



# 2022 Budget Process

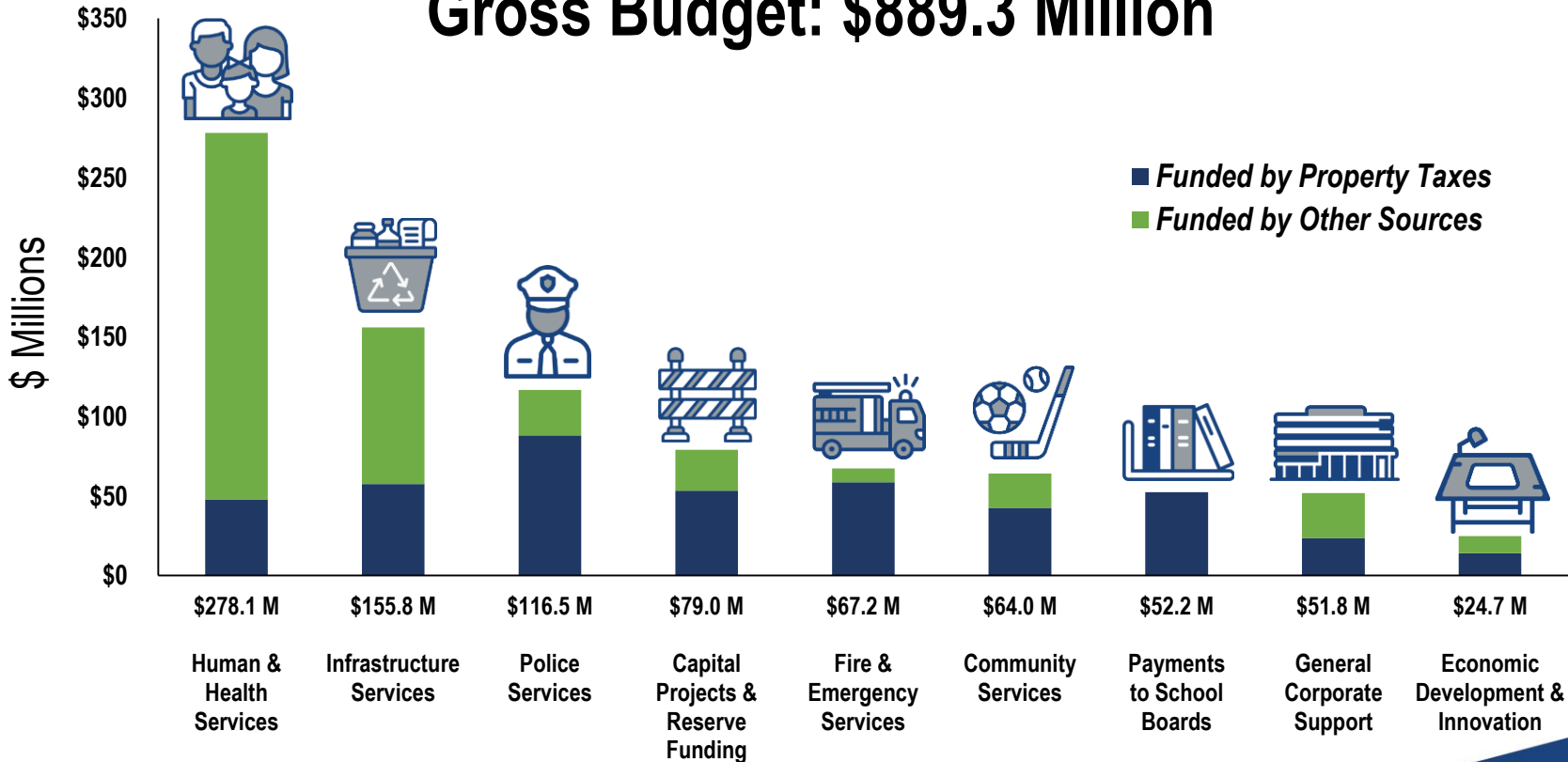
2022 Proposed Budget Process & Timeline (City Council Meeting) <b>Public Input Opportunity</b>	July 5, 2021
2022 Recommended Budget Development by Administration	July / 2021 – November / 2021
2022 Remote Ward Meetings <b>Public Input Opportunity</b>	October / 2020 – November 2021
2022 Budget Simulation Tools (Operating Budget) <b>Public Input Opportunity</b>	October 22, 2021 – November 12, 2021
2022 Recommended Budget Made Public (Available on the Internet and all Windsor Public Libraries)	November 22, 2021
2022 Final Budget Deliberations (Beginning at 10:00 am) <b>Public Input Opportunity</b>	December 13, 2021

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# 2022 Recommended Municipal Gross Operating Expenditures by Function

**Gross Budget: \$889.3 Million**

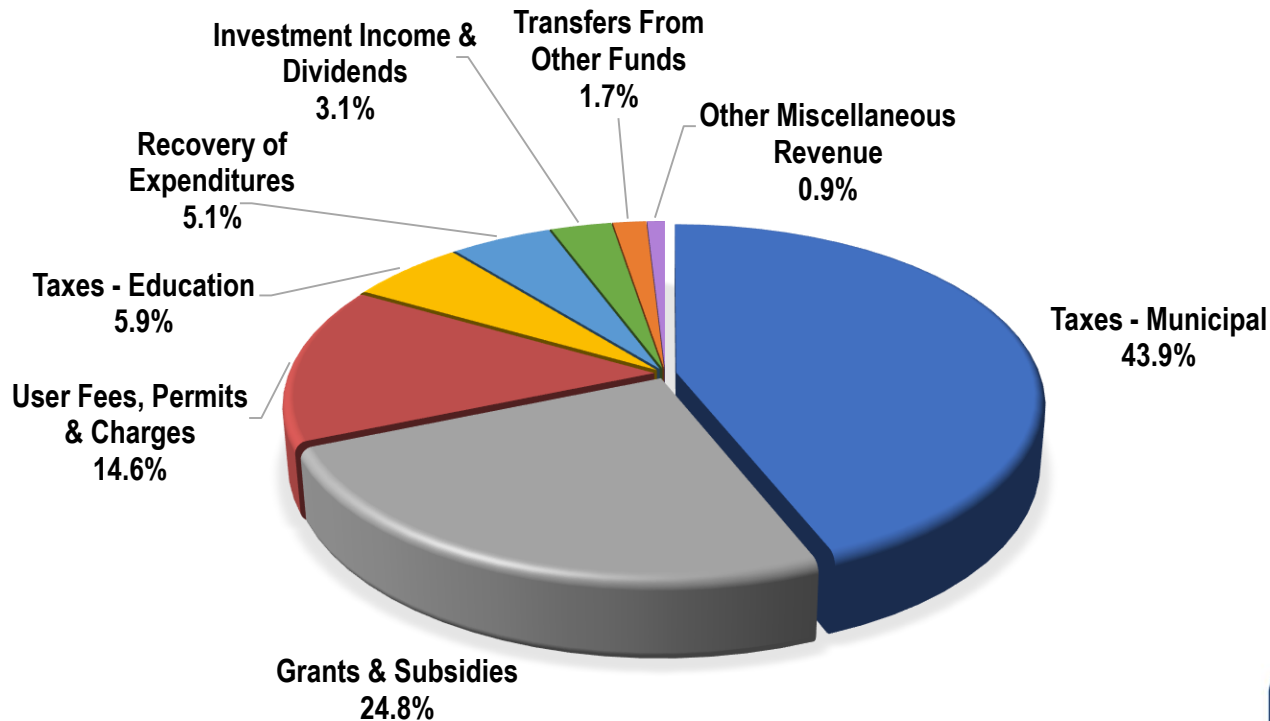


**Net Property Tax Levy: \$436.9 Million**

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# 2022 Recommended Municipal Gross Operating Revenue

