



THE CITY OF
WINDSOR
ONTARIO, CANADA

2020

—BUDGET—

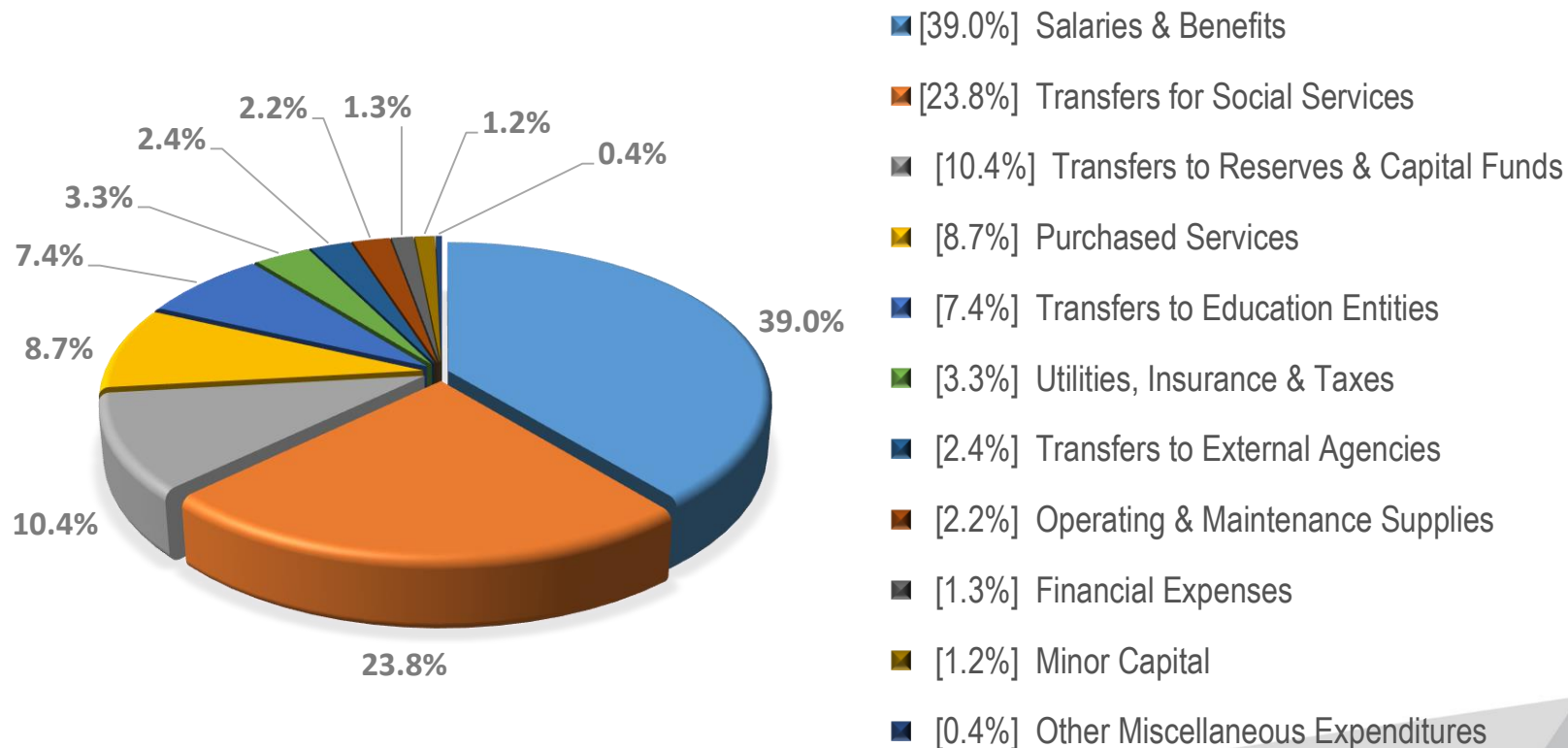


2020 Operating Budget Process

	Date
2020 Proposed Budget Process & Timeline (City Council Meeting) Public Input Opportunity	July 22, 2019
2020 Recommended Budget Development by Administration	July / 2019 – December / 2019
City Council Ward Meetings Public Input Opportunity	Fall / 2019
2020 Recommended Budget Made Public (Available on the Internet and all Windsor Public Libraries)	December 20, 2019
2020 Final Budget Deliberations (Beginning at 10:00 am) Public Input Opportunity	January 27, 2020 & January 28, 2020

