					-		66,300	66,300		-	66,300	-
Lesperance Rd Storm PS - Repairs		117,200					-		117,200	117,200		-	117,200	-
East St Louis Storm PS - Repairs		84,500					-		84,500	84,500		-	84,500	-
Manhole restoration program		50,000					-		50,000	50,000		-	50,000	-
Oldcastle Storm Drainage Master Plan		330,000					-		330,000	330,000		-	330,000	-
CR46/Webster/Laval Sanitary Sewer Ext		2,400					-		2,400	2,400		-	2,400	-
Scully & St Marks Storm PS		733,100					-		733,100	733,100		-	733,100	-
Delduca Dr Sanitary Sewer (LRPCP)		50,850					-		50,850	50,850		-	50,850	-
CR42: Lesperance to CR19 - Storm		9,000					-		9,000	9,000		-	9,000	-
Transfer to Storm Reserve Fund			1,077,000	1,077,000			1,077,000			-		-	1,077,000	-
Total Storm Sewer	-	1,443,350	1,077,000	1,077,000	-	-	1,077,000	-	1,443,350	1,443,350	-	-	2,520,350	-
Total Environmental Services	-	1,443,350	1,077,000	1,077,000	-	-	1,077,000	-	1,443,350	1,443,350	-	-	2,520,350	-

Town of Tecumseh
Proposed 2019 Lifecycle Budget

	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/19		
	Unfinanced Capital Dec. 31/18Est	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Recreation and Culture														
Parks														
Park Bench Replacement & Installation		15,000					-		15,000	15,000		-	15,000	-
Sports Fields Top Dressing/Overseeding		15,000					-		15,000	15,000		-	15,000	-
In-Ground Garbage Containers		20,000					-		20,000	20,000		-	20,000	-
Mftd Wood Chips Under Play Sets Install		15,000					-		15,000	15,000		-	15,000	-
Green Acres Tennis Court Crack Fill		10,000					-		10,000	10,000		-	10,000	-
Green Acres - Playset Replacement		200,000					-		200,000	200,000		-	200,000	-
Lakewood Boardwalk Replacement		40,000					-		40,000	40,000		-	40,000	-
L'Essor Field & Drainage Upgrades		30,000					-		30,000	30,000		-	30,000	-
St. Mary's Path - Splash Pad to Washrooms		15,000					-		15,000	15,000		-	15,000	-
McAuliffe Washrooms		550,000					-		550,000	550,000		-	550,000	-
Drainage Improvements - Various - <i>cfwd</i>		10,000					-		10,000	10,000		-	10,000	-
Parks Sign Replacements - <i>cfwd</i>		15,000					-		15,000	15,000		-	15,000	-
Lakewood Historical Storyboard - <i>cfwd</i>		10,000					-		10,000	10,000		-	10,000	-
Lakewood Park Board Replacement - <i>cfwd</i>		6,000					-		6,000	6,000		-	6,000	-
Parks and Rec Master Plan - <i>cfwd</i>		63,500					-		63,500	63,500		-	63,500	-
Parks and Rec Master Plan Contingency - <i>cfwd</i>		20,000					-		20,000	20,000		-	20,000	-
Parks Building Upgrades		15,000					-		15,000	15,000		-	15,000	-
Lakewood Proshop HVAC Replacement		17,000					-		17,000	17,000		-	17,000	-
Lacasse Grandstand Design		40,000					-		40,000	40,000		-	40,000	-
Tree Planting		30,000					-		30,000	30,000		-	30,000	-
Pickup		37,000					-		37,000	37,000		-	37,000	-
Tractor		35,000					-		35,000	35,000		-	35,000	-
Mower - large area rotary		44,000					-		44,000	44,000		-	44,000	-
Mower - zero turn (2)		30,000					-		30,000	30,000		-	30,000	-
							-					-		-
Total Parks Construction		1,282,500	-	-	-	-	-	-	1,282,500	1,282,500	-	-	1,282,500	-
Lakewood Park - debt payment		696,500					-					696,500	696,500	-
Total Parks Construction & Debt	-	1,979,000	-	-	-	-	-	-	1,282,500	1,282,500	-	696,500	1,979,000	-
Arena														
Spectator Protective Netting		18,000					-		18,000	18,000		-	18,000	-
Rink B Zamboni Door Replacement		10,000					-		10,000	10,000		-	10,000	-
Rink A - Exterior Wall Inspection for Defects		5,000					-		5,000	5,000		-	5,000	-
Work Area Garage Door Replacement		6,000					-		6,000	6,000		-	6,000	-
Hot Water pre-heater (De-super heater) - <i>cfwd</i>		60,000					-		60,000	60,000		-	60,000	-
Environmental Control System - <i>cfwd</i>		45,000					-		45,000	45,000		-	45,000	-
Zamboni		110,000					-		110,000	110,000		-	110,000	-
Sportsplex Phase 2		350,000					-		350,000	350,000		-	350,000	-
							-					-		-
Total Arena	-	604,000	-	-	-	-	-	-	604,000	604,000	-	-	604,000	-
Pool														
Rebuild Sand Filters		5,000					-		5,000	5,000		-	5,000	-
Tot Pool Refurbishment		15,000					-		15,000	15,000		-	15,000	-
Pool Slide Structure - Sand Blast & Recoating		28,000					-		28,000	28,000		-	28,000	-
Tankless Hot Water Heater (<i>\$6,500 cfwd</i>)		10,000					-		10,000	10,000		-	10,000	-
							-					-		-
Total Pool		58,000	-	-	-	-	-	-	58,000	58,000	-	-	58,000	-
Total Recreation	-	2,641,000	-	-	-	-	-	-	1,944,500	1,944,500	-	696,500	2,641,000	-
Cultural Services														
Library														
Total Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cultural Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning & Development														
Planning														
Total Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture & Reforestation (Drains)														
Summarized (approx. 50 drains)	1,579,000	950,000		100,000		700,000	800,000		100,000	100,000			900,000	1,629,000
Drain improvement deposits (19,600)														(19,600)
Total Drains	1,559,400	950,000	-	100,000	-	700,000	800,000	-	100,000	100,000	-	-	900,000	1,609,400
Total Planning & Development	1,559,400	950,000	-	100,000	-	700,000	800,000	-	100,000	100,000	-	-	900,000	1,609,400
Total Tax Supported	1,559,400	13,412,960	9,922,700	2,440,500	-	817,180	3,257,680	-	10,653,980	10,653,980	-	9,374,000	23,285,660	1,609,400

**Town of Tecumseh
Proposed 2019 Lifecycle Budget**

	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/19		
	Unfinanced Capital Dec. 31/18Est	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Rate-Supported Sanitary Sewers														
Sanitary Sewer Rehab (I&I Phase 3)		3,000,000		1,500,000			1,500,000	1,500,000		1,500,000			3,000,000	-
CR11 (North) Sanitary Sewer		952,000	158,200			1,110,200	1,110,200			-			1,110,200	-
Sylvestre Dr Sanitary Sewer Extension		77,600				77,600	77,600			-			77,600	-
Sanitary Sewer Model Update & Analysis		250,000					-	250,000		250,000			250,000	-
Manhole Restoration Program		50,000					-	50,000		50,000			50,000	-
Sylvestre Dr Sanitary PS Improvements		15,000					-	15,000		15,000			15,000	-
Lakewood Sanitary PS Improvements		7,500					-	7,500		7,500			7,500	-
Sanitary Metering Station Repairs		10,000					-	10,000		10,000			10,000	-
CR46/Webster/Laval Sanitary Sewer Ext		166,700					-	166,700		166,700			166,700	-
Scully & St. Mark's Storm PS/Riverside Drive		20,550					-	20,550		20,550			20,550	-
Delduca Dr Sanitary Sewer (LRPCP)		148,500					-	148,500		148,500			148,500	-
CR42/CR19 Roundabout - Water & Sanitary		5,000					-	5,000		5,000			5,000	-
CR42: Lesperance to CR19 - Sanitary		11,000					-	11,000		11,000			11,000	-
Valve Turner/Hydrovac (WW share)		3,400					-		3,400	3,400			3,400	-
							-			-			-	-
Total Sanitary Sewer Construction	-	4,717,250	158,200	1,500,000	-	1,187,800	2,687,800	2,184,250	3,400	2,187,650	-	-	4,875,450	-
Sanitary Sewers			1,841,499				-			-	1,841,499	1,841,499	-	-
Facilities			400,000				-			-	400,000	400,000	-	-
Fleet			60,000				-			-	60,000	60,000	-	-
Rate Stabilization			25,000				-			-	25,000	25,000	-	-
Total Lifecycle/Capital	-	-	2,326,499	-	-	-	-	-	-	-	-	2,326,499	2,326,499	-
Debt payment - re 2009 debt		279,800					-	279,800		279,800			279,800	-
Debt payment - re 2010 debt		258,600					-	258,600		258,600			258,600	-
Debt payment - re 2012 debt		57,600					-	57,600		57,600			57,600	-
Debt payment - re 2012 debt NTR NTR/Halford		22,800				22,800	22,800			-			22,800	-
Debt payment - re 2015 debt NTR Brendan/Binder		14,200				14,200	14,200			-			14,200	-
Debt payment - re 2016 debt NTR Burke/Outer/Morro		56,000				56,000	56,000			-			56,000	-
Debt payment - re 2017 debt NTR Dumouchelle Outer		41,900				41,900	41,900			-			41,900	-
Debt payment - re 2018 debt NTR Pulleyblank/Crowder/M		21,300				21,300	21,300			-			21,300	-
Debt payment - re 2018 debt NTR Rossi		41,900				41,900	41,900			-			41,900	-
Debt payment re internal borrowing Lakewood pump		200,000					-	200,000		200,000			200,000	-
							-			-			-	-
Total Sanitary Sewer Debt	-	994,100	-	-	-	198,100	198,100	796,000	-	796,000	-	-	994,100	-
Total Sanitary Sewers	-	5,711,350	2,484,699	1,500,000	-	1,385,900	2,885,900	2,980,250	3,400	2,983,650	-	2,326,499	8,196,049	-
Water														
Water Tower Internal Lining Replacement		470,000					-	470,000		470,000			470,000	-
Water Loss Audit		15,000					-	15,000		15,000			15,000	-
CR46/Webster/Laval Sanitary Sewer Ext		80,400					-	80,400		80,400			80,400	-
Delduca Drive Sanitary Sewer (LRPCP)		5,550					-	5,550		5,550			5,550	-
CR42/CR19 Roundabout - Water & Sanitary		10,000					-	10,000		10,000			10,000	-
CR42: Lesperance to CR19 Watermain		15,000					-	15,000		15,000			15,000	-
Hwy#3/Walker Rd Watermain Replacement <i>cfwd</i>		74,600					-	74,600		74,600			74,600	-
Valve Turner/Hydrovac (Water share)		75,000					-		75,000	75,000			75,000	-
Service Truck		85,000					-		85,000	85,000			85,000	-
Utility Trailer		2,600					-		2,600	2,600			2,600	-
							-			-			-	-
Total Water Construction	-	833,150	-	-	-	-	-	670,550	162,600	833,150	-	-	833,150	-
Water Surplus			1,621,085				-			-	1,621,085	1,621,085	-	-
Facilities			129,000				-			-	129,000	129,000	-	-
Fleet			60,000				-			-	60,000	60,000	-	-
Rate Stabilization			30,000				-			-	30,000	30,000	-	-
Total Lifecycle/Capital	-	-	1,840,085	-	-	-	-	-	-	-	-	1,840,085	1,840,085	-
							-			-			-	-
Total Water	-	833,150	1,840,085	-	-	-	-	670,550	162,600	833,150	-	1,840,085	2,673,235	-
Total Rate Supported	-	6,544,500	4,324,784	1,500,000	-	1,385,900	2,885,900	3,650,800	166,000	3,816,800	-	4,166,584	10,869,284	-
Total Tax and Rate Supported	1,559,400	19,957,460	14,247,484	3,940,500	-	2,203,080	6,143,580	3,650,800	10,819,980	14,470,780	-	13,540,584	34,154,944	1,609,400

Construction/Equipment 17,457,560
Debt 2,499,900
19,957,460

Transfer Payments = 3,940,500 {
2,813,000 Grants
1,127,500 Gas tax
Other Municipalities
Donations
2,203,080 Property Owners
6,143,580 Contributed Assets

34,204,944
(20,614,360)
13,590,584



Reserves

Glossary

Reserve: A reserve is an allocation of accumulated net revenues. Reserves can be established for any predetermined purpose and applied for that purpose at the discretion of Council.

Reserve Fund: A reserve fund is established to account for assets that have been segregated for a specific purpose, either voluntarily or because of legal or contractual reasons.

Discretionary Reserve Fund: These are established whenever Council wishes to earmark funds to finance a future project for which it has the authority to spend money. A municipality may, by by-law, provide that the money raised for a reserve fund be applied to another purpose.

Obligatory Reserve Fund: These must be created whenever a statute requires revenues received for special purposes to be segregated from the general revenues of the municipality.

2019 Budget Estimated Balances

Funding included in budget estimates are based on normal annual projected works and pre-approved projects. As per policy, any allocation of new funds for specific projects will be first brought before Council for approval.

Budgeted reserve and reserve fund (reserves) balances at the end of 2019 are projected to be \$41.9M, which compares to

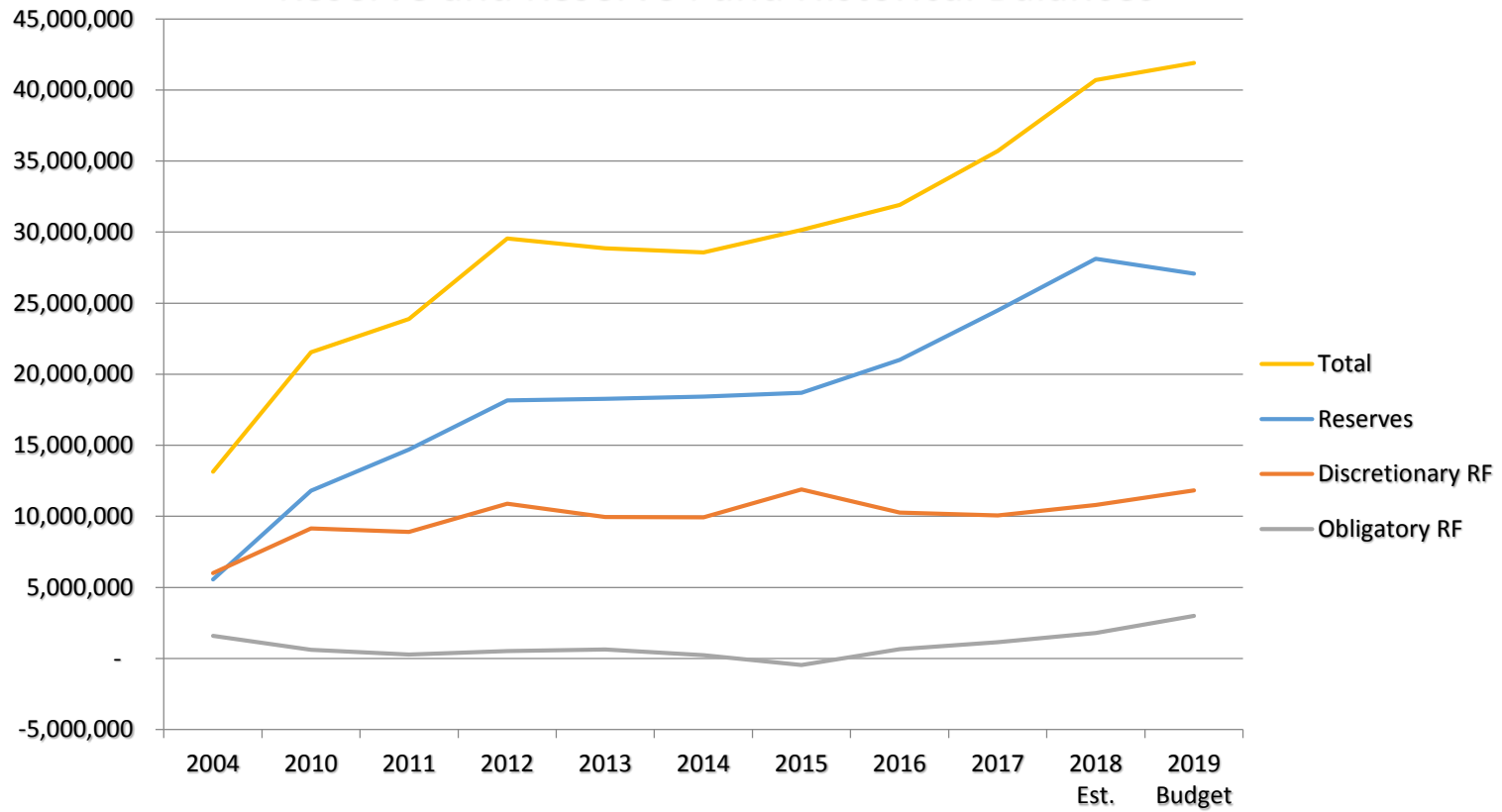
\$40.7M for 2018 (estimate), \$35.7M for 2017 and \$31.9M for 2016.

Major balances, in millions of dollars, projected to December 31, 2019 are:

• Lifecycle (LC)	\$	15.7
• Water	\$	12.0
• Infrastructure	\$	5.3
• Tax Rate Stabilization	\$	4.4
• Post-Retirement Benefits	\$	1.8
• Storm OCIF	\$	1.6
• Development Charges	\$	0.8
• Sanitary Sewer	\$	(1.9)
• Balance	\$	<u>2.2</u>
	\$	41.9

The following chart shows a ten-year history of reserve and reserve fund year-end balances by Reserves, Discretionary Reserve Funds and Obligatory Reserve Funds. In addition, 2004 has been included to show a comparison to the year prior to implementation of the Lifecycle Plan in 2005.

Reserve and Reserve Fund Historical Balances



2019 Budget Highlights

The budget anticipates funding \$14.4M for operating and capital purposes in 2019. Major items include:

Items Requiring Funding	Amount Funded From Reserves
Road construction & resurfacing	\$ 4.0M
Sanitary sewer construction/rehab	\$ 1.9M
Culvert replacements	\$ 1.2M
Parkland improvements	\$ 1.1M
Storm sewer pump station(s) eng. & repairs	\$ 1.0M
Sanitary sewer debt	\$ 0.8M
Water tower rehabilitation	\$ 0.5M
Fleet	\$ 0.5M

Administration has targeted a Tax Rate Stabilization reserve balance of 15% of the municipal tax levy, or approximately \$3.5M. The 2019 budgeted reserve balance is estimated to be \$4.4M. In previous years, contributions to the reserve were annually made from bank interest and dividend income over base budget amounts. (Base budgets are used for those sources of revenue that are subject to significant fluctuation due to factors outside the Town's control).

As the Tax Rate Stabilization reserve balance target has been reached, bank interest and dividend income contributions will be allocated to the Infrastructure reserve for the 2019 budget.

In 2019 transfers out include an estimated \$150k to Operating for legal expenses related to ongoing legal issues and \$350k to Capital for Sportsplex architectural fees (RCM-433/17).

The 2015 budget implemented a special New Infrastructure Levy (NIL). The NIL is contributed to the Infrastructure (Capital) reserve to partially address funding shortfalls required for constructing new infrastructure. The initial target was set at \$1.3M, however, in light of the expected construction of the Sportsplex the target level for the NIL has increased to \$1.75M. The current NIL is \$1.2M with an additional \$150k being budgeted in 2019, \$200k in 2020 and \$100k in 2021. The target will be reached by 2022 if the increases proceed as planned.

In addition to the NIL, the 2019 budget allocates excess bank interest and dividend income to the Infrastructure reserve as noted previously. Actual reserve transfer amounts will be determined as costs are incurred.

Challenges

Development Charge Reserve Funds: Development Charge (DC) funds have historically been the main category making up Obligatory Reserve Fund (RF) balances. For those projects where available DC funds are insufficient to fund projects, temporary funding has been provided from other reserves. As DC revenue is received, funds are transferred to reduce the unfinanced DC balances. Unfinanced balances, as reported

in Financial Services Report No. 08/18 “2017 Development Charge Reserve Fund Statement”, are:

Unfinanced Balance	Amount
Roads	\$ 1,204,000
Wastewater	\$ 11,259,000
Watermain	\$ 1,039,000
Recreation – Outdoor	\$ 771,000
Studies	\$ 832,000
Total	\$ 15,105,000

As can be seen above, Wastewater has a significant deficit; this has typically been funded by the Sanitary Sewers RF. The Sanitary Sewers RF is also currently in a deficit position, and thus insufficient to fund the 2018 and 2019 debt costs. Deficits are expected to worsen in 2019 due to the capital works program and lack of development. Options for dealing with the Wastewater DC RF deficit will be addressed as part of the 2019 update to the Development Charge Study.

Bridges and Culverts LC Reserve: in 2016, the Town undertook its first Culvert Needs Study (Structures with Spans < 3.0 m) to assess the condition of the culverts and prepare a plan for the maintenance of these structures. The study detailed a program for “Immediate,” “1-5 Year” and “6-10 Year” requirements totalling \$5.9M in capital costs. This was the first time that the culvert inventory has formally

been evaluated, and as such there was a fair amount of catch-up remedial work required.

In addition, a Bridge Needs Study (Structures with Spans > 3.0 m) was completed in 2016. The study recommended a budget allocation of \$952k to address the improvement needs of bridges within five years.

Recommendations from these two studies have been incorporated in the Town’s Five-Year Capital Works Plan and the longer-term Asset Management Plan. The capital works required for culverts < 3.0 m have put pressure on the reserve. The Bridges and Culverts LC reserve is expected to be in a deficit position by the end of 2019.

Administration will consider options to offset the deficit including reallocating funds from the Roads LC, debt, grants, increasing the annual LC allocation and spanning out the capital works over a longer period of time where possible.

Storm Sewers LC Reserve: The Storm Sewer Lifecycle Reserve is expected to be in a deficit position of \$392k by the end of 2019. This is mainly due to the funding of the Stormwater Master Plan and Rossi Drive project in 2018, and the Oldcastle Storm Drainage Master Plan and the Scully & St. Mark’s Storm Pump Station project in 2019.

A major contributor to the deficit is that the Town has significantly enhanced storm infrastructure with funding coming from the Storm Sewer LC whereas a portion of the funds should really come from the Infrastructure reserve (for new and/or enhanced assets). Examples include improvements to the Brighton and Manning Road pump stations along with certain road projects in the St. Clair Beach and Oldcastle areas where the storm system was

enhanced. Up until now, deficits have been managed using grants and additional funding provided by the Road LC.

The Scully & St. Mark's Storm Pump Station and Riverside Drive Storm Sewers projects have been identified in the five-year capital works plan. The project cost of \$12.8M would put the reserve in a significant deficit position. The 2019 capital budget includes \$733k for engineering as it was felt that there would be benefit to having the project in a "shovel ready" state in the event of grant availability. Construction timing is contingent on the final recommendations of the Master Plan, the availability of funding and Council approval.

The Master Plans will detail future capital requirements and assist in determining the proper annual allocation for the replacement of existing storm sewers and an allocation for new/enhanced storm sewer infrastructure.

Sanitary Sewers Reserve Fund: the Sanitary Sewers RF continues to be in deficit position, estimated at almost \$4M by the end of 2019. Lack of sustained growth has meant that the Town has had to fund infrastructure for longer than originally anticipated. This is expected to continue for a number of years and will worsen as the 8th Concession Road sanitary service area build out continues. The Town prepays these works and recovers costs over time. Furthermore, declining water usage has placed an additional strain on fund requirements.

Administration will consider debt financing in order to address the cash flow issues facing the sanitary sewer system. The Water and Wastewater Rate Study is due to be updated in 2020, but in the meantime consideration will be given to a reallocation of water and wastewater rates and/or a transfer from the Watermains RF to the Sanitary Sewer RF.

Town of Tecumseh
Summary of Reserves and Reserve Funds
Proposed 2019 Budget

The schedules below provide information about amounts that are available to offset future revenue requirements and amounts that have been set aside to finance future expenditures.

	Actual Balance 12/31/17	Projected Balance 12/31/18	Estimated Net Activity 2019	Projected Balance 12/31/19
Reserves	24,490,600	28,095,900	(1,617,100)	26,478,800
Discretionary Reserve Funds	10,068,200	10,602,900	1,038,600	11,641,500
Obligatory Reserve Funds	1,141,400	1,793,700	1,195,500	2,989,200
TOTAL	35,700,200	40,492,500	617,000	41,109,500

The following schedules provide detailed information on Reserves, Obligatory Reserve Funds and Discretionary Reserve Funds.

Reserves	Purpose	Source of Funding	Actual Balance 12/31/17	Projected Balance 12/31/18	Estimated Net Activity 2019	Projected Balance 12/31/19
Lifecycle *	Long-term funding for Lifecycle costs	Budget allocation and proceeds from disposal of assets	15,798,400	17,104,900	(1,985,800)	15,119,100
Tax Rate Stabilization	Smoothing tax rate impacts due to unusual/unexpected requirements	Budget allocations of excess interest and dividend income above base levels	3,650,900	4,910,400	(515,000)	4,395,400
Infrastructure (Capital)	Long-term funding for capital projects	Budget allocation and proceeds from disposal of assets	3,256,100	4,294,600	958,300	5,252,900
Sick/Vacation Pay	Fund payout of sick leave and vacation pay on retirement	Contribution from operating surplus	685,800	679,200	(44,000)	635,200
Community Improvement Plan	Encourage development in the downtown	Budget allocation	359,500	367,200	-	367,200
West St. Louis Pump	2nd pump for West St. Louis development area	Developer contributions	284,300	284,300	-	284,300
Working Capital	Reorganization costs and special project carry forward costs	Special project surplus funds	218,200	218,200	-	218,200
Insurance	Offset possible future rate increases or establishing self insurance reserve	Administration department budget provision	211,000	211,000	(28,600)	182,400
General Purpose	Art work and environment protection	Budget allocation	17,400	17,100	(2,000)	15,100
Fire Education & Awareness	Special publication education and promotion	Firefighter fundraising events	9,000	9,000	-	9,000
Total			24,490,600	28,095,900	(1,617,100)	26,478,800

*Lifecycle reserves include individual reserves for the following categories: Arenas; Bridges & Culverts; Buildings; Community Trails; Drains; Elections; Fire Apparatus; Fire SCBA; Fleet; Information Technology; New Lifecycle Issues; Outdoor Pool; Park Development; Reforestation; Roads; Sidewalks; Storm Sewers; One Time Strategic Issues; Transit

Town of Tecumseh
Summary of Reserves and Reserve Funds
Proposed 2019 Budget

Discretionary Reserve Funds	Purpose	Source of Funding	Actual Balance 12/31/17	Projected Balance 12/31/18	Estimated Net Activity 2019	Projected Balance 12/31/19
Water	Capital purchases, fleet replacement and Lifecycle	Annual budget transfer. Based on rate study	10,168,500	10,347,800	1,450,500	11,798,300
Post Retirement Benefits	Partial funding post retirement benefits	Annual budget transfer	1,709,100	1,730,000	51,900	1,781,900
Sanitary Sewer	Capital purchases	Annual budget transfer. Based on rate study	(1,809,400)	(1,474,900)	(463,800)	(1,938,700)
Total			10,068,200	10,602,900	1,038,600	11,641,500

Obligatory Reserve Funds	Purpose	Source of Funding	Actual Balance 12/31/17	Projected Balance 12/31/18	Estimated Net Activity 2019	Projected Balance 12/31/19
Development Charges	Growth-related capital requirements for water, sewer, police, fire, studies, recreation	Developer contributions	688,900	766,100	79,700	845,800
Parkland Development	Park improvements and expansions	Developer contributions	452,500	551,500	24,500	576,000
Gas Tax	Environmentally sustainable infrastructure	Federal/Provincial gas tax contribution	-	-	-	-
Storm OCIF	Infrastructure needs of small communities	Ontario Community Infrastructure Fund	-	476,100	1,091,300	1,567,400
Total			1,141,400	1,793,700	1,195,500	2,989,200

Town of Tecumseh
Tabled 2019 Reserve and Reserve Fund Budget

RESERVES	Est. Balance @ Dec 31/18	Transfer (To) From Other Reserve	From Current Operations	From Capital Operations	From Developers	Interest Earned	2019 Revenues	To Current	To Capital	2019 Expenditures	Balance @ Dec 31/19
General Reserves											
Sick/Vacation Pay	679,200						0	43,965		43,965	635,235
Working Fund	218,200						0			0	218,200
Tax Rate Stabilization	4,538,700						0	164,984	350,000	514,984	4,023,716
Health ASO	344,500						0			0	344,500
Meeting Investigator	27,200						0			0	27,200
Fire Education and awareness	9,000						0			0	9,000
Insurance	211,000						0	28,550		28,550	182,450
Infrastructure (NIL)	4,294,600	91,100	480,500	1,350,000			1,830,500	61,500	901,770	963,270	5,252,930
Community Improvement Plan	367,200						0			0	367,200
Cada Complex Art Work	17,100						0	2,000		2,000	15,100
West St. Louis Pump	284,300						0			0	284,300
General Reserves	10,991,000	91,100	480,500	1,350,000	0	0	1,830,500	300,999	1,251,770	1,552,769	11,359,831

Lifecycle Reserves

Arenas	967,700		38,000	140,000			178,000		144,000	144,000	1,001,700
Bridges and culverts	731,100			390,000			390,000		1,167,810	1,167,810	(46,710)
Buildings	652,500			190,000			190,000		40,000	40,000	802,500
Community trails	195,000			50,000			50,000			0	245,000
Drains	73,900			100,000			100,000		100,000	100,000	73,900
Elections	0			16,000			16,000	1,500		1,500	14,500
Fire Apparatus	800,700			194,000			194,000			0	994,700
Fire Equipment	257,600			45,000			45,000		65,250	65,250	237,350
Fleet	753,000			536,000			536,000		462,000	462,000	827,000
Information Technology	471,300			128,000			128,000		216,000	216,000	383,300
New lifecycle issues	677,000			100,000			100,000			0	777,000
Outdoor Pool	273,400			55,000			55,000		58,000	58,000	270,400
Park development	1,291,500	44,600		355,000			355,000		1,074,500	1,074,500	616,600
Reforestation	133,500			30,000			30,000		30,000	30,000	133,500
Roads	8,981,000		10,000	4,160,000			4,170,000	102,370	4,698,300	4,800,670	8,350,330
Sidewalks	233,800			74,000			74,000		69,000	69,000	238,800
Storm sewers	148,600			902,700			902,700		1,443,350	1,443,350	(392,050)
One Time Strategic Issues	115,800			50,000			50,000	4,000		4,000	161,800
Transit	347,500		70,000	100,000			170,000	88,000		88,000	429,500
Lifecycle Reserves	17,104,900	44,600	118,000	7,615,700	0	0	7,733,700	195,870	9,568,210	9,764,080	15,119,120

Grand Total Reserves	28,095,900	135,700	598,500	8,965,700	0	0	9,564,200	496,869	10,819,980	11,316,849	26,478,951
-----------------------------	-------------------	----------------	----------------	------------------	----------	----------	------------------	----------------	-------------------	-------------------	-------------------

Town of Tecumseh
Tabled 2019 Reserve and Reserve Fund Budget

RESERVE FUNDS	Est. Balance @ Dec 31/18	Transfer (To) From Other Reserve	From Current Operations	From Capital Operations	From Developers	Interest Earned	2019 Revenues	To Current	To Capital Projects	2019 Expenditures	Balance @ Dec 31/19
Discretionary Reserve Funds											
Water	3,019,600	57,900		1,621,085		90,600	1,711,685	27,370	200,550	227,920	4,561,265
Water - Facilities	7,324,600			129,000		219,700	348,700		470,000	470,000	7,203,300
Water rate stabilization	3,600			30,000		100	30,100			0	33,700
Sanitary Sewers	(3,047,500)	163,300		1,999,699		(91,400)	1,908,299	27,370	2,927,200	2,954,570	(3,930,471)
Sanitary Sewer - Facilities	1,417,200			400,000		42,500	442,500		53,050	53,050	1,806,650
Sanitary Sewer - Rate Stabilization	155,400			25,000		4,700	29,700			0	185,100
Post retirement benefits	1,730,000					51,900	51,900			0	1,781,900
Discretionary Reserve Funds	10,602,900	221,200	0	4,204,784	0	318,100	4,522,884	54,740	3,650,800	3,705,540	11,641,444
Obligatory Reserve Funds											
Studies	(48,600)				26,300	(1,500)	24,800	40,000		40,000	(63,800)
Fire	261,100				13,500	7,800	21,300			0	282,400
Police	41,600				5,700	1,200	6,900			0	48,500
Roads	0	(91,100)			91,100	0	91,100			0	0
Wastewater	0	(163,300)			163,300	0	163,300			0	0
Water	0	(57,900)			57,900	0	57,900			0	0
Library	73,400				4,500	2,200	6,700			0	80,100
Outdoor Recreation	0	(44,600)			44,600	0	44,600			0	0
Indoor Recreation	438,600				46,800	13,200	60,000			0	498,600
Development Charges	766,100	(356,900)	0	0	453,700	22,900	476,600	40,000	0	40,000	845,800
Gas Tax	0					0	0			0	0
Parkland	551,500				8,000	16,500	24,500			0	576,000
Storm Sewer - (OCIF)	476,100			1,077,000		14,300	1,091,300			0	1,567,400
Total Obligatory Reserve Funds	1,793,700	(356,900)	0	1,077,000	461,700	53,700	1,592,400	40,000	0	40,000	2,989,200
Grand Total Reserve Funds	12,396,600	(135,700)	0	5,281,784	461,700	371,800	6,115,284	94,740	3,650,800	3,745,540	14,630,644
Grand Total Reserve & Reserve Funds	40,492,500	0	598,500	14,247,484	461,700	371,800	15,679,484	591,609	14,470,780	15,062,389	41,109,595

2019 Proposed Business Plan and Budget Supplementary Budget Information





About Tecumseh

Tecumseh is one of the Windsor-Essex region's best-kept secrets. With a population of just under 24,000, Tecumseh provides community living with big city access and opportunities. Since 2011, the Town has been working to implement policies and procedures that follow a strategic plan for the municipality. We want to ensure the Town is an even better place to live, work and invest through a shared vision.