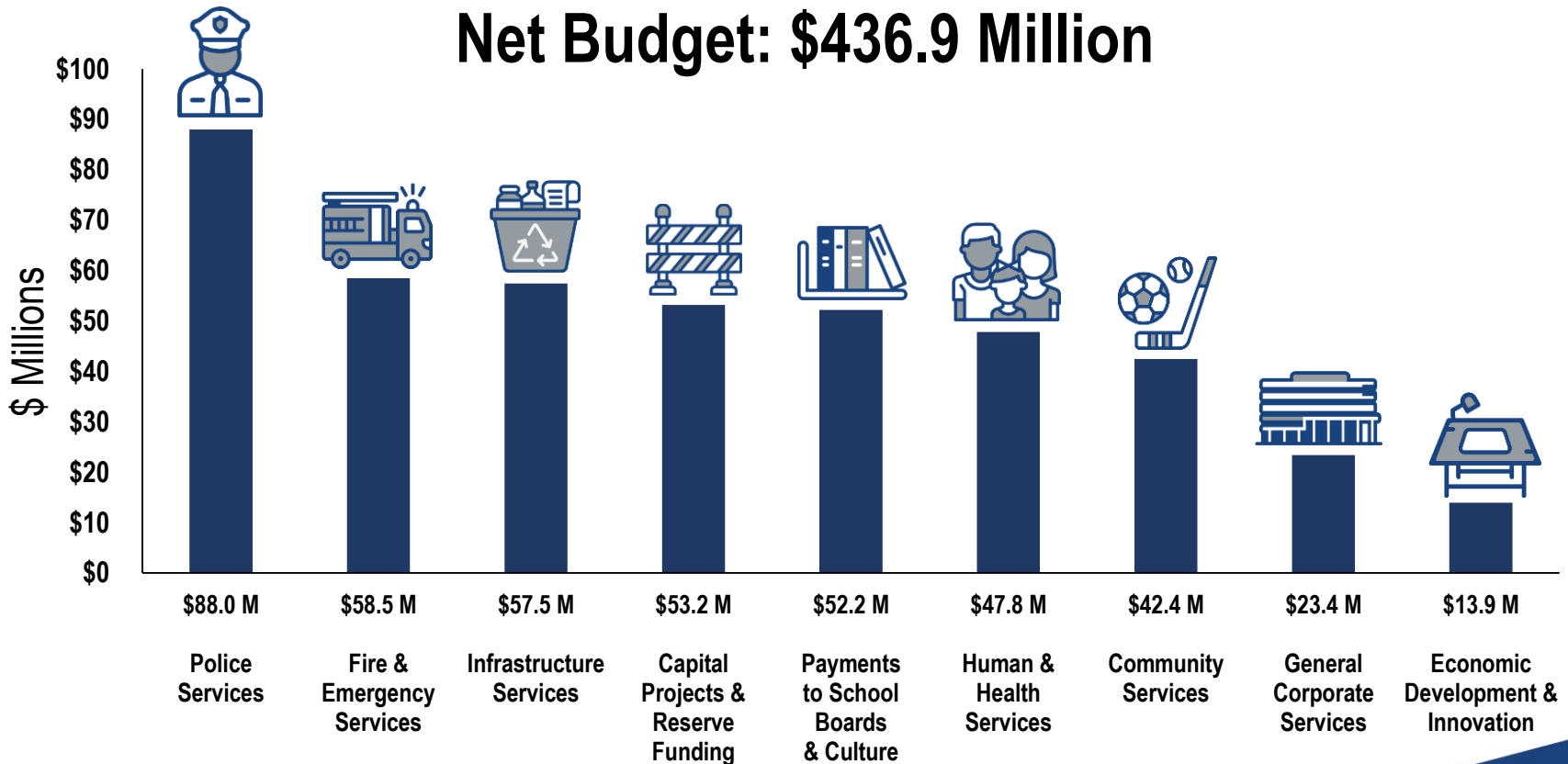
2022 Recommended Gross Operating Revenue: \$889.3 Million



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# What is the 2022 Recommended Property Tax Levy Being Spent On?

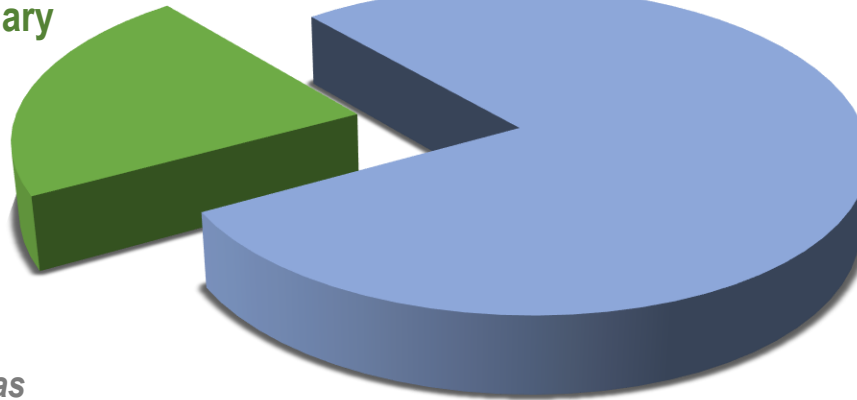
**Net Budget: \$436.9 Million**



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# Mandatory vs. Discretionary Spending

Completely  
Discretionary  
22%



Completely or Mostly  
Mandated  
78%

## Examples:

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

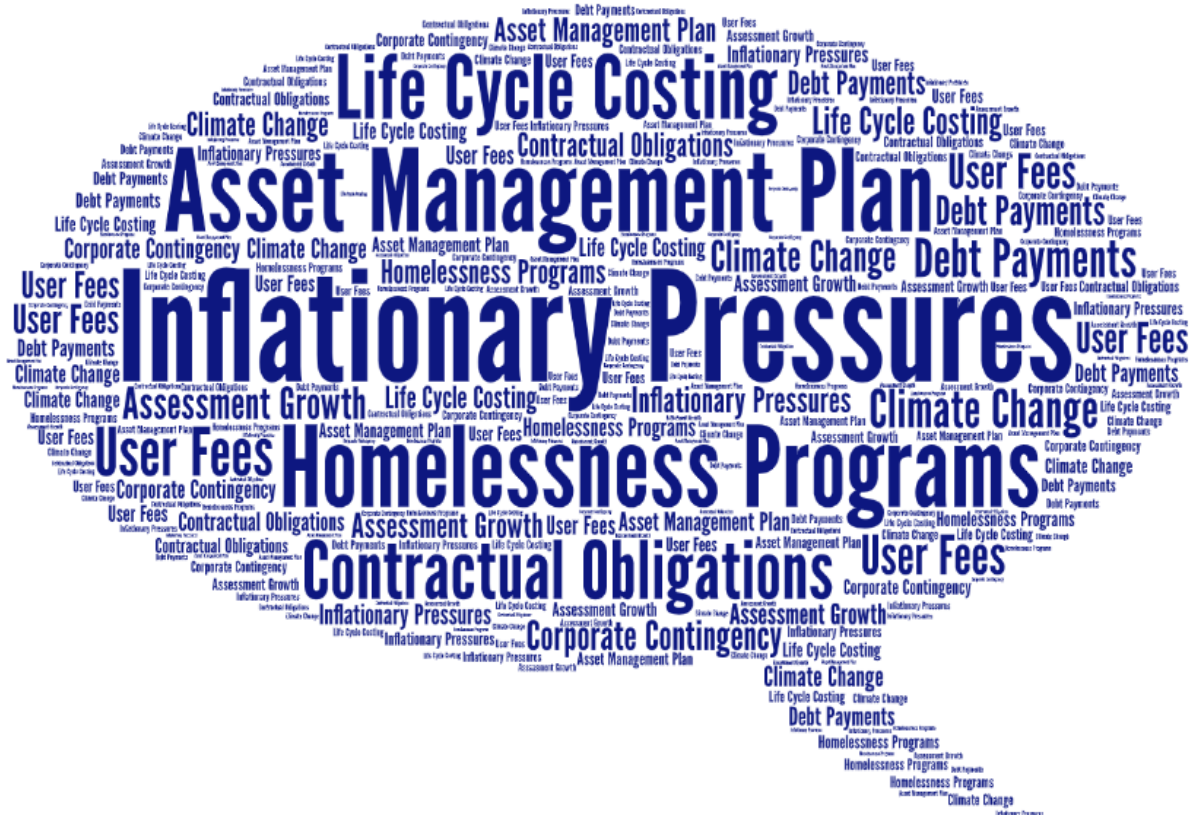
## Examples:

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

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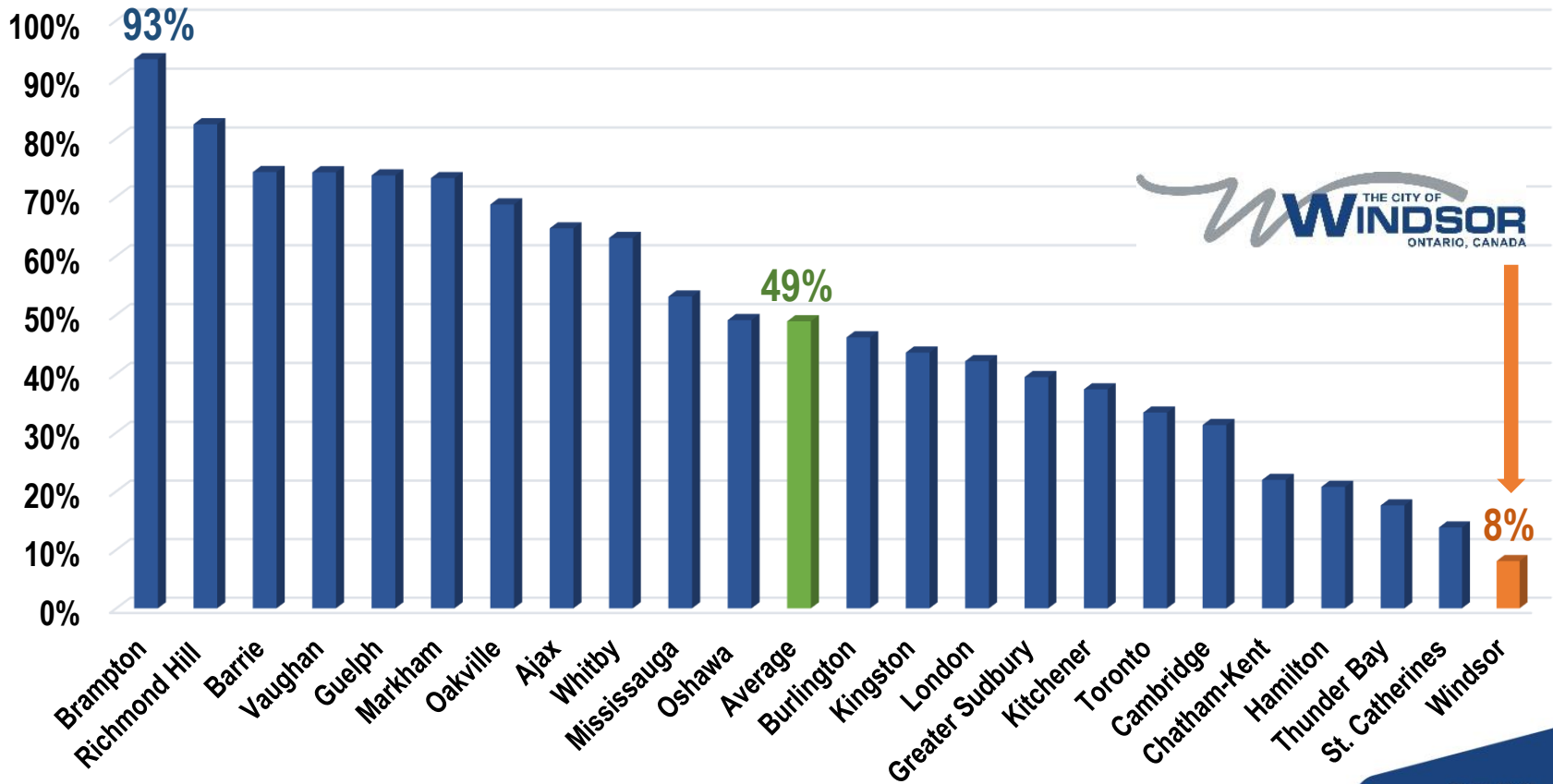


# Financial Snapshot



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# % Change in Total Tax Levy 2020 vs. 2006



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

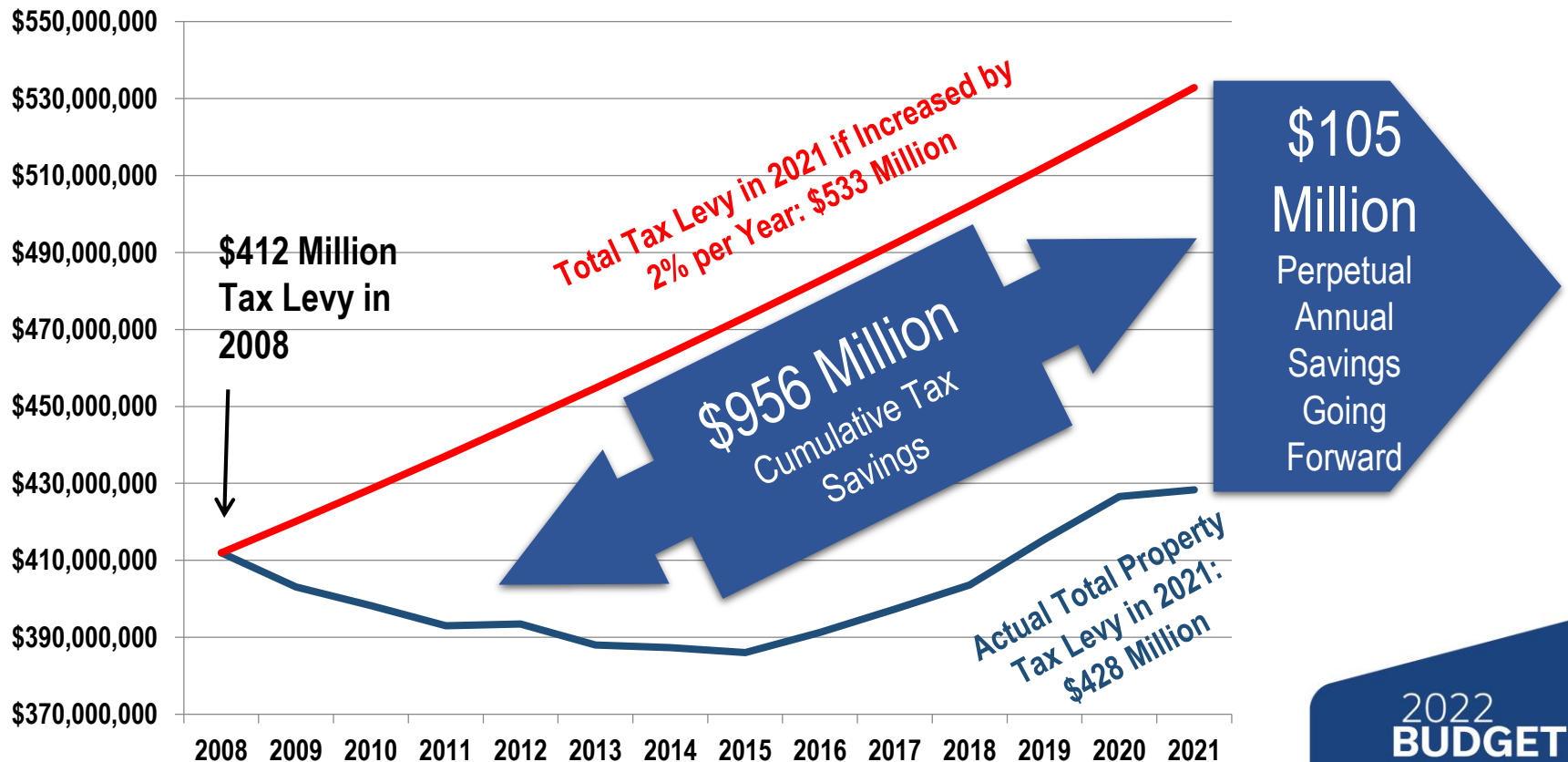
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# Continued Fiscal Responsibility

