

Monday, January 23, 2017



photos by
Steve Kriemadts &
Joey Acott



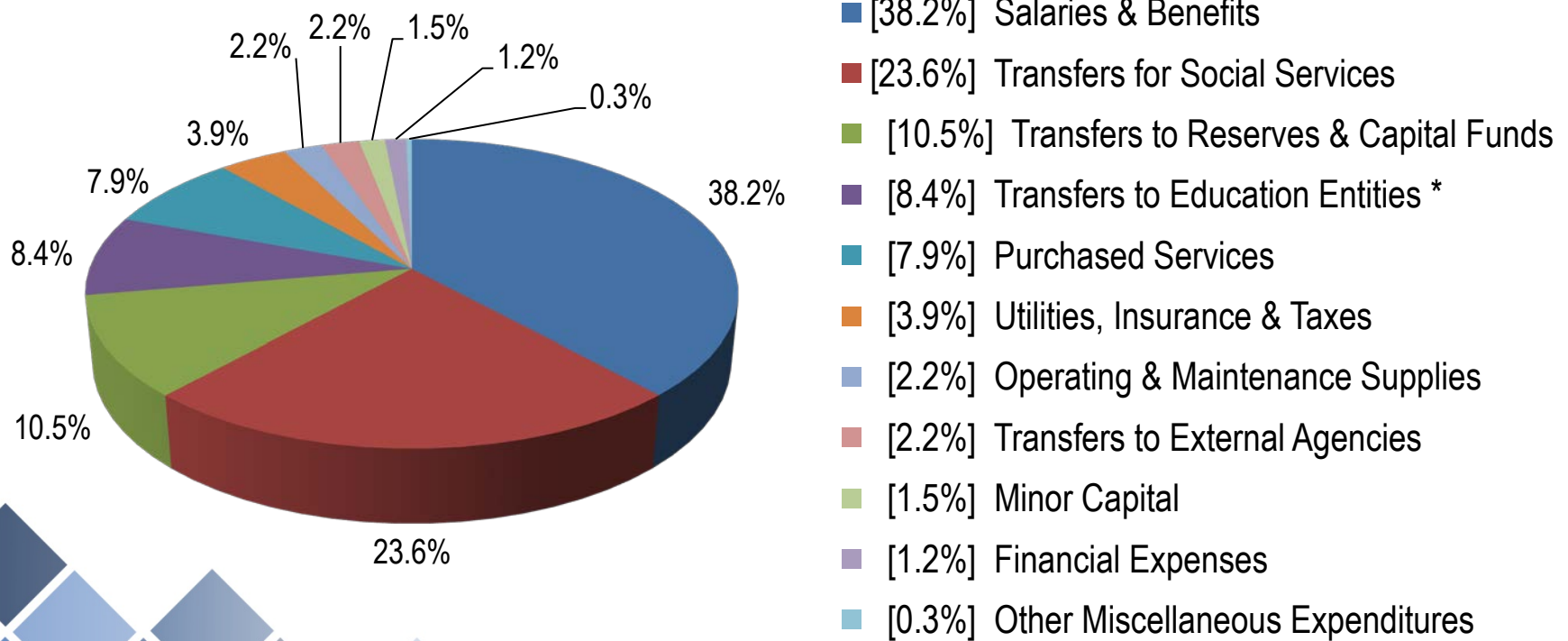
BUDGET 2017 TREASURER'S PRESENTATION

2017 Operating Budget Process

	Date
2017 Proposed Budget Process & Timeline (City Council Meeting) Public Input Opportunity	July 18, 2016
2017 Recommended Budget Development by Administration	July 21, 2016 – December 9, 2016
2017 Summary of Budget Pressures Tabled with Council (for Fall Ward Meetings) Public Input Opportunity	October 3, 2016
2017 Recommended Budget Made Public (Available on the Internet and all Windsor Public Libraries)	December 16, 2016
2017 Final Budget Deliberations (Beginning at 12:00 pm) Public Input Opportunity	January 23, 2017