The Town is located in the northwest corner of Essex County on the south shoreline of Lake St. Clair and has a combination of both urban and rural characteristics.

Our residents agree with our approach. For the last six years, Tecumseh has received a 98% or higher citizen satisfaction rating. Four out of five respondents believe Tecumseh is heading in the right direction. Yet we believe there is still room for improvement and we continue to demonstrate leadership by promoting good governance and community engagement—our people are what makes us great.

With successful industrial and business sectors, a commitment to sustainable, planned development, and a wealth of cultural and recreational opportunities, Tecumseh offers a vibrant destination to visit or to call home.

Council and Administration believe in a healthy, liveable approach to the community through planning as well as supporting our staff. The Town is an eight-time recipient of the

Tecumseh Demographics & Statistics

Gord Smith Healthy Workplace and Bike Friendly Workplace awarded by the Windsor-Essex Health Unit.

The Town radiates small-town charm, natural beauty and cultural vitality while providing all the advantages of an economically diverse and well-served urban community.

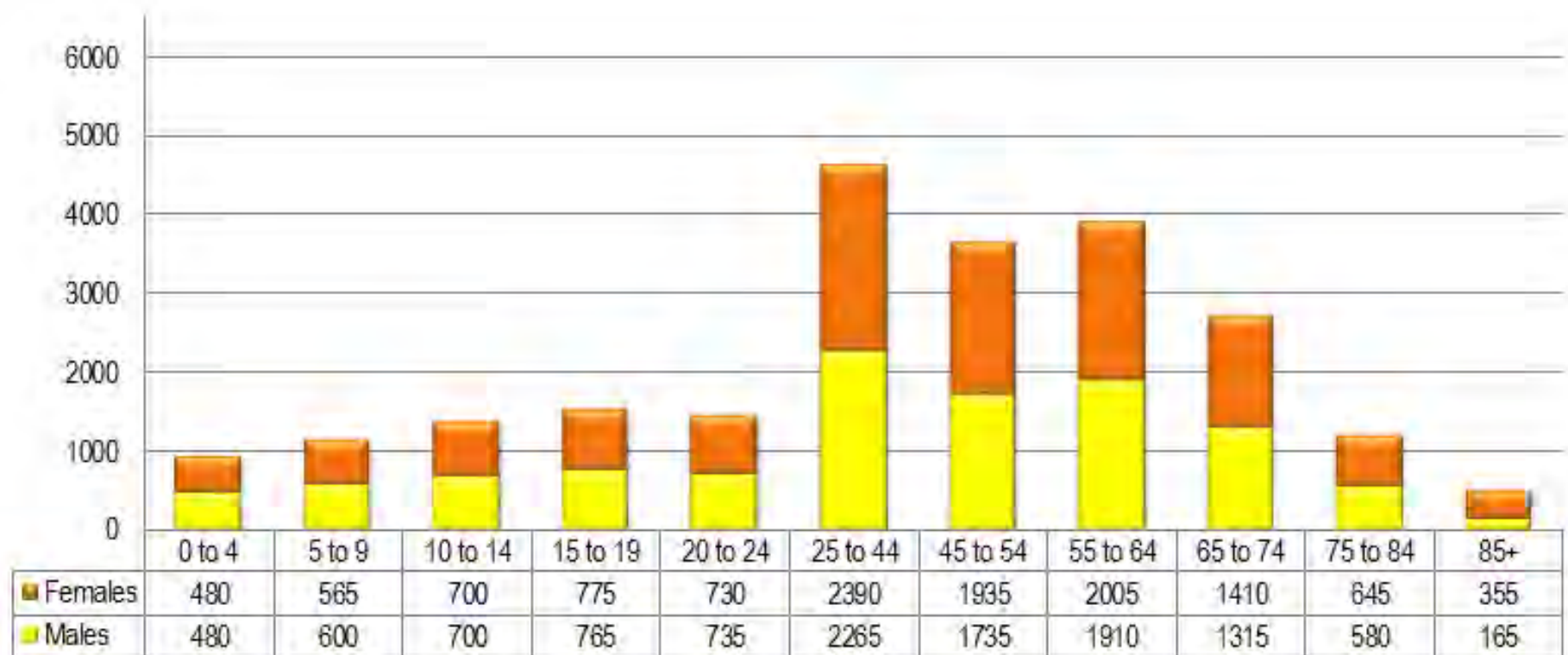
While a majority of Tecumseh's 94.7 square kilometres of land area continues to be used for agricultural production, three distinct and separate areas contain the community features typical of an urban area, including residential, recreational, institutional, commercial and industrial development.

The Town offers a number of events with a distinct local flavour. Key among those is the Tecumseh Corn Festival which has been officially ranked as a Top 100 festival by Ontario.

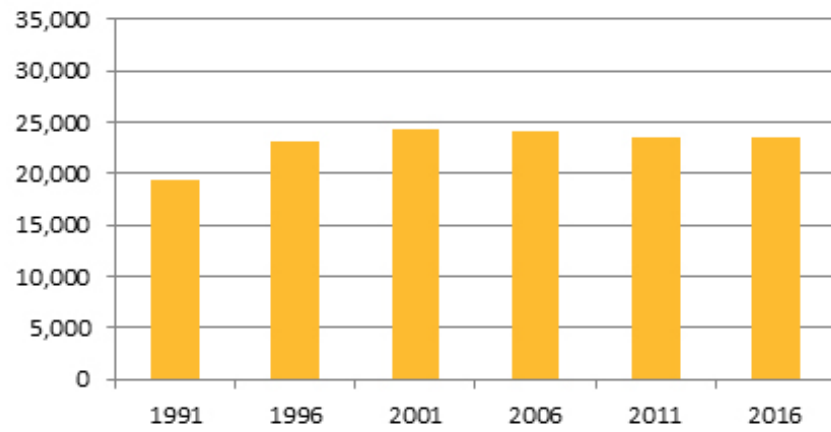
Tecumseh was the first local community to introduce a transit system that connects to the City of Windsor, bringing riders into the City of Windsor to connect to the broader city transportation system.

The majority of the urbanized area of Tecumseh is serviced by active transportation infrastructure in the form of sidewalks, bike lanes and/or multi-purpose trails. The goal of the Town is to ensure that transportation choices for all residents are available or planned. Tecumseh is working with the County of Essex as part of the County Wide Active Transportation System to add and improve connections to trails and cycling infrastructure including more than \$200,000 in trail construction in the last two years.

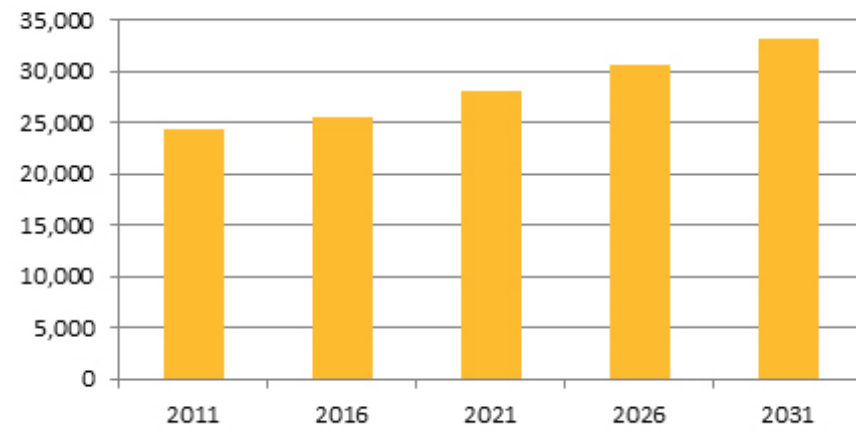
Population – 2016 Census



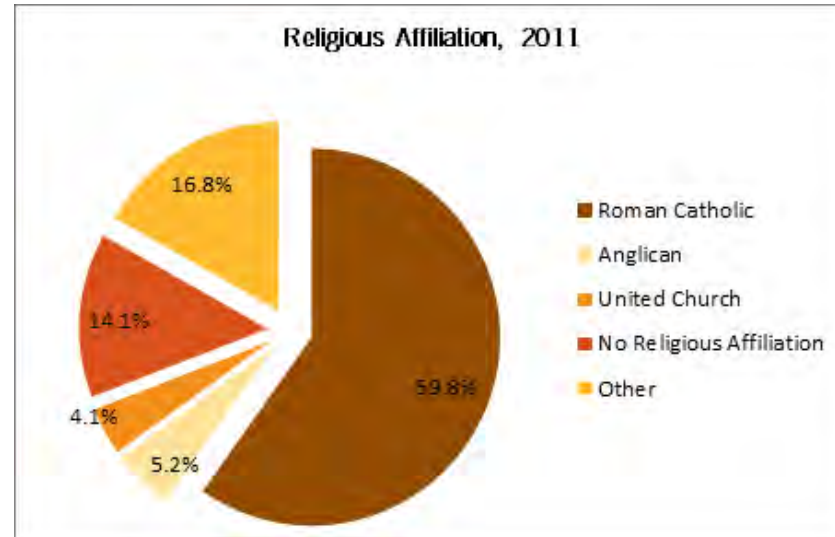
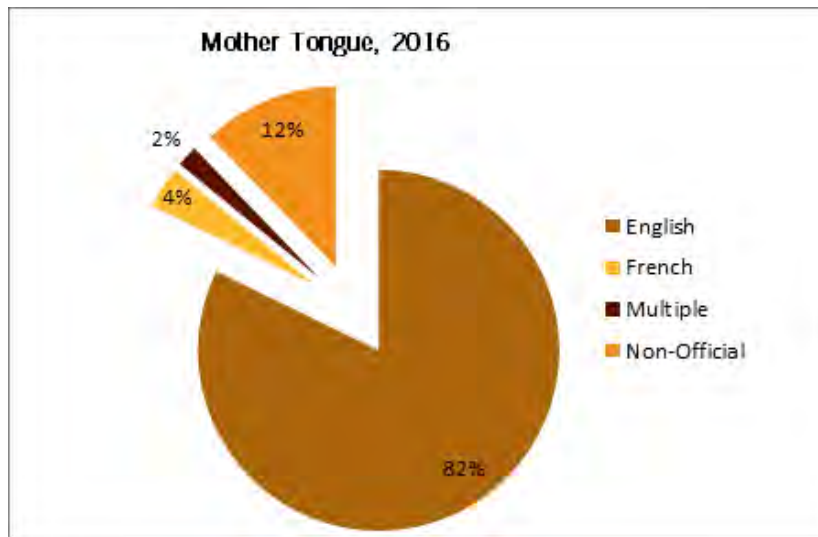
Population Growth: 1991-2016



Population Projections: 2011-2031

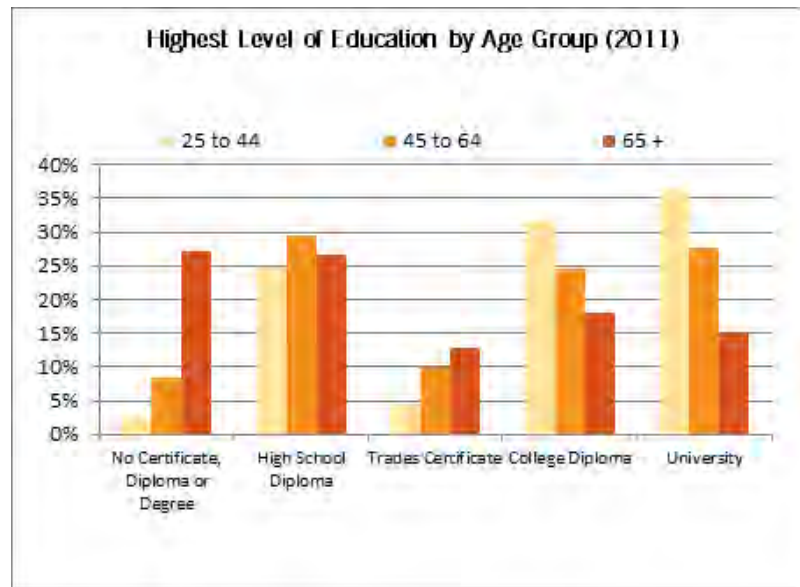
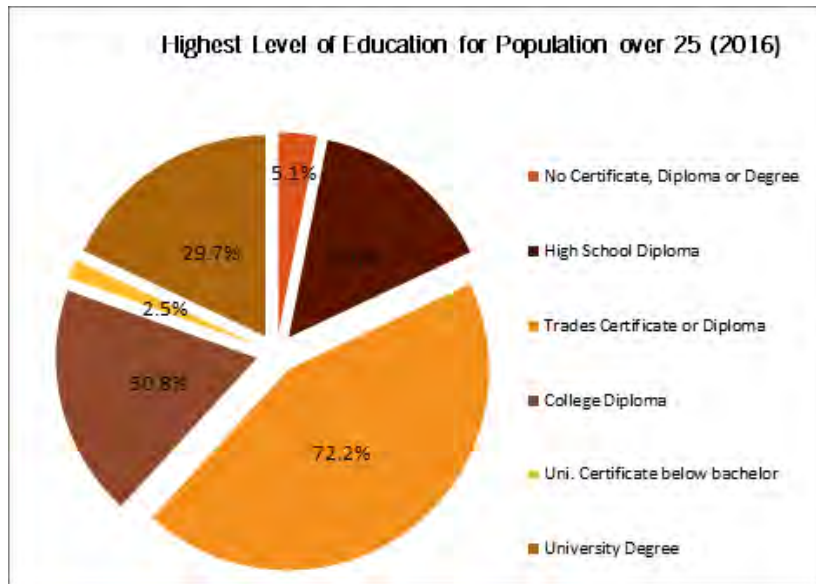


Language & Religion



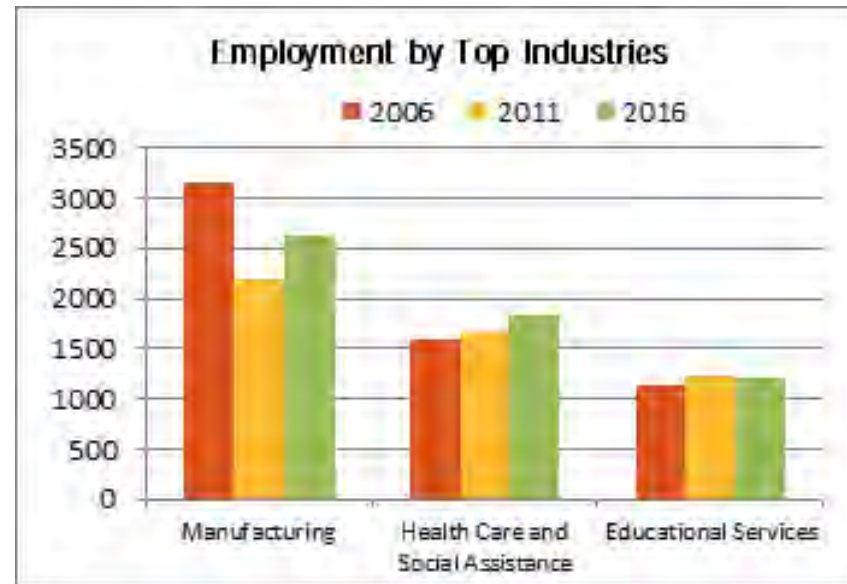
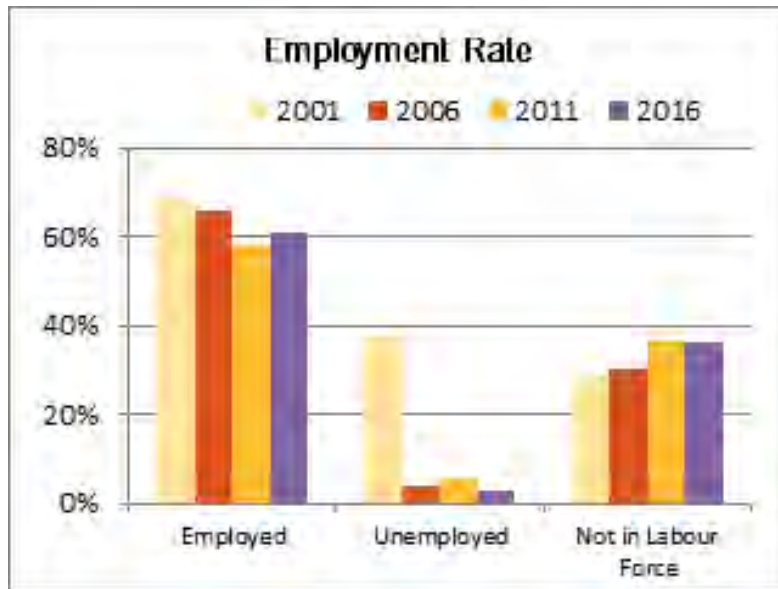
Statistics Canada, Community Profile, Census 2016; National Household Survey, Focus on Geography Series, 2011 (Tecumseh)

Education

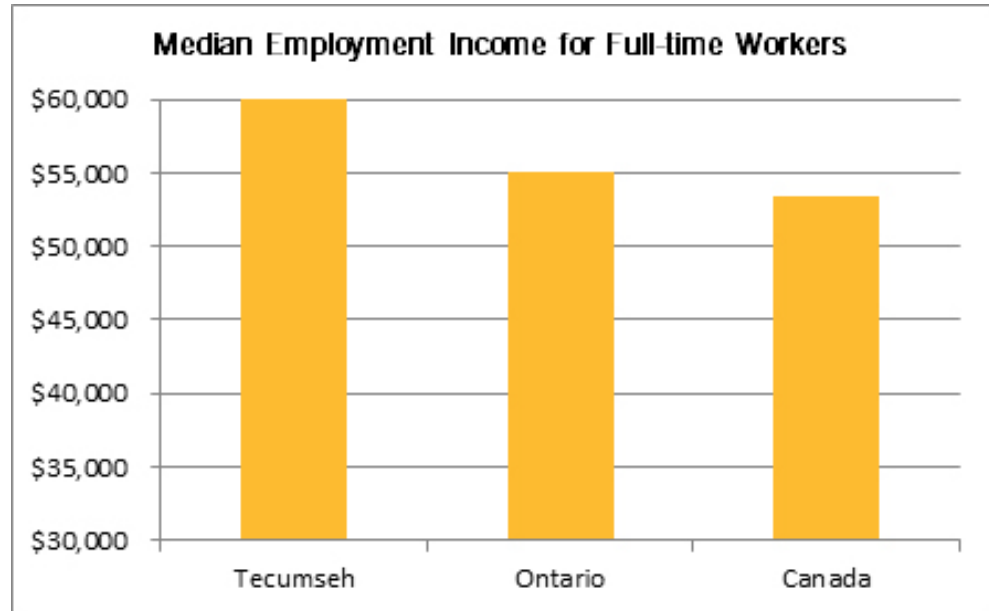


Statistics Canada, Community Profile, Census 2016; National Household Survey, Focus on Geography Series, 2011 (Tecumseh)

Labour / Employment

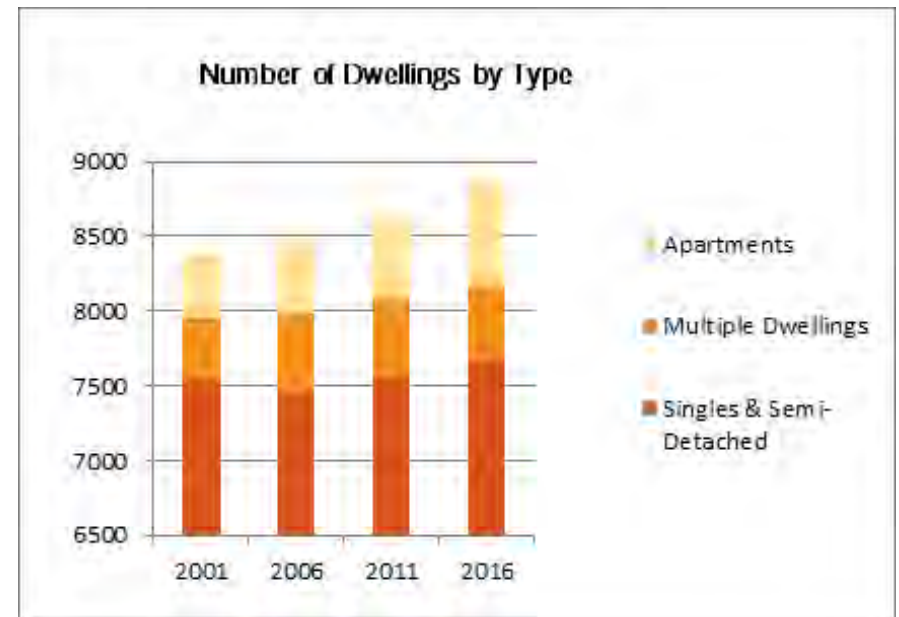
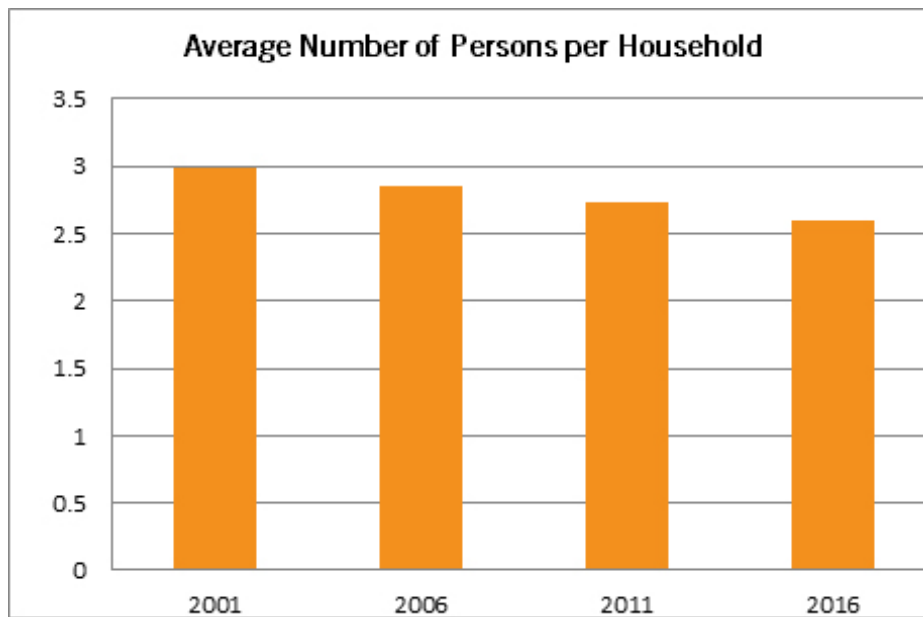


Statistics Canada, Community Highlights for Tecumseh, 2001; Statistics Canada, Community Profile, Census 2016; National Household Survey, Focus on Geography Series, 2011 (Tecumseh)



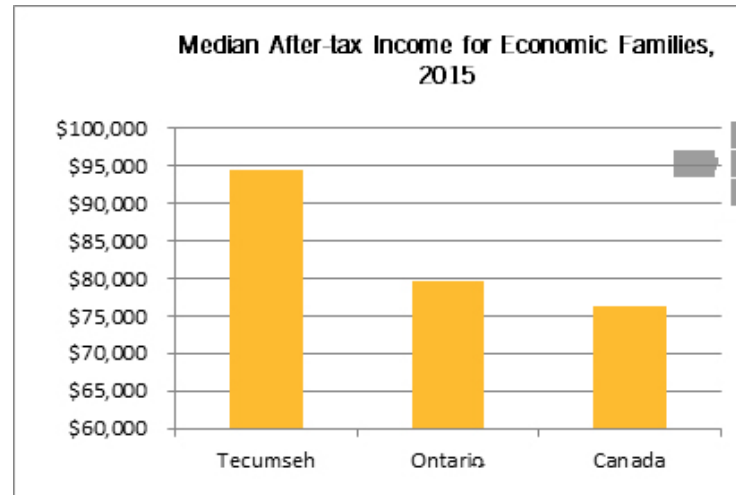
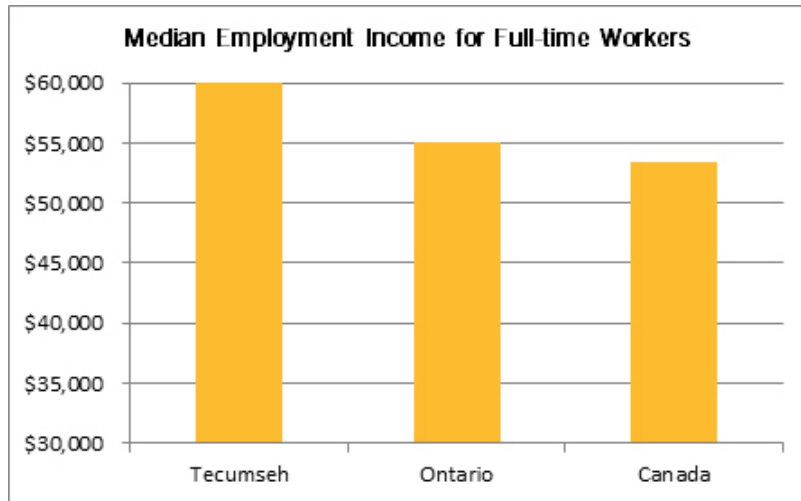
National Household Survey, Focus on Geography Series, 2011 (Tecumseh), Statistics Canada, Community Profile, Census 2016

Households

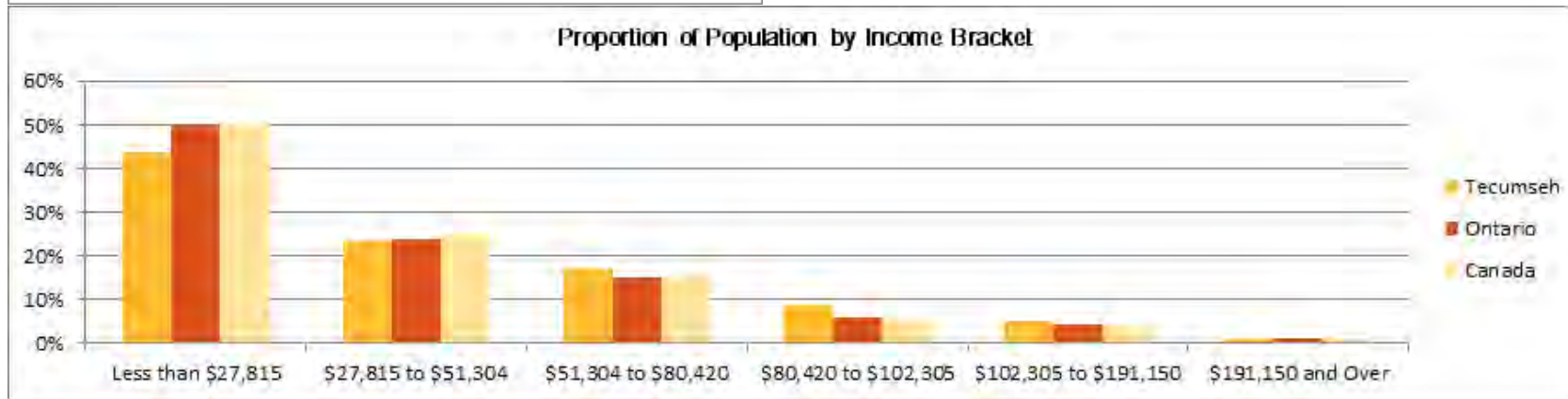


Statistics Canada, Community Profile, Census 2016; Watson & Associates Economists Ltd., 2014

Income



National Household Survey, Focus on Geography Series, 2011 (Tecumseh); Citizens for Public Justice, Income, Wealth and Inequality



National Household Survey, Focus on Geography Series, 2011 (Tecumseh)

Top Employers

Tecumseh has two significant employment areas—the Oldcastle and Sylvestre Business Parks. The Oldcastle Business Park is a major regional employment centre located in the southwest portion of the Town adjacent to the City of Windsor with access to Highways 401 and 3. The Sylvestre Business Park is located southwest of County Road 22 and County Road 19 in the northerly settlement area of the Town.

(Chart taken from Windsor Essex Economic Development Corporation’s Employer Database)

Top 10 Employers in Tecumseh in 2012		
No.	Employer	Full Time Employees
1.	A. P. Plasman	900
2.	Active Burgess Mould & Design	250
3.	Lakeside Plastics	200
4.	Bonduelle North America	191
5.	Build-A-Mold	180
6.	Omega Tool	180
7.	Talhin/T Corporation	180
8.	Tregakiss	150
9.	Prestressed Systems Inc.	150
10.	Manor Tool and Die Ltd.	131



Rates and Charges

2018 Tax Rates

	Municipal	County	Education	Total
Residential	0.00731580	0.00476455	0.00170000	0.01378035
Multi-Residential	0.01430532	0.00931660	0.00170000	0.02532192
Farmland	0.00182895	0.00119114	0.00042500	0.00344509
Commercial	0.00791602	0.00515545	0.01324316	0.02631463
Shopping Centre	0.00791602	0.00515545	0.01324316	0.02631463
Office Building	0.00851559	0.00554594	0.01090000	0.02496153
Industrial	0.01421094	0.00925514	0.01340000	0.03686608
Large Industrial	0.01965097	0.01279806	0.01340000	0.04584903

2018 Business Utility Rates

Water Rate / cubic metre	\$1.1547
Wastewater Rate / cubic metre	\$1.2095
Electricity Distribution Rate <50kW	\$0.0129/kWh
Electricity Distribution Rate >50kW	\$2.5415/kWh
Electricity Monthly Fixed Charge <50kW	\$35.13
Electricity Monthly Fixed Charge >50kW	\$232.69



2017 Development Charges

	Residential					Non-Residential
	Single-Detached & Semi-Detached Dwellings	Apartments (2+ Bedrooms)	Apartments (Bachelor & 1 Bedroom)	Multiple Dwellings	Special Care Dwellings / Senior's Homes	Per ft ² of Gross Floor Area
Total Municipal Wide (Urban & Rural) Development Charge	\$9,545	\$5,086	\$3,857	\$5,923	\$3,288	\$2.4260
Additional Charge Affecting Urban Service Area (see following map)	\$4,391	\$2,341	\$1,775	\$2,727	\$1,514	\$1.8420
TOTAL	\$13,936	\$7,427	\$5,632	\$8,650	\$4,802	\$4.2680

Recreation - 2017

Parks	40
Dog Owner Parks	1
Parks Area	147 hectares
Length of Trails / Pathways	26 km
Length of Sidewalks	62.5 km
Golf Courses	2
Soccer Fields	19
Baseball Diamonds	17
Basketball Courts	11
Tennis Courts	9
Hockey Rinks	2
Swimming Pools	1
Pickleball Courts	3

Community / Culture - 2017

Municipal Libraries	1
Municipal Community Centres	3
Retirement Homes / Nursing Homes	3
Museums	1

Education - 2017

Elementary Schools	9
Secondary Schools	2
Private Schools	2
Colleges (within 1 hour drive)	8
Universities (within 1 hour drive)	3

Public Transportation (Tecumseh Transit Service) - 2017

Hours of Operation	Mon. – Sat. (6 a.m. – 6 p.m.)
Service Area Population	17,274
Transit Route Length	30 km
2016 Total Annual Ridership	26,236
2016 Average Daily Ridership	86 passengers per day

Municipal Services - 2017

Total Sanitary Infrastructure	120 km
Total Stormwater Infrastructure	140 km
Total Watermain Infrastructure	225 km
Total Municipal Roadways	180 km
Total County Roadways	72 km
Total Provincial Roadways	41 km



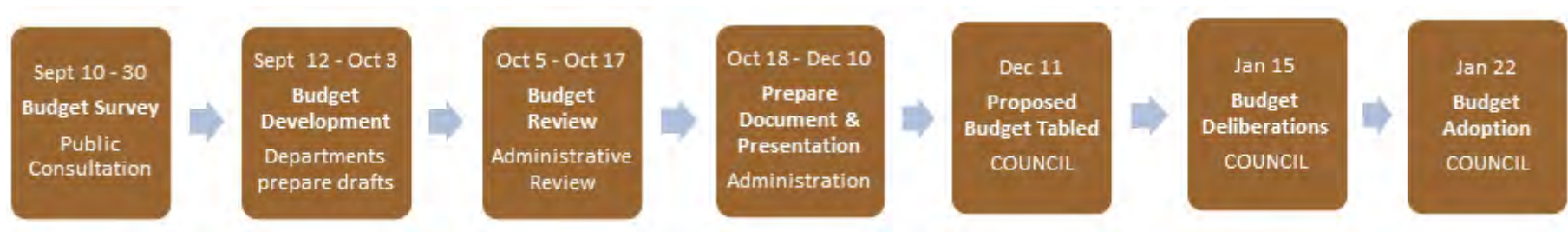
Budget Process

Timelines

The 2019 Operating, Lifecycle and Reserve Budget process began in September 2018 with the goal of tabling the 2019 Operating, Lifecycle and Reserve Budgets in December 2018 and potential adoption at the January 22, 2019 Regular Council Meeting.

The planned budget timeline, including scheduled dates for council deliberation is illustrated below.

Planned Budget Timeline



Budget deliberations are to occur at a Special Council Meeting on January 15 with potential adoption on January 22, 2019. Once the budget is set, no further amendments would be anticipated. However, there is a policy in place should amendments be required. Refer to the Financial Policies and Goals section of the budget document for details.

Public Input

Notice of Council's intention to adopt budgets is generally advertised on the Town's website and published in local paper(s).