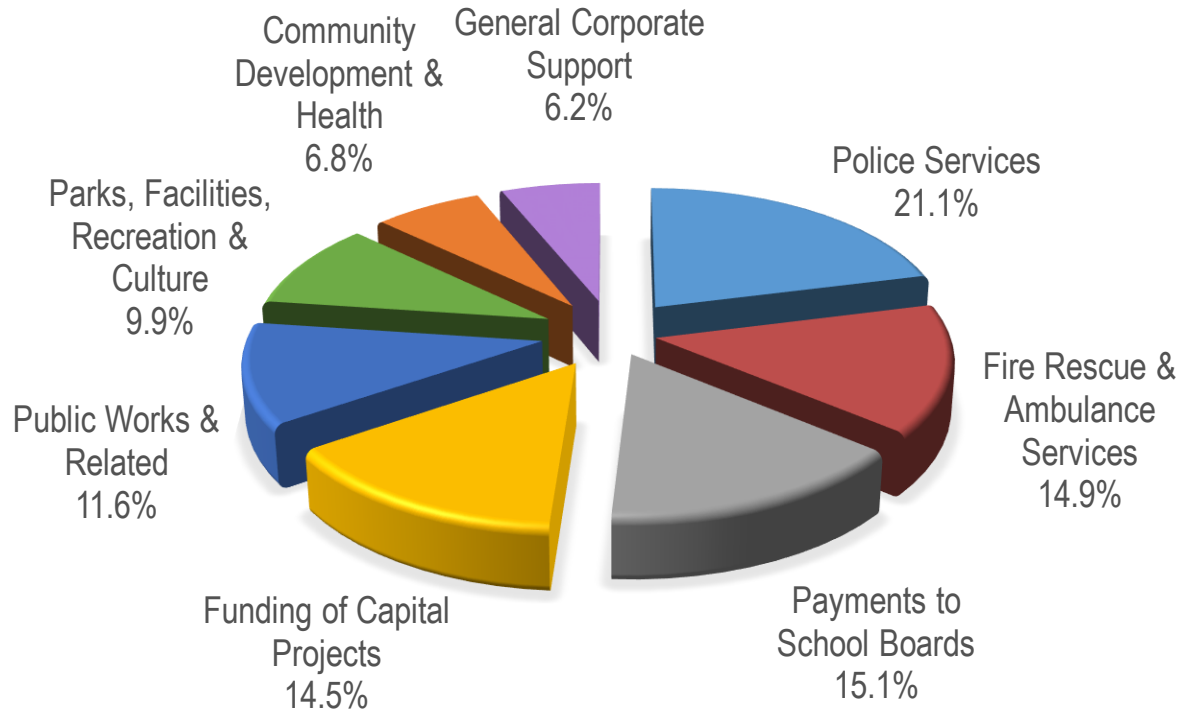
2020 Gross Operating Budget by Major Types of Expenditures

Total Gross Expenditures: \$857.6 Million

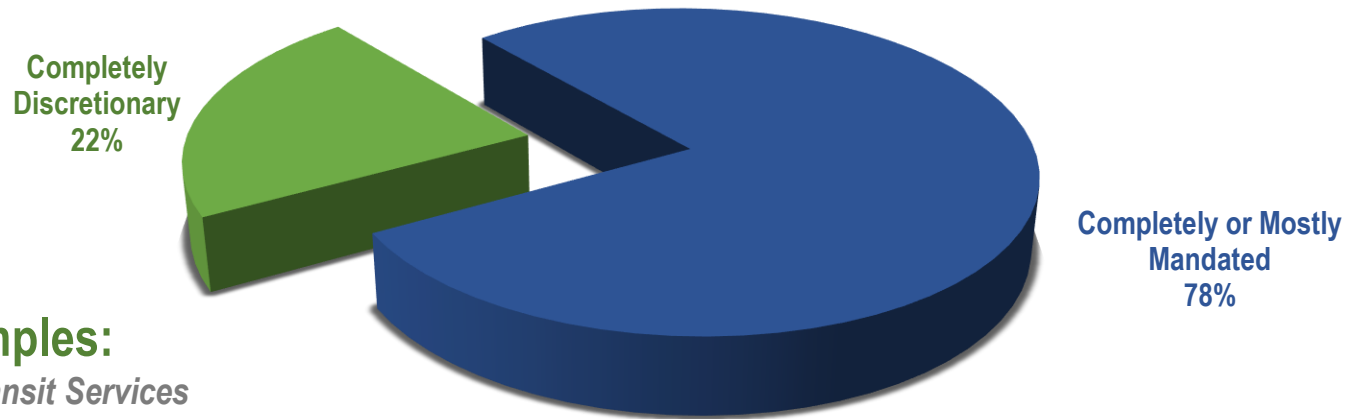


What is the 2020 Recommended Property Tax Levy Being Spent On?

2020 Recommended Property Tax Levy: \$420.3 Million



Mandatory vs. Discretionary Spending



Examples:

- *Transit Services*
- *Crossing Guards*
- *Tourism Promotion*
- *Parks & Natural Areas*
- *Recreation & Cultural Programming*
- *Public Library & Community Archives*

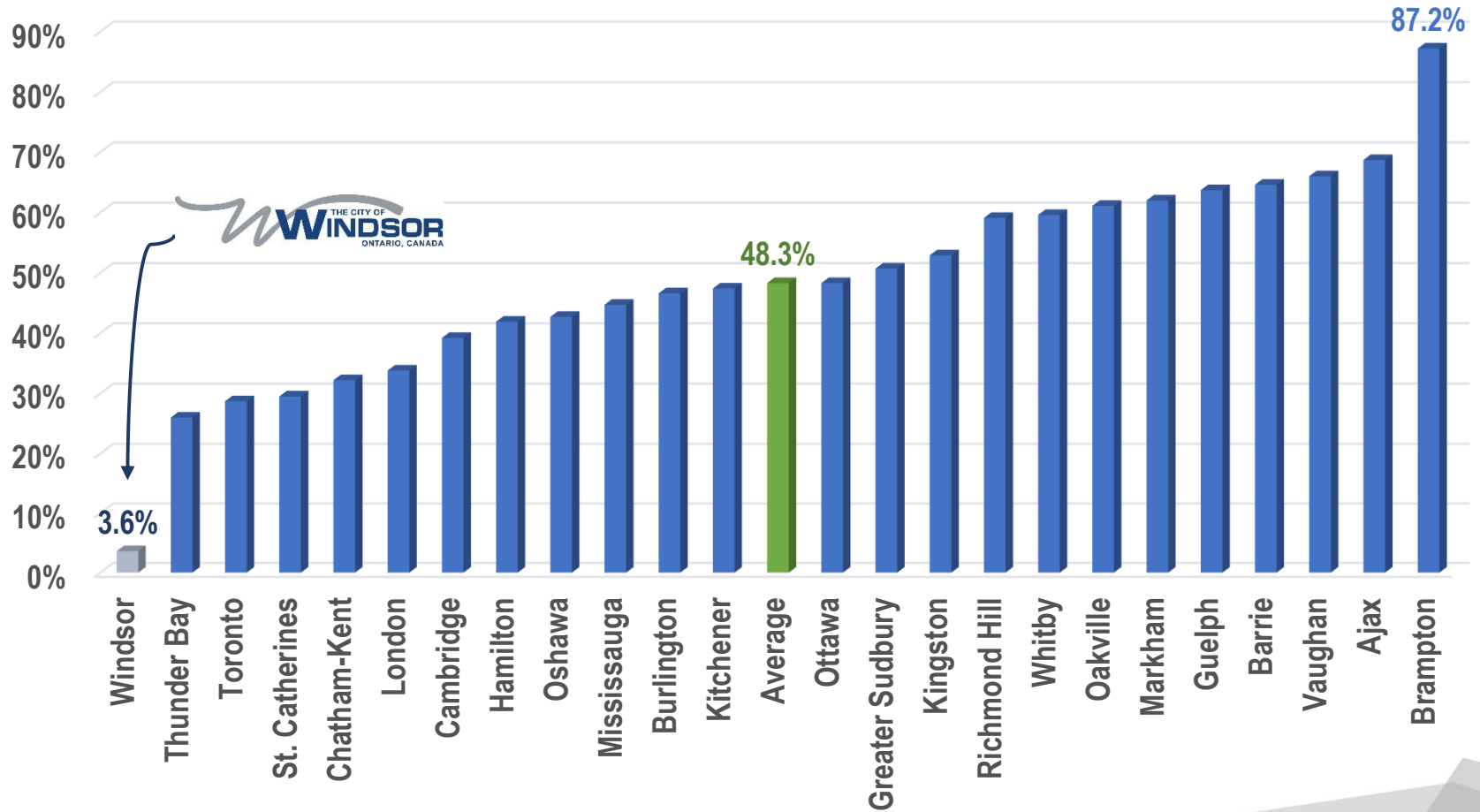
Examples:

- *Police Services*
- *Fire & Rescue Services*
- *Emergency Medical Services (EMS)*
- *Storm & Wastewater Removal*
- *Waste Collection / Disposal, Diversion*
- *Employment & Social Services*
- *Social Housing*

Financial Snapshot



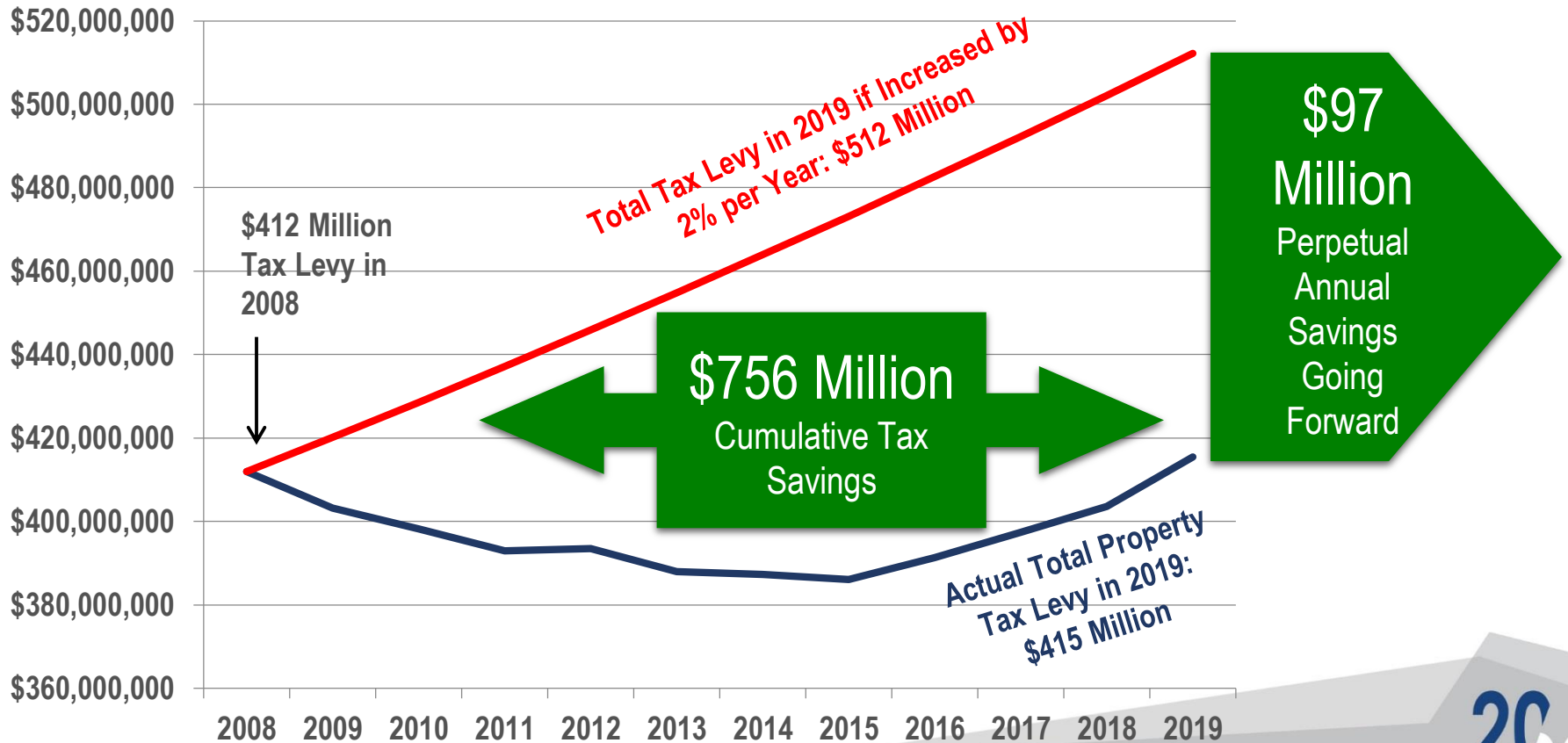
% Change in Total Tax Levy 2018 vs. 2006