2017 Gross Operating Budget by Major Types of Expenditures

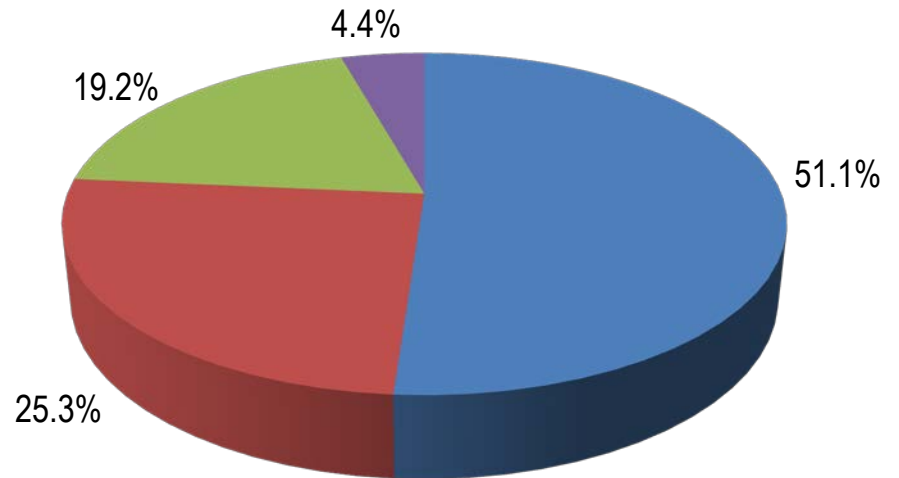
Total Gross Expenditures: \$788 Million



How Will We Fund the Total Expenditures

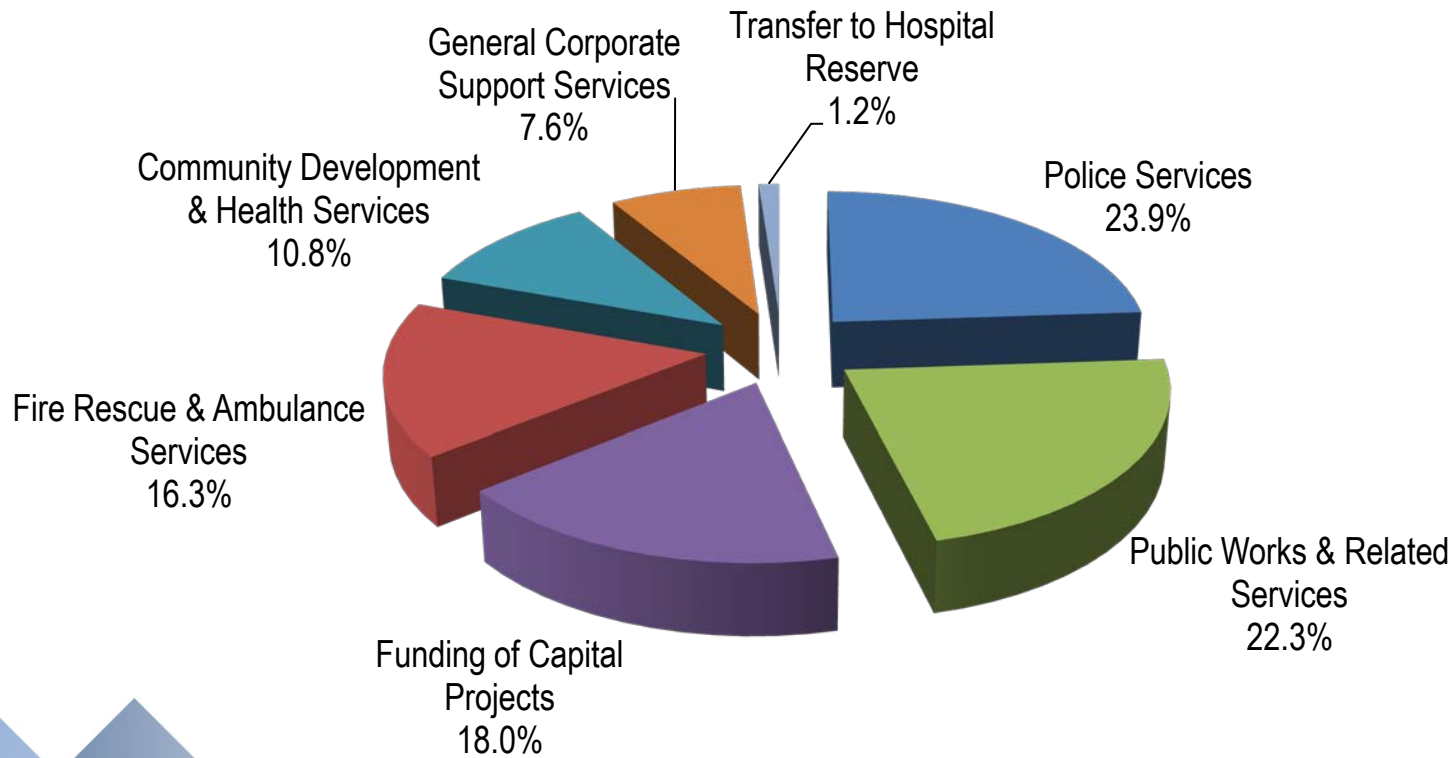
Total Gross Revenue: \$788 Million

- [51.1%] Property Taxes
- [25.3%] Grants & Subsidies
- [19.2%] User Fees & Recovery of Expenditures
- [4.4%] Other