**\$956 Million Cumulative Savings to Date**  
**\$105 Million Perpetual Annual Savings Going Forward**



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# Overall Comparison of Residential Charges

## Typical Residence & Consumption Patterns

	Windsor	Provincial Average	Windsor Over / (Under) Average
Water	\$523	\$576	(\$53)
Sewer	\$783	\$612	\$171
Taxes	\$3,444	\$4,269	(\$825)
<b>Total</b>	<b>\$4,649</b>	<b>\$5,358</b>	<b>(\$707)</b>

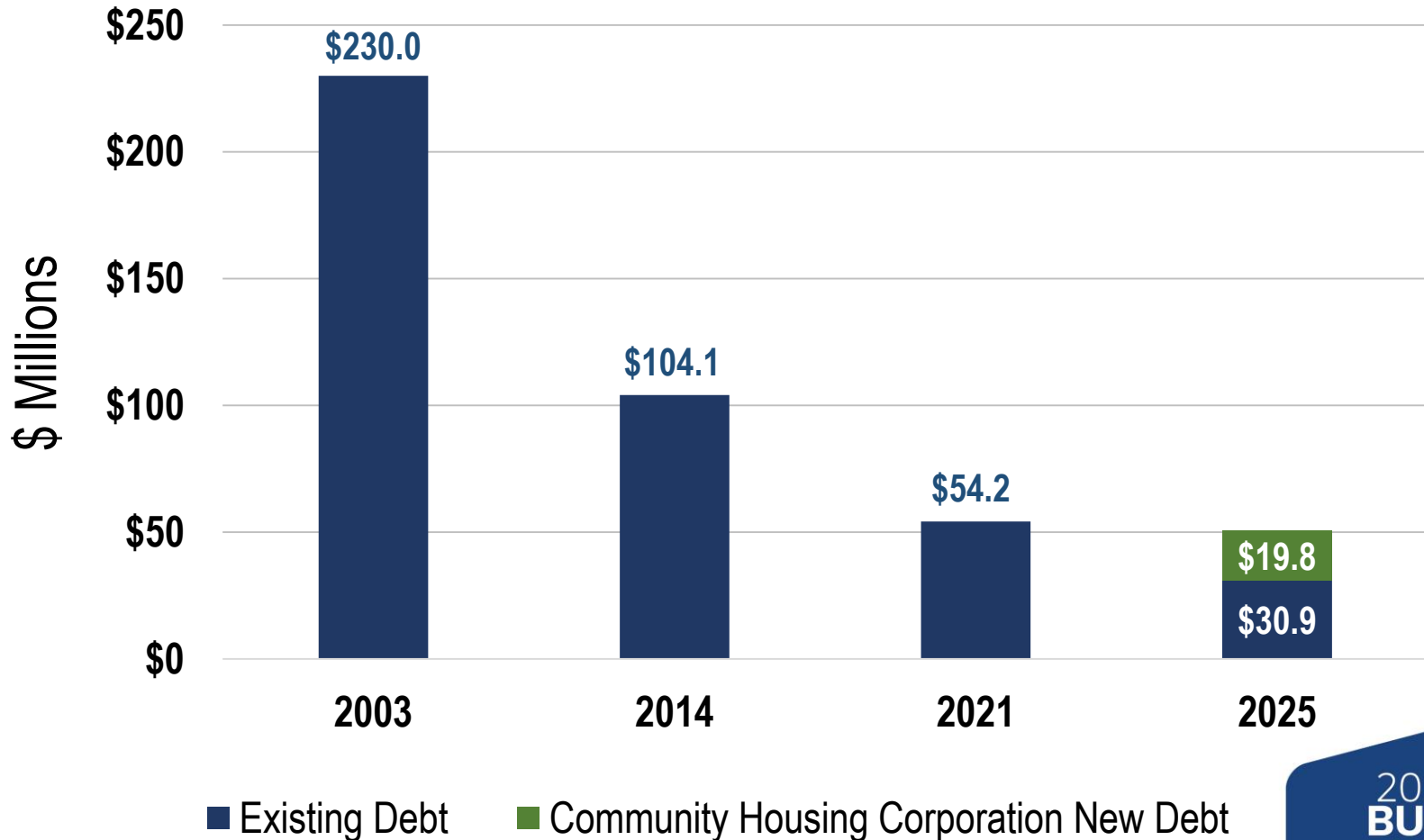
Source: Draft 2021 BMA Management Consulting Inc.

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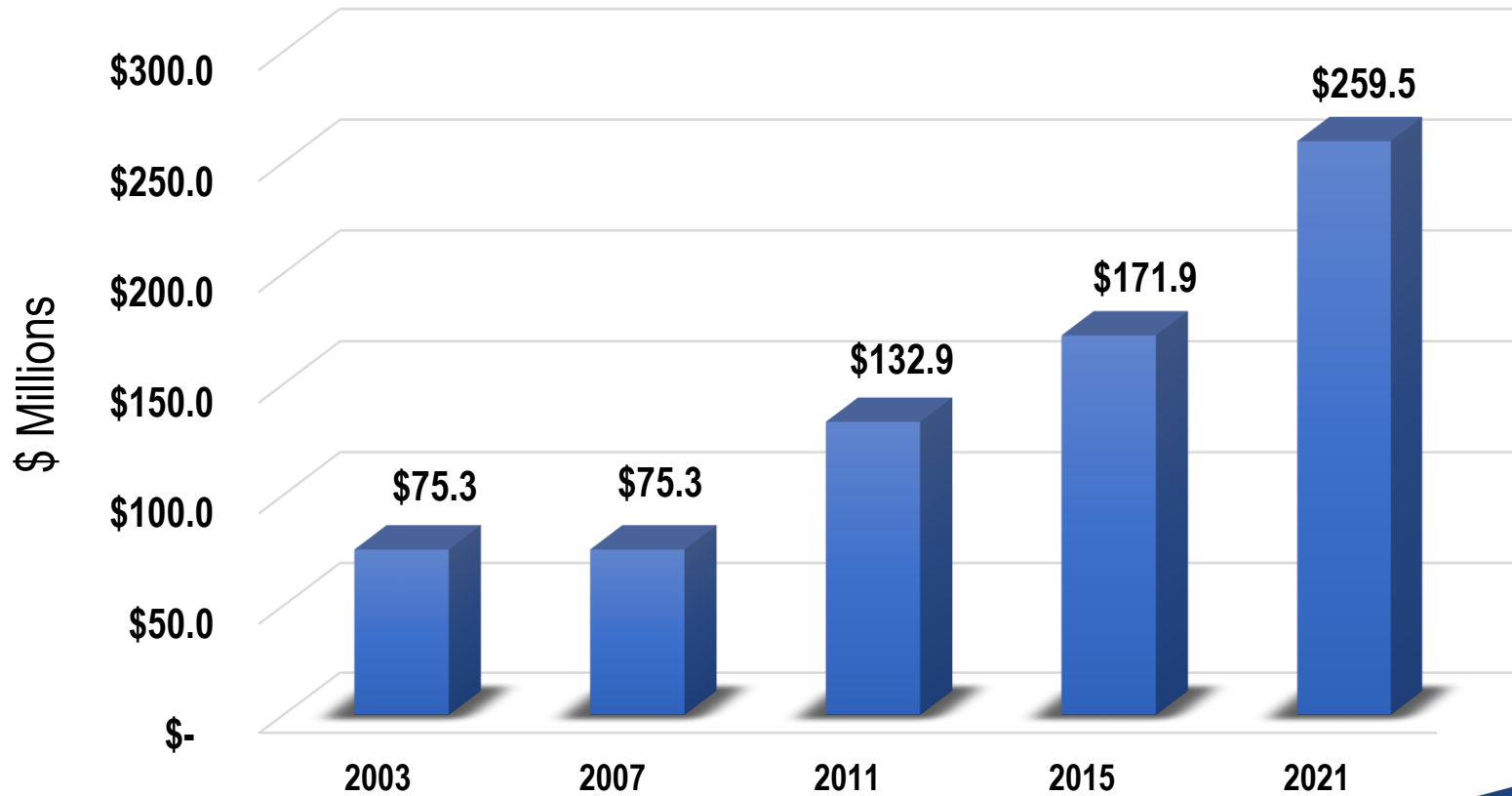