Public input on the budget is encouraged. Regular Council Meetings are open to the community for those that wish to be present for Council deliberations. Residents may present opinions at Regular Council Meetings by requesting to appear before Council as a delegation. Alternately, Mayor and Council contact information is listed on the Town website for those that wish to call or email and/or residents can provide input via the Town's Budget Survey.

Comments by residents are noted and considered throughout the budget process.

Budget Development – 2019 Challenges

Council and Administration have emphasized the importance of long-term planning and have incorporated that philosophy within the operating budget process by including two forecast years. Although the budget process seeks only to adopt a budget for 2019, it is critical to acknowledge the anticipated budget demands of the forecasted budget years when making current budget year decisions.

Department Requested Budget

An overall increase of \$886,300 to the Operating Net Expenditures was requested for 2019, an increase of 3.97% net of growth. Of this total amount \$238,300 was for

requested staffing enhancements which are outlined as follows:

- Financial Services – Change clerk from full-time back to part-time re: deferral of in-house water billing.
- Corporate Services – Add a Records Management position for a 1.0 FTE addition to the 2019 budget.
- Fire – Add one volunteer firefighter; increasing the volunteer pool to improve availability of volunteers during day time calls.
- Public Works – Change seasonal position to full-time to address increased workload.
- Parks – Add one student and increase hours for Parks students, for an equivalent of 0.7 FTE; addressing extended parks operating season and hours and providing adequate budget room for full attendance.
- Parks Buildings – Add one student for an increase of 0.4 FTE to compliment the existing position and provide for evening/weekend coverage.
- Arena – Add one part-time clerk equivalent to 0.7 FTE to assist with increasing workload and provide evening/weekend coverage.
- Recreation – Add 150 hours to the Camp Coordinator position and reduce 100 hours for Counselors to better match resources to program requirements.
- Pool – Add 300 hours to Lifeguards to accommodate the anticipated programs and registered participants.
- Drains – Budget for \$17,000 in overtime to address backlog of drainage requests.

Other salary and benefits increases totaling \$290,700 include negotiated wage increases, the change to minimum wage, inflationary adjustments to benefits and the increase to Council remuneration by \$55,000 to offset the elimination of the one-third non-taxable allowance.

Increases to the Lifecycle allocation were requested for the following:

- Lifecycle – Buildings – Increase allocation by \$5,000 for the Historical Society Room added to Fire Station No. 2.
- Lifecycle – Fire Apparatus - \$20,000 increase required based on current fleet value and replacement costs.
- Lifecycle – Fleet – Additions to the complement require an annual allocation increase of \$11,000 (\$5,000 for the Recreation van and \$6,000 for the valve turner)
- Lifecycle – Parks/Playground Equipment – Annual allocation increase of \$5,000 is required for the splash pad at St. Mary's park. The allocation is to be reviewed after Parks Master Plan Update.
- Lifecycle – Storm – Increase allocation by \$38,000 with additional increases likely following completion of Storm water management study.
- Lifecycle – Federal Gas Tax allocation – The Town applies its share of Federal Gas Tax to Lifecycle reserves. The Town's share is to decrease by \$21,000 in 2019. An offset to the Lifecycle allocation has been budgeted so that the net contribution is unchanged.

The Town initiated the New Infrastructure Levy (NIL) during the 2015 budget with a targeted annual allocation of \$1,300,000. The annual allocation was based on seven known new capital expenditures on the horizon at the time, including:

- Growth related infrastructure costs identified in the DC Study update
- CWATS integrated and coordinated active transportation network
- Enhanced Trails and Pathways
- Parks improvements identified in the Parks Master Plan
- A provision for CIP streetscape improvements
- Town Hall expansion
- Capital costs stemming from the Fire Master Plan

Since the initiation of the NIL in 2015 additional new capital projects have been approved in principle including the Multi-Use Sportsplex and the Tecumseh Main Street CIP Landscape project. Each project is expected to be in the \$20-million to \$30-million range.

The 2019 budget proposes an increase in the New Infrastructure Levy (NIL) of \$150,000 in 2019, \$200,000 in 2020 and \$100,000 in each of 2021 and 2022 to reach a revised annual target amount of \$1,750,000. **Note that \$450,000 of the NIL has been earmarked for the Multi-Use Sportsplex.**

The most significant budget pressures for 2019 and corresponding tax rate impacts identified in the Department Requested Budget included:

Description	Amount	Impact
New Infrastructure Levy (NIL)	\$150,000	0.67%
Lifecycle	\$100,000	0.45%
Supplemental Tax Revenue – development growth tapering	\$40,000	0.18%
Penalties and Interest Revenue decline	\$25,000	0.11%
Interfunctional Admin Charge re: water billing	\$105,000	0.47%
Service Level – salary related	\$238,000	1.07%
Salaries and Benefits - negotiated, premiums, offset to 1/3 tax exemption.	\$291,000	1.30%

Description	Amount	Impact
OPP Policing contract – inflation	\$92,000	0.41%
Maintenance Materials corporate-wide increase	\$86,000	0.39%
Building Permit revenue decrease	\$42,000	0.19%
Insurance	\$29,000	0.13%
Other	\$98,000	0.44%
Sub-total	\$1,277,000	5.72%
Growth	-\$391,000	-1.75%
Total	\$886,300	3.97%

NIL and Lifecycle amounts increase annual reserve allocations to fund new and existing capital assets. These programs are discussed in detail in the 2019 Lifecycle Budget section.

Supplemental Tax revenue is reduced as known developments are nearing completion and budgeted supplemental tax revenue is gradually returned to average levels.

Penalties and Interest revenue has declined due to lower taxes receivable.

Interfunctional revenue has decreased from the prior year budget due to the deferral of the proposed in-house water billing.

Salaries and benefits include: service level enhancements, negotiated wage increases, the change to minimum wage, inflationary adjustments to benefits and the offset to the discontinuation of Council's 1/3 tax exemption.

The budget for the OPP policing contract has been increased to reflect the 2019 estimate from the OPP.

Assessment growth incurred in 2018 generated \$334,000 in additional municipal revenue. Much of this was due to the residential developments of Lakewood Estates, Carmelita and 250 Manning condominiums, which were substantially completed in 2018. Significant commercial and industrial development continued into 2018, accounting for about one quarter of the additional municipal revenue. Prior year assessment, captured in 2018, also contributed to the \$391,000 total.

The corporate-wide budget for Maintenance Materials has increased for various accounts.

Building Permit revenue fluctuates and has been adjusted to reflect anticipated decline in construction activity from the prior year.

Note that Bank Interest revenue is expected to increase by \$186,000 following recent rate hikes and Dividend Income an additional \$13,175. However, the combined increase is transferred to the Tax Rate Stabilization reserve so there is no net impact to the budget.

Proposed Budget

During Senior Management review sessions, Administration was able to reduce the increase by \$283,300 or 1.27%. The result was a budget calling for a proposed municipal levy increase of \$603,000. This results in a municipal levy increase of 2.70% net of \$391,000 in assessment growth.

The more significant changes to the requested budget are:

Description	Amount	Tax Rate Impact
Supplementary Tax Revenue	\$(40,000)	(0.18)%
Building Permit revenue	\$(20,000)	(0.09)%
Penalty and Interest revenue	\$(10,000)	(0.04)%
Staffing Enhancements – salary related	\$(118,700)	(0.52)%
Transfer from Reserves	\$(46,100)	(0.21)%
Various other misc. adjustments	\$(51,200)	(0.23)%
Total	\$(283,300)	(1.27)%

The reduction to Supplementary Tax Revenue is tapered somewhat for 2019 and a gradual return to an average budget amount is achieved by 2020.

Building Permit revenue was increased an additional \$20,000 upon further financial analysis.

Penalty and Interest revenue was increased an additional \$10,000 upon further review.

Requested staffing enhancements were reduced by \$118,700 by deleting the Records Management position, deferring the request for an additional firefighter, halving the request for Parks students, and reducing requested overtime hours for Drainage.

Transfer from Reserve was increased by \$46,100, helping offset the one-time tax roll review and insurance premium increases budgeted under Corporate Shared.

Table 1 illustrates the proposed municipal levy increase for 2019 with forecast increases for years 2020 to 2023. This multiple year forecasting has assisted in the municipality's long range financial planning and strategic priority development.

Table 1 - LC 10-Year Program complete - New Infrastructure Levy initiated

Projected Tax Levy Impacts

Budget Drivers	2018	2019	2020	2021	2022	2023
		Proposed				
Base Department Operations (excl Pay/Ben)	1.21%	1.19%	0.76%	0.59%	0.40%	0.40%
Service Level Enhancements	0.33%	0.55%	0.41%	0.00%	0.00%	0.00%
Payroll/Benefits	0.89%	1.19%	0.69%	0.66%	0.69%	0.67%
Police Services	0.35%	0.41%	0.43%	0.41%	0.40%	0.40%
Sub-total - Operating	2.78%	3.33%	2.28%	1.67%	1.50%	1.46%
Lifecycle	0.56%	0.45%	0.43%	0.41%	0.40%	0.40%
New Infrastructure Levy	0.46%	0.67%	0.86%	0.41%	0.40%	0.00%
Sub-total - Capital	1.02%	1.12%	1.29%	0.83%	0.81%	0.40%
Total	3.80%	4.45%	3.57%	2.49%	2.30%	1.86%
Assessment (Growth)/Loss	-0.70%	-1.75%	-0.43%	-0.21%	-0.20%	-0.20%
Total w/ Growth factor	3.10%	2.70%	3.14%	2.29%	2.10%	1.66%

Lifecycle funding allows for the replacement of existing long-term assets. New Infrastructure Levy allocations set aside funds for new capital asset additions.

Table 2 compares the 2019 Proposed Budget and future levy forecast to the previous three years' Approved Budgets and future levy forecasts.

Table 2 - Comparative levy forecasts

Actual levy increases (bold and shaded in green) with projected levy increases from the 2014 to 2018 budgets

	2016	2017	2018	2019	2020	2021	2022	2023
2014 Municipal Budget and projected future levy increases	2.36%	1.89%	1.44%	N/A	N/A	N/A	N/A	N/A
2015 Municipal Budget and projected future levy increases	2.18%	1.04%	1.10%	1.08%	N/A	N/A	N/A	N/A
2016 Municipal Budget and projected future levy increases	0.00%	0.21%	0.75%	1.96%	2.03%	N/A	N/A	N/A
2017 Municipal Budget and projected future levy increases	N/A	2.69%	3.10%	2.50%	3.06%	2.84%	N/A	N/A
2018 Municipal Budget and projected future levy increases	N/A	N/A	2.14%	2.63%	3.01%	2.61%	2.21%	N/A
2019 Proposed Municipal Budget and projected future levy increases	N/A	N/A	N/A	2.70%	3.14%	2.29%	2.10%	1.66%



Preparation of Financial Information

Preparation of Financial Statements

The Public Sector Accounting Board (PSAB) Handbook Sections PS1200 and PS3150 require that financial statements, including budgeted amounts on the statements, are presented using the full accrual basis.

Tecumseh is in full compliance with the requirements set forth by the PSAB of the Chartered Professional Accountants Canada (CPA) regarding presentation of financial statements.

Basis of Accounting

Accounting is done on a full accrual basis. This means that revenues are recognized/recorded when earned and expenses are recognized when incurred and measureable as a result of receipt of goods or services.

Basis of Budgeting

The Town's budgeting process starts with the modified accrual basis to determine the tax levy and user fees required to meet the priorities and objectives of the Town. This means that revenues are recognized when measurable and available and expenditures are recognized when the liability is incurred. The modified accrual basis does not take into account expenses such as amortization, post-employment benefits and solid waste landfill closure and post-closure expenses.

PSAB requires the budgeted amounts on the financial

statements to be presented on a full accrual basis. To bridge this gap, Financial Services staff completes a series of accounting adjustments to convert the budgeted amounts from modified accrual to full accrual.

Asset Management Plan

The Town's investment in tangible capital assets is significant, with the current replacement cost of infrastructure totaling hundreds of millions of dollars. This underscores the need for long-term financial planning for the eventual replacement of these assets. Tecumseh's initial Asset Management Plan was completed in 2013. An update was adopted by Council on May 8, 2018 (RCM-157/18).

Financial Information Return (FIR)

The Ministry of Municipal Affairs is responsible for establishing requirements for municipal accounting, financial reporting, municipal auditing and other matters related to the financial health of municipalities as set out in Section 3 of the *Municipal Affairs Act*. Section 294(1) of the *Municipal Act* specifically states that each municipality will annually report on its financial affairs, accounts and transactions. This takes the form of the annual Financial Information Return (FIR).

Purpose of the FIR - Information reported in the Financial Information Return is extracted and stored in the Municipal Analysis and Retrieval System (MARS) database. The data is available to ministries, municipalities, other local government agencies and municipal associations for the following purposes:

- Developing provincial fiscal policy
- Developing municipal finance policy
- Monitoring local sector performance
- Examining the financial status of municipalities
- Municipal debt limit reports
- Forecasting and budgeting
- Local economic profiles and information on local services and service levels for use by industry
- Financial and statistical data requests
- Municipal management tool/comparative tool.



Fiscal Policy

Town of Tecumseh by-laws, policies and long-standing practices formulate the overall fiscal policy of the Town. The major components of the fiscal policy are as follows:

Annual Budget Development (Policy 19-2002)

The budget outlines the business plans for the operating and support service departments' delivery of programs and services. It links the Town's strategic priorities with business plans, budget allocations, performance indicators and measures. Achievement of the target outcomes becomes the focal point for program and service delivery, performance measurement, monitoring and reporting. The proposed budget is balanced with revenues equaling expenses for the year and is tabled before Council for review and adoption.

Council shall adopt a budget for each year that meets all the requirements of the Municipal Act.

Asset Management (Policy 82 through 82.5-2014)

In June 2011, the Provincial government released a long-term infrastructure plan called "Building Together". To receive provincial funding, a municipality must show that the project for which grant funding is sought is included in a detailed Asset Management Plan (AMP).

The Ministry of Infrastructure released "Building Together – Guide for Municipal Asset Management Plans" (Guide) to assist municipalities with AMPs. In accordance with the Guide, policy #'s 82, 82.1, 82.2, 82.3, 82.4 and 82.5 provide direction on

data verification and condition assessment for roads, bridges, storm sewer, water distribution system and sanitary sewer collection system.

The Town's initial AMP was adopted by Council in 2013 (RCM-457/13). The first update was completed in 2018 and approved by Council on May 8, 2018 (RCM-157/18).

The Province announced authority for the regulation of AMPs with the *Infrastructure for Jobs and Prosperity Act 2015*. Subsequently, *O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure* set out the details. The first milestone is the development of a formal asset management policy by July 1, 2019. *O. Reg. 588/17* specifies content requirements. Town Administration plans to start drafting the policy in Q1 2019.

Debt Management (Long-standing practice)

Since 2005, the Town has adopted an aggressive strategy to use long-term debt for financing sanitary and water long term capital requirements in order to ready the Town for development when circumstances dictate. At the same time, the Town embarked on a Lifecycle plan to fund the replacement of existing infrastructure assets. Part of the plan involved borrowing for roads and bridges in order to provide full funding for these two categories. Long-term debt is only issued to fund large capital projects.

The debt program is actively managed to preserve the financial integrity and flexibility of the Town. Debt does not exceed the Annual Repayment Limit set by Ministry of Municipal Affairs and Housing. The issuance of long-term debt is approved by Council through by-law.

Development Charges By-law (By-law 2014-68)

Development charges are a means of recovering the net cost of capital expenditures attributable to growth, within the limits permitted by law. By-law 2014-68 provides guidance on the collection and payment of development charges in accordance with the Development Charges Act, 1997. The by-law is set to expire on August 31, 2019. An update is underway.

Investment Policy (Policy 87-2016)

The Town strives for the optimum utilization of its cash resources within statutory limitations and the basic need to protect and preserve capital, while maintaining solvency and liquidity to meet ongoing financial requirements. The purpose of the policy is to govern the prudent management of the Town's surplus funds and investment portfolio. This applies to all of the Town's surplus cash, reserve and reserve funds, sinking funds, deposits and other cash resources.

Lifecycle Program (Long-standing practice)

Council approved a Lifecycle program as part of the 2005 budget process. The plan contemplated annual tax increases of 2.9% for the 2005 to 2014 tax years in order to fulfill full funding requirements. Funds raised through taxation for lifecycle purposes are segregated into lifecycle reserves. The plan provides the Town with the ability and resources to respond to capital infrastructure replacement needs and ensures prudent capital asset management. The annual allocation must be adjusted to reflect new or deleted assets and to reflect changes in estimated replacement costs.

Operating Budget Implementation and Reporting (Policy 21-2002)

A system of reviewing actual and forecast results to budgeted amounts has been established to ensure budgetary control.

Budget variance analysis and reporting is completed for the periods ending March, June, August and December. Noteworthy budget line item variances and overall departmental variances as defined in the policy are reported to Council.

Post Budget Adjustments (Policy 22-2002)

Any post budget adjustment is to be approved by motion of Council. Budget adjustments refer to any change that requires expenditure not originally contemplated in the budget or any restrictions on the budget subsequently imposed by Council.

Purchasing By-law (By-law 2017-63)

The Purchasing By-law provides a system for the procurement of goods and services for the Town. It includes the Purchasing Policy which outlines responsibilities and authorities and details the various purchasing standards sanctioned for the procurement of goods and services at all monetary levels. This by-law replaces the original By-law 2006-03.

Surplus/Deficit Management (Long-standing practice)

An annual surplus represents one-time funding that cannot be relied upon on an ongoing basis. As such, an annual surplus should be allocated to a stabilization, contingency or infrastructure reserve which is used to fund one-time items.

Conversely, an annual deficit is usually the result of unexpected one-time items, and as such should be funded from a stabilization, contingency or infrastructure reserve.

The Director Financial Services makes recommendations regarding the management of a surplus or deficit. Council approves transfers to/from reserves.

Tangible Capital Asset Accounting (Policy 83-2014)

Canada's accounting standard-setting body, the Chartered Professional Accountants Canada (CPA),

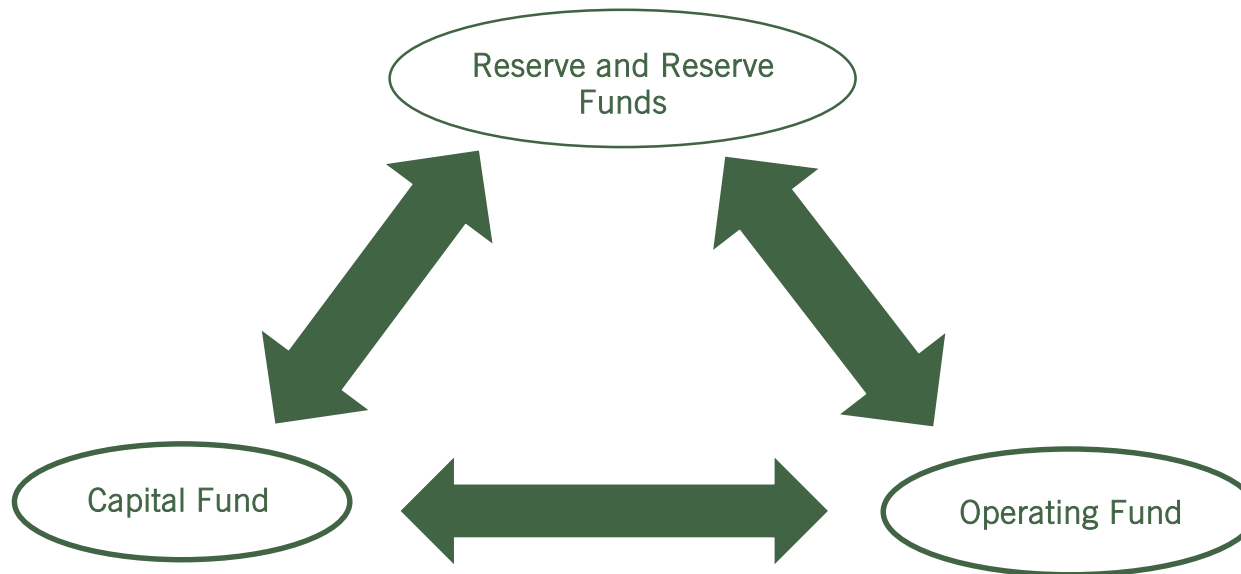
through its Public Sector Accounting Board (PSAB), establishes reporting requirements for municipalities. Current PSAB reporting requirements dictate that Canadian municipalities must account for and report Tangible Capital Assets (TCAs) on their financial statements. This mandatory reporting of assets has been in effect since 2009, and applies to both newly acquired assets and existing assets.

Capital asset accounting is necessary in order to determine the values that appear on the financial statements. Capital asset accounting involves the recording, tracking and reporting of the Town's assets. A TCA inventory is maintained so that original historical costs are recorded and accumulated depreciation from year of acquisition can be calculated. A summary of this data, along with yearly depreciation, is shown on the Town's financial statements.

The Town of Tecumseh employs the necessary and appropriate controls required for the recording and reporting of TCAs. The Town successfully met the 2009 PSAB reporting requirements and has been in compliance since.



Summary of Funds



A Fund is a self-balancing set of accounts used for a specific purpose. The Town of Tecumseh uses an Operating Fund, Capital Fund, and Reserve and Reserve Funds for budgeting and financing activities. The image above outlines how the funds work. Monies flow between funds through inter-fund transfers, which are recorded as revenues or expenses in the affected funds. Fund balance is the excess of cumulative revenues and other sources of funds over cumulative expenditures and other uses of funds.

Operating Fund: the Operating Fund is the source of funding for the Town's day-to-day operations. The majority of revenue is generated from Taxation, Water Sales, and Sewer Charges.

Capital Fund: the Capital Fund is the source of funding for capital acquisitions and projects. Sources of funding include:

- Transfers from Operating (taxation)
- Transfers from Reserve/Reserve Funds
- Long Term Debt
- Transfer Payments (Federal and Provincial)

The balance in the capital fund at January 1, 2019 represents the forecast unfinanced capital amount as of December 31, 2018.

Reserve/Reserve Funds: a Reserve is an allocation of accumulated net revenues. Reserves can be established for any predetermined purpose and applied for that purpose at the discretion of Council.

A Reserve Fund is established to account for assets that have been segregated for a specific purpose, either voluntarily or because of legal or contractual reasons. There are two types of reserve funds:

- Discretionary Reserve Fund - established whenever Council wishes to earmark funds to finance a future project for which it has the authority to spend money. A municipality may, through by-law, provide that the money raised for a reserve fund be applied to another purpose.
- Obligatory Reserve Fund – created whenever a statute requires revenues received for special purposes be segregated from the general revenues of the municipality.

Summary of Fund Activity

An overview of changes to fund balances is as follows:

Operating Fund: The 2018 net surplus will be transferred to a reserve resulting in a closing fund balance of \$0 in 2019.

Capital Fund: The closing fund balance is generally a result of municipal drain projects, which may take a few years to complete and bill out. Drain activity has increased significantly in the last few years.

Reserve and Reserve Funds: The 2019 budgeted closing fund balance shows an increase of \$0.6 million due to interest income and development charges.

A summary of fund activity, which shows sources and uses of funds can be found on the following page.

Summary of Fund Activity

	Operating Fund			Capital Fund			Reserve & Reserve Funds			Total		
	2017 Year End Actuals	2018 Year End Forecast	2019 Proposed Budget	2017 Year End Actuals	2018 Year End Forecast	2019 Proposed Budget	2017 Year End Actuals	2018 Year End Forecast	2019 Proposed Budget	2017 Year End Actuals	2018 Year End Forecast	2019 Proposed Budget
Sources of Funds												
Taxes	21,643,474	22,414,669	23,320,357							21,643,474	22,414,669	23,320,357
Supplementary Taxes	315,503	412,272	230,000							315,503	412,272	230,000
Right of Way	15,021	15,688	15,000							15,021	15,688	15,000
Special Charges	7,011	1,019	1,019							7,011	1,019	1,019
Payments in Lieu	70,310	71,445	71,100							70,310	71,445	71,100
Total Taxation	22,051,319	22,915,093	23,637,476							22,051,319	22,915,093	23,637,476
Grants	441,113	511,308	471,436							441,113	511,308	471,436
User Charges	10,983,180	11,143,860	11,798,070							10,983,180	11,143,860	11,798,070
Licences and Permits	655,975	616,115	583,450							655,975	616,115	583,450
Fines	103,398	118,550	128,550							103,398	118,550	128,550
Penalties and Interest	365,355	370,315	380,000							365,355	370,315	380,000
Investment Income	1,007,043	1,303,004	1,189,175				264,659	319,740	371,800	1,271,702	1,622,744	1,560,975
Other Income	556,871	563,792	599,465	78,410	413,876					635,281	977,668	599,465
Transfer Payments				2,489,174	4,091,156	3,940,500				2,489,174	4,091,156	3,940,500
Capital Contributions				1,288,434	979,851	2,203,080	1,009,949	817,251	461,700	2,298,383	1,797,102	2,664,780
New Debt Issued				196,800	99,200					196,800	99,200	-
Sources of Funds before Transfers	36,164,254	37,542,037	38,787,622	4,052,818	5,584,083	6,143,580	1,274,608	1,136,991	833,500	41,491,680	44,263,111	45,764,702
Transfer from Operating Fund				12,428,683	12,944,093	13,540,584	1,254,242	1,807,450	598,500	13,682,925	14,751,543	14,139,084
Transfer from Capital							12,085,227	12,572,665	14,247,484	12,085,227	12,572,665	14,247,484
Transfers from Reserve/Reserve Funds	522,989	1,042,377	591,609	10,828,266	9,682,440	14,470,780				11,351,255	10,724,817	15,062,389
	36,687,243	38,584,414	39,379,231	27,309,767	28,210,616	34,154,944	14,614,077	15,517,106	15,679,484	78,611,087	82,312,136	89,213,659
Uses of Funds												
General Government	3,777,467	4,129,086	4,466,084	268,486	155,931	366,000				4,045,953	4,285,017	4,832,084
Protection to Persons & Property	5,360,907	5,543,103	5,796,864	59,425	969,568	73,250				5,420,332	6,512,671	5,870,114
Transportation Services	2,188,893	2,664,149	2,507,298	4,930,680	4,259,229	7,939,360				7,119,573	6,923,378	10,446,658
Environmental Services	7,261,134	7,646,129	7,827,690	6,846,400	6,972,474	7,987,850				14,107,534	14,618,603	15,815,540
Social & Family	40,259	38,686	38,017	-	-	-				40,259	38,686	38,017
Recreation & Cultural Services	3,169,974	3,446,761	3,671,979	2,197,099	2,185,604	2,641,000				5,367,073	5,632,365	6,312,979
Planning & Development	624,614	764,038	932,215	1,054,035	748,385	950,000				1,678,649	1,512,423	1,882,215
Uses of Funds Before Transfers	22,423,248	24,231,952	25,240,147	15,356,125	15,291,191	19,957,460	-	-	-	37,779,373	39,523,143	45,197,607
Transfer to Operating							522,989	1,042,377	591,609	522,989	1,042,377	591,609
Transfer to Capital	12,428,683	12,944,093	13,540,584				10,828,266	9,682,440	14,470,780	23,256,949	22,626,533	28,011,364
Transfer to Reserve/Reserve Funds	1,254,242	1,807,450	598,500	12,085,227	12,572,665	14,247,484				13,339,469	14,380,115	14,845,984
	36,106,173	38,983,495	39,379,231	27,441,352	27,863,856	34,204,944	11,351,255	10,724,817	15,062,389	74,898,780	77,572,168	88,646,564
(Increase)/Decrease to Funds	(581,070)	399,081	-	131,585	(346,760)	50,000	(3,262,822)	(4,792,289)	(617,095)	(3,712,307)	(4,739,968)	(567,095)
Opening Fund Balance		-	-	1,774,575	1,906,160	1,559,400	(32,437,389)	(35,700,211)	(40,492,500)	(30,662,814)	(33,794,051)	(38,933,100)
Closing Fund Balance	(581,070)	399,081	-	1,906,160	1,559,400	1,609,400	(35,700,211)	(40,492,500)	(41,109,595)	(34,375,121)	(38,534,019)	(39,500,195)



Financial Key Performance Indicators

While financial statements offer a wealth of information, review can be technical and time-consuming. Financial ratio analysis is an efficient and effective way to review an organization's financial performance and health.

For the Town of Tecumseh, the following measures have been reviewed and analyzed:

- Financial Position
- Operating Surplus/Deficit
- Asset Consumption
- Reserves
- Debt
- Taxes Receivable

Taken together, these measures give a good picture of the Town's overall financial health at a particular point in time. Trends in these measures can be used to identify areas of financial strength or weakness.

Municipal benchmark data: Financial ratio analysis in the private sector usually involves comparison to competitor and industry benchmark data. Industry benchmarks for municipalities are difficult to find, so for this analysis, comparisons were made to ratios of other Ontario municipalities. Comparison is made to the average for Essex County municipalities and to the average of Western Ontario municipalities. Note that Essex County averages exclude Windsor and Pelee Island.

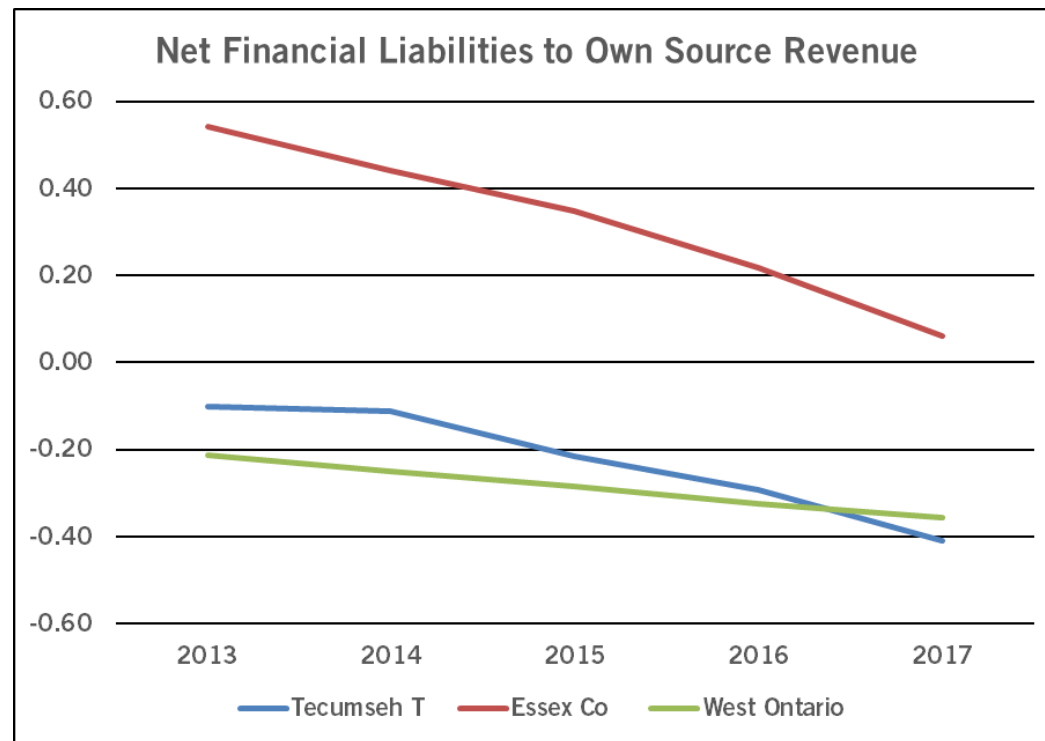
This review was effective and thorough enough to provide insight as to concerns that should be addressed in the near term and suggest overall areas of strength or weakness.

Financial Position

Net Financial Liabilities to Own Source Revenues Ratio

Net Financial Liabilities is net financial debt less net financial assets, not including tangible capital assets. Own Source Revenues are generated by the municipality and do not include items such as grants, donations and development charges.

The Net Financial Liabilities ratio is calculated by dividing the Net Financial Liabilities by Own Source Revenues. This measure indicates whether Own Source Revenues are sufficient to cover the financial liabilities of the Town. It is a more comprehensive measure than Net Debt as it includes Accounts Payable, Employee Future Benefits Payable and Other Current Liabilities. There is no industry benchmark ratio, so it is up to each municipality to determine its own target based on future needs.



Tecumseh	2013	2014	2015	2016	2017
Net Financial Liabilities	\$ (3,229,539)	\$ (3,885,105)	\$ (7,466,874)	\$ (10,204,963)	\$ (14,992,818)
Own Source Revenue	\$ 31,908,121	\$ 34,788,849	\$ 34,786,368	\$ 34,921,055	\$ 36,573,784
Ratio	(0.10)	(0.11)	(0.21)	(0.29)	(0.41)

(Source: Midas, FIR schedules 53 9910 01 and 81 2610 01)

Analysis

The average of Western Ontario municipalities is negative, meaning financial assets are greater than financial liabilities. The Town's ratio reached negative valuation in 2012 which continues through to 2017. In 2015, there was approximately \$4 million less tangible capital acquisitions than the prior year, which resulted in a decrease to the ratio. In 2017, greater cash balances, an increased investment in government business enterprise and lower debt contributed to a further decrease. The Essex County average is greater than zero, meaning financial liabilities exceed financial assets. This likely can be attributed to the greater use of debt and/or grant funding to fund infrastructure renewal requirements, or the "municipal infrastructure deficit".

This ratio should be reviewed in conjunction with other ratios to determine if it is a concern.

For instance, generally speaking, a negative ratio would be considered better than a positive ratio, being that financial assets are greater than financial liabilities; however a negative ratio combined with a poor Asset Consumption ratio could suggest that net financial liabilities are benefitting from a neglect of capital assets. Conversely, a positive ratio, or net debt might not necessarily be concerning if capital asset condition is very good.