Source: Latest Ontario Financial Information Return (FIR)
Includes Municipalities within Ontario with a Population > 100,000

Unprecedented Fiscal Responsibility

\$756 Million Cumulative Savings to Date
\$97 Million Perpetual Annual Savings Going Forward



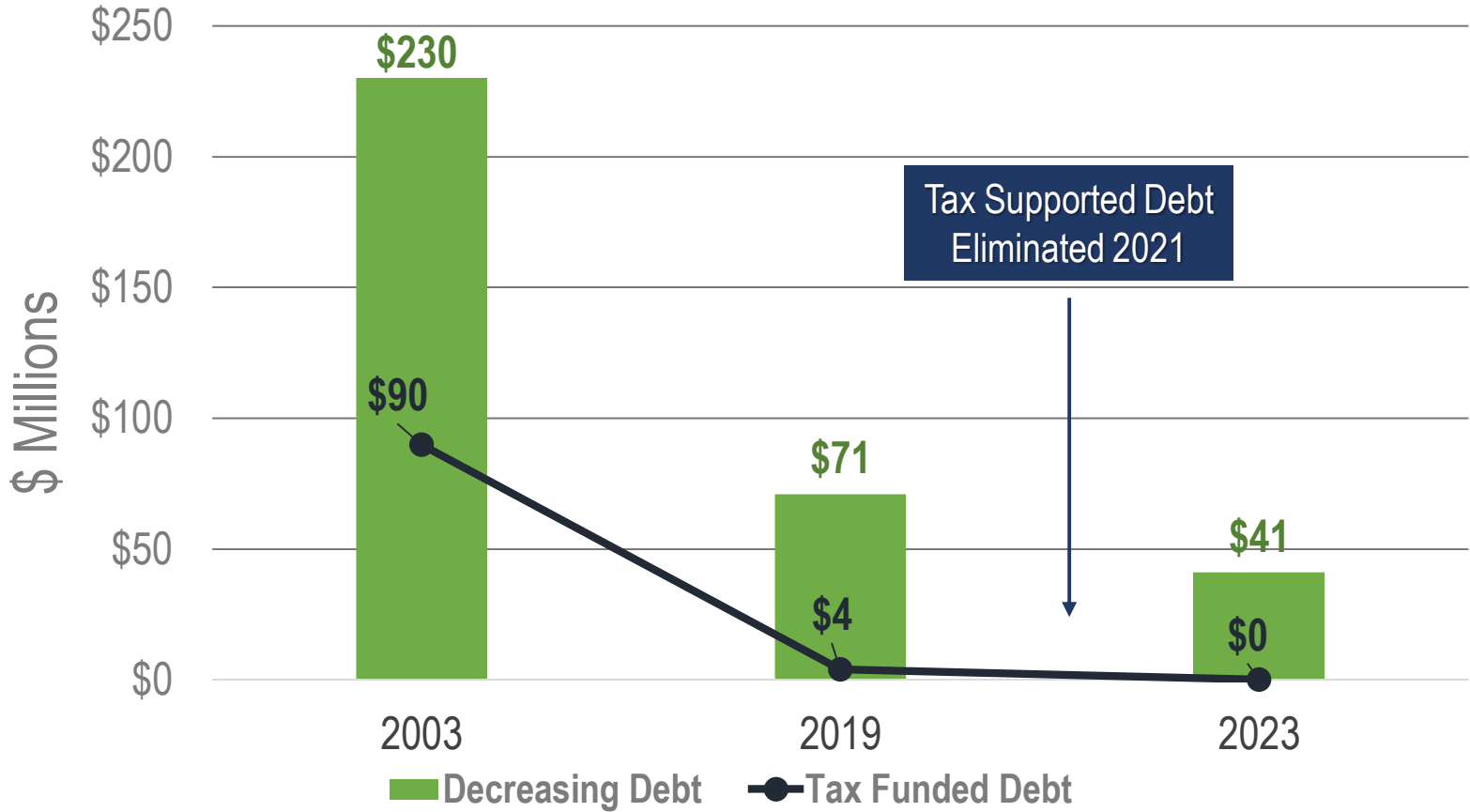
Overall Comparison of Residential Charges

Typical Residence & Consumption Patterns

	Windsor	Provincial Average	Windsor Over / (Under) Average
Water	\$485	\$539	(\$54)
Sewer	\$789	\$577	\$212
Taxes	\$3,295	\$4,066	(\$771)
Total	\$4,569	\$5,182	(\$613)