# Decreasing Debt

## Continued Fiscal Responsibility



# Increasing Reserves

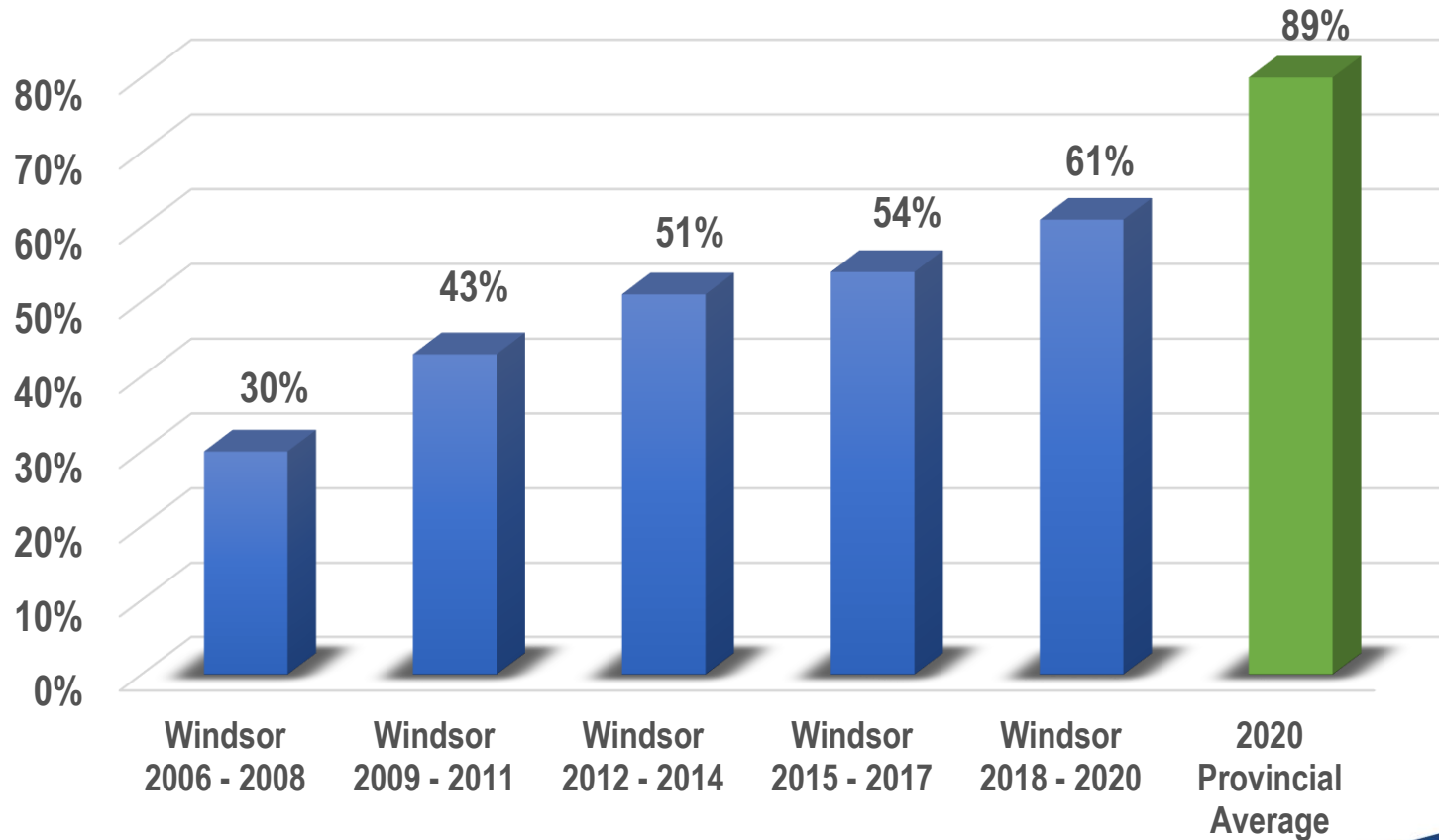


\* Excludes WTC / WDTC as they became a Government Business Enterprise (GBE) in 2010.

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# Reserves as a % of Taxation



Source: Draft 2021 BMA Management Consulting Inc.

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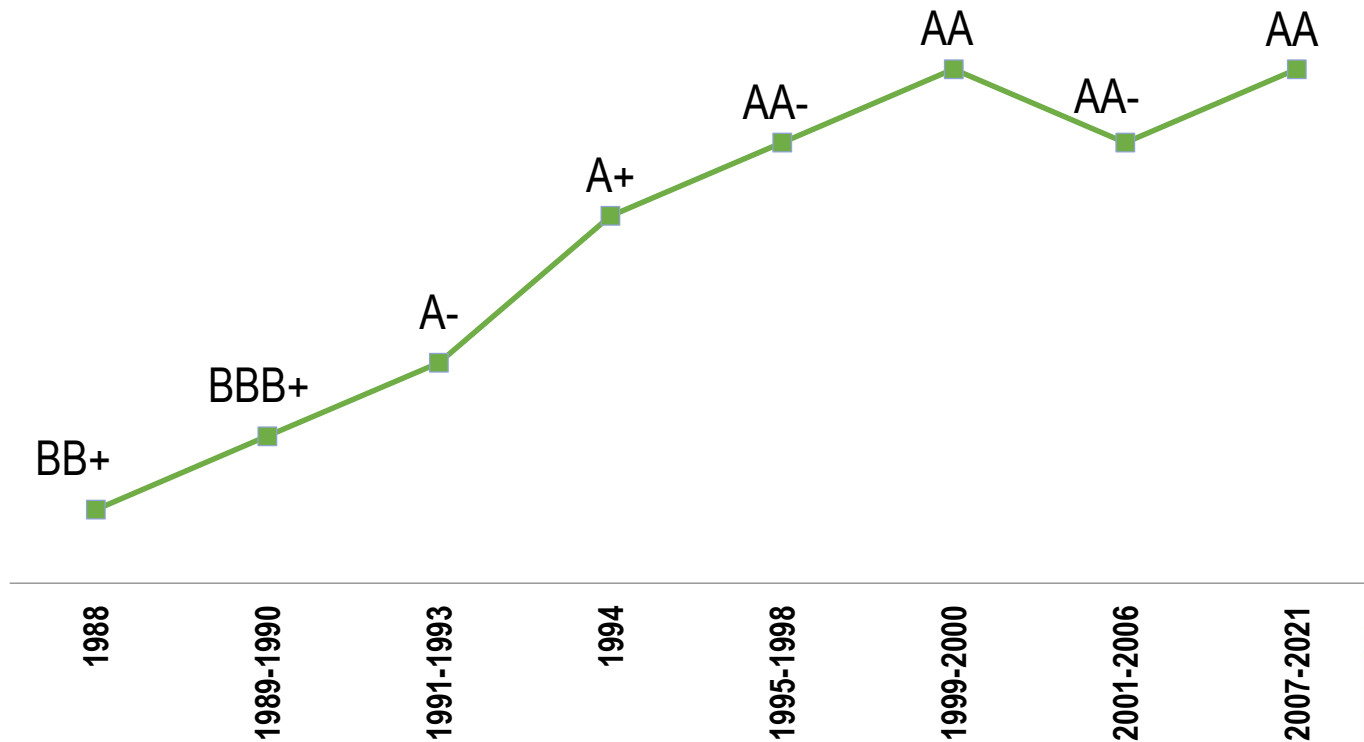