Recommendation

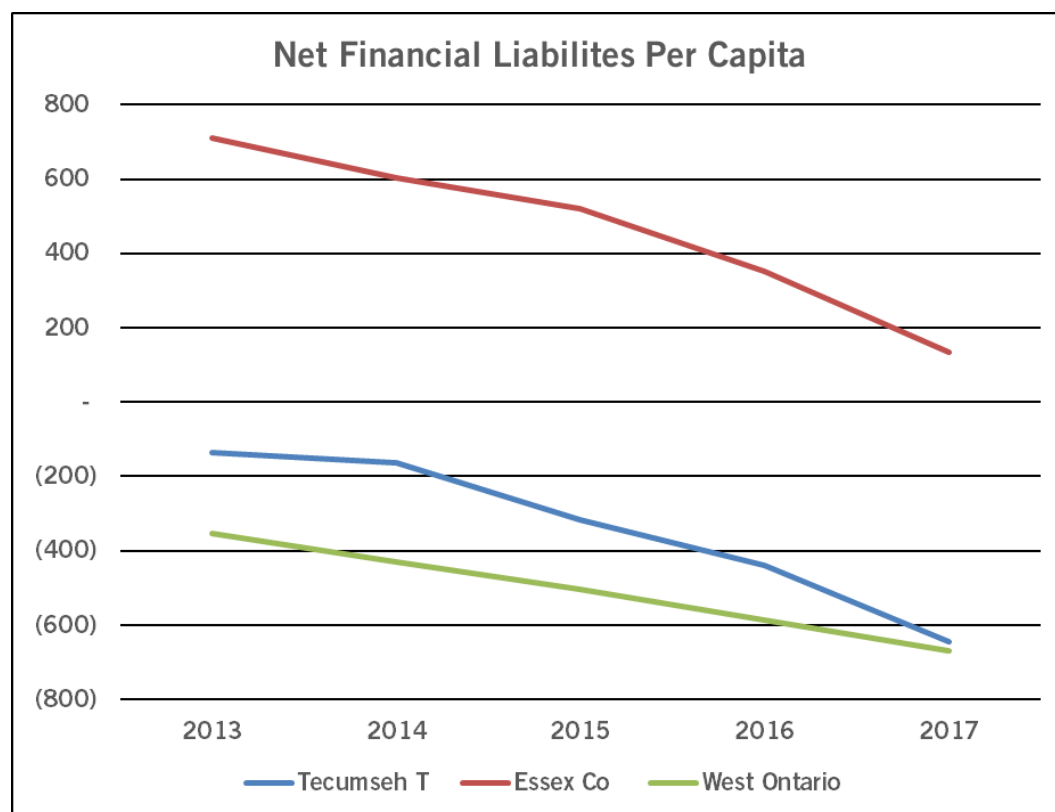
Having a negative ratio for this measure is preferred and will generally provide the municipality with greater financial flexibility, better borrowing and investing rates. However, it would be considered normal for this ratio to fluctuate over time between positive and negative. A consistently positive ratio may suggest that revenues are not sufficient, particularly if the positive ratio is large. This may ultimately lead to significant increases in taxes and/or erosion of municipal assets and services.

This ratio includes Employee Future Benefits Payable and Landfill Post Closure Liability, which are partially funded. Yearly allocations to reserves for these liabilities are warranted and necessary. The Town suspended annual allocations to these reserves

in the 2011 budget due to general tax levy pressures and has yet to resume annual allocations. An allocation of \$300,000 was made in 2015 using 2014 surplus funds. Recommencing allocations to these reserves should be considered in future budgets.

Net Financial Liabilities per Capita Ratio

Net Financial Liabilities are divided by the population to derive the Net Financial Liabilities Per Capita ratio. A positive ratio indicates that financial debt is greater than financial assets. A negative ratio indicates financial assets are greater than financial debt.



Tecumseh	2013	2014	2015	2016	2017
Net Financial Liabilities	\$ (3,229,539)	\$ (3,885,105)	\$ (7,466,874)	\$ (10,204,963)	\$ (14,992,818)
Population	23,610	23,610	23,610	23,229	23,229
Ratio	\$ (137)	\$ (165)	\$ (316)	\$ (439)	\$ (645)

(Source: Midas, FIR schedules 70 9945 01 and 02 0041 01)

Analysis

The chart to the right shows that the Town's net financial liabilities have declined steadily over the five-year period, reaching \$(645) per resident by 2017, therefore representing greater financial assets than financial liabilities.

The Town's Net Financial Liabilities Per Capita ratio has improved to a level more favorable than the Essex County average and similar to the West Ontario average.

Recommendation

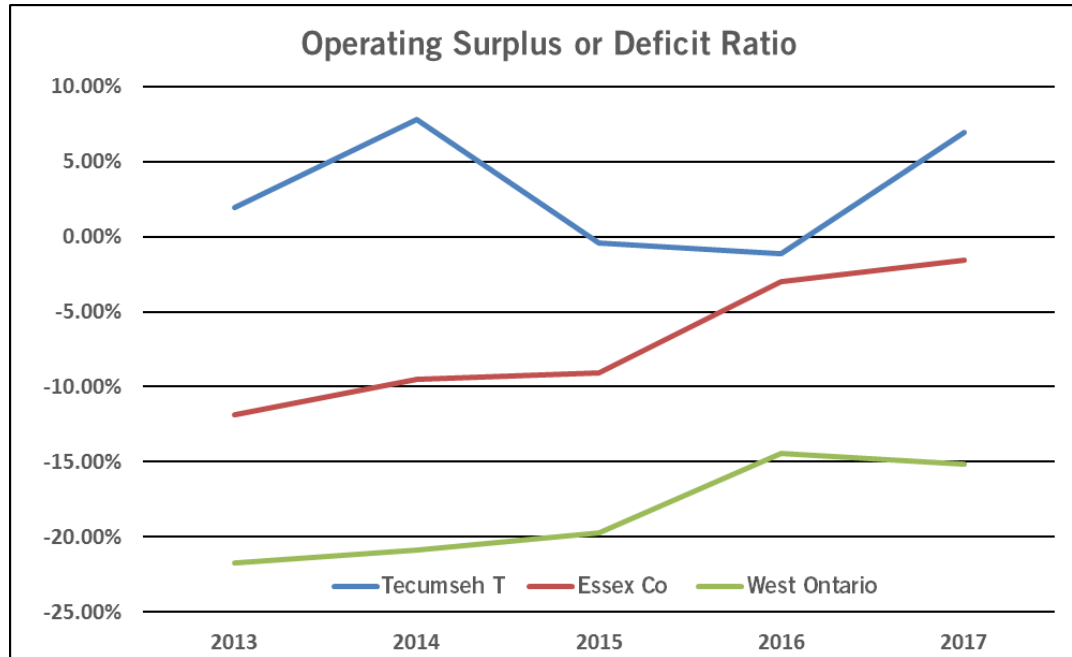
As noted previously, this ratio should be analyzed in conjunction with other ratios and provisions should be made to address unfunded liabilities.

Operating Surplus/(Deficit)

An Operating Surplus occurs when Operating Revenues are greater than Operating Expenses. An Operating Deficit occurs when expenses are greater.

Operating Surplus/(Deficit) Ratio

The Operating Surplus Ratio is calculated by dividing the Operating Surplus/(Deficit) by Own Source Revenues. As stated earlier, Own Source Revenues are generated by the municipality and do not include items such as grants, donations and development charges. Own Source Revenues should cover a municipality's expenses including amortization of assets in order to ensure sustainability.



Tecumseh	2013	2014	2015	2016	2017
Operating Surplus/(Deficit)	\$ 617,543	\$ 2,710,370	\$ (133,380)	\$ (385,678)	\$ 2,550,636
Own Source Revenue	\$ 31,908,121	\$ 34,788,849	\$ 34,786,368	\$ 34,921,055	\$ 36,573,784
Ratio	1.94%	7.79%	(0.38)%	(1.10)%	6.97%

(Source: Midas, FIR schedules 81 2610 01 and 40 9910 07)

Analysis

The Town has achieved operating surpluses in three of the last five years, with a significant surplus being achieved in 2014 and 2017. The 2014 surplus benefitted from a large reduction to Town policing costs following the implementation of the OPP New Billing Model. Other factors contributing to the large surplus were greater than anticipated Supplementary tax revenue and Building Permit revenue. The 2017 surplus benefitted from greater than anticipated Supplementary tax revenue and Building

Permit revenue along with significant cost reductions to street lighting (LED conversion), OPP policing costs (continued phase-in of the new billing model), Tax Write-offs (reduced assessment appeals) and Salaries (through position vacancies).

Although the Town had deficits in two of the last five years, the results are better than both the Western Ontario average and the local average. In the five years illustrated, the percentage is small, either positive or negative, which is preferred. A large negative percentage would be the worst result, indicating a large deficit in relation to own source revenues.

Recommendation

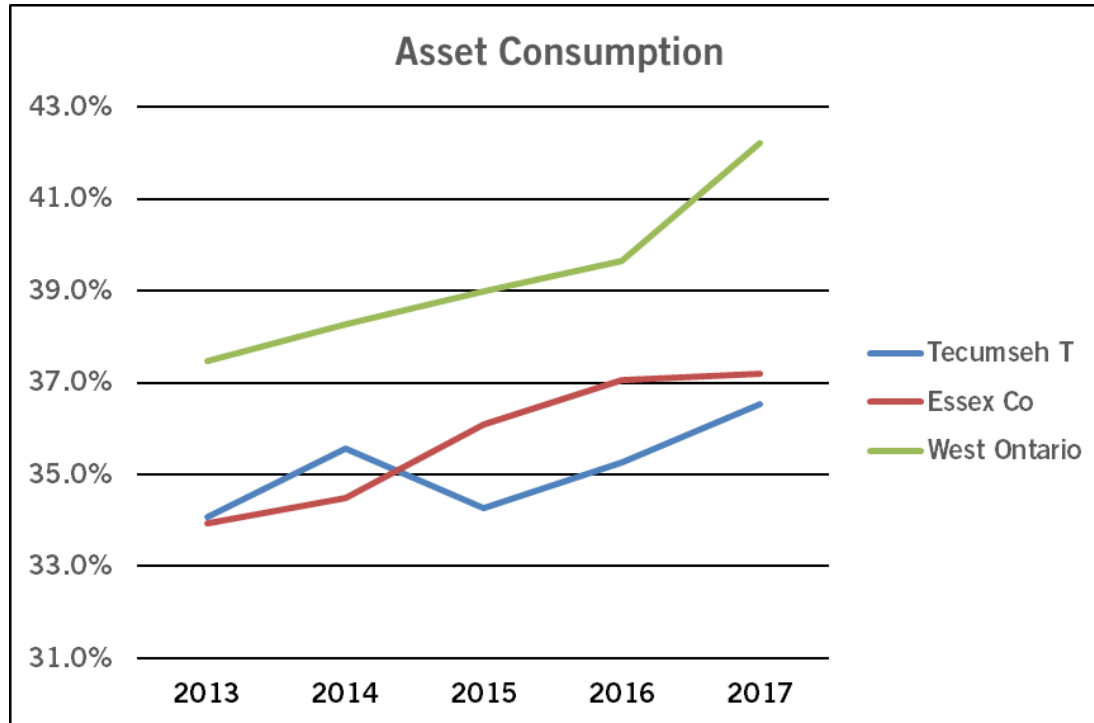
The Town should strive to cover costs with own source revenues and reduce reliance on funding from other levels of government. Break-even results or better should be targeted. Courses of action to increase revenues should be explored.

Asset Consumption

Asset Consumption represents the extent that the assets have been “used up” in terms of their estimated useful lives. Note that this is an accounting measure and does not reflect the actual physical condition of the assets.

Asset Consumption Ratio

The Asset Consumption Ratio is Accumulated Amortization expressed as a percentage of the Historical Cost of all assets. The higher the ratio, the higher the replacement need.



Tecumseh	2013	2014	2015	2016	2017
Accumulated Amortization	\$ 105,055,700	\$ 110,419,446	\$ 114,335,787	\$ 119,978,872	\$ 126,394,344
Historical Cost	\$ 308,421,332	\$ 310,467,896	\$ 333,589,150	\$ 340,359,632	\$ 345,934,432
Ratio	34.1%	35.6%	34.3%	35.3%	36.5%

(Source: Midas, FIR schedules 51 9910 10 and 51 9910 06)

Analysis

The Town's Asset Consumption Ratio has ranged from 34 percent to 37 percent over the past five years. This means that as a group, one third of the Town's assets have been "used up". An increasing trend may suggest that more asset replacements are forthcoming in the near future.

The Town's assets, overall, are "newer" than the Western Ontario average and similar to the County average.

This measure should be used in conjunction with engineering studies to determine the true asset condition and with the Town's Asset Management Plan to better project replacement/refurbishment needs.

Recommendation

The Town's Asset Consumption Ratio should be monitored to ensure that it does not continue to increase. It should also be used in conjunction with engineering studies to more accurately establish asset condition and replacement needs. This ratio can also be used to highlight specific areas that should be the focus of engineering studies.

Due to the significance of the Town's investment in Tangible Capital Assets, lifecycle contributions should be reviewed regularly to ensure adequacy. This analysis is conducted within the Town's Asset Management Plan.

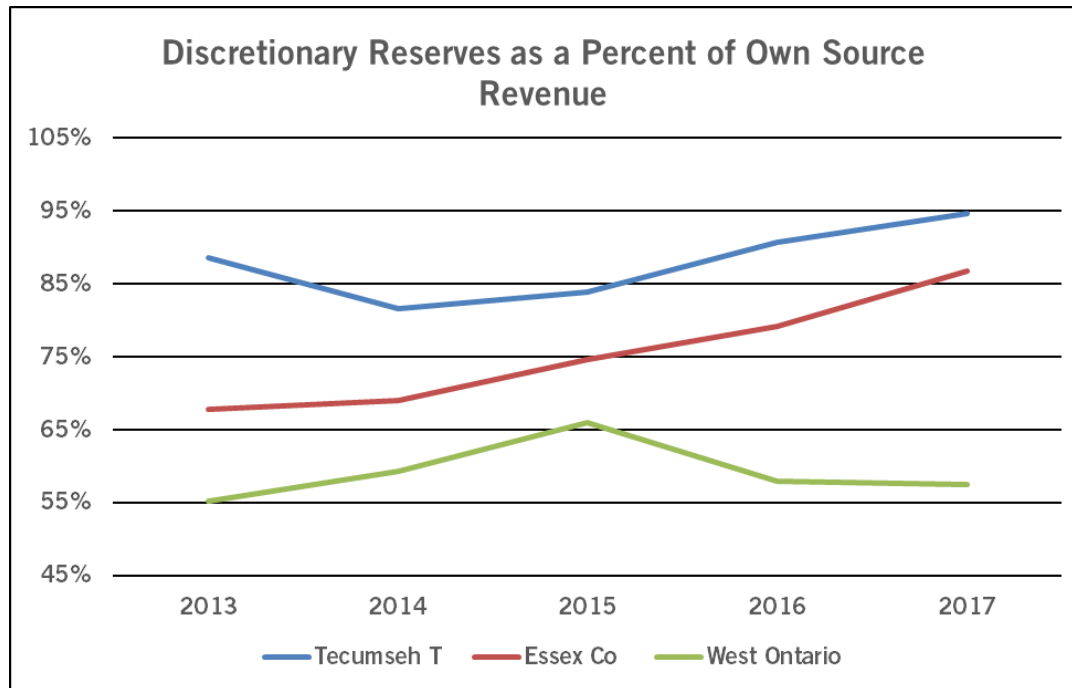
The 2019 budget proposes an increase to the Lifecycle allocation of \$100,000 to provide funds for future replacement of recent asset additions.

Reserves

Reserves offer liquidity and allow a municipality to be flexible in addressing operating and capital requirements

Discretionary Reserves as a Percent of Own Source Revenues Ratio

The ratio is calculated by dividing Discretionary Reserves by Own Source Revenues. Discretionary Reserves includes all reserves other than obligatory reserve funds, which have been segregated due to statutory requirements.



Tecumseh	2013	2014	2015	2016	2017
Discretionary Reserves	\$ 28,270,045	\$ 28,403,989	\$ 29,193,299	\$ 31,642,699	\$ 34,619,851
Own Source Revenue	\$ 31,908,121	\$ 34,788,849	\$ 34,786,368	\$ 34,921,055	\$ 36,573,784
Ratio	88.60%	81.65%	83.92%	90.61%	94.66%

(Source: Midas, FIR schedules 60 9930 02, 60 9930 03 and 81 2610 01)

Analysis

The Town's Discretionary Reserves as a Percent of Own Source Revenues ratio has been relatively stable the past five years, ranging from 82 percent to 95 percent. Discretionary Reserves increased in 2017 due to the transfer of the prior year surplus to

the Tax Rate Stabilization Reserve (net increase of \$356,000), the New Infrastructure Levy contribution of \$1,100,000, and an increase of \$1,400,000 in the Lifecycle Reserves.

The Town's Discretionary Reserves as a Percent of Own Source Revenues ratio is well above the Western Ontario average and better than the Essex County average. Better than average reserves can likely be attributed to the Town's lifecycle program started in 2005. In contrast, many municipalities in the province are not or have just recently started planning for infrastructure replacement needs.

Recommendation

While it is reassuring that the Town's reserves are above average, it does not mean that the reserves are adequate. For example, lifecycle reserves do not provide for new infrastructure requirements due to growth.

In determining the ideal level of reserves, several factors should be taken into account, such as:

- Replacement requirements of existing infrastructure
- New infrastructure requirements
- Debt and reserve policies
- Expenditure/service levels
- Economic climate

A thorough review of the reserves and development of a policy is essential for long-term sustainability.

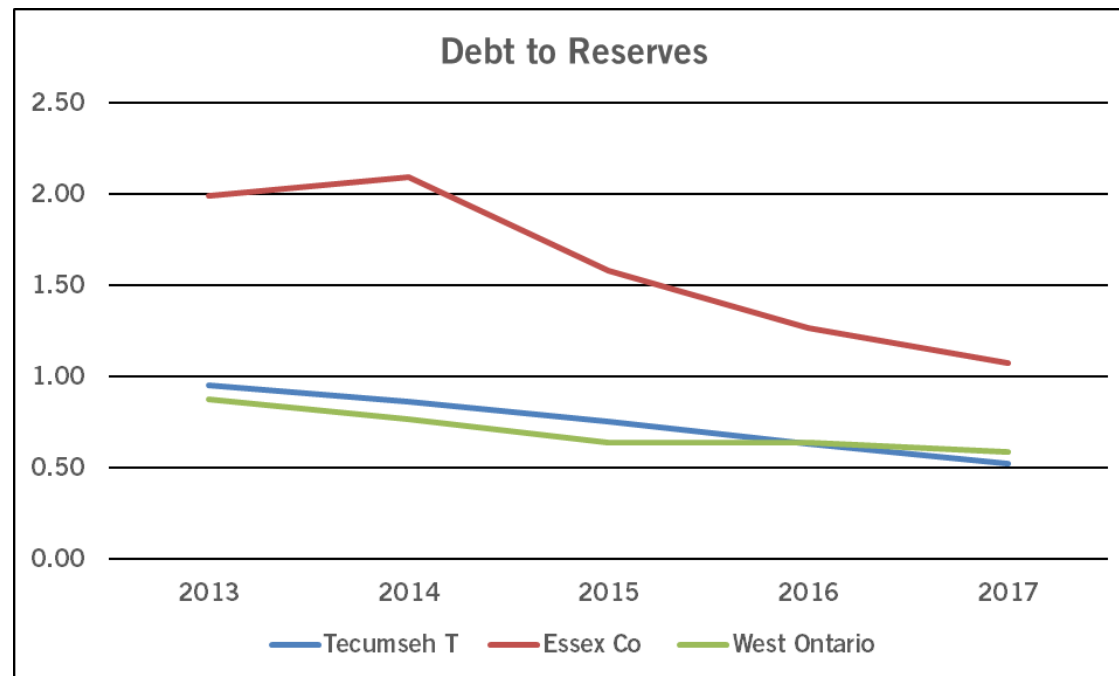
The 2015 budget implemented a special New Infrastructure Levy (NIL). The NIL is contributed to the Infrastructure (Capital) reserve to partially address funding shortfalls required for constructing new infrastructure. The initial target was set at \$1.3M, however, in light of the expected construction of the Sportsplex the target level for the NIL has increased to \$1.75M. The current NIL is \$1.2M with an additional \$150k being budgeted in 2019, \$200k in 2020 and \$100k in 2021. The target will be reached by 2022 if the increases proceed as planned. Note that \$450,000 of the NIL has been allocated to fund the Sportsplex project.

Debt

An Annual Repayment Limit set by the Ministry of Municipal Affairs and Housing limits the amount of debt repayment a Municipality can commit without receiving OMB approval. The limit is based on a maximum of 25 percent of Own Source Revenues based on the Financial Information Return adjusted for committed debt. The Town's current ratio is 7.9 % (2017).

Debt to Reserves Ratio

This ratio expresses total municipal Debt as a percentage of Discretionary Reserves. As previously noted, Discretionary Reserves includes all reserves other than obligatory reserve funds, which have been segregated due to statutory requirements.



Tecumseh	2013	2014	2015	2016	2017
Debt	\$ 26,845,683	\$ 24,468,031	\$ 22,057,556	\$ 19,985,707	\$ 18,075,444
Discretionary Reserves	\$ 28,270,045	\$ 28,403,989	\$ 29,193,299	\$ 31,642,699	\$ 34,619,848
Ratio	0.95	0.86	0.76	0.63	0.52

(Source: Midas, FIR schedules 74 9910 01 and 70 6420 01)

Analysis

The Town adopted an aggressive debt strategy in 2005 which involved the issuance of debt to finance long term capital requirements for sanitary and water purposes to ready the Town for development when circumstances dictate. In addition, as part of the Lifecycle program, the Town began borrowing for roads and bridges to provide full funding for these two categories. Total corporate debt outstanding peaked in 2011 and has gradually decreased since.

A Debt to Reserve ratio of 1.0 is considered prudent.¹ The 2013 to 2017 ratios are at or below 1.0.

The Town's debt does not exceed the Annual Repayment Limit set by Ministry of Municipal Affairs and Housing and is similar to the Western Ontario average. The Essex County average was considerably higher for a period, however has improved significantly the past few years and is approaching a ratio of 1.0.

Recommendation

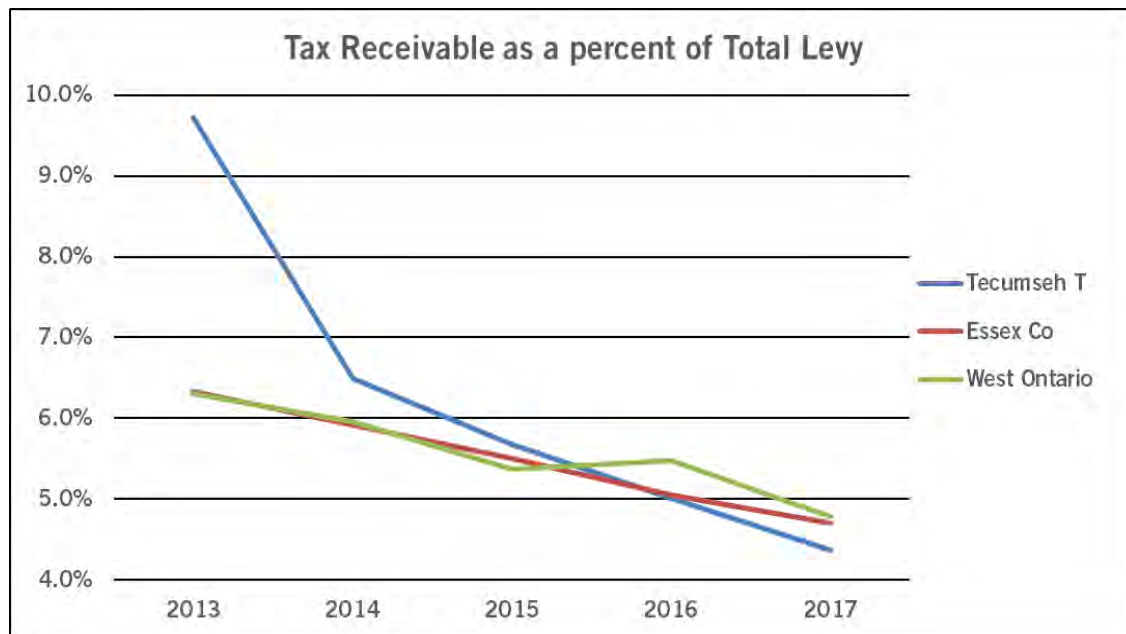
Development of a formal debt policy is crucial. Consideration should be given to a Pay as You Go program as an alternative in-part to the use of debt.

¹ Municipal Study – 2011, BMA Consulting Inc., 2011, p. 5.

Taxes Receivable

Total uncollected property taxes as a percentage of total tax levies is one of several measures used to evaluate the economic health of a municipality. An increasing percentage over time may indicate an overall decline in the municipality's economic health.

Taxes Receivable as a Percent of Tax Levies Ratio



Tecumseh	2013	2014	2015	2016	2017
Taxes Receivable	\$ 4,136,123	\$ 2,871,352	\$ 2,523,788	\$ 2,260,071	\$ 2,043,548
Total Levy	\$ 42,559,648	\$ 44,256,249	\$ 44,418,196	\$ 45,098,535	\$ 46,730,200
Ratio	9.72%	6.49%	5.68%	5.01%	4.37%

(Source: Midas, FIR schedules 72 0290 09 and 26 9199 03)

Analysis

Taxes Receivable as a Percent of Tax Levies had been trending upwards in the region from 2007-2010, which was a direct reflection of the economic climate. The percentages for Western Ontario and Essex County decreased to more normal levels by 2012, whereas Tecumseh's percentage continued to increase. A significant reduction to the Town's receivable was achieved during 2014 to bring Tecumseh's ratio in line with that of Western Ontario and Essex County.

Tecumseh's statistics can be skewed more than our comparators during economic downturns as the Town has a greater concentration of Industrial properties.

Recommendation

The Town has worked closely with several properties that are in arrears in an attempt to avoid tax registration and potentially tax sale, including establishing payment plans. This exercise extends the timeframe for properties in arrears to become current and thus, results in an increase to total taxes receivable outstanding.

Close attention must continue to be paid to properties in arrears, applying tax registrations where necessary.



Municipal Performance Measurement Program

The Municipal Performance Measurement Program (MPMP) Report was a Provincial program requiring all Ontario municipalities to measure and report to the Province and taxpayers on the efficiency and effectiveness measures of their service delivery performance. These were calculated on various schedules included in the Financial Information Return (FIR). This program was discontinued in 2014 and reporting requirements to the Province are no longer in place.

The program was changed based primarily on the following two factors:

- The need to streamline municipal report requirements. Only data demonstrated to be important to evidence-based decision making, and that is not available elsewhere using the same methodology, is collected.
- The need to improve the level of completeness and accessibility of the data. Focusing on pertinent data points and not having schedules repopulated simplifies the collection process and better addresses data inconsistencies.

FIR schedule 80D: statistical data will be provided to collect data needed to develop an established set of standardized performance measures. The province has made available public reporting templates and continues to provide multiyear reports for the MPMP measures based on data reported by municipalities.

The Town of Tecumseh believes in the following criteria excerpted, in part, from the former MPMP program; namely that services measured should meet the following criteria:

- Reflect major expenditure areas for municipalities
- Reflect high interest and value to the public
- Have data that is relatively easy to collect
- Fall under municipal responsibility

The goal of a measurement reporting program should be to assist municipalities to be efficient and deliver value for local services. Other reasons for its importance to municipalities include:

- Measurement helps improve performance
- Performance measurement strengthens accountability
- Performance measurement stimulates productivity and creativity

The Town is beginning with a pared down version of prior years' measures with the anticipation that a more fulsome set of measures will be developed over the next couple of years.

Comments

The following tables contain 2017 measures with comparative values for 2016 where measures have been consistently calculated.

Notable efficiency and/or effectiveness differences for 2017 include:

- Police Services – The operating costs per person have decreased by \$21 due to the new OPP costing formula introduced in 2015.
- Public Works – The operating costs for paved roads per lane kilometer have decreased from \$8,147 to \$7,415 in 2017 largely due to lower materials & supplies expenses for those items recorded as inventory on the Statement of Financial Position.
- Wastewater – Costs per kilometer of wastewater main were higher in 2017 largely due to \$450k of expenditures recorded re: Sanitary Sewer Rehabilitation - Inflow & Infiltration Removal project.
- Stormwater – Operating costs have increased due to \$75k of additional expenditures re: Tecumseh Storm Drainage Master Plan.
- Water – Although there were no changes to operations, operating costs for the distribution/transmission of drinking water have increased slightly due to a \$100k decline in revenue from other municipalities.

General Government

General Government	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for governance and corporate management as a percentage of total municipal operating costs	Operating costs for governance and corporate management Divided by Total municipal operating costs	\$2,856,352 Divided by \$25,753,327	11.1%	\$2,803,811 Divided by \$26,921,239	10.4%	Increase of 0.7%

Comment:

- The Town of Tecumseh provides centralized corporate support for services such as payroll, accounting and information technology for all departments and boards. A centralized support model may result in a higher measurement than a decentralized model where more costs are allocated directly to service areas.
- Operating costs for governance and corporate management shows a negligible change year over year.

Fire Services

Fire Services	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for fire services per \$1,000 of property assessment.	Operating costs for fire services Divided by Total property assessment/\$1,000	\$1,459,668 Divided by \$2,885,146	\$0.51	\$1,408,585 Divided by \$2,770,445	\$0.51	No change
Number of residential fire related injuries per 100 persons.	Total number of residential fire related civilian injuries Divided by Total population/1,000	0 Divided by 23.229	0.00	0 Divided by 23.229	0.00	No change
Number of residential fire related fatalities averaged over 5 years per 1,000 persons.	Total number of residential fire related civilian fatalities averaged for 2011 to 2017 Divided by Total population/ 1,000	0 Divided by 23.229	0.000	0 Divided by 23.229	0.000	No changes
Number of residential structural fires per 1,000 households	Total number of residential structural fires Divided by Total households/ 1,000	6 Divided by 8.884	0.675	3 Divided by 8.884	0.338	Increase of 0.338

Comment:

- The Tecumseh Fire Service is comprised of 2 salaried, 1 Fire Prevention Officer, 1 clerical administration staff and 40 volunteer firefighters. There was no change to the Fire Services operations in 2017 as reflected in the operating costs measure.
- Tecumseh Fire aggressively promotes fire safety within the community as well as emergency preparedness.

Police Services

Police Services	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for police services per person	Operating costs for police services Divided by Total population	\$3,429,486 Divided by 23.229	\$147.64	\$3,925,460 Divided by 23.229	\$168.99	Decrease of 21.35
Violent crime rate per 1,000 persons	Total number of actual incidents of violent crime Divided by Total population/ 1,000	106 Divided by 23.229	4.563	114 Divided by 23.229	4,908	Decrease of 0.344
Property crime rate per 1,000 persons	Total number of actual incidents of property crime Divided by Total population/ 1,000	575 Divided by 23.229	24.754	413 Divided by 23.229	17.779	Increase of 6.974
Total number of actual incidents of other Criminal Code offences (except traffic) per 1,000 persons	Total number of actual incidents of other Criminal Code offences, except traffic Divided by Total population/ 1,000	50 Divided by 23.229	2.152	33 Divided by 23.229	1.421	Increase of 0.732
Total crime rate per 1,000 persons (Criminal Code offences, excluding traffic) per 1,000 persons	Total number of actual incidents of other Criminal Code offences, excluding traffic Divided by Total population/1,000	731 Divided by 23.229	31.469	560 Divided by 23.229	24.108	Increase of 7.361
Youth crime rate per 1,000 youths	Total number of youths cleared by charge or cleared otherwise Divided by Youth population/1,000	3 Divided by 1.765	1.700	14 Divided by 1.765	7.932	Decrease of 6.232

Comment:

- Effective 2015, there was a new OPP costing formula for allocating costs to municipal contracts. Contract costs should be reduced approximately \$1.8 million upon full implementation over a five-year period. This reduction is reflected in the year over year decrease in operating costs.

Building Permit and Inspection Services

Building Permit and Inspection Services	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for building permit and inspection services per \$1,000 of construction activity	Total costs for building permit and inspection services Divided by Total value of construction activity/\$1,000	\$351,079 Divided by \$22,669	\$15.49	\$410,967 Divided by \$42,431	\$9.69	Increase of \$5.80

Comment:

- Total cost for building permit and inspection services dropped from 2016 to 2017 as a result of a decline in the allocation of the staff resources in this service area to more accurately reflect the actual staffing allocations in the various service areas of the department.
- Total value of construction can vary significantly from year to year depending on permits issued. Construction activity in 2017 was lower than the prior year, resulting in an increase in the measure.

Public Works

Roadways	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for paved (hard top) roads per lane kilometre	Operating costs for paved (hard top) roads Divided by Total paved (hard top) lane kilometres	\$2,854,615 Divided by 385	\$7,414,58	\$3,136,761 Divided by 385	\$8,147.43	Decrease of \$732.85
Percentage of paved lane kilometres where the condition is rated as good to very good	Number of paved lane kilometres rated good to very good Divided by Total number of paved lane kilometres tested	285 Divided by 385	74.0%	283 Divided by 385	73.5%	Increase of 0.5%

Comment:

- Wages and vehicle maintenance costs for Public Works staff are not separated by type of duty. This would result in a higher operating cost figure compared to municipalities that allocate costs on another basis.
- Pavement condition is rated using a Pavement Condition Index (PCI) such as the Index used by the Ontario Good Roads Association (OGRA) or the Ministry of Transportation's Roads Inventory Management System (RIMS).
- The operating costs for paved roads per lane kilometer have decreased from \$8,147 to \$7,415 in 2017 largely due to lower materials & supplies expenses for those items recorded as inventory on the Statement of Financial Position.

