



2022 Pre-Budget Council Consultation

Presentation to Town Council
September 14, 2021



Strategic Priorities



Smart Growth

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



Sustainable Infrastructure

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



Community Health and Wellness

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



Continuous Improvement

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

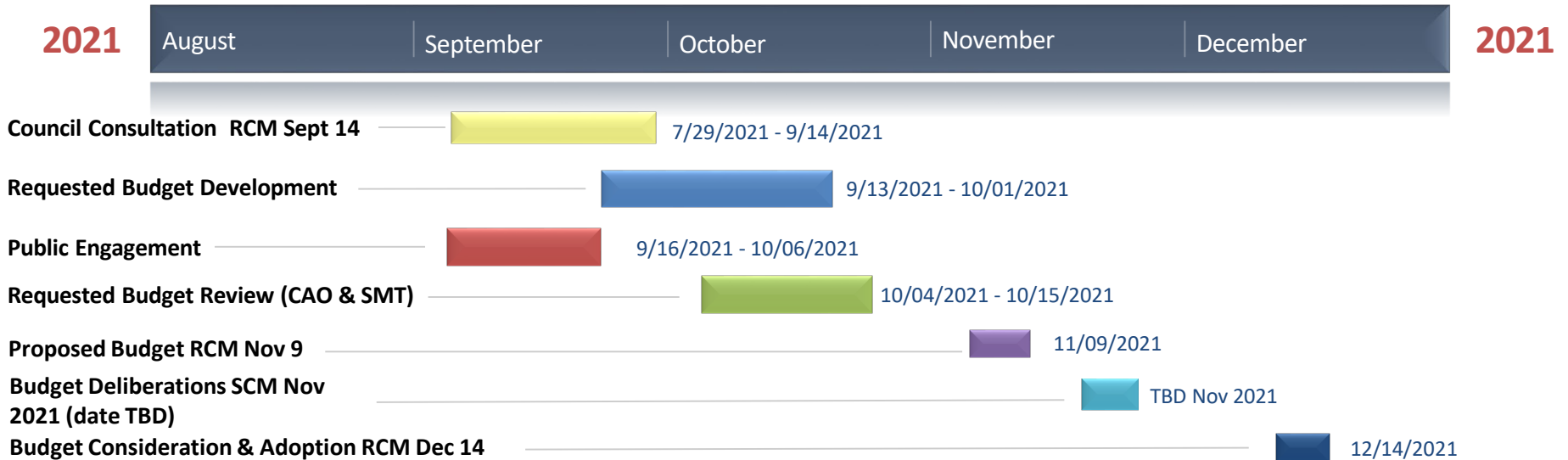


Good Governance

Demonstrate the Town's leadership role in the community by promoting good governance and community engagement.



2022 Budget Timelines



2022 Budget Timelines approved by Council as per RCM-252/21 and RCM-252/21



2022 Budget Approach

- Strategic Priorities
 - Focus on Program and Service Delivery
 - Respect for Taxpayers
- Ongoing COVID-19 Effect
 - Budget assumes normal operations
 - Impact to User Fees
 - Increased safety measures and related costs
 - Deficit backstopped with grant funds
- MPAC Assessment Cycle Postponed
 - CVA update postponed – 2020 assessed values will carry to 2022



2021 Approved Budget & Forecast

Budget Drivers	2021		2022	2023	2024	2025
	2020	Approved				
Base Department Operations (excl Pay/Ben)	-0.38%	0.31%	0.29%	0.81%	1.16%	1.11%
Service Level Enhancements	1.19%	0.39%	0.42%	0.38%	0.37%	0.36%
Payroll/Benefits	0.92%	0.83%	1.02%	0.80%	0.78%	0.78%
Police Services	0.31%	0.14%	0.28%	0.27%	0.30%	0.32%
Sub-total - Operating	2.03%	1.67%	2.00%	2.27%	2.60%	2.57%
Lifecycle	0.81%	1.52%	0.80%	0.77%	0.93%	0.89%
New Infrastructure Levy	0.86%	0.83%	0.80%	0.77%	0.74%	0.71%
Sub-total - Capital	1.66%	2.34%	1.59%	1.54%	1.67%	1.60%
Total	3.70%	4.01%	3.59%	3.81%	4.27%	4.17%
Assessment (Growth)/Loss	-0.43%	-1.22%	-1.19%	-1.54%	-0.93%	-0.89%
Total w/ Growth factor	3.27%	2.79%	2.40%	2.27%	3.34%	3.28%

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



Budget Pressures & Drivers

Projected 2022 Levy Increase from 2021 Budget	\$ Amount	Percent
Operations	\$502,000	1.99%
Lifecycle/Capital	\$400,000	1.60%
Assessment Growth	\$(300,000)	(1.19)%
Total Projected 2022 Levy Increase	\$587,000	2.40%
Projected 2022 Levy Increase – Pre-Budget		
Operations	\$991,000	3.95%
Lifecycle/Capital	\$100,000	0.40%
Assessment Growth	\$(200,000)	(0.80)%
Total 2022 Preliminary Estimate	\$891,000	3.55%