# City of Windsor Bond Rating

## 1988 - 2021

**2021 Standard & Poor's Bond Rating Services**

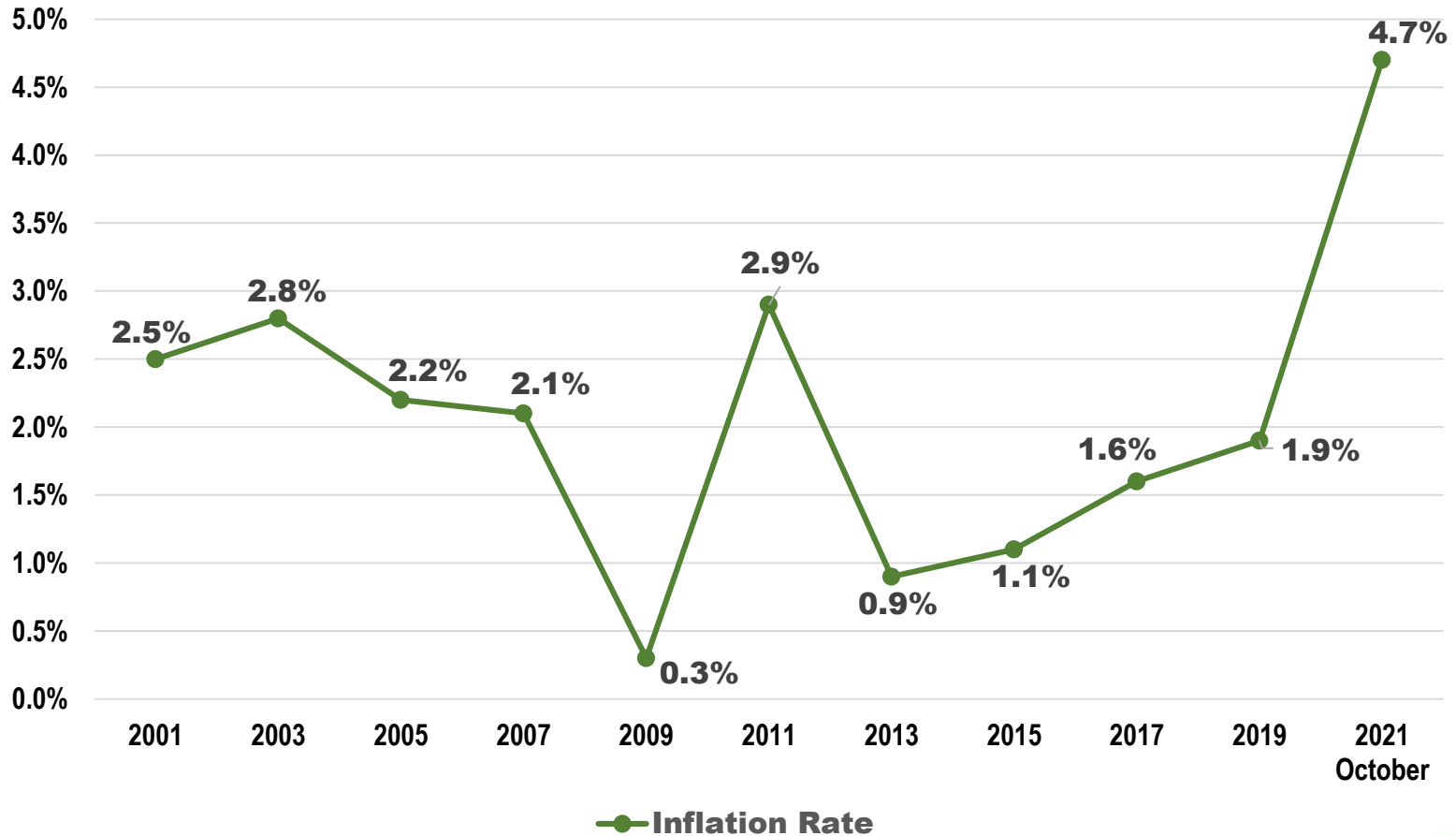
*"Windsor's strong economy and prudent financial management practices will support healthy operating surpluses and robust liquidity, which in turn will allow the city to continue paying down its tax-supported debt."*



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# Inflationary Pressures



# 2022 Recommended Budget Overview (Revised)

	2022 Recommended	% Increase	2022 Amendments	2022 Revised	% Increase
* City Departments Operating Needs	\$0	0.00%	\$0	\$0	0.00%
** Agencies, Boards & Committees (ABC's)	\$3,538,964	0.83%	(\$544,728)	\$2,994,236	0.70%
Asset Management Plan (AMP)	\$4,968,973	1.16%	\$0	\$4,968,973	1.16%
<b>2022 Total Property Tax Levy</b>	<b>\$8,507,937</b>	<b>1.99%</b>	<b>(\$544,728)</b>	<b>\$7,963,209</b>	<b>1.86%</b>

\* Additional reductions to City Departments of **\$532,582** have arisen since the time the recommended budget documents were finalized. This includes : The deferral of \$271,297 in Provincial Revenue Loss – Children Services, \$81,696 in additional assessment growth and a \$179,589 increase in Sewer Surcharge Overhead Recoveries. Administration recommends that this full amount of **\$532,582** be directed to the Corporate Contingency Account and/or other Priority expenditures.

\*\* ABC's reductions totaling **\$544,728**, consisting of a \$51,688 reduction to the Windsor Essex Health Unit and \$493,040 to Essex-Windsor Emergency Medical Services.

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# Budget Overview – City Departments

## \$11.5 Million – Expenditure Increases / Revenue Decreases

\$4.1 Million – Contractual Collective Agreements

\$1.3 Million – Increased Funding for Homelessness Programs

\$1.2 Million – Rising Fuel Prices

\$0.7 Million – Rising Utility Costs

\$4.2 Million – Other

## \$11.5 Million – Expenditure Decreases / Revenue Increases

\$2.4 Million – Reduction in Annual Debt Payments

\$1.6 Million – Property Taxes Resulting from New Assessment Growth

\$1.0 Million – Reduction in Corporate Contingency

\$6.5 Million – Other

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 THE CITY OF  
WINDSOR  
ON TARIO, CANADA

# Budget Overview – ABC's

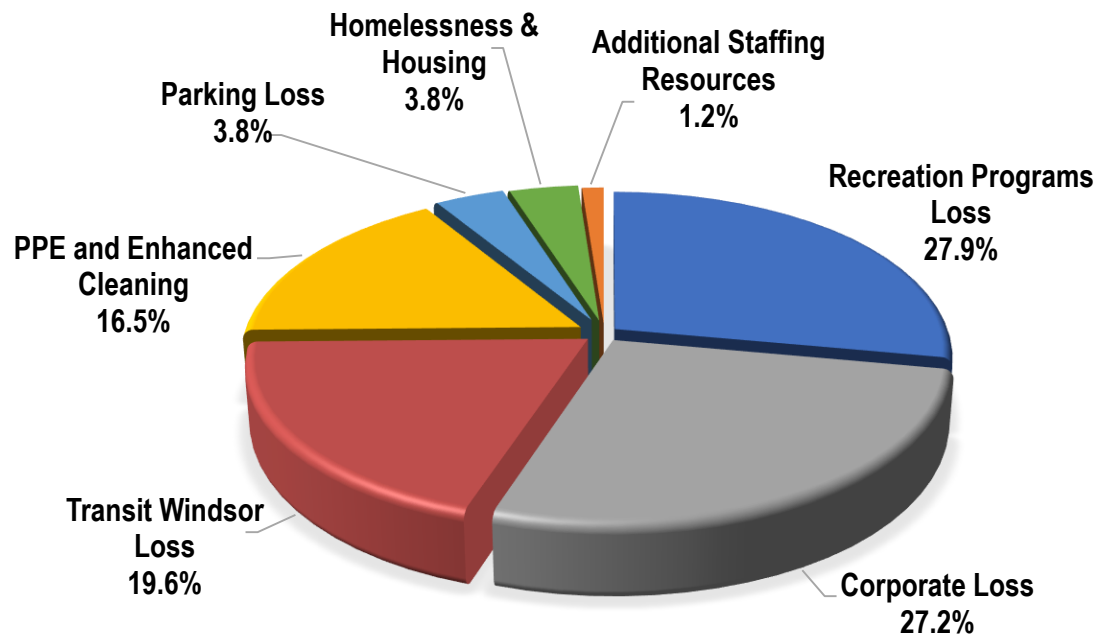
Agency, Board or Committee	2022 Recommended	2022 Amendments	2022 Revised
Windsor Police Services	\$1,483,097	\$0	\$1,483,097
Windsor Essex Community Housing Corporation	\$1,211,616	\$0	\$1,211,616
Windsor Essex County Health Unit	\$217,557	(\$51,688)	\$165,869
Essex-Windsor Emergency Medical Services (EMS)	\$600,000	(\$493,040)	\$106,960
Essex Region Conservation Authority	\$26,694	\$0	\$26,694
<b>Total</b>	<b>\$3,538,964</b>	<b>(\$544,728)</b>	<b>\$2,994,236</b>