Bridges & Culverts	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Percentage of bridges and culverts where the condition is rated as good to very good	Number of bridges and culverts where the condition of primary components is rated as good to very good, requiring only maintenance Divided by Total number of bridges and culverts	15 Divided by 16	93.8%	15 Divided by 16	93.8%	No change

Comment:

- A bridge or culvert is rated as being in good to very good condition if distress to the primary components is minimal, requiring only maintenance. Primary components are the main load carrying components of the structure, including the deck, beams, girders, abutments, foundation etc. These components are assessed every two years.

Winter Control	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for winter maintenance of roadways, excluding sidewalks and parking lots, per lane kilometre maintained in winter	Operating costs for winter maintenance of roadways (excluding sidewalks and parking lots) Divided by Total lane kilometres maintained in winter	\$292,729 Divided by 385	\$760.34	\$288,071 Divided by 385	\$748.24	Increase of \$12.10

Comment:

- Winter control operating costs include only expenses directly related to winter control services such as wages and benefits for clearing roads, salt purchases, contracts for clearing roads, maintenance to snow vehicles only. No overhead or vehicle maintenance costs or patrol costs are allocated to winter control.
- Operating costs for winter control have stayed fairly consistent resulting in a negligible change to the measure year over year.

Transit

Conventional Transit	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for conventional transit per regular service passenger trip	Operating costs for conventional transit Divided by Total number of regular service passenger trips on conventional transit	\$276,149 Divided by 26,236	\$10.53	\$274,226 Divided by 27,003	\$10.16	Increase of \$0.37
Number of conventional transit passenger trips per person in the service area in a year	Total number of regular service passenger trips on conventional transit Divided by Population in service area	26,236 Divided by 17,274	1.52	27,003 Divided by 17,274	1.56	Decrease of 0.04

Comment:

- The transit system was implemented in December 2009. There was no change to Transit operations in 2017, resulting in negligible change to measures year over year.

Wastewater

Wastewater	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for the collection/conveyance of wastewater per kilometre of wastewater main	Costs for wastewater collection/conveyance Divided by Total kilometres of wastewater mains	\$1,428,940 Divided by 111	\$12,873.33	\$805,432 Divided by 111	\$7,256.14	Increase of \$5,617.19
Operating costs for the treatment and disposal of wastewater per megalitre	Costs for wastewater treatment and disposal Divided by Total megalitres of wastewater treated	\$1,377,298 Divided by 3,492.660	\$394.34	\$1,686,785 Divided by 4,347.935	\$388.18	Increase of \$6.16
Operating costs for the collection/conveyance, treatment and disposal of wastewater per megalitre (integrated system)	Costs for wastewater collection/conveyance, treatment and disposal Divided by Total megalitres of wastewater treated	\$2,806,238 Divided by 3,492.660	\$803.47	\$2,493,217 Divided by 4,347.935	\$573.43	Increase of \$230.04
Number of wastewater main backups per 100 kilometres of wastewater main in a year	Total number of backed up wastewater mains Divided by Total kilometres of wastewater mains/100	0 Divided by 1.11	0.00	1 Divided by 1.11	0.90	Decrease of 0.90

Comment:

- Sewage is treated by the City of Windsor. There were no changes to operations. Costs per kilometer of wastewater main were higher in 2017 largely due to \$450k of expenditures recorded re: Sanitary Sewer Rehabilitation - I & I Removal project.

Storm

Storm Water	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for urban storm water management (collection, treatment, disposal) per kilometre of drainage system	Costs for urban storm water management Divided by Total km of urban drainage system plus (0.005km X # of catch basins)	\$549,938 Divided by 167.00	\$3,293.04	\$424,870 Divided by 167.00	\$2,544.13	Increase of \$748.91

Comment:

- Stormwater operating costs have increased due to \$75k of additional expenditures re: Tecumseh Storm Drainage Master Plan.

Water

Drinking Water	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for the treatment of drinking water per megalitre	Costs for the treatment of drinking water Divided by Total megalitres of drinking water treated	\$1,407,390 Divided by 3,585.23	\$392.55	\$1,486,893 Divided by 3,816.97	\$389.55	Increase of \$3.00
Operating costs for the distribution/transmission of drinking water per kilometre of water distribution pipe	Costs for the distribution/transmission of drinking water Divided by Total kilometres of water distribution/transmission pipe	\$1,916,122 Divided by 224.00	\$8,554.12	\$1,807,511 Divided by 218.00	\$8,291.33	Increase of \$262.78
Operating costs for the treatment and distribution/transmission of drinking water per megalitre (integrated system)	Costs for the distribution/transmission of drinking water Divided by Total kilometres of water distribution/transmission pipe	\$3,323,512 Divided by 3,585.23	\$927.00	\$3,294,404 Divided by 3,816.97	\$863.10	Increase of \$63.91
Number of watermain breaks per 100 kilometres of water distribution pipe in a year	Number of watermain breaks in a year Divided by Total kilometres of water distribution/transmission pipe/100	11 Divided by 2.24	4.91	18 Divided by 2.18	8.26	Decrease of 3.3

Comment:

- Operating costs for the distribution/transmission of drinking water has increased slightly due to a \$100k decline in revenue from other municipalities.
- The Water Anode program contributes to the decline in watermain breaks.

Garbage Collection/Disposal

Solid Waste Management	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for garbage collection per household	Costs for garbage collection Divided by Total households	\$624,395 Divided by 8,884.00	\$70.28	\$632,586 Divided by 8,884.00	\$71.21	Decrease of \$0.92
Operating costs for garbage disposal per household	Costs for garbage disposal Divided by Total households	\$810,561 Divided by 8,884.00	\$91.24	\$879,857 Divided by 8,884.00	\$99.04	Decrease of \$7.80

Comment:

- The contract for solid waste collection is fixed based on the number of households. The Town of Tecumseh reports on a per household basis, versus a per tonne basis, to better reflect the drivers for garbage collection and disposal.
- The municipality pays tipping fees for the landfill which is jointly owned by the County of Essex and City of Windsor.

Parks & Recreation

Parks	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Operating costs for parks per person	Costs for parks Divided by Total population	\$1,438,622 Divided by 23,229	\$61.93	\$1,653,482 Divided by 23,229	\$71.18	Decrease of \$9.25
Operating costs for recreation programs per person	Costs for recreation programs Divided by Total population	\$156,989 Divided by 23,229	\$6.76	\$142,763 Divided by 23,229	\$6.15	Increase of \$0.61
Operating costs for recreation facilities per person	Costs for recreation facilities Divided by Total population	\$1,680,736 Divided by 23,229	\$72.36	\$1,616,132 Divided by 23,229	\$69.57	Increase of \$2.78
Total kilometres of trails per 1,000 persons	Total kilometres of trails Divided by Total population/1,000	31 Divided by 23.23	1.33	27 Divided by 23.23	1.16	Increase of 0.17
Square metres of indoor recreation facilities (municipally owned)	Square metres of indoor recreation facilities (municipally owned) Divided by Total population/1,000	8,244 Divided by 23.23	354.9	8,244 Divided by 23.23	354.90	No change
Square metres of outdoor recreation facility space per 1,000 persons (municipally owned)	Square metres of outdoor recreation facility space (municipally owned) Divided by Total population/1,000	24,960 Divided by 23.23	1,074.5	24,960 Divided by 23.23	1,074.5	No change

Comment:

- Relatively stable measures reflect the fact that Parks and Recreation operations are unchanged.

Planning

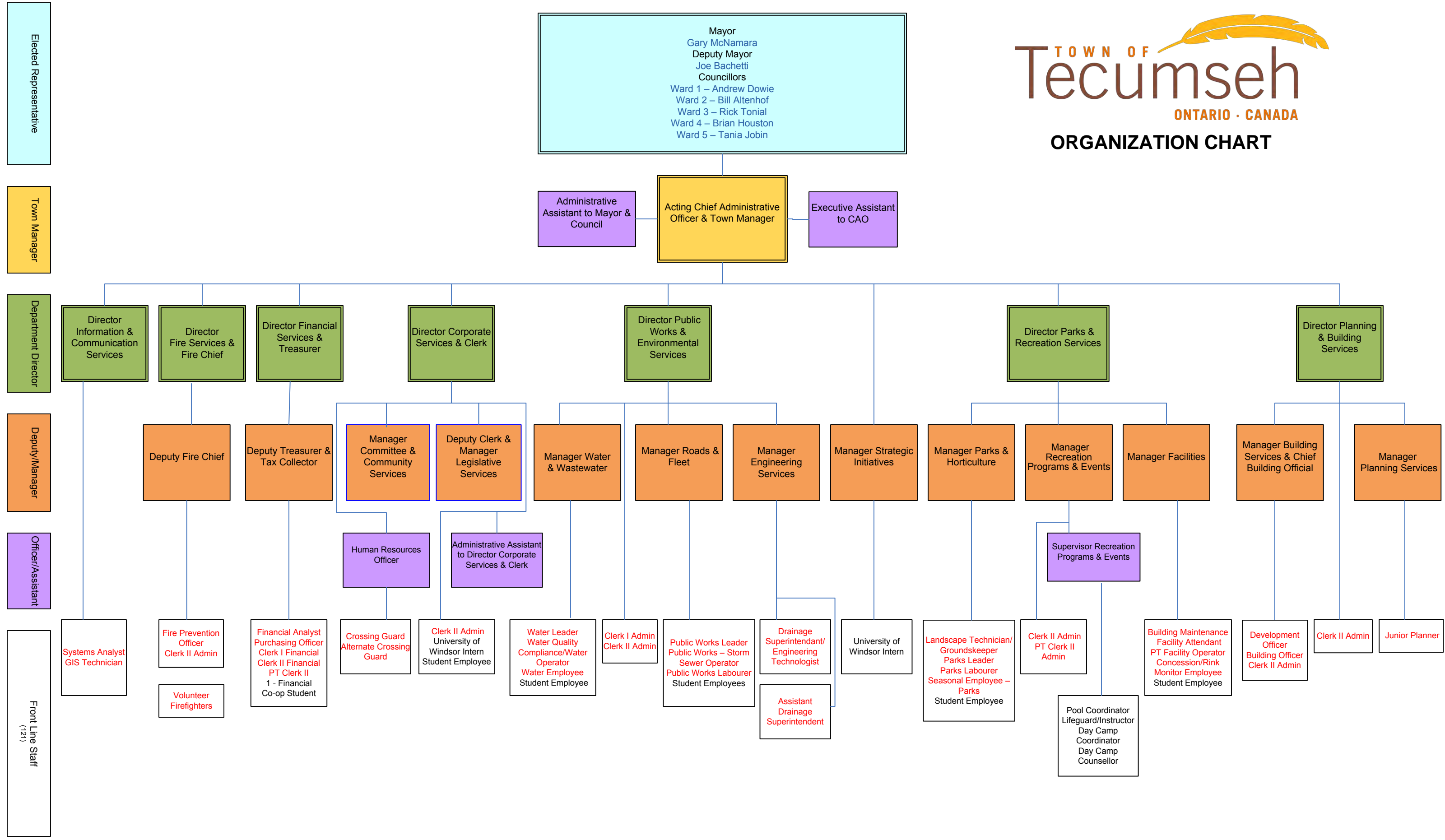
Land Use Planning	Definition	2017 Data	2017 Results	2016 Data	2016 Results	Year over Year Change
Percentage of new residential units located within settlement areas	Number of new residential units located within settlement areas Divided by Total number of new residential units within the entire municipality	51 Divided by 51	100%	103 Divided by 106	97%	Increase of 3%

Comment:

- New residential units are primarily located with fully serviced settlement areas as a function of proper planning controls.



ORGANIZATION CHART





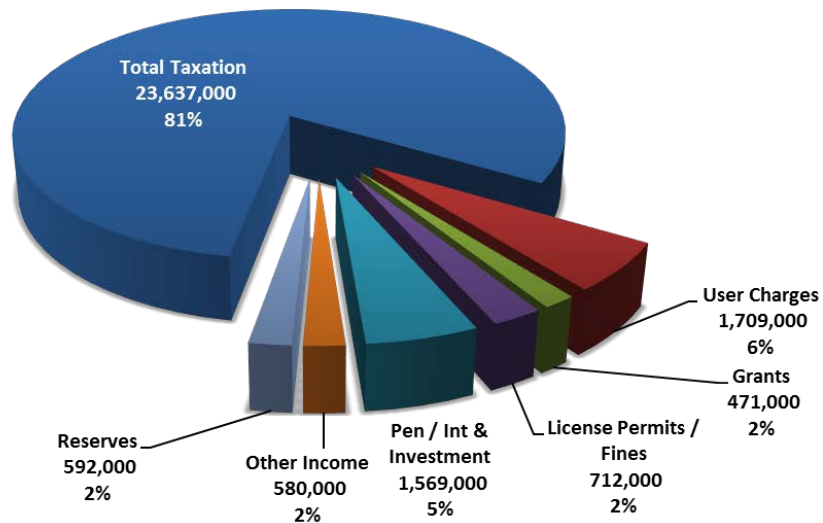
General Operating Budget Overview

Revenues

The 2019 Operating and Lifecycle Budgets, excluding Water and Sanitary, include \$29,271,000 in revenues, which is a \$1,279,000 increase or 4.6% over the 2018 Operating and Lifecycle Budgets.

The primary source of revenue for the Operating and Lifecycle Budgets is Taxation, which accounts for 81% of all revenue. Revenue by major category is depicted below.

2019 Revenues Tax Supported



Total Taxation - \$23,637,000

Total Taxation revenue is comprised of general levy taxes, supplementary taxes, right of way taxation, special charges and payments in lieu. General levy taxation accounts for \$23,320,000, or 99% of Total Taxation.

General tax levy revenues increased by \$994,000 or 4.5%. \$391,000 of this increase will be generated from assessment growth. The actual impact to a particular property will vary, as the effect of phasing-in market value assessment changes shifts the tax levy burden both from one class to another and between properties within classes themselves.

County and Education budgets had not been established at the time of budget development. Estimates for County and Education 2019 levies are based on increases/decreases experienced the past few years and are included in the table below to project the estimated total property tax levy on an average property.

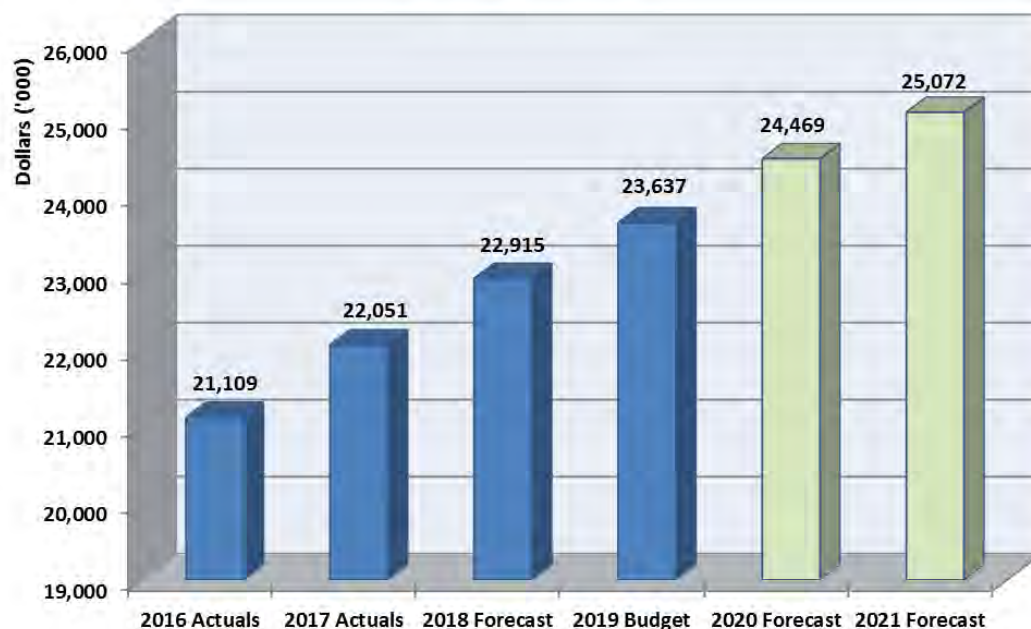
The estimated total tax impact on an “average” Residential home assessed at \$250,000 is summarized as follows:

Levying Authority	2019	2018	\$ Change	% Change
Town	\$1,813	\$1,767	\$46	2.62%
County (Estimate)	\$1,209	\$1,151	\$58	5.07%
Education (Estimate)	\$410	\$411	\$(1)	(0.13)%
Total	\$3,432	\$3,328	\$104	3.13%

Average residential property assessments increased by 14% during the last assessment revaluation (2016 CVA vs. 2012 CVA) based on data provided by MPAC. Average properties can expect annual phased-in assessment increases of 3-4% through the next assessment cycle, i.e. tax years 2017-2020.

An average residential property assessed at \$250,000 for 2019 would have essentially had a 2018 phased-in assessment of \$241,500, assuming an average annual phase-in increase of 3.5%. For comparison purposes, taxes calculated in the table above use a property value of \$250,000 for 2019, which is compared to a value of \$241,500 for 2018.

Total Taxation

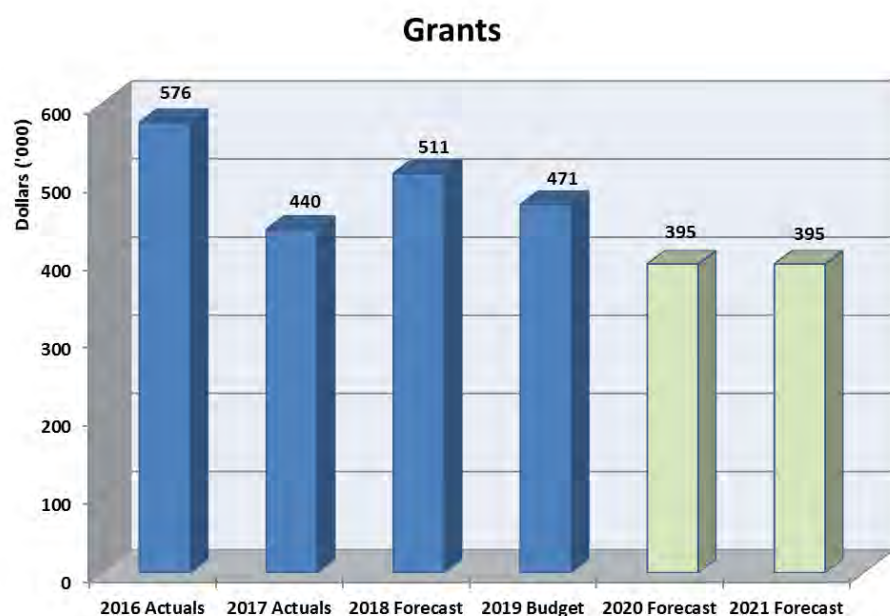


The large majority of the increase in 2019 is due to Wages and Benefits increasing by \$451,000, of which \$120,000 results from staffing enhancements, supported by Request for New Staffing Enhancement (RNSE) Forms. Changes to legislation accounted for an additional \$120,000 of increases, split evenly between Bill 148-related increases to seasonal and part-time wages and income tax-related changes affecting Council wages. Of the remaining \$211,000 increase, approximately \$166,000 can be attributed to negotiated wage/benefit increases and \$45,000 due to one-time retirement payouts.

Lifecycle/Capital requirements increase \$250,000 including a provision for an increase to the New Infrastructure Levy allocation of \$150,000 and an increase to the Lifecycle allocation of \$100,000. Details of this increase can be found in the Lifecycle section of this document.

Projected Municipal Taxation requirements for 2020 and 2021 call for general levy increases of 3.6% and 2.5% respectively, of which approximately 1.1% each year is Lifecycle/Capital related. Some of the increase in the outlook years is expected to be generated from assessment growth, so that increases to the tax levy, net of growth, should be closer to 3.1% and 2.3% for the outlook years.

Grants - \$471,000



Grants are sources of funding received by the Town primarily from the Province of Ontario.

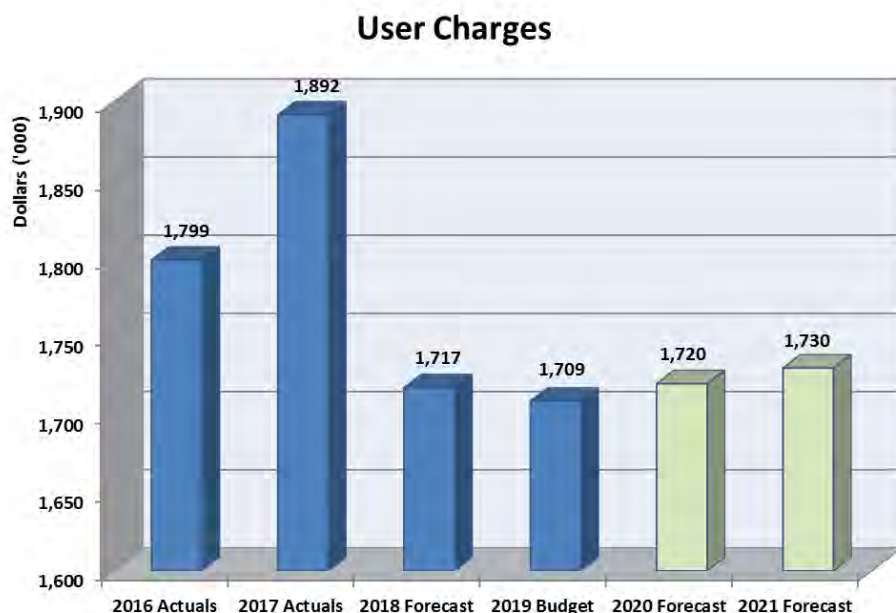
Ontario Municipal Partnership Fund (OMPF) grant revenue is estimated at \$52,000 in 2019. Tecumseh's share of this grant has generally declined as the program was re-designed so that northern and rural municipalities would gain a greater proportion of the available funding.

Ontario Specific Grants are expected to increase by \$68,000 to \$390,000 primarily due provincial Gas Tax – Transit funding. This grant funding varies from year to year based on actual expenditures incurred in the previous year. The 2019 budget was bumped up to reflect higher than average prior year expenditures resulting from the purchase of a bus.

The grant for the summer student program has been increased by \$22,000 based on prior year actuals.

Outlook years are estimated at closer to 2018 budget levels reflective of an anticipated decrease to Gas Tax – Transit funding as expenditures return to normal levels.

User Charges - \$1,709,000

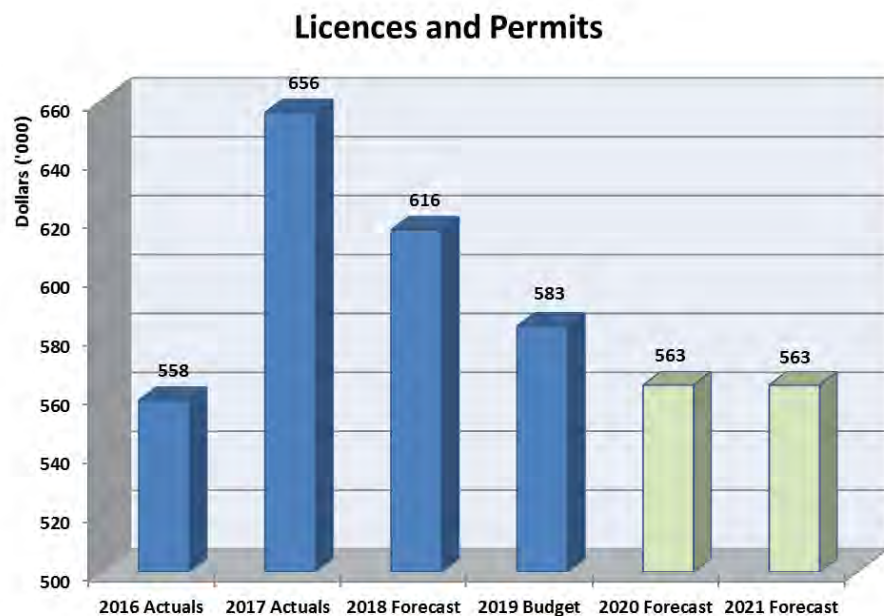


User Charges are fees imposed for a variety of municipal services such as arena ice rental, land lease and pool programs. The three largest generators of User Charges are:

- Arena ice rentals - \$808,000
- Pool swim programs - \$124,000
- Registration Fees - \$102,000

User Charges revenues (excluding Water and Sanitary) are reviewed annually and are generally adjusted by the Consumer Price Index (CPI) at September. The CPI at September 2018 was 2.2%. Departments will generally increase User Charges by an estimated 2.2% where market conditions allow. Total User Charges are expected to increase by \$10,000, or 0.59% over 2018 budgeted revenues.

Licences and Permits - \$583,000



The Town generates revenue through the issuance of licenses (dog, taxi and lottery) and permits (building, culvert/driveway). The two largest sources of revenue under this grouping are:

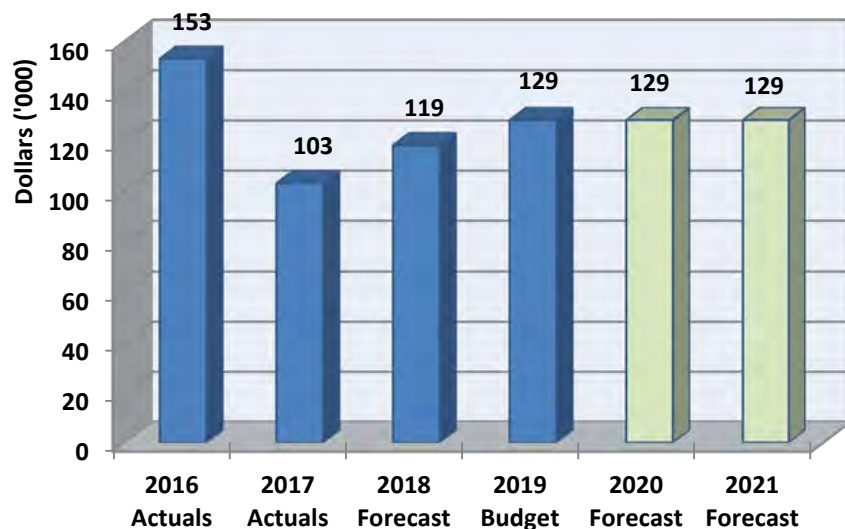
- Building Permits \$330,000
- Lottery Licenses \$185,000

License and Permit revenues are expected to decrease from 2018 budget levels by \$17,000 primarily due to lower building permit fees (\$22,000) as a result of the completion of various housing developments. This is slightly offset by an increase in dog license revenue of \$5,000 as dog tag enforcement in 2018 led to more registrations.

The forecast years have been slightly reduced to reflect typical development activity.

Fines - \$129,000

Fines

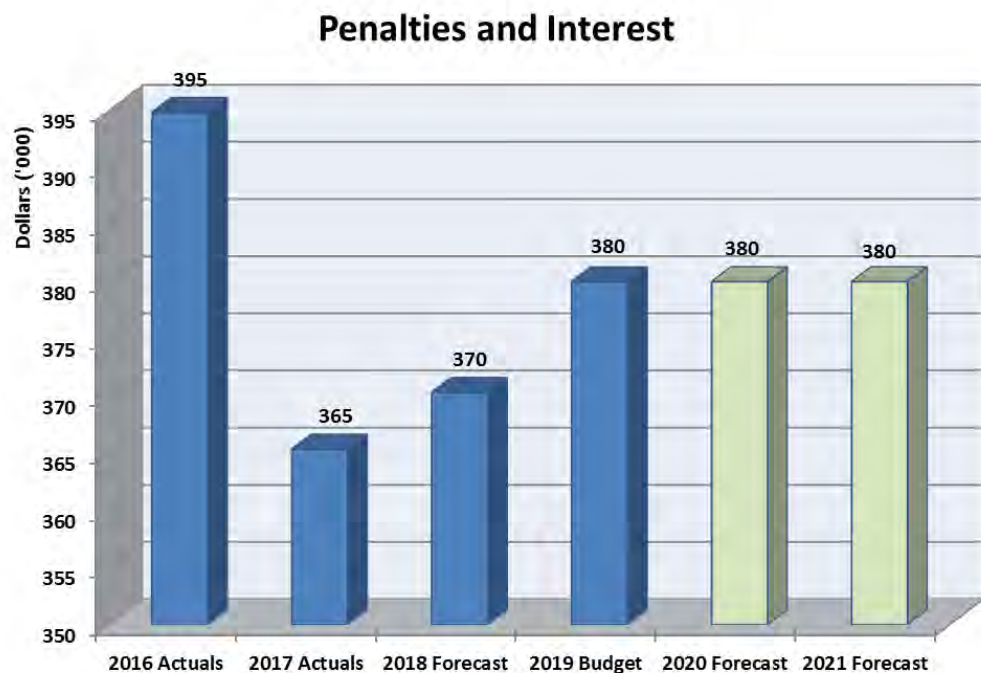


The municipality receives revenue for provincial offences, parking and dog fines. Provincial offences are non-criminal charges committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Liquor License Act, Trespass to Property Act or Town By-laws. Provincial offences fines are allocated proportionately based on assessment; the Town's share has been declining marginally over time.

Although parking and dog fines have remained stable, 2018 revenues are forecast slightly below budget due to lower provincial offences fines.

The 2019 budget has been reduced by \$10,000 to reflect decreasing revenues. Budgets for the outlook years are maintained at 2019 base levels.

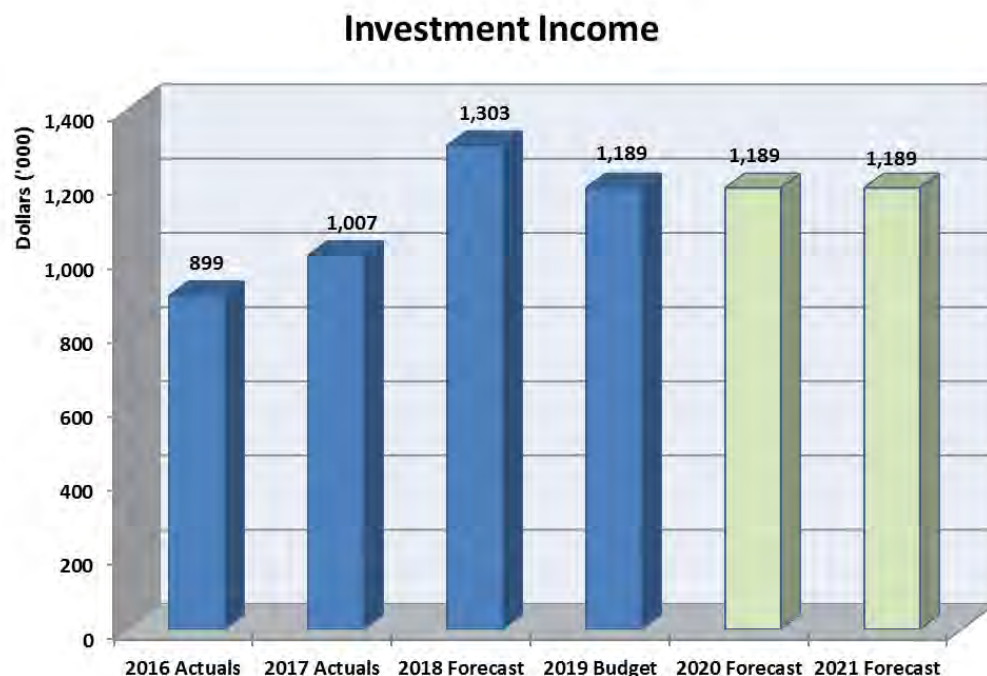
Penalties and Interest - \$380,000



Penalties and Interest are charges for the late payment of property tax bills. The 2019 budget for penalties and interest on outstanding taxes has been reduced by \$15,000 to \$380,000.

Actual penalties and interest charges have steadily declined for the past few years as Taxes Receivable balances have returned to historical norms following a period of difficult economic times. Forecasted charges for the outlook years are expected to remain at around \$380,000 per year.

Investment Income - \$1,189,000



Investment income summarizes revenues generated through interest and dividends. Bank interest of \$700,000 and Dividends of \$483,000 comprise the majority of the total budgeted amount.

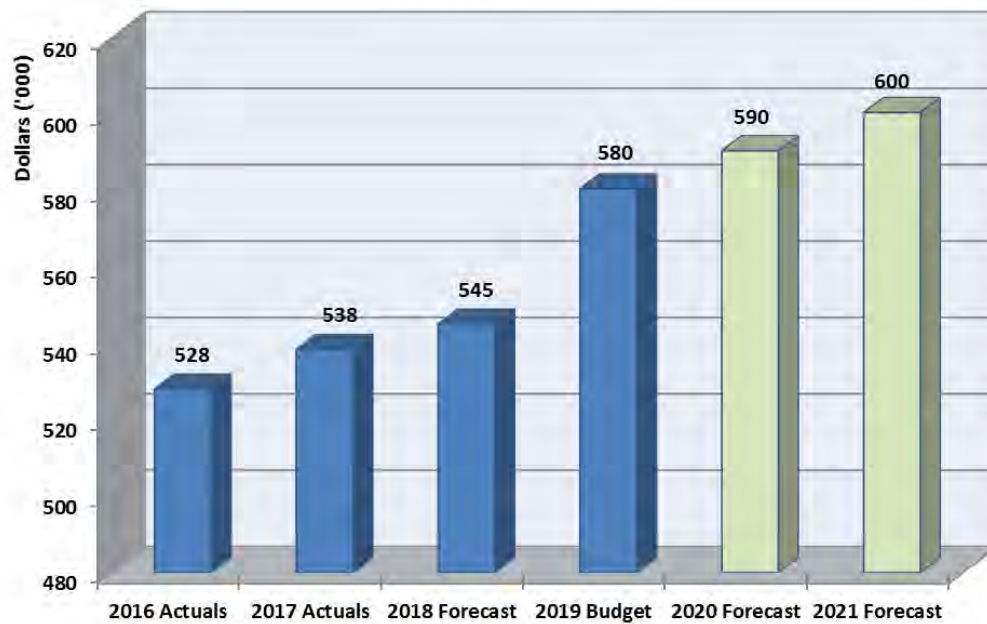
Actual income exceeded budgets in 2016 through 2018 due to greater bank interest income coming from higher rates and bank balances and significant increases to dividend income.