Pressures - Operating Revenues

Operating Revenues	\$ Amount	Percent
Assessment Growth	\$(200,000)	(0.80)%
OPP CSP Grant	\$94,000	0.37%
Balance	\$(18,000)	(0.06)%
Total Operating Revenues	\$(124,000)	(0.49)%



Pressures - Operating Expenditures

Operating Expenditures	\$ Amount	Percent
Organizational Review - Staffing (from NIL & Lifecycle budget lines)	\$ 300,000	1.19%
Wages/Benefits increase (contractual)	\$200,000	0.80%
HR – balance of ½ year implementation	\$132,000	0.53%
PD & Education (2021 adj. partial reversal)	\$81,000	0.32%
Police – OPP Contract	\$70,000	0.28%
Maidstone Rec Facility – net expenditures (new)	\$40,000	0.16%
Insurance (net of reserve transfer)	\$35,000	0.14%
Garbage Collection & Disposal contract	\$30,000	0.12%
CIP Grant expense (one time increase reversal)	(\$75,000)	(0.30%)
Balance - inflation and other	\$102,000	0.40%
Total Operating Expenditures	\$915,000	3.64%



COVID-19 Grant Revenues

COVID-19 Grant Revenue	\$ Amount
SRA Phase 2 funding	(\$234,000)
2021 COVID-19 Recovery Funding	(\$450,000)
SRA Transit Phase 3 funding	(\$20,000)
Total COVID-19 Grant Revenue	(\$704,000)



Pressures – COVID-Specific

COVID-19 Impacted Expenditures	\$ Amount	Percent
Operating Expenditures:		
Arena – Vaccination passport check	\$50,000	0.20%
Arena – Custodian	\$58,000	0.23%
Parks Buildings – Town facilities add'l cleaning	\$28,000	0.11%
COVID-19 safety protocol items	\$60,000	0.24%
Total Operating Expenditures – COVID-19	\$196,000	0.78%
Funded through Grants	\$(196,000)	(0.78%)
Total Impact	\$0	0.00%



2022 Operating Drivers Not Yet Quantified

Drivers Not Yet Quantified	\$ Amount	Percent
CBA 702.13 and FF Association	TBD	TBD
Non-Union Compensation Review	TBD	TBD
Education & County Levies	TBD	TBD



Pressures – Lifecycle/Capital

Lifecycle/Capital Drivers	\$ Amount	Percent
New Infrastructure Levy (NIL)	\$0	0.00%
Lifecycle	\$100,000	0.40%
Total Lifecycle/Capital	\$100,000	0.40%



Outlook Years - Operating

Operating Outlook	2023	2024
Assessment growth	\$(200,000)	\$(200,000)
Org Review implementation	\$170,000	\$175,000
Lottery licencing claim	TBD	TBD



Outlook Years – Lifecycle/Capital

Lifecycle/Capital Outlook	2023	2024
Lifecycle	\$200,000	\$200,000
OCIF Grant - \$1,175,000 in 2021	TBD	TBD
New Infrastructure Levy (NIL)	\$100,000	\$200,000
Sportsplex - \$?? million	TBD	TBD
CIP Infrastructure - \$30+ million	TBD	TBD
Storm Drainage Master Plans - \$140+ million	\$7,900,000	\$5,400,000
Storm Drainage – DMAF Grant	\$(3,160,000)	\$(2,160,000)
Development – Front-End Financing - \$57+ million	TBD	TBD



Lifecycle/Capital

- Lifecycle Funding Model
 - Asset replacement
- New Infrastructure Levy – Target \$2.35 M
 - New capital requirements
 - Development – Front-End Financing
- Allocated to Capital Reserves (\$9.4 M 2021)
- Recommendations for annual project allocations follows budget process
 - Department 5-yr Capital Plans



Water & Sanitary Rates

- Water & Wastewater Rate Study (2015)
 - Currently updating Rate Study for the period of 2021-2030
 - Fixed Rate – to double over 10 year study period
 - Water + 6%, Sanitary + 6% proposed for 2022
 - Variable – lesser increases over study period
 - Water + 1%, Sanitary + 3% proposed for 2022
- Consumption Trends
- Reserve Fund Balances (2020 YE)
 - Water \$13,500,000
 - Sanitary \$ 400,000



Water/Sanitary Drivers

- Water specific
 - Development Front-End Financing
 - Watermain replacement program
 - Cathodic protection program (anode)
 - Property Study & Design
 - Oldcastle Hamlet water tower & booster station
- Sanitary specific
 - Development Front-End Financing
 - Completion of Sanitary Sewer Model Update
 - North Talbot Road Sanitary Sewer Service Area
 - 8th Concession Road Sanitary Sewer Service Area
 - Debt Servicing