# 2022 Budget Overview (Executive Summary)

- Identifies High Priority Budgetary Pressures with Little or No Discretion as well as High Priority Budget Recommendations of \$11.5 M **(A + B)**
- Administrative Recommendations to maintain or improve services of \$0.8 million **(C)**
- Recommended Administrative Budget Cuts / Increased Revenue of \$12.3 million **(D)**
- Other Potential Reductions / Enhancement Options Considered **(F & G)**

# 2022 Estimated COVID-19 Related One-Time Budget Impacts

Approximately: \$25 Million



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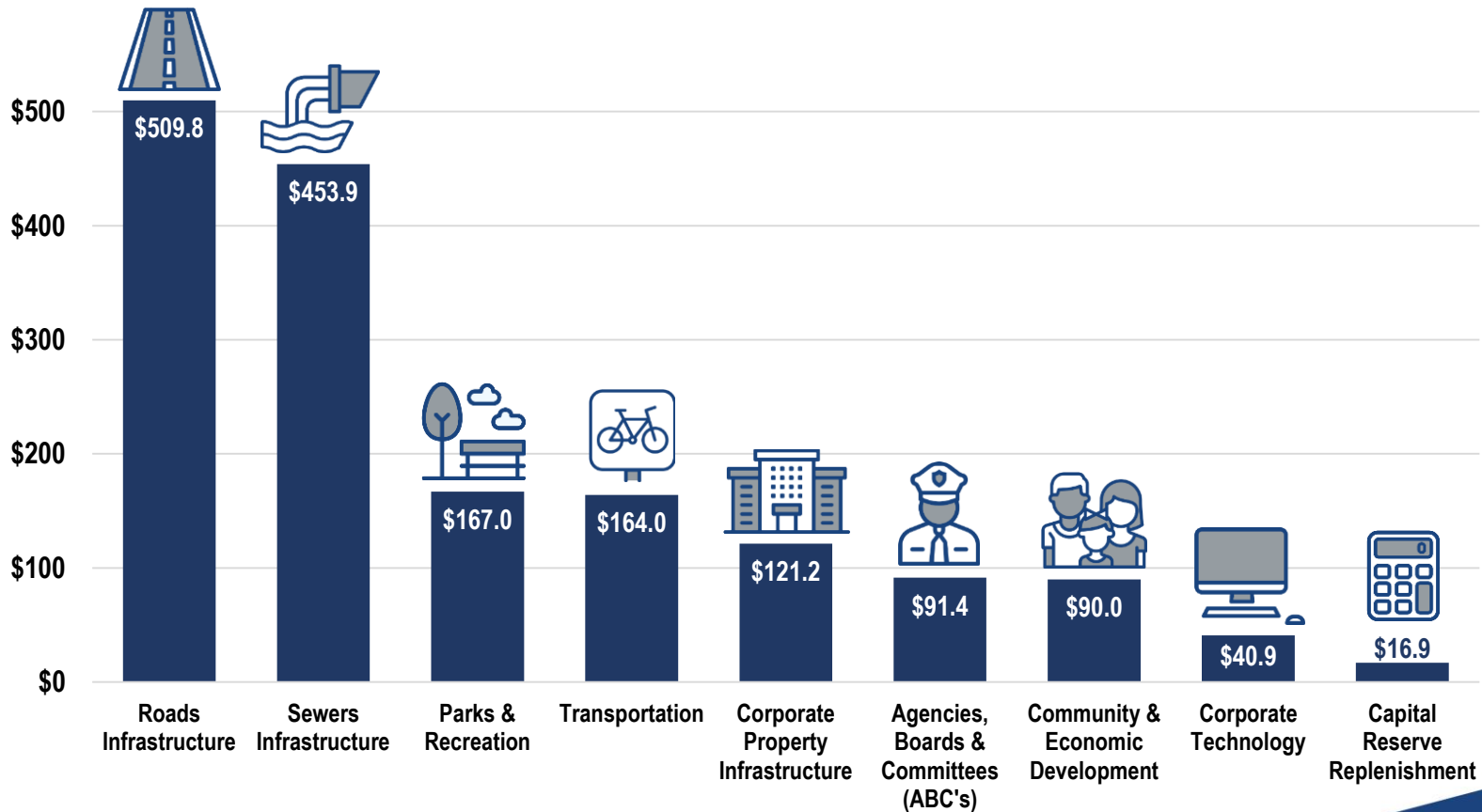


# Sewer Surcharge

- *Total Recommended 2022 Sewer Surcharge Revenues of \$84.3 M*
- *Reflects a fourth year shift in allocation of Residential to Commercial / Industrial to better align with actual consumption trends.*
- *Proposed 2022 increase to average residential users is 0.77% or \$6 / year.*
- *Proposed increase in Commercial / Industrial rates to move closer to actual consumption patterns resulting in a recommended 2022 Commercial / Industrial variable rate of \$2.11 m<sup>3</sup>; up from \$1.68 m<sup>3</sup> in 2021.*
- *A recommended storm water financing implementation plan is before Council for approval.*

# 2022 Capital Budget

Approved 10-Year Plan Approximately \$1.7 Billion



Totals shown in \$ Millions

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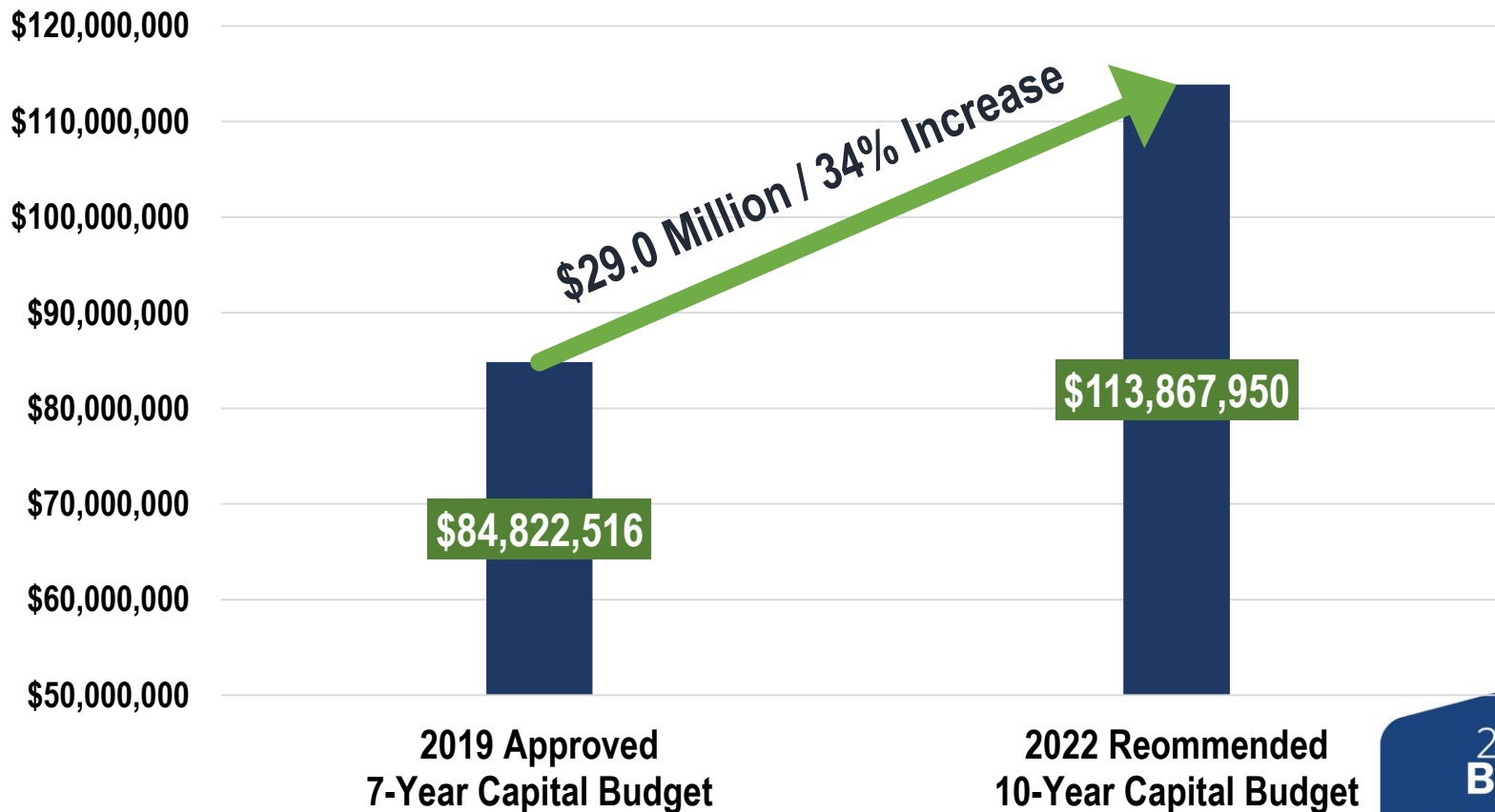
# Capital Budget