The 2019 budget for bank interest has been increased by \$186,000 and dividend income increased by \$13,000.

Due to the volatile nature of these income streams, incomes earned above a base amount are transferred to the Tax Rate Stabilization Reserve. Higher interest rates in 2018 with an expectation for further increases have allowed the Town to raise the Bank Interest base budget from \$134,000 to \$320,000. \$457,000 of the category total of \$1,189,000 is to be transferred to reserve for 2019.

Other Income - \$580,000

Other Income



The Other Income category is comprised of royalties and interfunctional charges. Interfunctional - Administration charges comprise 93% of the total budgeted amount.

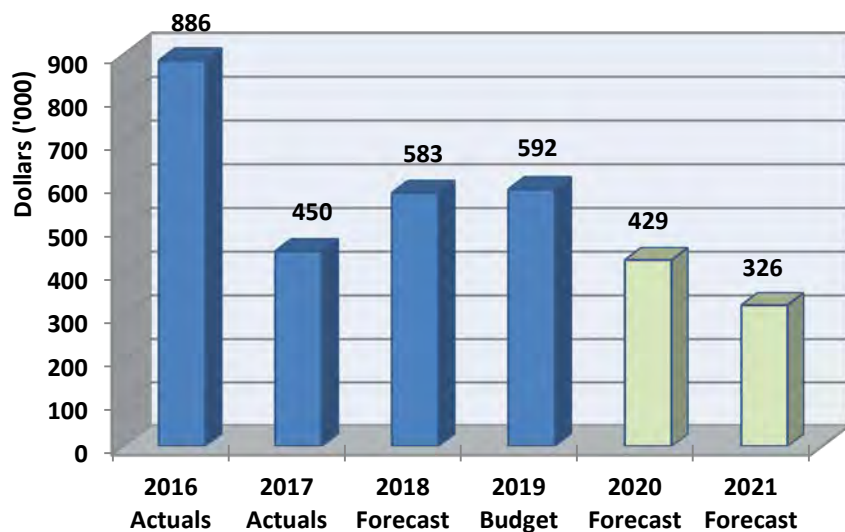
Interfunctional charges include Town General Administrative cost recoveries of \$538,000 that are charged to Sanitary and Water, to the benefit of the general Town budget, as part of the program to have Sanitary and Water services on a full cost recovery basis.

The 2019 budget for interfunctional charges has been decreased by 15% as Council has deferred bringing water and sanitary billing and collection functions in-house.

Outlook year levels have been increased by inflation.

Transfers from Reserves - \$592,000

Transfers from Reserves/Reserve Funds



Reserves, which include reserve and reserve fund transfers to the Operating Budget, are \$592,000, which represents an increase of \$132,000, or 29% from 2018 budget levels. 2019 transfers are as follows:

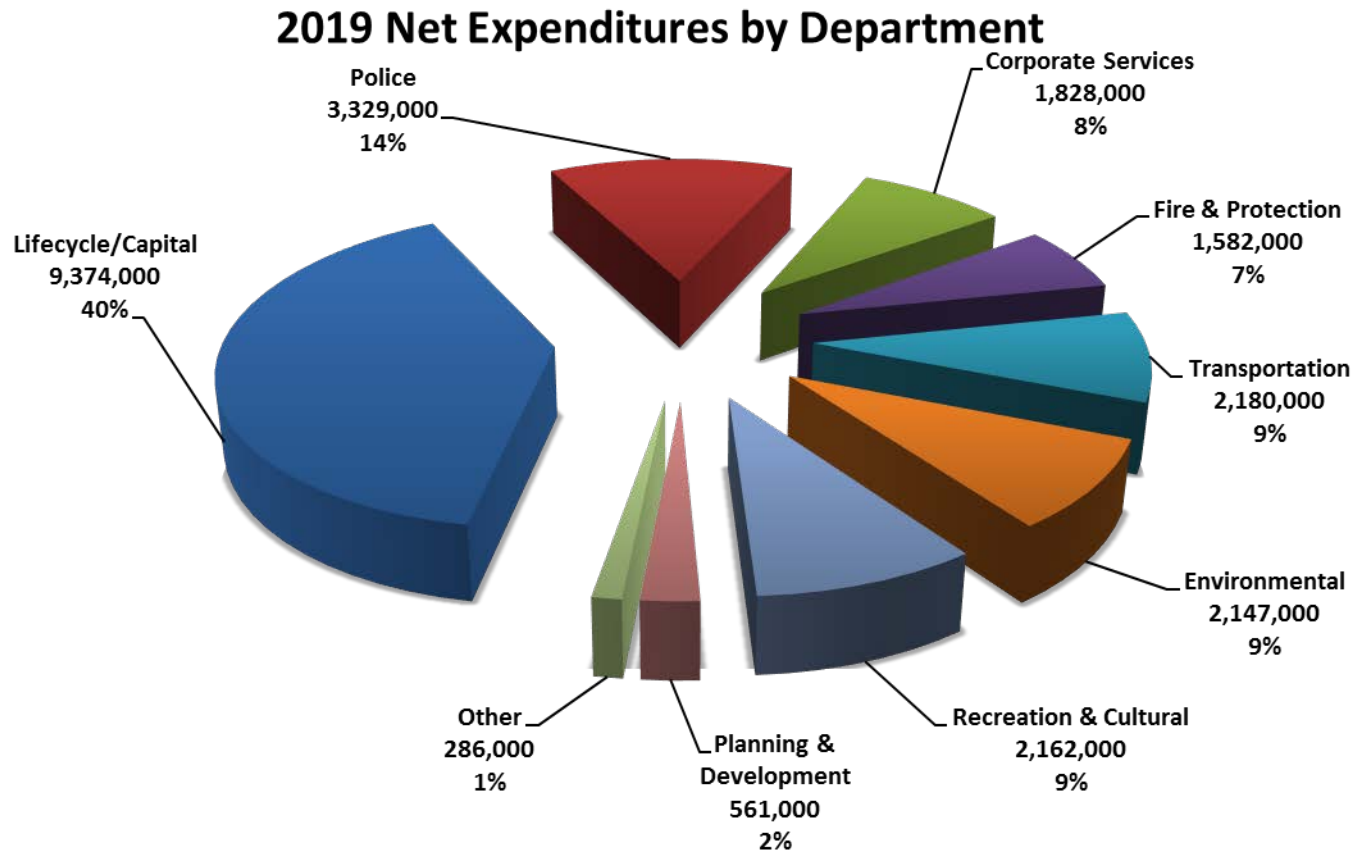
- Reserves - \$301,000
- Lifecycle Reserves - \$196,000
- Reserve Funds - \$95,000

Some of the more significant items/changes include:

- \$150,000 transfer from Reserves – CAO – funding allocation for ongoing legal costs surrounding the Lottery Licensing lawsuit.
- \$29,000 transfer from Reserves – Corporate Shared – access \$29,000 from Insurance reserve to offset 2019 insurance premium increase.
- \$44,000 transfer from Reserves – various departments – to offset retirement payouts.
- \$25,000 transfer from Reserves and \$40,000 transfer from Reserve Funds to offset 2019 Planning studies.
- \$27,400 transfer from Lifecycle and \$55,000 transfer from Reserve Funds – Information Technology - to offset department payroll and benefit costs related to GIS Technician work that is capital related.
- \$88,000 transfer from Lifecycle – New Issues - Transit – to support smoothing net Transit operating costs.

Expenditures

The Operating Budget including allocation to Lifecycle is illustrated below as net expenditure by service category. Net expenditure of a service is the total cost less revenues, such as User Charges, License fees, Permit fees etc. It can be described as the net cost of that service to property taxpayers.



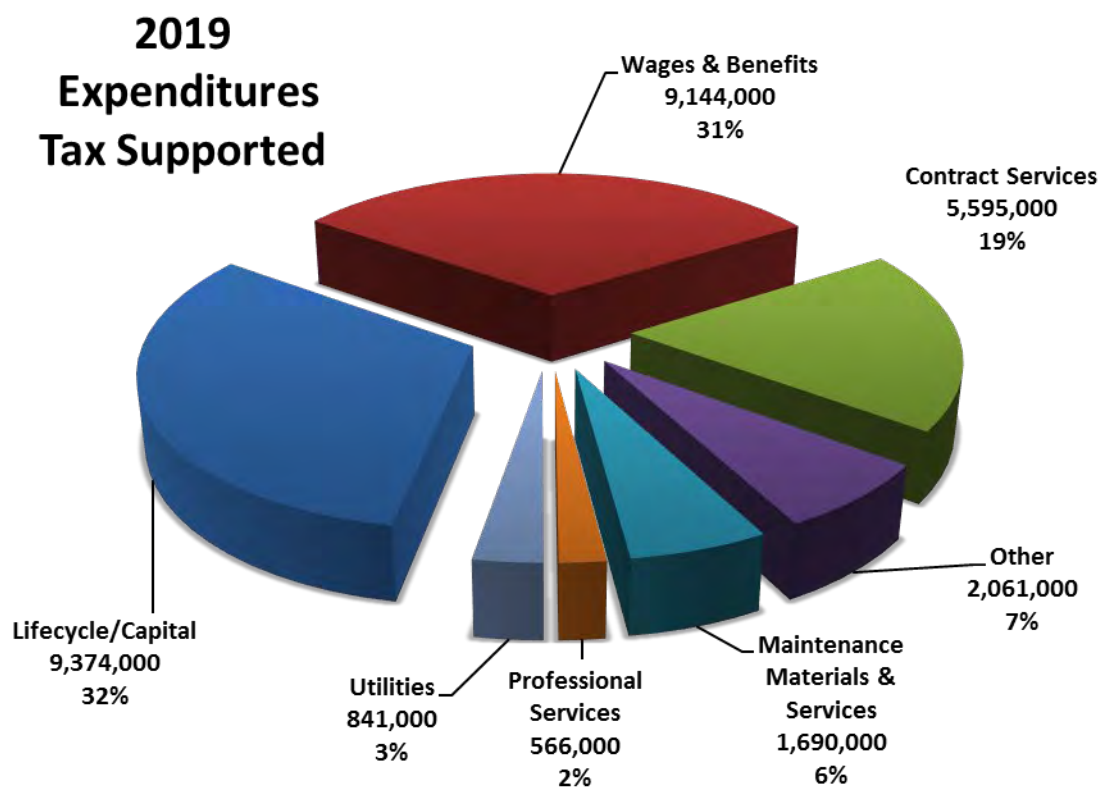
The Lifecycle (LC and NIL) contribution is greater than one third of the Operating Budget at 40%. The Lifecycle contribution is part of a plan adopted by Council in 2005 to address Lifecycle funding requirements. Infrastructure replacement costs of

hundreds of millions of dollars identified through the tangible capital asset valuation project underscore the importance of this program.

Policing costs make up the second largest portion of the budget at 14%. The impact of the OPP New Billing Model has been fully phased-in and accordingly, policing costs should remain around 15% of overall net expenditures going forward.

The 2019 Operating and Lifecycle Budgets for Town services, excluding Water and Sanitary, is \$29.3 million, which represents a \$1,279,000 or 4.6% increase from the 2018 Operating and Lifecycle Budgets.

The 2019 Budget by major expenditure type is shown below.



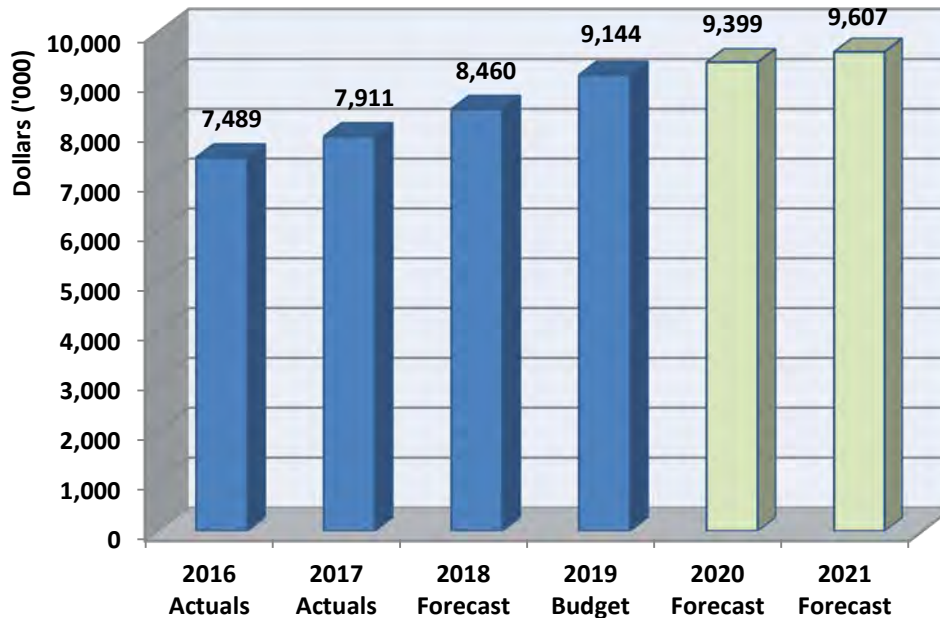
Lifecycle – New Infrastructure Levy and Lifecycle allocations increase a combined \$250,000.

Net Operating expenditures, excluding Lifecycle, increased by \$1,029,000. Significant factors include:

- Payroll and Benefits - \$451,000 increase – includes service level enhancements, negotiated/contractual wage increases, the change to minimum wage, inflationary adjustments to benefits and an increase to Council remuneration to offset the elimination of the one-third non-taxable allowance.
- Contract Services - \$126,000 – of which \$92,000 is for an estimated increase in the OPP contract and \$14,000 is due to higher garbage collection fees.

Wages and Benefits - \$9,144,000

Wages and Benefits



Wages and Benefits are expected to total \$9.14 million (2018 est. - \$8.46 million) or 47% (2018 est. – 46%) of expenditures before transfers. The \$451,000 increase to the budget takes into account service level enhancements, negotiated/contractual wage increases, the change to minimum wage, inflationary adjustments to benefits and addresses the elimination of the one-third non-taxable allowance for Council.

Outlook year projections include negotiated wage increases for Collective Bargaining units for existing agreements and estimates for those that do not have an agreement in place. An allowance for an additional firefighter and Fire Training Officer, deferred from 2019, has also been included in 2020.

Maintenance Materials and Supplies – \$813,000



The Maintenance Materials and Supplies category includes costs such as general materials and supplies, trees, salt, street signs, gas, equipment purchases, building repairs and maintenance purchases. The 2019 budget is 10.8% greater than that of the

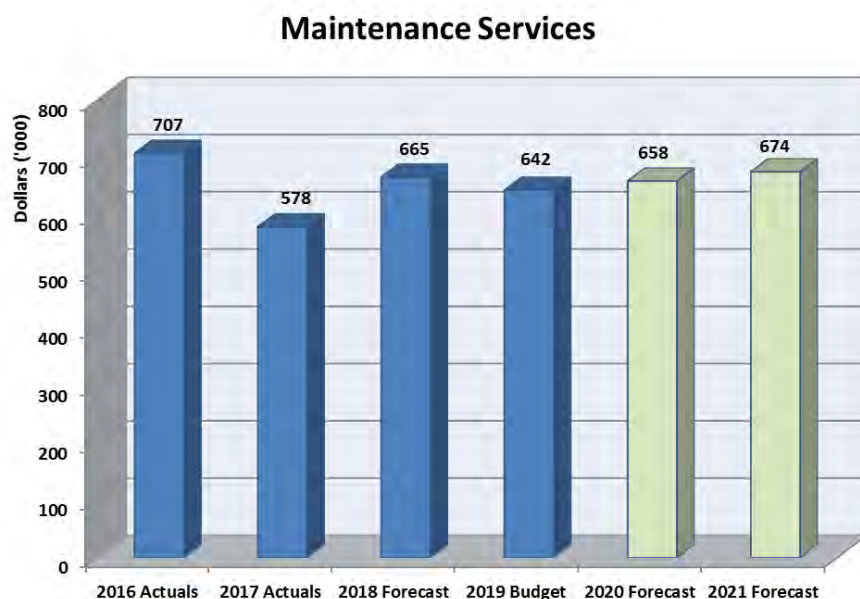
2018 budget largely due to increases for general materials and supplies, gasoline and street signs. The largest expenditure categories are:

- Salt - \$190,000
- Materials and supplies - \$172,000
- Gas (vehicle fuel) - \$167,000

2018 expenditures are forecast to be \$240,000 over budget primarily due to \$144,000 increased salt expenditures attributable to the harsh winter and a \$35,000 unfavourable variance for gasoline largely due to higher costs per litre.

Inflationary increases have been applied to outlook years assuming stable usage of materials and supplies across all expenditure types.

Maintenance Services - \$642,000



This category includes repairs on vehicles and equipment, building and grounds maintenance, tree trimming, and train crossing protection. Major expenditures in this category include:

- Vehicle Parts and Service - \$175,000
- Building Maintenance - \$131,000
- Maintenance Service (Street Lighting/Storm Sewer/Roadways) - \$131,000

The overall category increase is \$33,000 or 5.5% over the 2018 budget, with the largest dollar increases attributable to:

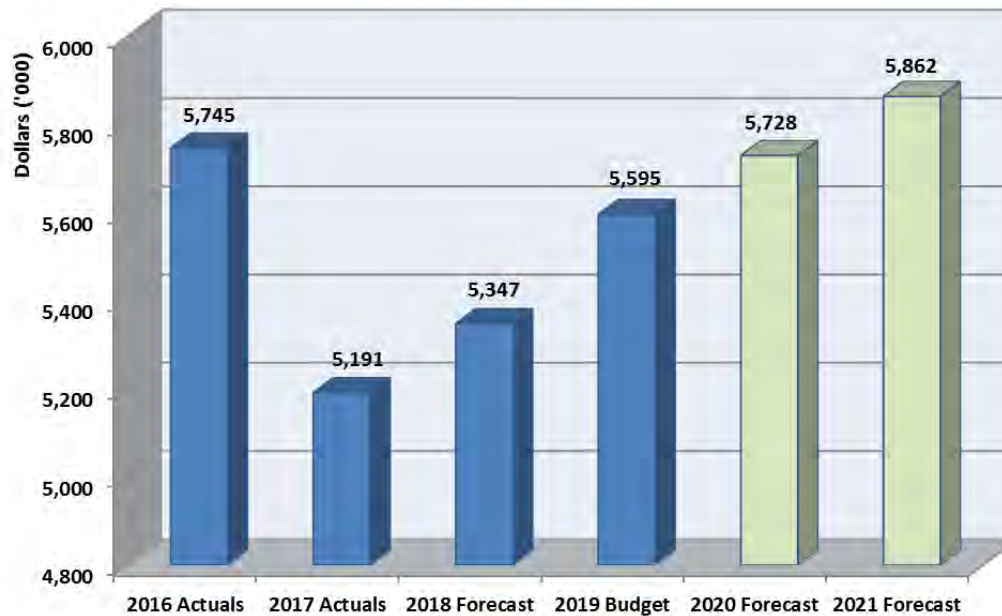
- Maintenance Service - \$10,000 – installation of five rain gauges budgeted under Storm Sewer System
- Building Maintenance - \$7,000 – greater costs across various Town facilities
- Grounds Maintenance - \$6,000 – increased to reflect actual Corn Festival grounds maintenance costs

Forecast 2018 expenditures are \$56,000 over budget due to variances in Equipment Parts and Service, Vehicle Parts and Service, and Building Maintenance.

Outlook year budgets for 2020 and 2021 forecast a modest increase to 2019 levels attributable to inflation.

Contract Services - \$5,595,000

Contract Services



Major services contracted by the Town include:

- OPP police service - \$3,419,000
- Garbage collection/disposal - \$1,427,000
- Conservation requisition - \$271,000
- Transit - \$217,000

The overall category increase is \$126,000 or 2.3% primarily due to OPP contract services.

The outlook years include an inflationary increase of approximately 2.5% for the major components in this area.

Professional Services - \$566,000



Professional Services primarily include legal, engineering, planning and audit services, with the largest being:

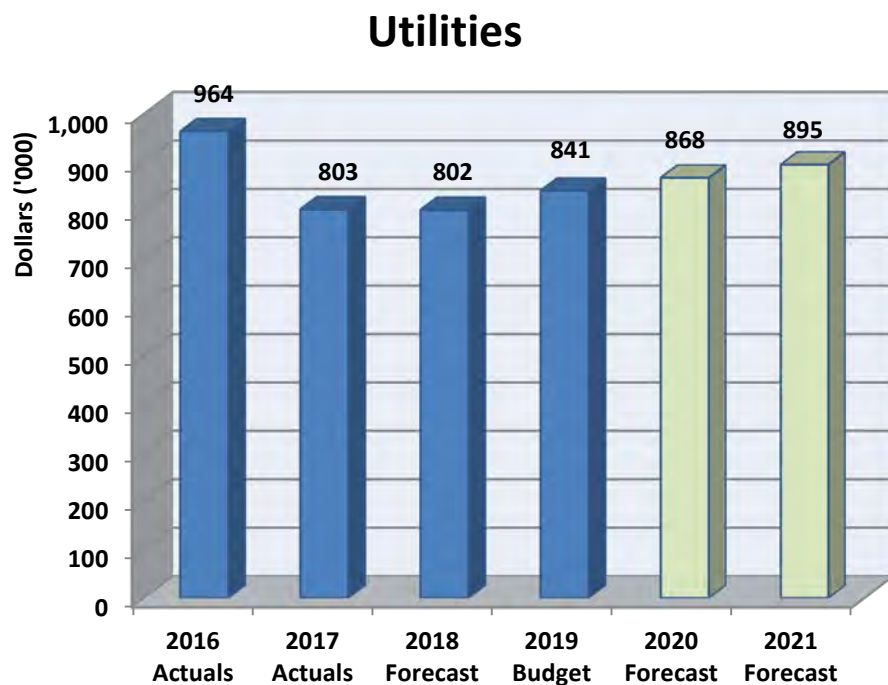
- Legal fees - \$248,000
- Other fees (planning, strategic, human resource etc.) - \$173,000
- Engineering fees - \$103,000

- Audit fees - \$23,000

The majority of legal fees are funded through reserves as the majority of costs pertain to specific one-time items. Other professional fees include amounts for economist fees regarding Planning studies, corporate strategic services and health and safety consultant services.

It is expected that Professional Services will decrease in the forecast years with the resolution of outstanding legal issues and the completion of other on-going Planning Department projects and studies.

Utilities - \$841,000



The utilities category includes gas, hydro and water, telephone and cell phone expenses. Utilities are expected to reduce by \$19,000 or 2.2% over 2018 budget levels in part due to lower natural gas rates. Average hydro usage has declined over the

years, however this expense may be impacted by the Provincial hydro surcharge which cannot be controlled through any Town initiatives.

The Town conducts facility walk-through audits on a rotational basis under the Energy Conservation and Demand Management (ECDM) plan for opportunities to reduce energy consumption and greenhouse gas emissions.

Energy audits have been performed on largest energy consumers with many recommendations implemented and the facilities are considered energy efficient.

The greatest opportunity to impact energy costs and greenhouse gas emissions going forward will likely be through the reduction of fuel (gasoline and diesel) consumption.

Transfer to Capital (Lifecycle) - \$9,374,000



Transfer to Capital includes the following items:

- Lifecycle - \$7,646,500
- Lifecycle New Infrastructure - \$1,350,000
- Debt servicing - \$1,505,000
- Gas Tax Grant Funding (Federal grant) - \$(1,127,500)

The Lifecycle amount represents the annual allocation of funds to Lifecycle reserves, which are used as the source of funding for capital replacements. The 2014 budget represented the final year of the Town's ten-year plan of annual increases in order to achieve full-funding of the Lifecycle program based on Lifecycle requirements established in 2005.

The 2019 budget includes an increase to the general Lifecycle reserve of \$100,000 to account for past asset additions, an additional amount to the Lifecycle – Storm to address projected future shortfalls identified in the next five years due to pump station rehabilitation and reconstruction works, and a \$21,000 allocation to address the reduction in Gas Tax funding.

The 2019 budget also proposes an increase in the New Infrastructure Levy (NIL) of \$150,000 in 2019, \$200,000 in 2020 and \$100,000 in each of 2021 and 2022 to reach a revised annual target amount of \$1,750,000. The necessity for this consideration is explained in detail in the Lifecycle section, however in brief, addresses the lack of capital funding for new infrastructure absent in the Lifecycle Plan. **Note that \$450,000 of the NIL has been earmarked for the Multi-Use Sportsplex.**

The outlook years also include a Lifecycle increase of \$100,000 in 2020 and \$100,000 in 2021 as placeholders for the soon-to-be-completed Storm Water Management Study and other asset additions.

2020 and 2021 Outlook

The 2019 Operating, Lifecycle and Reserve Budget is developed with a two-year outlook or forecast years. The forecast years include known revenue and expenditure increases for those two years. The Consumer Price Index for September 2018 was 2.2%. Inflationary increases of 2.5% were built into outlook years' revenues and expenditures for select revenue and expenditure types.

The preliminary two-year outlook calls for tax increases of 3.1% in 2020 and 2.3% in 2021.

Some of the notable budget pressures identified for 2020 and 2021 include:

- Transfer to Capital, i.e. contributions to New Infrastructure Levy Reserve and Lifecycle Reserves of \$200,000 and \$100,000 in 2020 respectively (1.3% combined) and \$100,000 and \$100,000 in 2021 respectively (0.8% combined)
- Wages and Benefit increases of \$255,000 or 1.1% (2020); \$160,000 or 0.7% (2021), which includes proposed additions of one firefighter and one full-time fire training officer in 2020 and a modest inflationary increase for wages and benefits
- Policing costs expected to increase by \$100,000 in each of 2020 and 2021 for OPP contract increases, which represents a 0.4% increase for both years
- Building Permit revenue expected to decrease \$20,000 in 2020 as residential development is expected to gradually decline following the completion of current projects
- There is a strong likelihood that significant funding will be required for rehabilitation and maintenance arising out of the (Tecumseh) and (Oldcastle Hamlet) Storm Drainage Master Plans that are currently being undertaken. Administration is considering the possibility of saving OCIF Formula Based Component funding to support storm related works required over the next five years.

The noted outlook year pressures are expected to be offset by additional revenues and/or reduced expenses including:

- Tax Revenue expected to increase by about \$100,000 in 2020 and \$50,000 in 2021 due to assessment growth
- OCIF formula-based grant funding will climb to \$1,077,000 in 2020, an increase of almost \$100,000



Water and Wastewater Operating Budget Overview

The population of the Town of Tecumseh is largely serviced by municipal water and wastewater. The Town purchases water from Windsor Utilities Commission(WUC) to service our water customers. The Town owns and operates the distribution system, an elevated storage facility and the metering facilities at the Town boundary. Tecumseh also purchases wastewater treatment through the City of Windsor at its Little River and Lou Romano Plants.

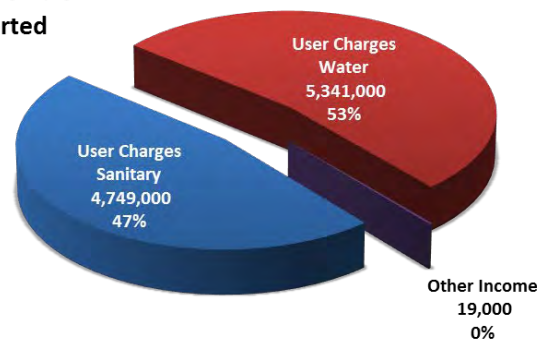
There are currently 8,900 metered customers receiving water services and 7,900 customers receiving wastewater services. Water and wastewater are billed based on a monthly charge and on a volume consumption basis. These charges provide funding for new capital, lifecycle and operating costs.

For transparency, the rate-supported Water and Wastewater Budget is shown separately from the tax-supported General Operating Budget.

Revenues

Revenues for the most part are generated through water and wastewater billings. Water and wastewater rates are reviewed and set on an annual basis.

2019 Revenue Rate Supported



Council adopted the 2015 Water and Wastewater Rate Study (Rate Study) on November 24, 2015. The purpose of the document was to update the water and wastewater rates and charges to ensure a full cost recovery of water and wastewater services and to guide rate setting for the years 2016-2020. The Rate Study noted that the former rate structure had resulted in an unreliable revenue stream. Generally, consumption continues to decrease while a large portion of costs are fixed. The Rate Study recommended increasing the fixed rate revenue in order to secure a larger portion of the revenue stream which is not dependent on volume. Annual increases were estimated at less than 3% for all stakeholders.

During 2018, the Town was advised by WUC that WUC would pursue an increase to the bulk water rate charged to the Town. The bulk water purchase agreement between the Town and WUC allows for rate adjustments, where warranted, at 10-year intervals of the 50-year agreement. Through a mediation process, it was agreed that a rate adjustment of 9% would be applied to the 2017 rate and would be effective January 1, 2017 through to December 31, 2026.

This increase was not anticipated during the preparation of the 2015 Water and Wastewater Rate Study. A financial analysis was subsequently performed and Administration recommends that the increased costs going forward necessitate a deviation from the Rate Study with respect to the metered water consumption charge and that retroactive costs be funded by the Water Rate Stabilization Reserve.

Specifically, the Rate Study recommends a 1% increase to the metered water consumption charge. Administration recommends a 3% increase to the metered water consumption charge for years 2019 and 2020 to cover this increased cost of bulk water supply.

The Town's Water and Wastewater Rate Study is reviewed every five years and is due for review in 2020, following which a rate schedule will be recommended for the next five-year period.

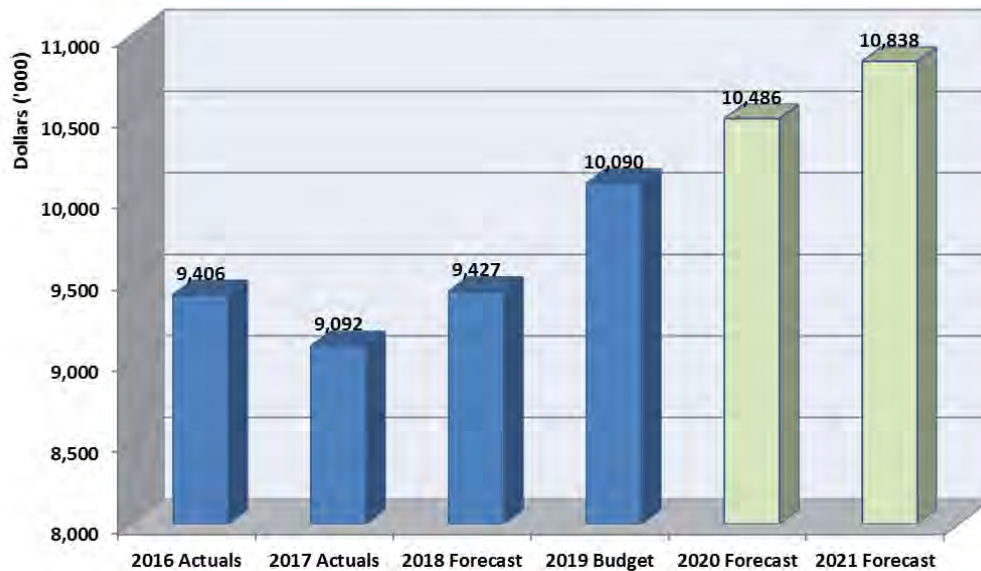
User Charges - \$10,090,000

User charges are revenues generated from the sale of water, sewer charges, hydrant rentals, work orders etc. The most notable budget items under User Charges include:

- Water Sales - \$ 5,305,000
- Sewer Charges - \$ 4,744,000

Based on recommendations included in the Town's 2015 Water and Wastewater Rate Study, the proportionate amount of fixed fees will increase year-over-year so that fixed revenue will make up a greater amount of total sales. In 2015, the water and sewer revenue mix was split 70/30 between variable and fixed fees. This ratio will gradually change to 60/40 by 2024.

User Charges



User Charges are necessary to address funding requirements for new capital, lifecycle and operating costs.

The Rate Study recommends fixed rate increases of 6.0% per annum along with 1.0% and 2.0% annual increases to the water and sanitary variable rates respectively. In 2019, Administration proposes to deviate from the Study with respect to the water variable rate. An increase of 3.0% to the water variable rate is proposed for 2019 and 2020 due to a hike in the bulk water rate charged by WUC as previously discussed.

2018 Year End Forecast of \$9,427,000 is under budget by \$166,000 due to lower consumption. Estimated year end volume is approximately 100,000 m³ less than what was budgeted with lower volumes across all customer types.

Expenditures

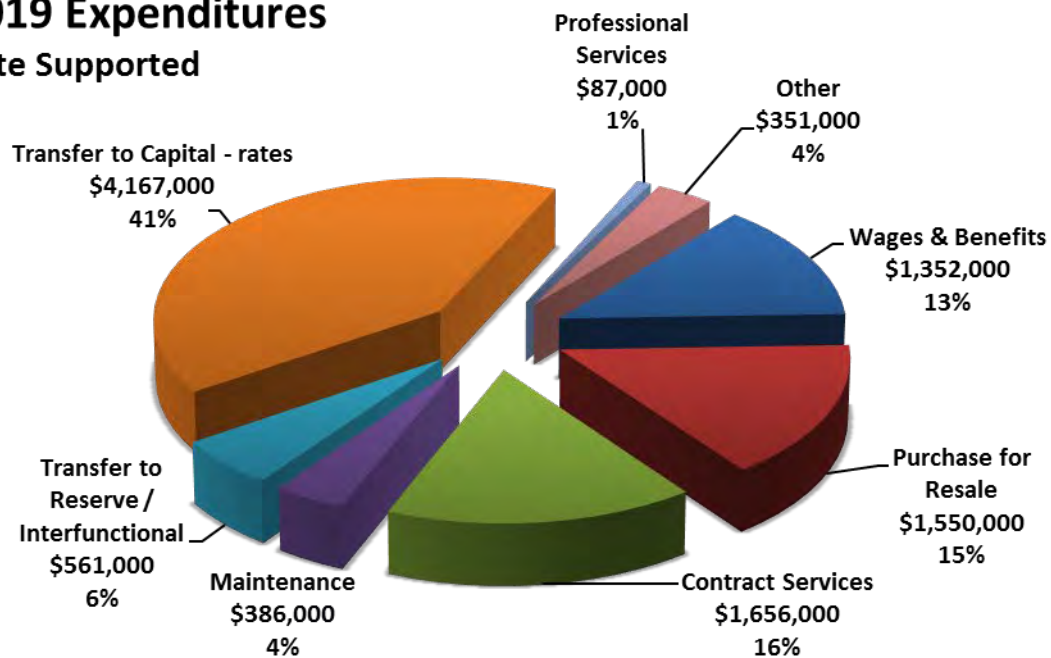
The 2019 Water and Wastewater Operating Budget totals \$10,109,000 (\$5,381,000 before transfers). This marks a \$128,000 increase from the prior year budgeted amount (before transfers).