Water & Sanitary Rates

Comparative Rates – 2021*



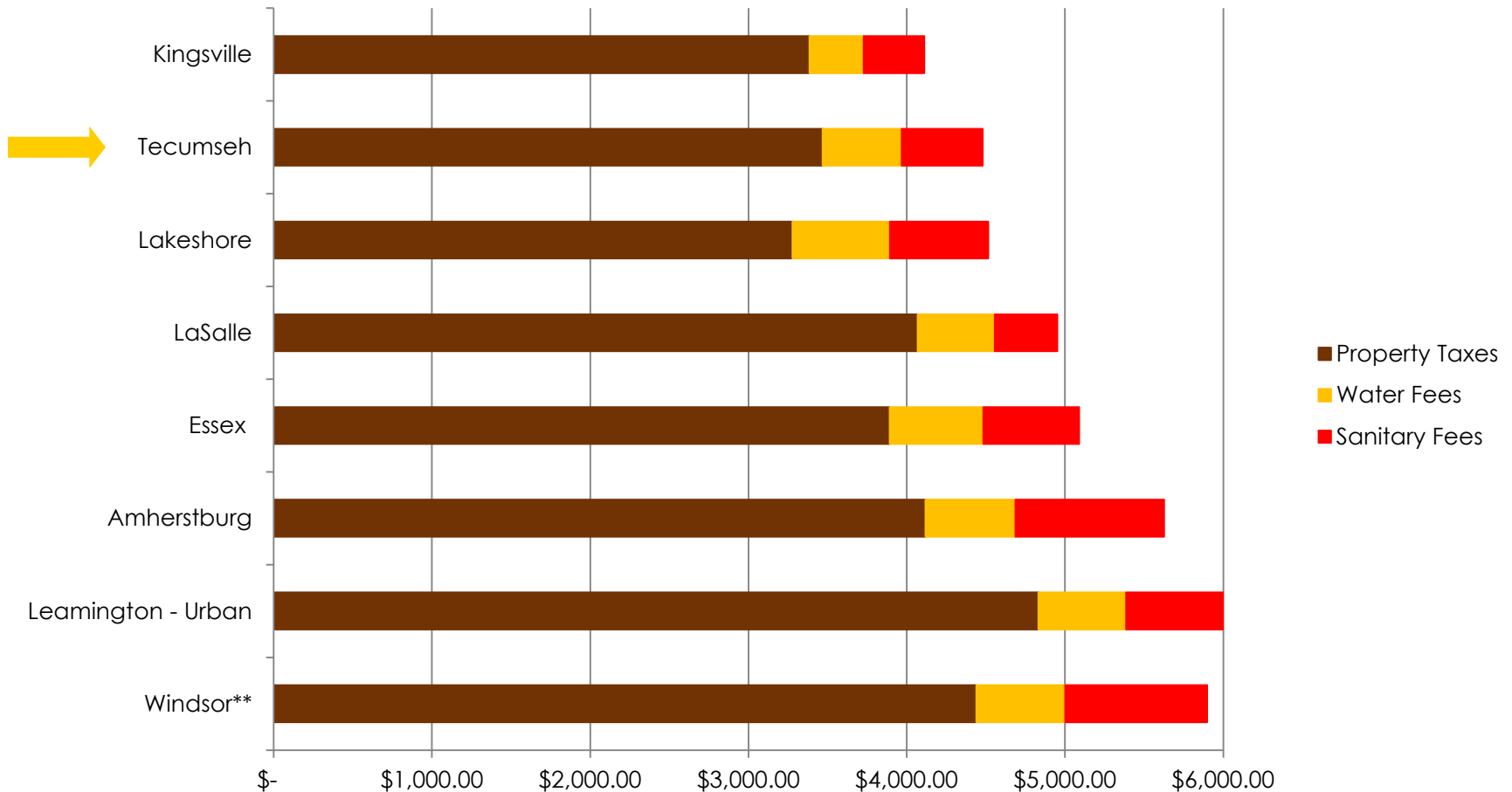
Water and sanitary rates	A'burg	Windsor	Lakeshore	Essex	Leamington	Tecumseh	Lasalle	Kingsville
Water								
Fixed	\$23.12	\$18.83	\$20.61	\$20.08	\$26.03	\$16.90	\$18.33	\$7.63
Variable	\$1.22	\$0.67**	\$1.54	\$1.46	\$1.01	\$1.24	\$1.12	\$1.04
Sanitary								
Fixed	\$33.23	\$17.61	\$19.74	\$21.09	\$50.83	\$16.90	\$10.50	\$20.00
Variable	\$2.25	\$2.86	\$1.60	\$1.47	\$2.43*	\$1.28	\$1.12	\$0.60***
Total Cost	\$1,508	\$1,459	\$1,238	\$1,197	\$1,165	\$1,011	\$884	\$725



*** Charges are capped at \$20 per month

2021 Comparative – Essex County

Combined Tax, Water and Sanitary Burden Comparison *



* - Property Taxes calculated based on home with an assessed value of \$250,000.

Water and Sanitary Fees based on monthly consumption of 20 cubic meters.

** - Windsor taxes calculated using 2020 rate.



Reserves

Key Reserve and Reserve Funds	Target	Actual**	Deficiency
Tax Rate Stabilization Reserve*	\$3,765,000	\$2,653,000	\$1,112,000
New Infrastructure Levy	TBD	\$8,316,000	TBD
Post Retirement Benefits	\$11,105,000	\$1,826,000	\$9,279,000

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

** 2020 Year-end values



Discussion