- The 2022 10-year Capital Budget meets the requirements for Ont. Reg. 588/17
- Administration strongly recommends that the pre-commitment of capital funding remain limited to maximum 5 years.
- This ongoing practice allows the City to drive efficiencies and reduce costs when undertaking larger phased projects.
- It also allows the City to readily respond to grant opportunities while ensuring appropriate cash flows.

# Asset Management Plan

## Impact of Service Sustainability Investments

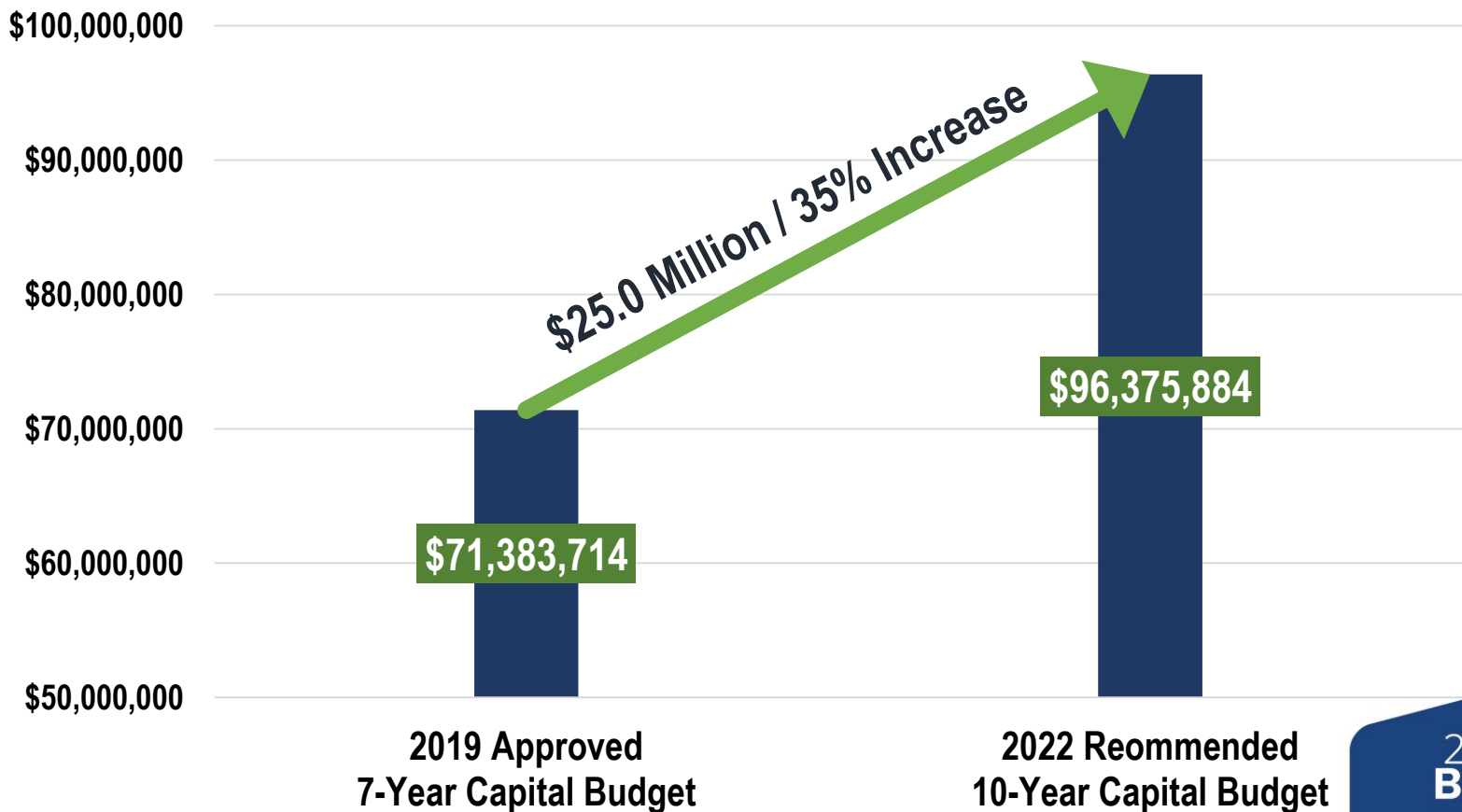
2019 Capital Budget vs. 2022 Capital Budget Annual Average



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# Roads & Sewers Infrastructure Increase

2019 Capital Budget vs. 2022 Capital Budget Annual Average



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# Grant Funding

## Total Grant Funding (Since Asset Planning Began Pursuing Grants in 2017 )

- Pursued: \$331 million
  - Awarded: \$161 million
  - Pending: \$56.3 million
- 
- Administration will continue to actively pursue all viable opportunities for funding, including any further funding for COVID relief assistance.
  - Despite challenging timelines set for grant submissions, Administration continues to respond effectively.
  - Federal and Provincial grant funding programs for Infrastructure and climate mitigation and adaptation are expected to continue at a strong pace throughout 2022 containing added criteria for community inclusivity



# Looking Forward

- The City continues to operate at a lean and fiscally responsible budgetary level.
- 2023 and future budgets will face added pressures in order to address the financial realities of a Post Pandemic Organization including the longer term and ongoing permanent impacts to the base budget. (ie. Inflation, reduced revenues, increased service demands, etc.)
- 2022 has identified an extraordinary number of “one time” and “COVID” related items some of which will require permanent base funding in future years.
- While the annual budget exercise will continue to be based on the paramount objective of fiscal responsibility it will need to be balanced and funded appropriately if it is to address increased and enhanced service levels.

## Looking Forward (continued)

- The Corporation continues to maintain a solid financial position as a result of sound financial policies thereby providing added financial flexibility to meet resident's continued expectations.
- Imperative that Council remains focused on ensuring a balanced approach.
- The approved Asset Management Plan (AMP) addresses service sustainability requirements for a number of existing assets with updates anticipated in 2023 to address additional Asset Groupings not included in 2018 for City and ABC's.
- Funding levels required for Service Level Improvements resulting from various Master Plans will need to continue to be balanced against financial resources and amongst competing priorities, with the 2023 AMP providing insight regarding funding strategies.

# Looking Forward (continued)

- Continued Investment in Reserves will be required to protect against potential Financial Stresses such as the Pandemic, Property Tax Appeals, Litigation, Grant Funding reductions, etc..
- Healthy Reserves support positive cash flows and support the accelerated capital funding of priority Capital Projects under the Pay As Go Plan.
- Longer Term Financial Sustainability Planning will be necessary to achieve a balanced approach between service demands and fiscal prudence (ie. LTD Levels, Alternate Revenue Sources, Reserve Enhancement, etc...)
- Budgetary decisions should continue to consider both the Short term & Longer Term Impacts.

Thank you.



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