As shown in the following graph, Transfer to Capital - Rates is the largest budgeted expenditure item. The transfer provides the ability to sustain future rehabilitation, replacement and growth requirements. Transfer to Capital - Rates represents 41% of the total expenditures and is \$474,000 greater than 2018, primarily due to increased water and wastewater fixed fees.

Other significant items are Contract Services for the cost of wastewater treatment; Purchases for Resale for the cost of water purchased from WUC; and Wages and Benefits.

2019 Expenditures

Rate Supported



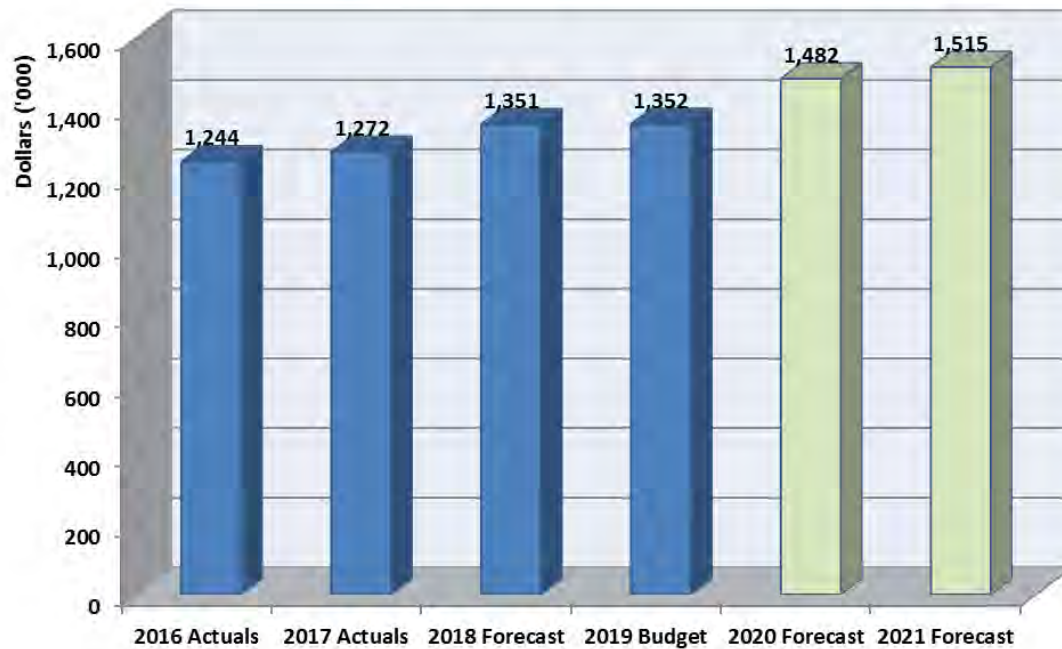
Wages and Benefits - \$ 1,352,000

Wages and Benefits are expected to total \$1.35 million (2018 budget \$1.37 million) or 25% of expenditures before transfers.

Budgeted wages and benefits decreased by 1.4% from 2018 primarily due to the deletion of the temporary backwater valve inspector position. Also incorporated in 2019 budget figures are contractual wage increases and changes to benefits rates.

Forecast wages and benefits are expected to increase by 10% through the outlook years, as Administration proposes the addition of a Wastewater Labourer in 2020, along with modest inflationary increases for 2020 and 2021.

Wages and Benefits



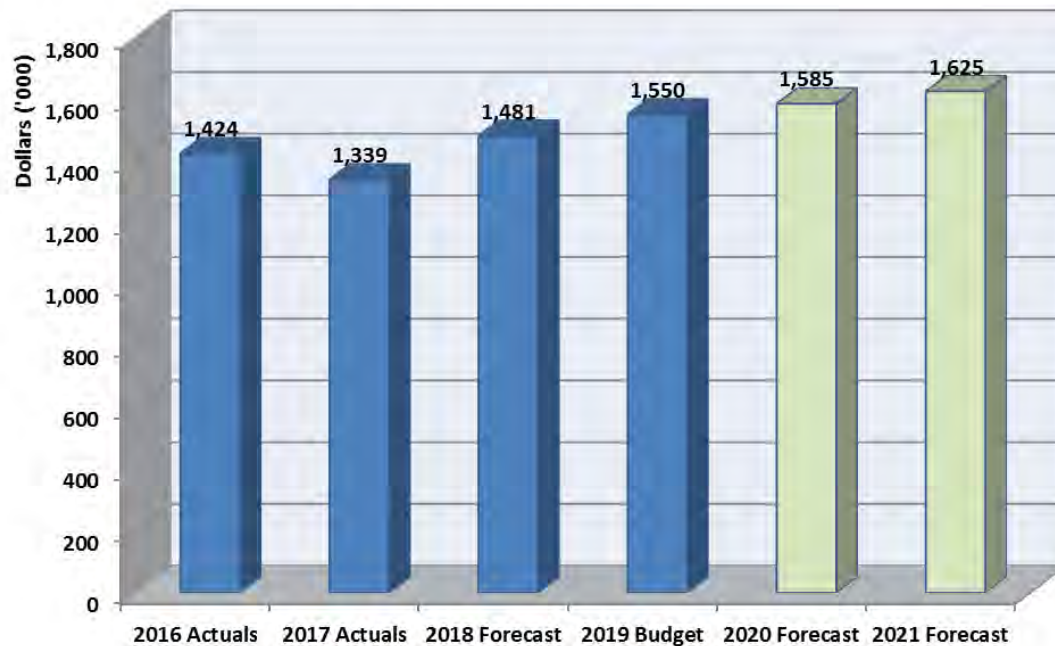
Purchases for Resale - \$1,550,000

Purchases for Resale represent the cost of water purchased from WUC. The increase to the budgeted amount for this category is 15% over the prior year budget due to the bulk water rate adjustment negotiated with WUC, which was retroactive to 2017. Volume purchased is expected to increase somewhat as residential growth occurs in 2019; however volume per household is expected to continue to decline.

The outlook years include inflationary increases to purchase rates along with modest consumption increases spurred from residential growth.

2018 Forecast Year End Actuals are expected to exceed budget by 10% due to the bulk water rate adjustment applicable for 2018.

Purchases for Resale



Contract Services - \$ 1,656,000

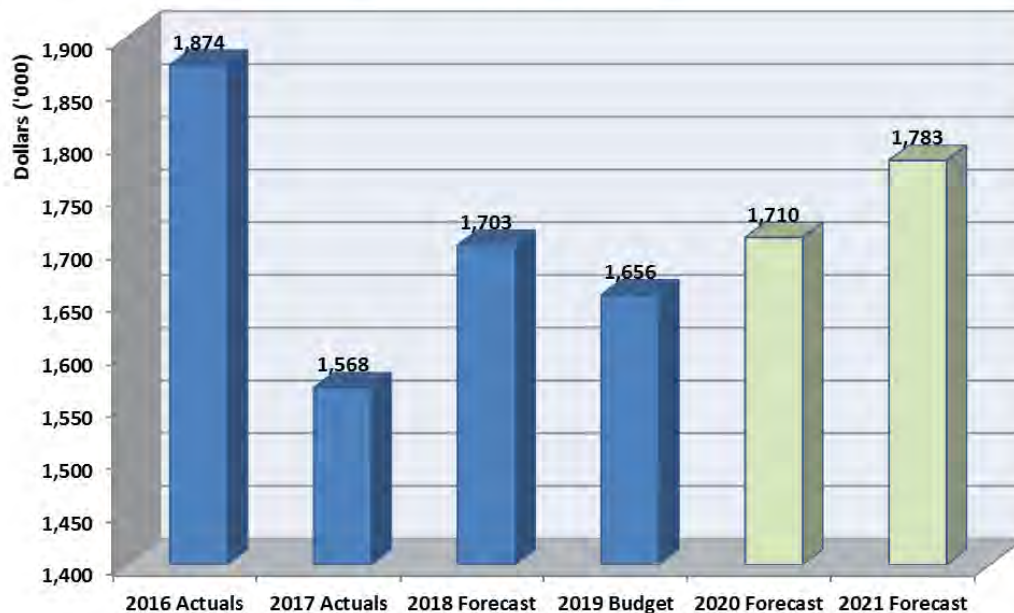
This category covers all services contracted by the Town as related to water and wastewater operations, which includes Sewage Treatment, Sewer Maintenance and Billing and Collection fees.

The overall category budget decreased slightly over the prior year budgeted amount. Fees of \$164,000 for billing and collection contracted to Essex Power have been added back to the 2019 budget due to Council's deferral of in-house water billing and represent a 33% reduction from 2017 EPC rates.

Sanitary treatment costs contracted to the City of Windsor have decreased by \$165,000 due to declining volumes. Early indications suggest the improvements to the Town's wastewater collection system through the Inflow and Infiltration programs implemented during the course of the past several years have been successful in reducing the amount of rainwater entering the system.

The outlook years include increases of approximately 3.3% for 2020 and 4.3% for 2021. This includes estimated inflationary increases to sanitary treatment costs along with marginal increases to volumes treated due to new sanitary sewer connections.

Contract Services



Transfers to Capital - Rates – \$4,167,000

Transfers to Capital – Rates, includes sanitary and water funding for lifecycle purposes of \$2,326,000 and \$1,840,000 respectively.

2018 August variance projects a \$294,000 deficit from water and wastewater operations, which will ultimately reduce the amount transferred to reserves.

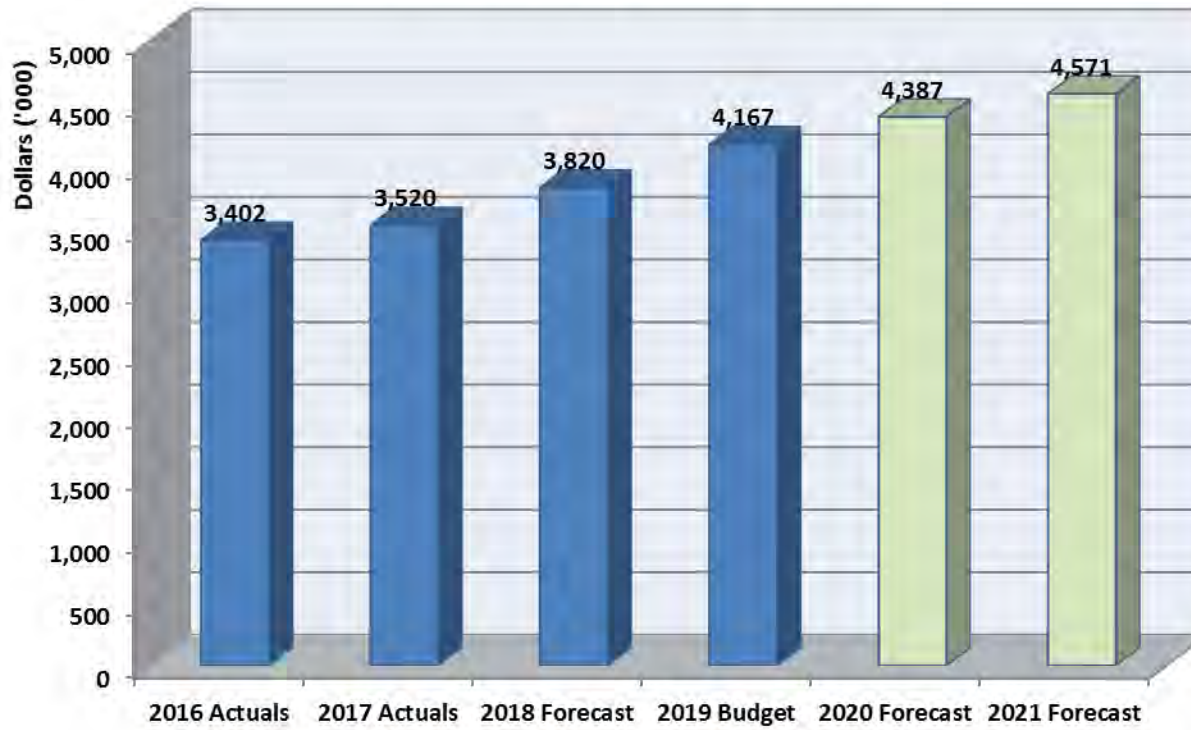
Along with higher costs for bulk water purchases and lower revenues from reduced water consumption volumes, mediation costs also negatively impacted 2018 water results.

Declining participation in the sanitary backwater valve grant program projected for 2018 will help to offset some of the overall deficit.

Transfers to Capital for the forecast years are as per the Rate Study with adjustments made, +/-, to balance the fund. For sanitary, surpluses of \$229,000 and \$154,000 are expected for 2020 and 2021 which increases the Transfer to Capital.

Conversely, deficits of \$112,000 and 155,000 are expected for Water which results in a lower Transfer to Capital. Higher bulk water purchase costs are the primary cause for this deficit. One-time costs have been allocated to 2020 water professional services for a mediation/arbitration process that will clarify the language in the bulk water purchase agreement between the Town and WUC.

Transfer to Capital - Rates



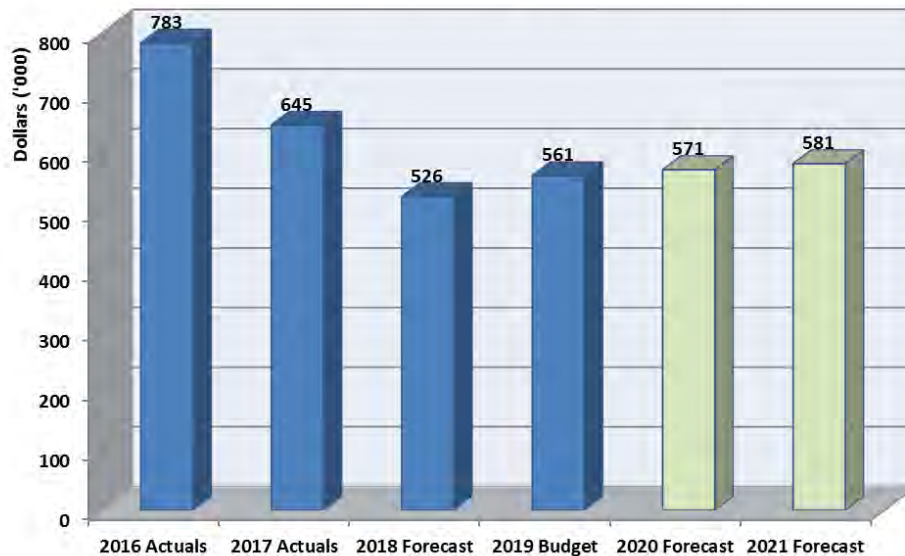
Transfers to Reserves - \$ 561,000

Transfers to Reserves consists of Interfunctional Administrative charges, which are paid to the Town's general tax levy for support services. The amount for administrative support is increased annually by inflation. An inflation factor of 2.0% was used for 2019.

Direct charges, such as Public Works labour hours towards wastewater services and labour hours for One-Call services are based on actual hours worked. 2019 budget amounts have been decreased by \$10,000 based on the prior year forecast.

Inflationary increases of 2% have been applied to outlook year amounts.

Transfer to Reserves/Reserve Funds



2020 and 2021 Outlook

Administration will participate in a mediation/arbitration process with WUC during 2020 to clarify the language in the bulk water purchase agreement, particularly with respect to the provision for periodic rate adjustments.

Water and wastewater rates are forecast to increase as per the 2015 Rate Study recommendation for 2020 with the exception of the water variable rate, which is recommended to increase by 3% (instead of 1%).

For purposes of this budget, 2021 water and wastewater rates are forecast to increase as per the original recommendations of the 2015 Rate Study.

These adjustments are necessary as the Sanitary Reserve Fund balance is considerably below projected requirements and the bulk water rate adjustment effectively adds \$100,000 to annual operation costs.

Administration will update the Town's Water and Wastewater Rate Study during 2020, which will recommend rates for the next five-year period 2021-2025.



2019 Proposed Business Plan & Budget

Presentation to Town Council

December 11, 2018



2019 Proposed Budget

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

2019

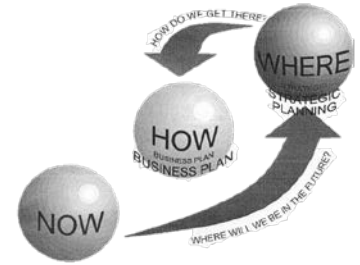


Budget Purpose

- Statement of municipal policies & priorities
- Key instrument of financial management & control
- Basis for determining amount of taxation levy



Strategic Priorities 2017-18



Re-affirmation of 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 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 plans and 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 Achievements

- Semi-annual report on Strategic Priorities
 - RCM agenda of September 25, 2018
 - Updated report at 2019 Strategic Planning Session



Budget Links

Budget provides links & the financial resources to:

- Implement Business Plan & achieve Strategic Priorities
- Effectively deliver mandated programs & services
- Maintain &/or enhance service levels
- Provide an Operational Framework to implement higher level plans
- Implement recommendations from Master Plans & Studies
- Support capital investment



2019 Budget Drivers

Special Purpose Initiatives

- Continue allocations to New Infrastructure Levy [NIL]
- New Provincial Govt initiatives

Operations

- Maintaining program & service levels
- Collective Bargaining Agreements
- Staff retirements & recruitment
- Growth & Development
 - New Assessment
 - Building Permits
 - Development Charges Review
 - Inspection Services



...2019 Budget Drivers

Operations [cont'd]

- Program & Service Delivery
 - Service levels
 - Property Standards
 - Enhancements
 - Resources
 - Stormwater mitigation
 - Municipal Drains
- Community Improvement Plan
- Utilities & Insurance



2019 Budget External Forces

- Municipal Landscape
 - Infrastructure Grant Programs
 - Local Share Initiative
 - Legislative Reviews & Reforms
 - Climate Change
 - Federal & Provincial Budget Uncertainty
 - New Provincial Govt
 - Federal Election



Development Sites

- Estates of Lakewood Park – complete
- Gridlock Solutions Condos – complete
- Carmelita Court Townhomes - complete
- Strawberry Ridge Phase 4 – nearing completion
- Tecumseh Road Condos – commencing
- Lakeview Montessori - underway
- Metro Store - underway



Development on the Horizon

- Manning Road Secondary Plan
- Del Duca site – post OMB considerations
- Santarossa Industrial Park
- Tecumseh Hamlet Secondary Plan
- Development proposals in the CIP area
- St. Gregory Church site
- Former Pud's Marina site
- Manning & Lanoue site
- Victoria School site



Considerations

- Strategic Priorities
- Developing Solutions & Options
- Capital Investment
- Risk & Issues Management
- Fiscally Responsible Decisions
- Good Governance



Multi-Resource Allocation



Allocation of Resources

- Manage service levels
- Respond to program & service demands
- Effective & efficient service delivery
- Quality assurance
- Customer service
- Optimize technology
- Value for tax \$
- Outcome – solid citizen satisfaction rating



Priorities

- Responsive to new investment
- New Infrastructure Levy [NIL] Reserve
- Development readiness
- Project preparedness
- Adapting to market & economy
- **Positioned for success**



**Committed to sustainability &
continuous improvement**



2019 Proposed Business Plan & Budget



2019 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
 - Summary of Funds
 - Performance Measures
 - Revenue and Expenditure Analysis



Council Consideration



- Municipal general tax levy \$23.3 M
- Levy increase of 2.7% after growth
- Consolidated levy increase ~ 3.1% expected
- \$46 Town increase on \$250K home
- \$104 consolidated increase on \$250K home
- Market Value assessment (2016 CVA)
 - Ontario >23% increase
 - Tecumseh >14% increase
 - Assessment lags Province – should lead to reduced Education burden
 - Assessment growth strong in 2016-2018



Budget Process

- Department budgets formulated
 - **4.0%**
- Administration review
 - **2.7% - Net of growth**
- Table budget with Council
- Council Review
- Council budget by-law approval

December 11
January 15
January 22



2019 Proposed Tax Levy Impacts Summary

Budget Drivers	2018	2019	2020	2021	2022	2023
		Proposed				
Base Department Operations (excl Pay/Ben)	1.21%	1.19%	0.76%	0.59%	0.40%	0.40%
Service Level Enhancements	0.33%	0.55%	0.41%	0.00%	0.00%	0.00%
Payroll/Benefits	0.89%	1.19%	0.69%	0.66%	0.69%	0.67%
Police Services	0.35%	0.41%	0.43%	0.41%	0.40%	0.40%
Sub-total - Operating	2.78%	3.33%	2.28%	1.67%	1.50%	1.46%
Lifecycle	0.56%	0.45%	0.43%	0.41%	0.40%	0.40%
New Infrastructure Levy	0.46%	0.67%	0.86%	0.41%	0.40%	0.00%
Sub-total - Capital	1.02%	1.12%	1.29%	0.83%	0.81%	0.40%
Total	3.80%	4.45%	3.57%	2.49%	2.30%	1.86%
Assessment (Growth)/Loss	-0.70%	-1.75%	-0.43%	-0.21%	-0.20%	-0.20%
Total w/ Growth factor	3.10%	2.70%	3.14%	2.29%	2.10%	1.66%

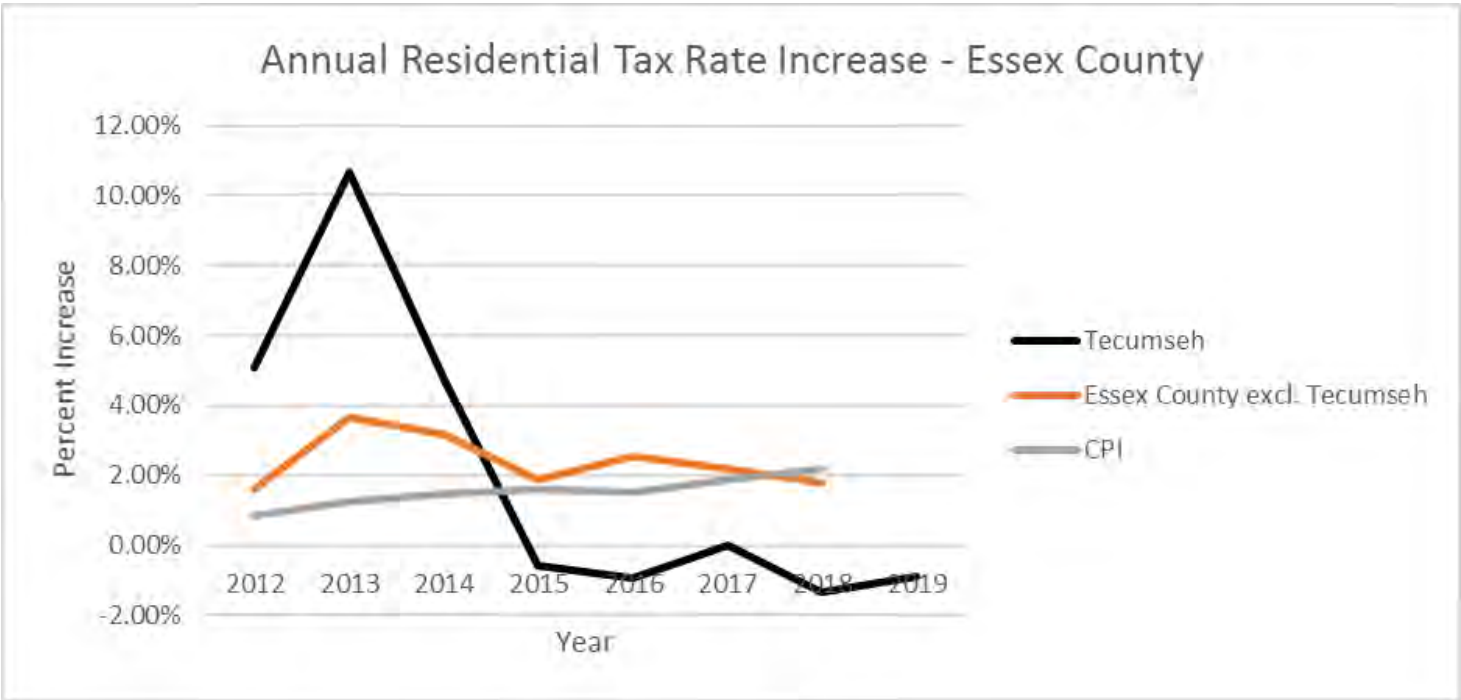


Comparative Levy Forecasts

	2016	2017	2018	2019	2020	2021	2022	2023
2014 Municipal Budget and projected future levy increases	2.36%	1.89%	1.44%	N/A	N/A	N/A	N/A	N/A
2015 Municipal Budget and projected future levy increases	2.18%	1.04%	1.10%	1.08%	N/A	N/A	N/A	N/A
2016 Municipal Budget and projected future levy increases	0.00%	0.21%	0.75%	1.96%	2.03%	N/A	N/A	N/A
2017 Municipal Budget and projected future levy increases	N/A	2.69%	3.10%	2.50%	3.06%	2.84%	N/A	N/A
2018 Municipal Budget and projected future levy increases	N/A	N/A	2.14%	2.63%	3.01%	2.61%	2.21%	N/A
2019 Proposed Municipal Budget and projected future levy increases	N/A	N/A	N/A	2.70%	3.14%	2.29%	2.10%	1.66%



Tax Rate Increase – Essex County



Key Expenditure Impacts

• New Infrastructure Reserve		\$ 150,000
• Lifecycle		\$ 100,000
• Lifecycle category increases	\$ 79,000	
• Federal Gas Tax allocation decrease	\$ 21,000	
• Salaries/Benefits		\$ 450,000
• Service enhancements – 1.3 FTE's	\$ 120,000	
• Negotiated increases	\$ 170,000	
• Legislation – Bill 148, Income tax change	\$ 115,000	
• Retirements	\$ 45,000	
• Operations		\$ 300,000
• Contracts (Policing/Garbage/Transit)	\$ 126,000	
• Materials	\$ 79,000	
• Professional Services	\$ 131,000	



Key Expenditure Impacts

Service Level Enhancements

- Finance – delete part-time clerical proposed for in-house water billing
- Arena – additional part-time clerical position to extend customer service availability
- Parks Buildings – additional student for extended facility operating hours
- Public Works – additional resources substituting full-time labourer for existing part-time seasonal



Key Revenue Impacts

• Assessment Growth		\$ 391,000
• 2017 Year-End	\$ 90,000	
• 2018 In-Year	\$ 301,000	
• Investment Income		\$ 0
• Bank Interest	\$ 186,000	
• Dividend Income	\$ 13,000	
• Transfer to reserve	\$ (199,000)	
• Building Permits		\$ (22,000)
• Senior Gov't Grants		\$ 89,000
• Provincial Gas Tax – Transit	\$ 75,000	
• Federal - SJS	\$ 12,000	
• Interfunctional		\$ 105,000

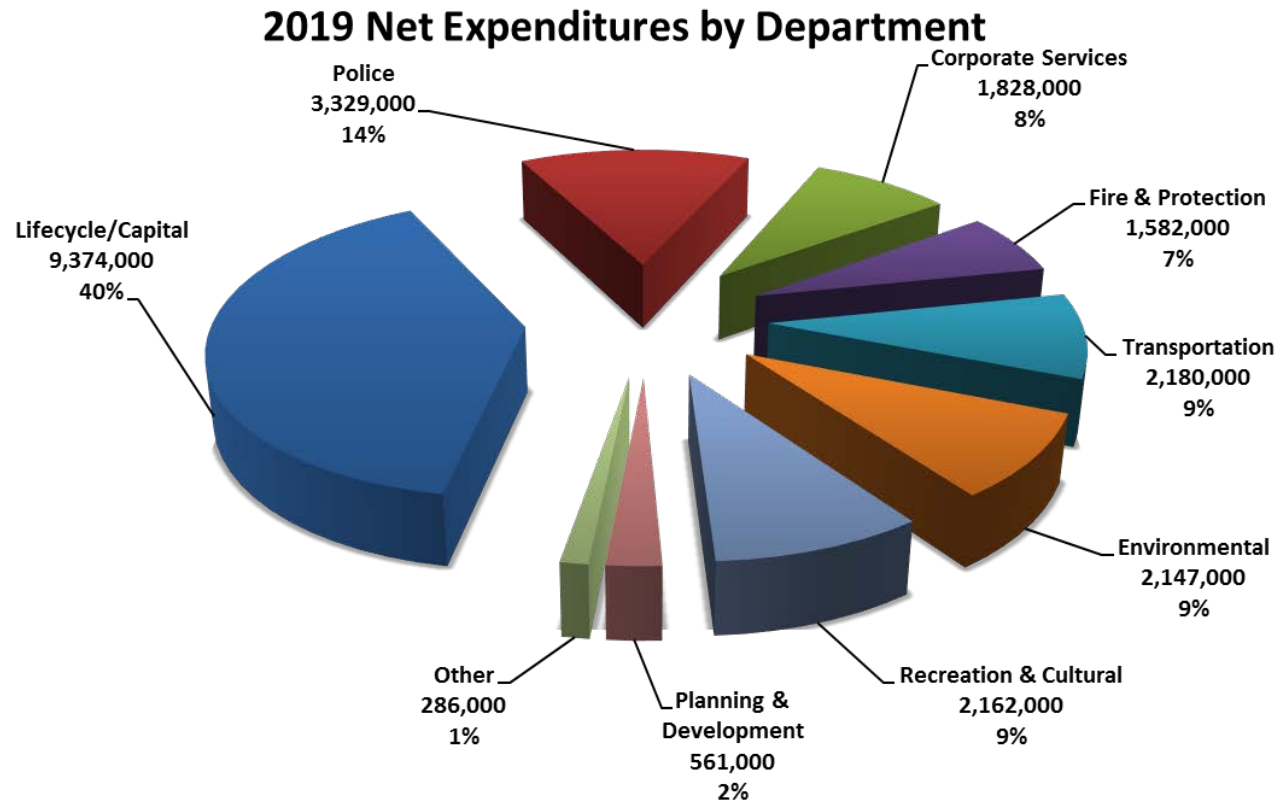


What's Not in the Budget

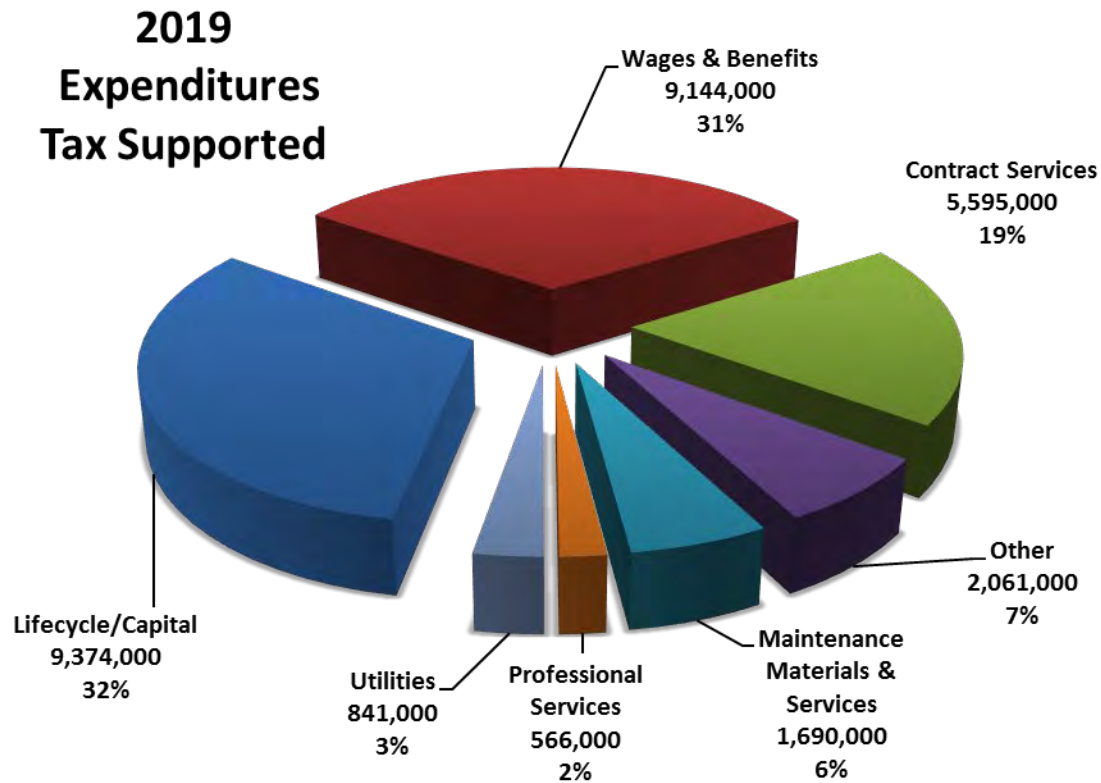
- Lottery License Litigation
 - up to \$7M???
- Storm Drainage Master Plans Implementation
 - ?????



Operating Budget – Expenditures...