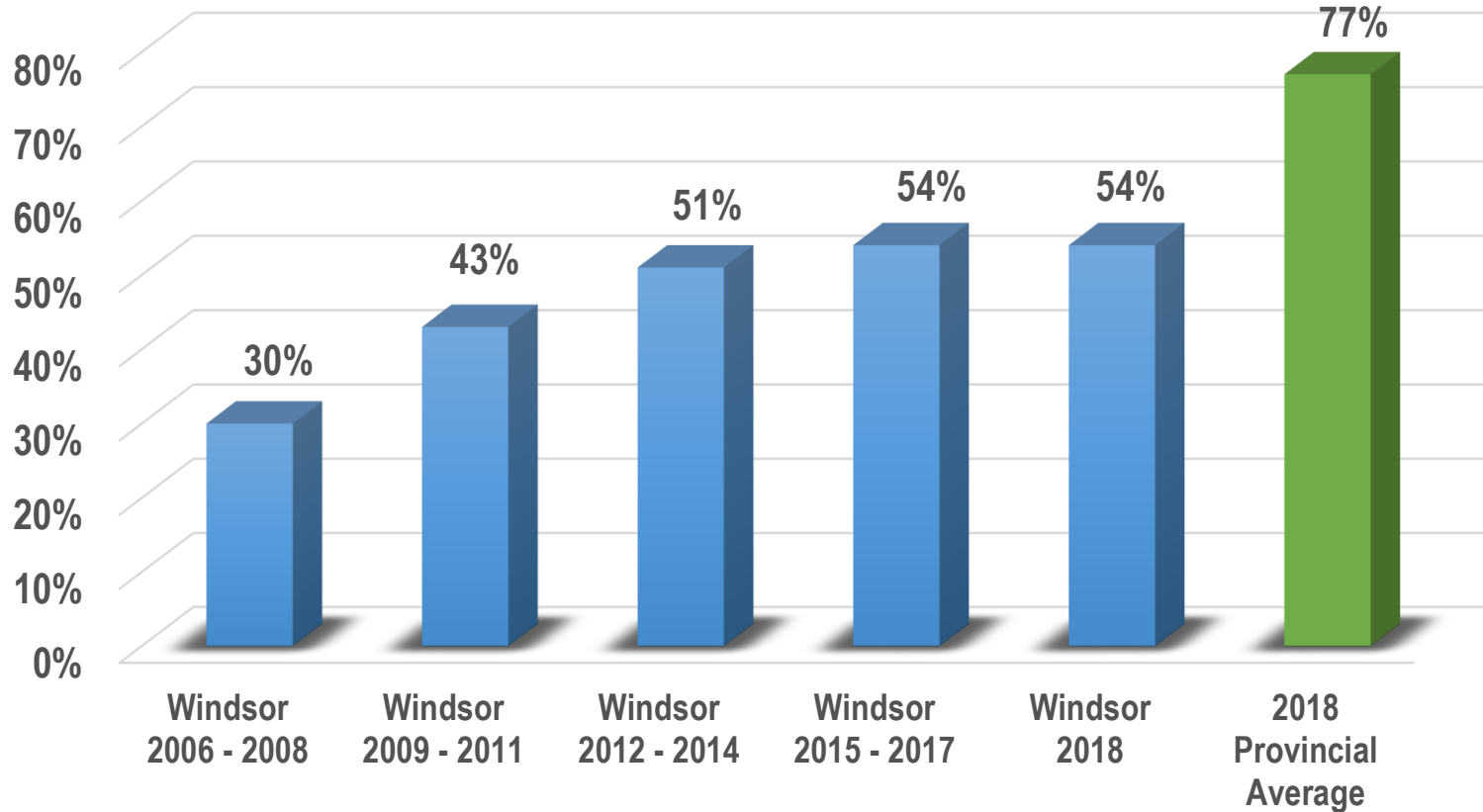
Decreasing Debt

Continued Fiscal Responsibility



Note: Does not include projected mortgages for the Meadowbrook Development.

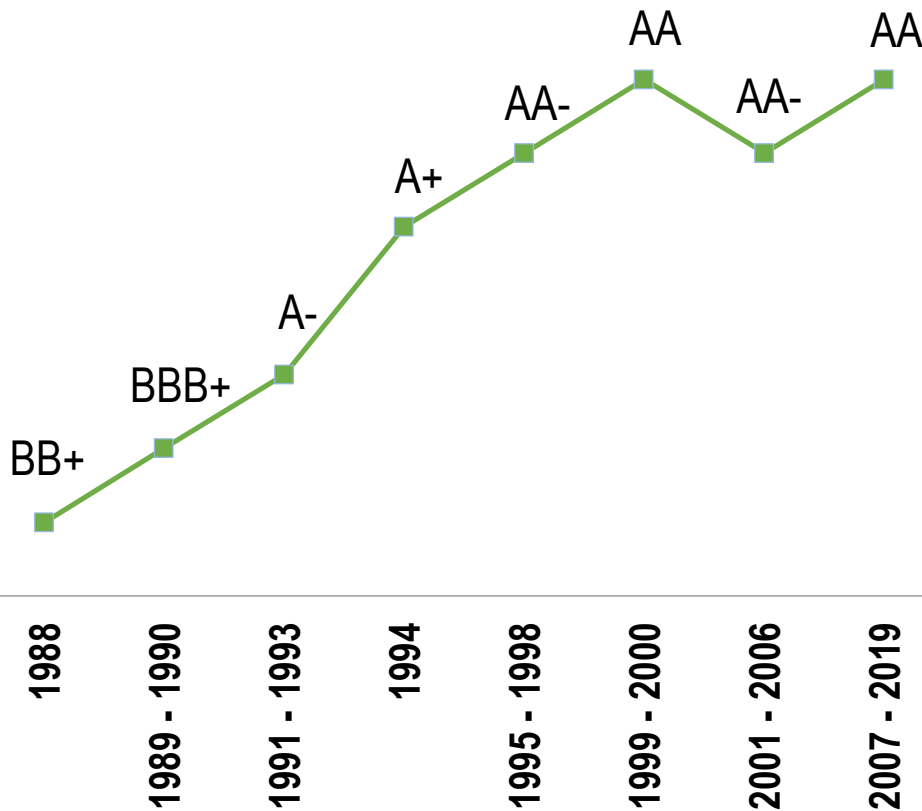
Reserves as a % of Taxation



Source: Independent Municipal Study by BMA Consulting Inc. (2019)

City of Windsor Bond Rating

Rating History (1988 – 2019)



2019 Standard & Poor's Bond Rating Services

"...follows prudent and well-defined financial policies and a formal long-term plan with a focus on financial sustainability and reduced reliance on debt funding."