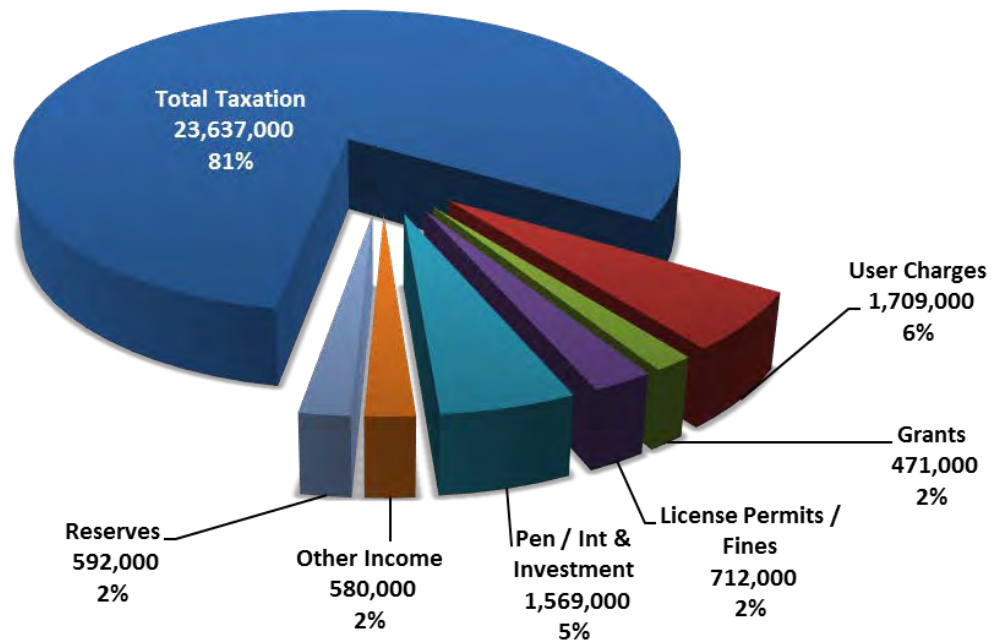


...Operating Budget - Expenditures



Operating Budget - Revenues

2019 Revenues Tax Supported



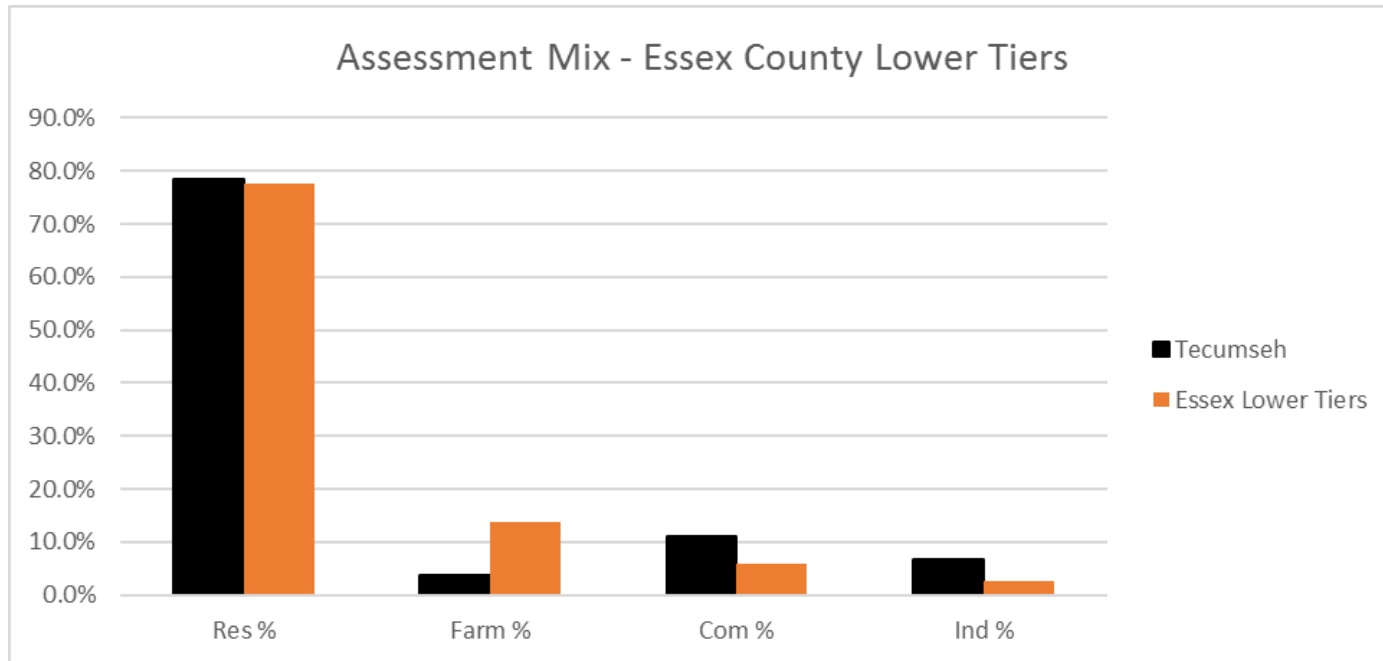
2019 Tax Levy Change - \$250K Home

Levying Authority	2019 Levy	2018 Levy	Dollar Difference	Percent Difference
Municipal	\$1,813	\$1,767	\$46	2.62%
County	\$1,209	\$1,151	\$58	5.07%
Education	\$410	\$411	\$(1)	(0.13)%
Total	\$3,432	\$3,328	\$104	3.13%

- Assumes "average" Residential property which would experience an estimated Current Value Assessment phase-in increase of 3.5%, i.e. 2018 CVA of \$241,500 becomes 2019 CVA of \$250,000



Assessment Mix

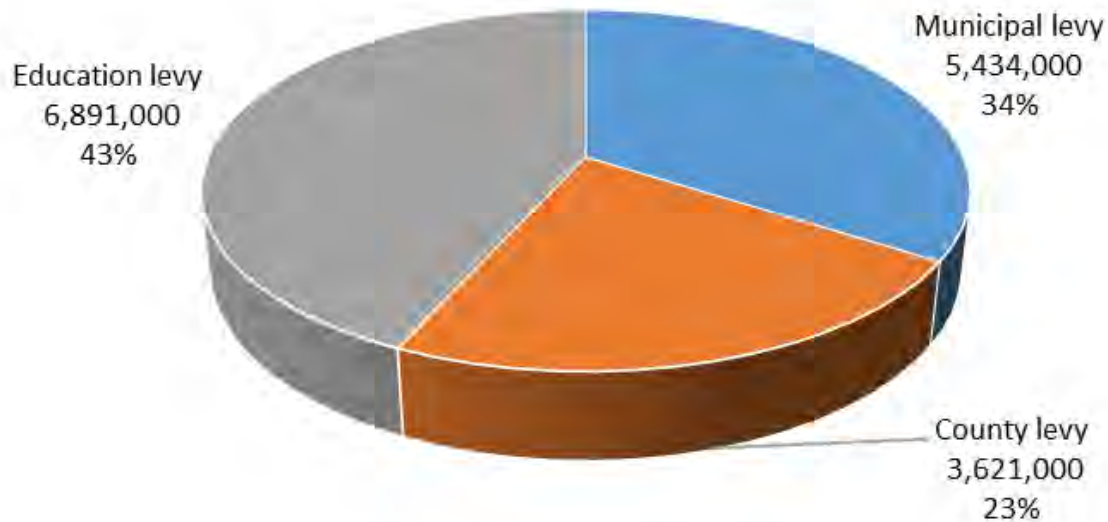


Tax Distribution - Residential

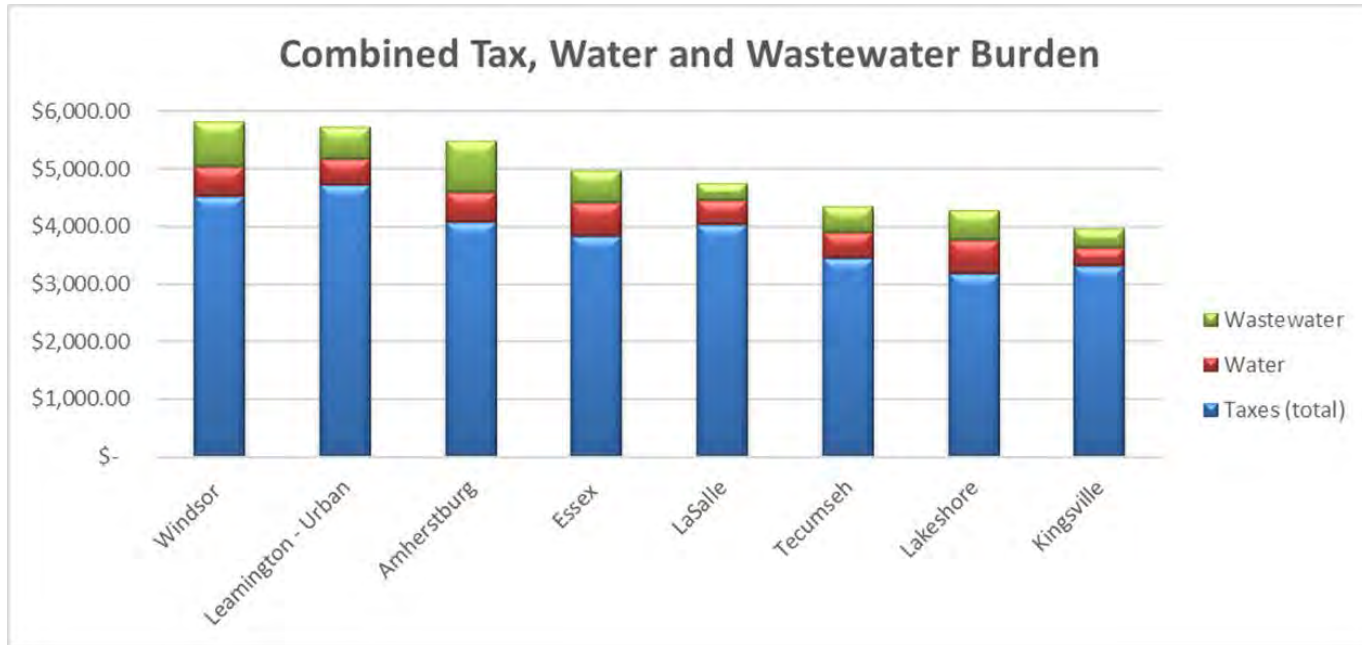


Tax Distribution – Non-Residential

2019 Property Tax Distribution Non-residential - Estimated



2018 Comparative – Essex County



* - Property Taxes calculated based on home with an assessed value of \$250,000. Water and Wastewater Fees based on monthly consumption of 20 cubic meters.



Rate Supported – Water & Wastewater

- Full Cost Recovery Rates - 2015 Rate Study (water adjusted for WUC 10 year rate review)
- Rate increase average residential user
 - 2019 \$32 or 3.5% (\$908 to \$940)*
- Rate revenue
 - Wastewater \$4.7M
 - Water \$5.3M
- Annual target capital funding 4M+

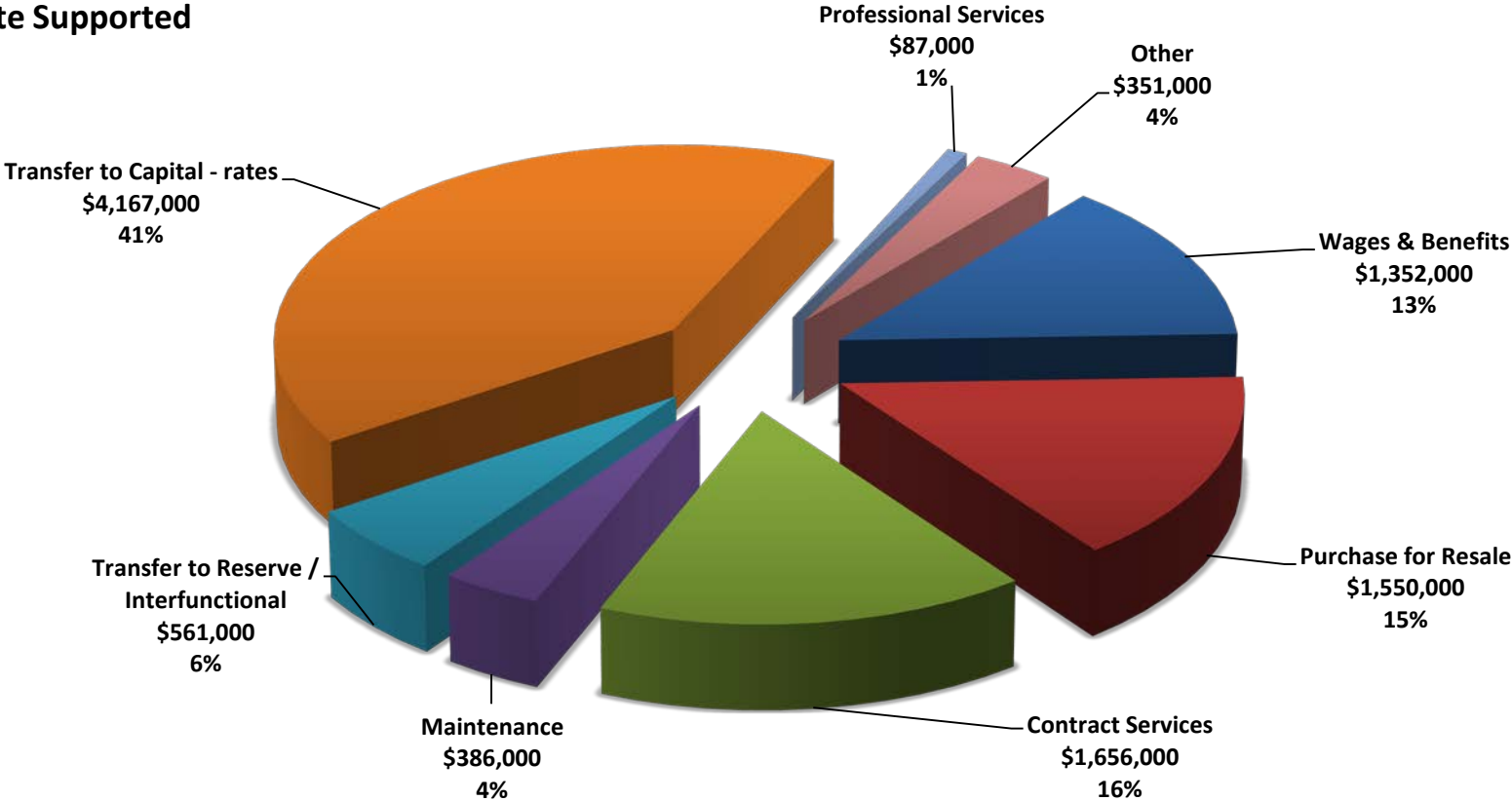


*Based on monthly consumption of 20m³.



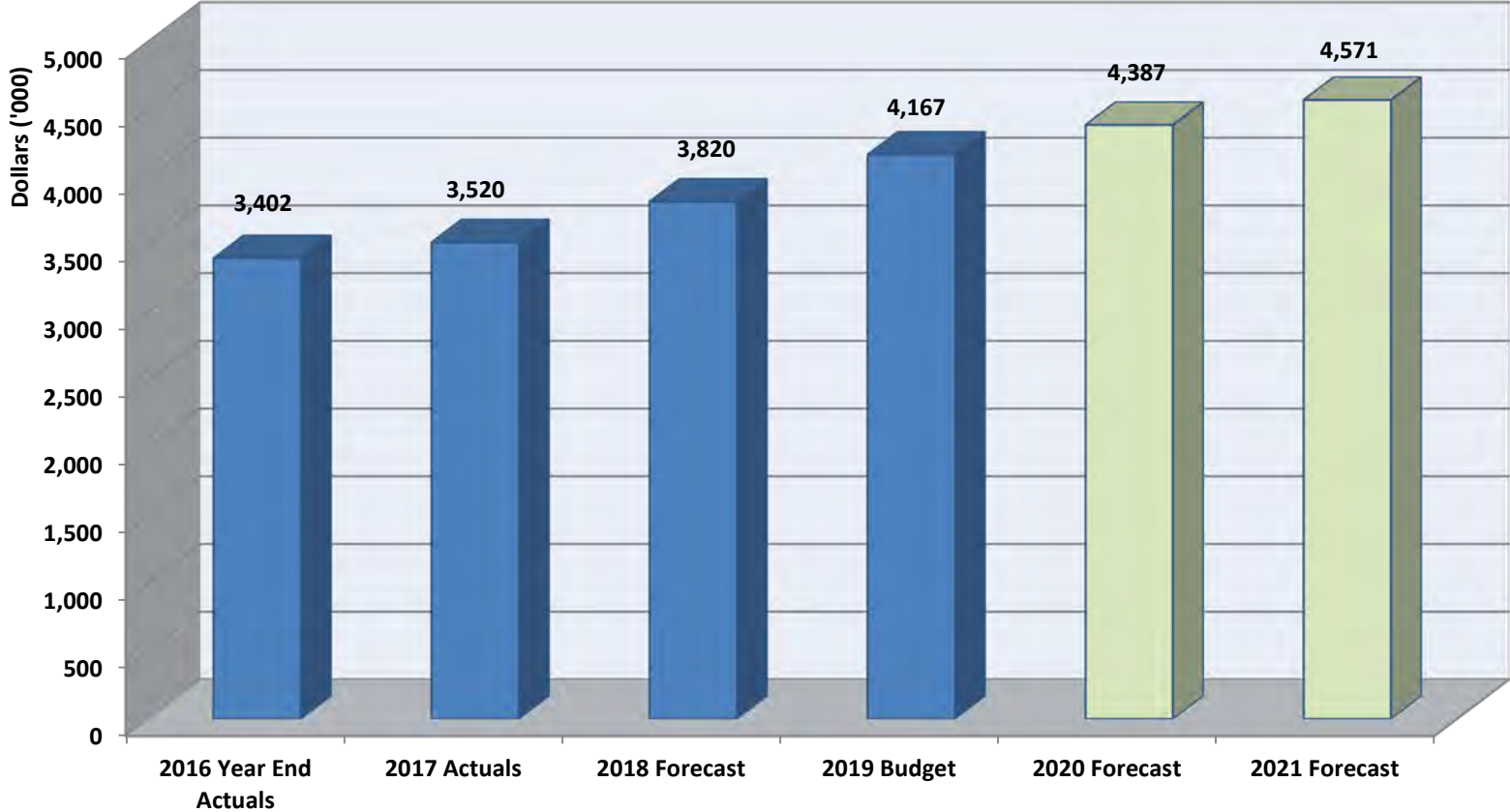
Rate Supported Operating Expenditures

2019 Expenditures Rate Supported



Rate Supported Transfer to Capital

Transfer to Capital - Rates



Sanitary Sewer – Key Issues

- DC Funding shortfall \$7M
- Flood mitigation measures
 - Sanitary sewer rehab, Phase 3
 - \$3M I & I subject to DMAF grant
 - Subsidy programs
 - Backwater valve installation
 - Foundation drain disconnection
- Water/Wastewater Master Plan update



Sanitary Sewer – Key Issues cont'd

- 8th Concession sewer area
 - Cost recovery by-law to be created in 2019
 - Debt financing required



Water Key Issues

- Declining consumption
- Water/Wastewater Master Plan update
- Watermain breaks
 - Cast iron & ductile watermain replacement
 - Anode installation program
 - (80% reduction in breaks)
- WUC Bulk Water Supply Agreement
 - Retro 2017
 - Negotiations



Capital Planning

- Needs studies/condition assessments
- Master Plans
- Capital Plans/Studies
- Asset Management Plan
 - (\$691M estimated replacement cost)



Capital Asset Strategy

- Lifecycle Funding
- NIL
- Pay as you go Policy
 - Annual interest on debt payment
 - Interest on \$11.2M Lakewood acquisition debt over 25 years \$6.2M
 - Current debt balance \$17M (\$2M rate supported)
- Grant Funding
 - Impact on priorities
 - Stable source of revenue?
 - New Programs on the horizon
- Projects shovel ready for possible grant funding



Capital Work Plans

- Approval for 2019 with forecasts 2020-2023
 - Recommendations for proposed projects follows budget process
- Estimated \$17.5M expenditures
 - Asphalt \$1.3M
 - South Talbot Road \$2.8M
 - Sanitary Sewer I & I Removal \$3.0M (subject to DMAF)
 - CR11 (North) Sanitary Sewer \$2.1M
 - Sportsplex Design \$0.4M
 - McAuliffe Washrooms \$0.5M
- Debt Payments \$2.5M



Lifecycle/New Infrastructure Key Issues

- LC Annual requirement \$7.5M
 - Storm Drainage Master Plans impact??
 - Sportsplex & CIP Streetscape??
 - Parks, Recreation and Trail enhancements
- New Infrastructure Levy (NIL) Target \$1.3M to \$1.75M.
- NIL includes \$0.45M for Sportsplex debt
- Availability of grants??



OCIF Grant

- Formula Component allocations
 - \$2,562,000 2015-2018 Received to date
 - \$1,076,989 2019 Forecast
 - \$1,175,703 2020 Forecast
- Eligible for Renewal of Existing Core Infrastructure
(or construction if it is an existing health or safety issue)
- ECI – Water, Wastewater, Roads (Bridges/Culverts)
- Save Funds up to 5 Years
- Target funds for Storm Drainage Purposes



Reserves Summary

	Actual Balance 12/31/17	Projected Balance 12/31/18	Estimated Net Activity 2019	Projected Balance 12/31/19
Reserves	\$24,690,600	\$28,095,900	(\$1,617,100)	\$26,478,800
Discretionary Reserves	10,068,200	10,602,900	1,038,600	11,641,500
Obligatory Reserve Funds	1,141,400	1,793,700	1,195,500	2,989,200
TOTAL	\$35,700,200	\$40,492,500	\$617,000	\$41,109,500

Major Balances end of year (millions of \$)

Lifecycle	\$15.1
Water	\$11.8
Infrastructure	\$ 5.3
Tax Rate Stabilization	\$ 4.4
Sanitary Sewer	(\$1.9)



Reserves Key Impacts

- \$15.1M to be used for operations & capital in 2019
- Tax Rate Stabilization Reserve is being used to fund legal fees re ongoing litigation
- Sanitary sewer DC balances are insufficient
 - 2017 DC Report shows an \$11.3M deficit
- New Infrastructure Funding Levy(NIL)
 - See Lifecycle Key Issues re new funding



Conclusion

- Budget Deliberations
 - January 15 – 5:00pm – 10:00pm
- Budget Approval
 - January 22



Discussions

Q & A





CORN MAZE

Glossary and Acronyms

Glossary

Accrual Basis of Accounting – A method of accounting that recognizes revenue as earned and expenditures as incurred rather than waiting until cash is exchanged.

Actual – Actual (as opposed to budget) revenues and expenditures for the fiscal year indicated.

Amortization – The gradual reduction of the value of an asset or liability by some periodic amount. In the case of an asset, it involves expensing the cost of the item over its useful “life” – the time period over which it can be used.

Assessment – The Municipal Property Assessment Corporation (MPAC) is responsible for placing an assessment value on all properties in Ontario. In 1998, the Province of Ontario reformed the property assessment and taxation system in Ontario with the implementation of Current Value Assessment (CVA). The CVA of a property represents its estimated market value, or the amount the property would sell for in an arm’s length, open market sale between a willing buyer and willing seller.

Base Budget – In simple terms, a reflection of the budget resources (financial, human and other) that are required

to maintain service levels at the level provided in the previous year.

Budget – A financial plan for a given fiscal year showing revenues and expenditures for different funds of the Town.

Budgetary Basis – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: accrual, cash or modified accrual.

Business Improvement Area (BIA) – A Business Improvement Area (BIA) is an association of business people within a specified district, who join together with official approval of the Town, in a self-help program aimed at stimulating business.

Business Plan – This refers to a document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realized.

Canadian Union of Public Employees (CUPE) – An association formed for protecting the rights of its members, usually employees in the public sector.

Capital Budget – The budget that provides for the funding of the Town’s expenditures on capital assets, i.e. assets which provide benefits to the Town over several years.

Consumer Price Index (CPI) – A statistical description of price levels provided by Statistics Canada. The index is used as a measure of the increase in the cost of living (i.e. economic inflation).

Cost Centre – An organizational unit with a specific strategic focus and the authority to expend corporate resources in order to deliver an internal or external service.

Current Value Assessment (CVA) – Property value set upon real estate under direction of the Province as a basis for levying property taxes.

Debenture – A formal written obligation to repay specific sums on certain dates. In the case of a municipality, debentures are typically unsecured.

Debt – Any obligation for the payment of money. For Ontario municipalities, debt would normally consist of debentures as well as either notes or cash loans from financial institutions but could also include loans from reserves.

Deferral – The act of putting off until another time, or postponing.

Deficit – The excess of liabilities over assets, or expenditures over revenues, in a fund over an accounting period.

Development Charges Act (DCA) – Provincial legislation that provides guidelines on funding of identified growth related projects in the Town from developers.

Expenditure – The disbursement of appropriated funds to purchase goods and/or services. Expenditures include current operating expenses that require the current or future use of net current assets, debt service, and capital outlays. This term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

Fiscal Year – Any period of 12 consecutive months designated as the budget year. The Town's budget year begins January 1st and ends December 31st.

Fleet – The vehicles owned and operated in the Town.

Forecast – The projection of revenues and expenditures for future years.

Full-Time Equivalent Position (FTE) – A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. FTE takes into account the number of hours per week and portion of the year the position is funded. $FTE = (\text{hours worked per week} / \text{total weekly hours}) \times (\text{months funded} / 12)$. A year-around full-time position has an FTE of 1.00. A full-time position funded for six months (1/2 year) has an FTE of 0.5.

Fund – A set of interrelated accounts to record revenues, and expenditures associated with a specific purpose. A fund has its own revenues, expenditures, assets, liabilities, and equity (fund balance).

Fund Balance – A term used to express the equity (assets minus liabilities) of governmental fund types and trust funds. A fund balance is the excess of cumulative revenues and other sources of funds over cumulative expenditures and other uses of funds.

Gas Tax – Funding provided by the Government of Canada as part of the New Deal for Cities and Communities. This Federal initiative is based on a long-term vision of sustainability for Canadian cities and communities, including four interdependent dimensions: economic, environmental, social and cultural. The program is intended to achieve results leading to cleaner air, cleaner water and reduced greenhouse gas emissions.

Generally Accepted Accounting Principles (GAAP) – Nationally-recognized uniform principles, standards and guidelines for financial accounting and reporting, governing the form and content of many financial statements of an entity. GAAP encompasses the conventions, rules, and procedures that define accepted accounting principles at a particular time, including both broad guidelines and detailed practices and procedures.

Grant – A monetary contribution, typically from one level of government to another, as a means to lend support to a specific service, program or function.

Inflation – A rise in price levels caused by general economic activity and growth.

Infrastructure – The system of public works in the Town, consisting of immovable physical assets, that delivers an

essential public service (e.g. road network, water and sewer systems, and lighting).

Interest Income – Revenue associated with the Town's cash management activities of investing cash balances.

Levy – The amount of property tax, in dollars, which is paid by the Town's taxpayers. To determine the tax levy for a particular property, the property's assessment value is multiplied by the appropriate rate for the property's tax class.

Liability – A financial obligation of the Town to others.

Lifecycle – Encompasses the Town's plan to provide funding for expenditure items that are cyclical in nature.

Local Authority Services (LAS) – Local Authority Services is mandated to work with municipalities to assist them in reducing the cost of their expenditures and to increase their revenues through the principles of economies-of-scale and co-operative procurement efforts.

Long-term Debt – Debt that matures more than one year after it is issued.

Municipal Act – Passed by the legislature in December 2001, the Act is designed to allow municipal leaders the autonomy, power and flexibility they need to chart their community's future in a meaningful way and react quickly to change.

Objective – A desired specific output-oriented accomplishment that can be achieved within a given time frame. Its achievement advances both the activity and organization toward a corresponding goal.

Official Plan – A document adopted by a municipal council pursuant to the *Planning Act* that contains goals, objectives and policies to manage and direct physical change in the Municipality. Official Plans are generally set for a planning period of 20 years and must be renewed and updated every five years.

One-Time Item – An item only approved for the current budget year that is not part of the base budget.

Ontario Municipal Board (OMB) – A provincial board that provides a forum to appeal planning and assessment decisions made by the Town.

Ontario Municipal Employees Retirement System (OMERS) – OMERS is a defined benefit plan that provides pension benefits for the Town's full-time employees. Employees and employers normally make equal contributions to the plan.

Operating Budget – The budget that provides the various departments with funding for their annual recurring operating costs (e.g. salaries, materials and supplies, contracted services, utilities). Compared to the capital budget, items funded in the operating budget do not give rise to assets that are expected to provide benefits over several years.

Per Capita – A measurement of the proportion of some statistic to an individual resident determined by dividing the statistic by the current population.

Property Tax – An ad valorem (value-based) tax levied on real and personal property according to the property's assessed valuation and the tax rate.

Provincial Dedicated Gas Tax – Provincial gas tax funding that is provided to municipalities for public transportation expenditures.

Public Sector Accounting Board (PSAB) – The body of the Chartered Professional Accountants (CPA) that issues recommendations and guidance with respect to matters of accounting in the public sector. Its aim is to improve the financial and performance information reported by governments and other public sector entities for the benefit of decision makers and other users of the information.

Reserve – An allocation of accumulated net revenue that is established by Council for a particular purpose. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund. Interest earned on the invested earnings is reported as operating fund earnings and not accumulated in the reserve.

Reserve Fund – An allocation of accumulated net revenue, similar to a reserve. It differs from a reserve in that reserve fund assets are segregated and restricted to meet a specific purpose. There are two types of reserve funds. Obligatory reserve funds are required under provincial statute, while discretionary reserve funds are created by Council for a specified future use.

Revenue – Monies received from all sources (with exception of fund balances) that will be used to fund expenditures in a fiscal year.

Stakeholders – The person, group or organization that has direct or indirect stake in the Town because it can affect or be affected by the Town’s actions, objectives and policies.

Surplus – The excess of actual revenue over operating expenditures incurred during a budget period.

Tangible Capital Asset (TCA) – Non-financial assets that have a lifespan that extends beyond an accounting period. Also known as ‘fixed asset’.

Tax Rate – A percentage rate that is used to determine the property tax levy to be paid by a particular taxpayer within the Town. The rate for a property depends on its tax class, which in turn depends on the type of property (residential, commercial, industrial, etc.). The rate is multiplied by the assessment to provide the tax levy. Rates are established by Council by-law.

User Fees & Service Charges – Fees paid by individuals or organizations to the Town for the use of Town facilities (e.g. recreation fees) or for provision of municipal services (e.g. planning).

Vacancy Rebate Program – Provides tax relief to owners of vacant commercial and industrial buildings through rebates issued by a municipality.

Vital Statistics Act – Responsible for matters such as maintenance of the municipal birth and death registry and issuance of death and burial certificates.

Acronyms

AGCO – Alcohol and Gaming Commission of Ontario

AMCTO – The Association of Municipal Managers, Clerks and Treasurers of Ontario

AMO – Association of Municipalities of Ontario

AMP – Asset Management Plan

ARL – Annual Repayment Limit

BGAN – Broadband Global Area Network

CAO – Chief Administration Officer

CIP – Community Improvement Plan

COMRIF – Canada-Ontario Municipal Rural Infrastructure Fund

CPA – Chartered Professional Accountants Canada

CPI – Consumer Price Index

CWATS – County Wide Active Transportation System

CWWF – Clean Water and Wastewater Fund

DC – Development Charge

DRIC – Detroit River International Crossing

DWQMS – Drinking Water Quality Management Standard

EA – Environmental Assessment

EPC – Essex Power Corporation

EPS – Earnings Per Share

ERCA – Essex Region Conservation Authority

ERTs – Electronic Radio Transmitters

EWSWA – Essex Windsor Solid Waste Authority

FIR – Financial Information Return

FKPI – Financial Key Performance Indicators

GAC – Golden Age Club

GDP – Gross Domestic Product

GFOA – Government Finance Officers Association of the United States and Canada

GIS – Geographic Information Systems

HR – Human Resources

HVAC – Heating, Ventilating and Air Conditioning

ICS – Information & Communication Services

ISF – Infrastructure Stimulus Fund

LC – Lifecycle

LED – Light-Emitting Diode

LTFP – Long Term Financial Plan

MMS – Minimum Maintenance Standards

MPAC – Municipal Property Assessment Corporation

MTO – Ministry of Transportation

NIL – New Infrastructure Levy

NFPA – National Fire Protection Association
OCIF – Ontario Community Infrastructure Fund
OCWA – Ontario Clean Water Agency
ODSP – Ontario Disability Support Program
OFM – Ontario Fire Marshal
OILC – Ontario Infrastructure and Lands Corporation
OMB – Ontario Municipal Board
OPP – Ontario Provincial Police
OReg – Ontario Regulation
ORFA – Ontario Recreation Facilities Association
PSAB – Public Sector Accounting Board
PWES – Public Works & Environmental Services
RCM – Regular Council Meeting
RF – Reserve Fund
RFP – Request for Proposal
RinC – Recreation Infrastructure Canada Program
SCBA – Self-Contained Breathing Apparatus
TAAC – Tecumseh Accessibility Advisory Committee
TFRS – Tecumseh Fire Rescue Service
TSMHA – Tecumseh-Shoreline Minor Hockey Association
WDS – Windsor Disposal Service
WSO – Windsor Symphony Orchestra

WTP – Water Treatment Plant
WUC – Windsor Utilities Commission



The Town of Tecumseh
917 Lesperance Road
Tecumseh, ON N8N 1W9
519-735-2184

www.tecumseh.ca
www.twitter.com/TownofTecumseh
www.facebook.com/townoftecumseh
www.tecumsehapp.ca