2020 Budget Overview

- Recommended Budget based on the paramount objective of continued fiscal responsibility while avoiding or minimizing negative impacts on services and in select services, modest enhancements to keep pace with public expectations and increased demands of an improving economy.
- Inflationary Pressures:
 - Contractual / Wage Settlements
 - Consumer Price Index (CPI) Canada, All Items = 2.2%
 - Construction Price Index (Non-Residential) = 5.2%
 - Utility Cost Increases

2020 Budget Overview (continued)

- Provincial Mandates:
 - OMPF Grant Reduction = \$995 K
 - Employment & Social Services (Net Funding Reduction After Mitigation) = \$573 K
 - Police Security & Prisoner Transportation Grant Reduction = \$140 K
 - Health Unit = \$313 K
 - Social Housing Service Level Standards = \$163 K
 - Legislated Per Diem Food Increase (Huron Lodge) = \$40 K

2020 Budget Overview (continued)

- Service Enhancements:
 - After Relatively Flat Period >> Positive Economy = Added Service Demands
 - Transit Windsor Growth Initiatives / Service Enhancements - \$1.1 M
 - Building / Planning Increasing Demands for Permits / Inspections
 - Additional Service Enhancements:
 - Social Housing Service Levels Standards / Housing Subsidy Program
 - Trail Maintenance Budget
 - Permanent Funding – Street Outreach Worker
 - Active Transportation Coordinator
 - Security Services – New City Hall
 - Staffing Adjustments to Address Service Demands \$3.4 M (*Approximately 46% of staff adjustments represent conversions*).

2020 Budget Overview (continued)

- Agencies, Boards & Committee Requests:
 - \$5.1 Million Requested Increase
 - 2020 increase requested is 4.2% more than 2019 Approved Budget
 - No Control by City Administration

2020 Budget Overview (continued)

- \$9.5 million in recommended cuts through continued fiscal prudence including revenue increases.
- Notwithstanding these recommended reductions, a 1.2% levy increase related to City Departments is recommended.
- An additional 1.16% (rounded to 1.2%) levy increase related to the Asset Management Plan (AMP)
- Agencies, Boards & Committees are requesting a 4.2% increase in their budgets which would result in a further 1.2% increase to the levy.
- Resulting in total levy increase of 3.6%
- Administration has also provided options to achieve a zero levy increase.

2020 Budget Overview (Executive Summary)

- Identifies High Priority Budgetary Pressures with Little or No Discretion as well as High Priority Budget Recommendations of \$11.7 M **(A + B)**
- Administrative Recommendations to maintain or improve services of \$2.7 million **(C)**
- Recommended Administrative Budget Cuts / Increased Revenue of \$9.5 million **(D)**
- Other Potential Reductions / Enhancement Options Considered **(F & G)**

2020 Executive Summary - Recommended

	Municipal Property Tax Levy	% Impact
2019 Approved Property Tax Levy (Including Education)	\$415,445,013	
2020 Recommended Budget (City Departments)	\$4,887,365	1.2%
2020 Recommended Property Tax Levy (Prior to AMP & ABC's)	\$420,332,378	
2020 Asset Management Plan (AMP)	\$4,800,000	1.2%
2020 Agencies, Boards & Committees (ABC's)	\$5,102,349	1.2%
2020 Property Tax Levy (City Departments + ABC's)	\$430,234,727	3.6%

Since the Release of the 2020 Recommended Budget

New Information

Municipal Property Tax Levy Impact	
Education Levy	(\$556,773)
Property Taxes Resulting From New Assessment Growth	(\$333,571)
Municipal Property Assessment Corporation (MPAC)	(\$13,966)
Sewer Surcharge Overhead	(\$453,028)
WPS Grant – Court Security	\$140,000
Reduction in Land Ambulance	(\$140,570)
Windsor Essex Community Housing Corporation (CHC)	(\$253,579)
2020 Property Tax Levy (Total Changes)	(\$1,611,487)

3.6% Property Tax Levy Increase Reduces to 3.2%



How Will Tax Payers Be Impacted by the Recommended 2020 Budget

- Proposed increase to Municipal Property Tax Levy.
- An amended 3.2% increase in property taxes based on an assessment value for a home assessed at \$163,000 = \$93
- The actual impact on individual tax payers for 2020 will depend on MPAC assessment changes and any impacts of the final year of phased in program and tax rates & tax policies to be adopted by City Council in spring 2020.
- 2020 – Final year of (2017-2020) 4-year assessment cycle.
- 2021 – First year of (2021-2024) New 4-year assessment cycle.

Sewer Surcharge

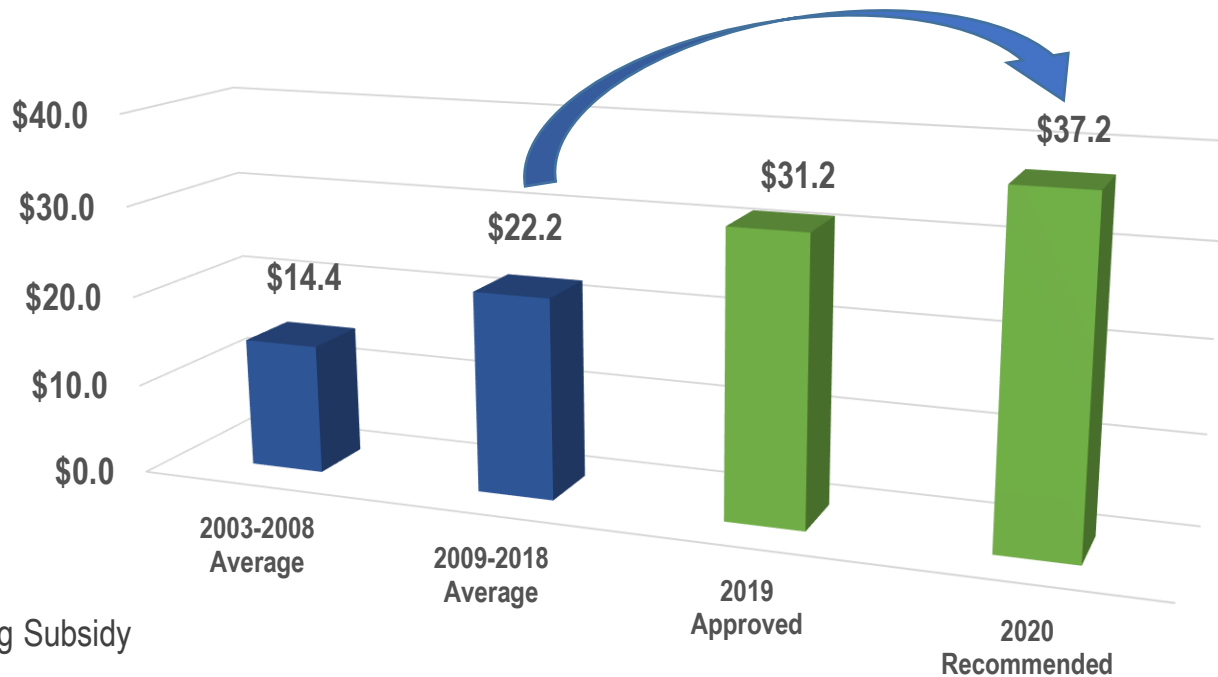
- *Total Recommended 2020 Sewer Surcharge Revenues of \$76.8 M*
- *Second year shift in allocation of Residential to Commercial / Industrial to better align with actual consumption trends.*
- *Proposed decrease of 0.6% or \$4.44 / year for average residential user.*
- *Proposed increase in Commercial / Industrial rates to move closer to actual consumption patterns.*

Sewer Surcharge (continued)

- Based on 2019 BMA Study:
 - *Windsor's Industrial wastewater charges – 17% below provincial average*
 - *Windsor's Commercial wastewater charges – 9% below provincial average*
 - *Proposed second year funding allocation change will bring Windsor wastewater charges more in line with the provincial average.*
 - *Proposed 2020 Commercial / Industrial variable rate of \$1.42 m³; up from \$1.22 m³ in 2019.*

Capital Funding Increase for Flood Mitigation

Proposed 68% Increase in 2020 Over 2018 Level



Funding for:

1. Basement Flooding Subsidy
2. Sewer Master Plan Implementation
3. Strategic Preventative Maintenance
4. Pollution Control Plants & Pump Stations
5. Leveraging of Significant Grant Funding

2020 Capital Budget

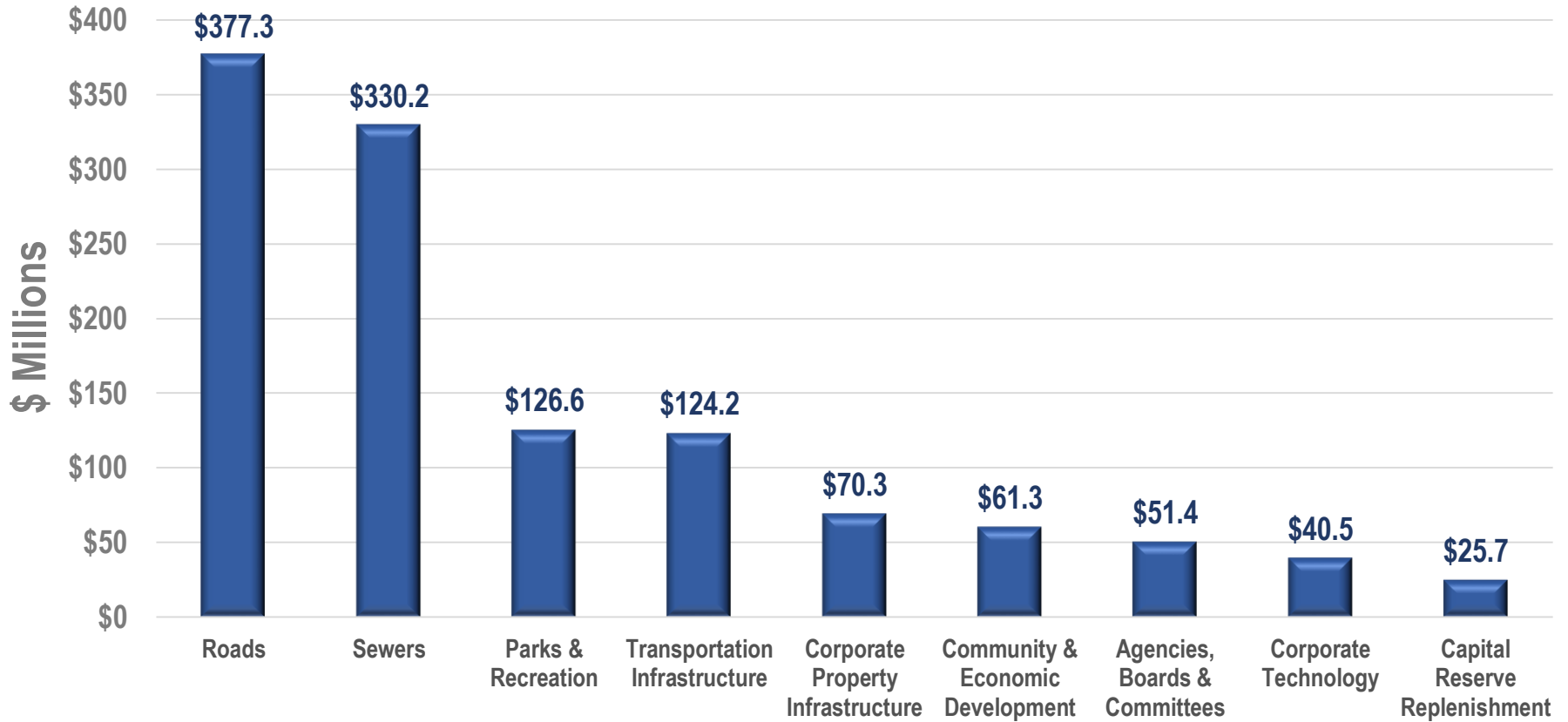
- Total funding for the Capital Budget 8-Year Plan is \$1.2 billion.
- Capital funding for 2020 is \$161.5 million.
- Total funding for roads, sewers and transportation Infrastructure in the 8-Year Plan is \$831.7 million or nearly two thirds of the total capital budget.
- The 8-year capital plan continues the focus on investing in roads & sewers including funding for the expedited Sewer Master Plan.
- 2020 includes an allocation of \$4.8 million (or 1.16% incremental funding levy) consistent with the approved 2019 Asset Management Plan (AMP).

2020 Capital Budget (continued)

- The 2020 8-year Capital Budget is the third year of the City's incremental plan to ensure a 10-year capital budget is developed by 2022, aligning with the year planning requirements for Ont. Reg. 588/17.)
- Administration strongly recommends that the pre-commitment of capital funding remain limited to maximum 5 years.
- Allows City to readily respond to grant opportunities while ensuring appropriate cash flows.

2020 Capital Budget

Approved 8-Year Plan Approximately \$1.2 Billion



Asset Management Plan (AMP)

- To City Council in summer 2019
- Meets the requirements for Ont. Reg. 588/17
- Total replacement cost of assets in AMP \$6.1 B compared to \$5.2 B in 2013
- Significant improvements on condition data available since the 2013 AMP
- Focus on reasonable funding levels needed to sustain current service levels and allow for growth, service enhancements and economic development.
- Recommendation on funding level required to achieve this has been included in the recommended 2020 8-year capital budget.

Asset Management Plan 2020

Assets in AMP With Recommended Funding Increases Inclusive of the 1.16% Proposed Levy

- Road, paved alleys and noise barrier
- Traffic signals (excludes buried assets)
- Street Lights
- Sidewalks
- Pedestrian Bridges
- Trees
- Playgrounds
- Splash Pads
- Trails
- Parking Lots (parks)
- Fountains
- Riverfront Park Shorewall
- Sports Fields
- Plants and Pump Stations
- Corporate Equipment
- Corporate Facilities
- IT Software

Assets in AMP Without a Funding Shortfall

- Structures (bridges), culverts (<3m)
- Parking garages and equipment
- Corporate Fleet
- IT Hardware
- Parks Equipment

Assets in AMP Not Funded From 1.16% Proposed Levy (Master Plans Pending)

- Transit Windsor
- Sewer Network

Additions to AMP 2023 – Not Included in 1.16% Proposed Levy

Additional City Assets

- Traffic Signals Buried Assets
- Balance of Park Assets
- Corporate Radio System
- Any New Growth or Service Level Asset Investments

AMP's from the Following Agencies, Boards & Committees

- Windsor Essex Housing Corporation
- Windsor Police Services
- YQG
- Windsor Public Library
- Roseland Golf & Curling Club

Assessment of Impacts Resulting for Approved Plans Such As:

- Sewer Master Plan
- Active Transportation Master Plan
- Transit Windsor Master Plan
- Recreation Master Plan
- Urban Forestry Master Plan
- Climate Change Master Plan
- Sandwich South Growth Study

Grant Funding

2019 Only	Total Grant Funding <i>(Since Asset Planning Began Pursuing Grant Funding)</i>
<ul style="list-style-type: none"> • Pursued: \$92.5 million • Awarded: \$34.3 million • Pending: \$90 million 	<ul style="list-style-type: none"> • Pursued: \$170 million • Awarded: \$63.3 million • Pending: \$90 million

- Further Federal and Provincial announcements under the Investments in Canada Infrastructure Program (ICIP) and Green Infrastructure are expected later this year.
- Aside from these large Federal and Provincial grants, administration continues to actively pursue all viable grant opportunities to leverage wherever possible available capital funding.

Looking Forward

- We continue to operate a leaner and more efficient organization.
- The annual budget exercise will continue to be based on the paramount objective of continued fiscal responsibility while avoiding or minimizing negative impacts on services.
- Modest enhancements in select services to keep pace with public expectations and deal with growth and service requests resulting from various master plans and a continued strong local economy.
- The municipal corporation continues to maintain a solid financial position as a result of sound financial policies thereby providing added flexibility to meet resident's continued expectations.

Looking Forward (continued)

- The 2019 Asset Management Plan (AMP) addresses service sustainability requirements for a number of existing assets.
- Significant funding for additional Asset Groupings still remains relative to 2023 AMP (ie. Regeneration of WECHC Housing Stock)
- Enhanced funding levels required for Service Level Improvements resulting from various Master Plans.
- Such additional investments must be well planned, fiscally responsible and considered in the context of competing funding priorities.
- Caution is encouraged when considering various master plans in isolation.
- Funding associated with such plans should be considered during the annual budgetary process.

Looking Forward (continued)

- Continued increases required to Reserve Fund levels to protect against Property Tax Appeals, Litigation, Grant Funding reductions, etc..
- Healthy Reserves support positive cash flows and support the accelerated capital funding or priority Capital Projects under the Pay As Go Plan.
- Continued efforts to manage the City's Long Term Debt (LTD) Levels
- Issuance of LTD only be considered where direct revenue streams fund the ongoing debt charges (ie. Meadowbrook Mortgages)
- Budgetary decisions should be consider both Short term & Long term impacts

Thank you.