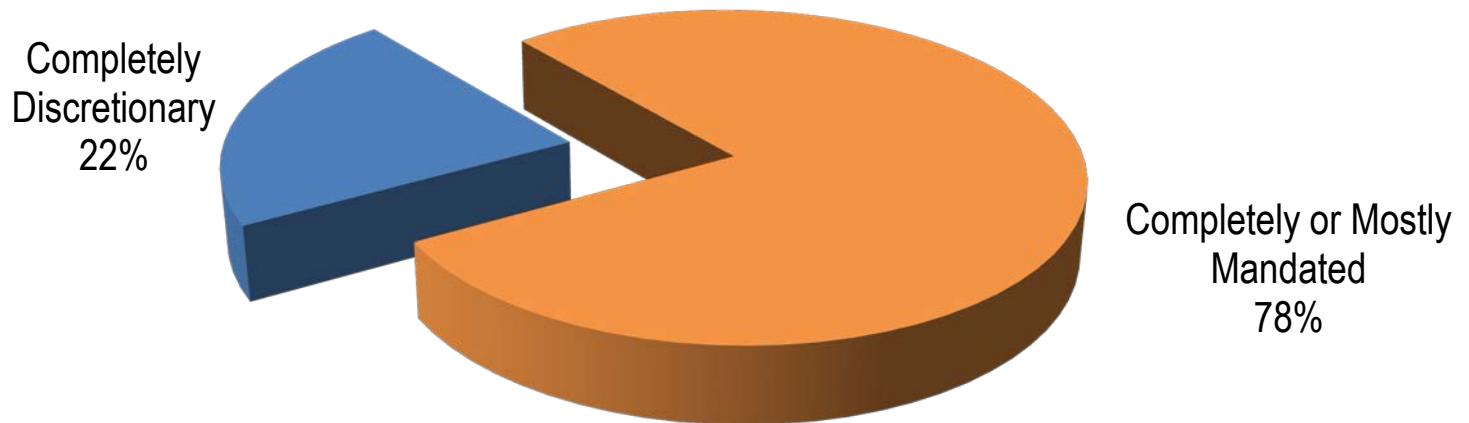


What is the 2017 Municipal Tax Levy Being Spent On?

2017 Total Net Municipal Levy: \$332.2 Million



Mandatory vs. Discretionary Spending

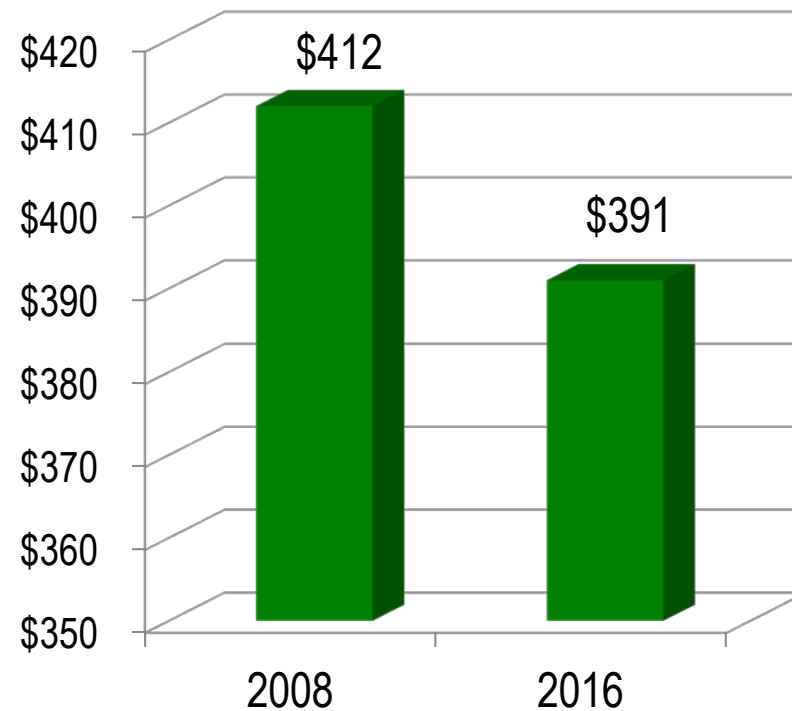


Looking Back

8 Years of Unprecedented Fiscal Responsibility

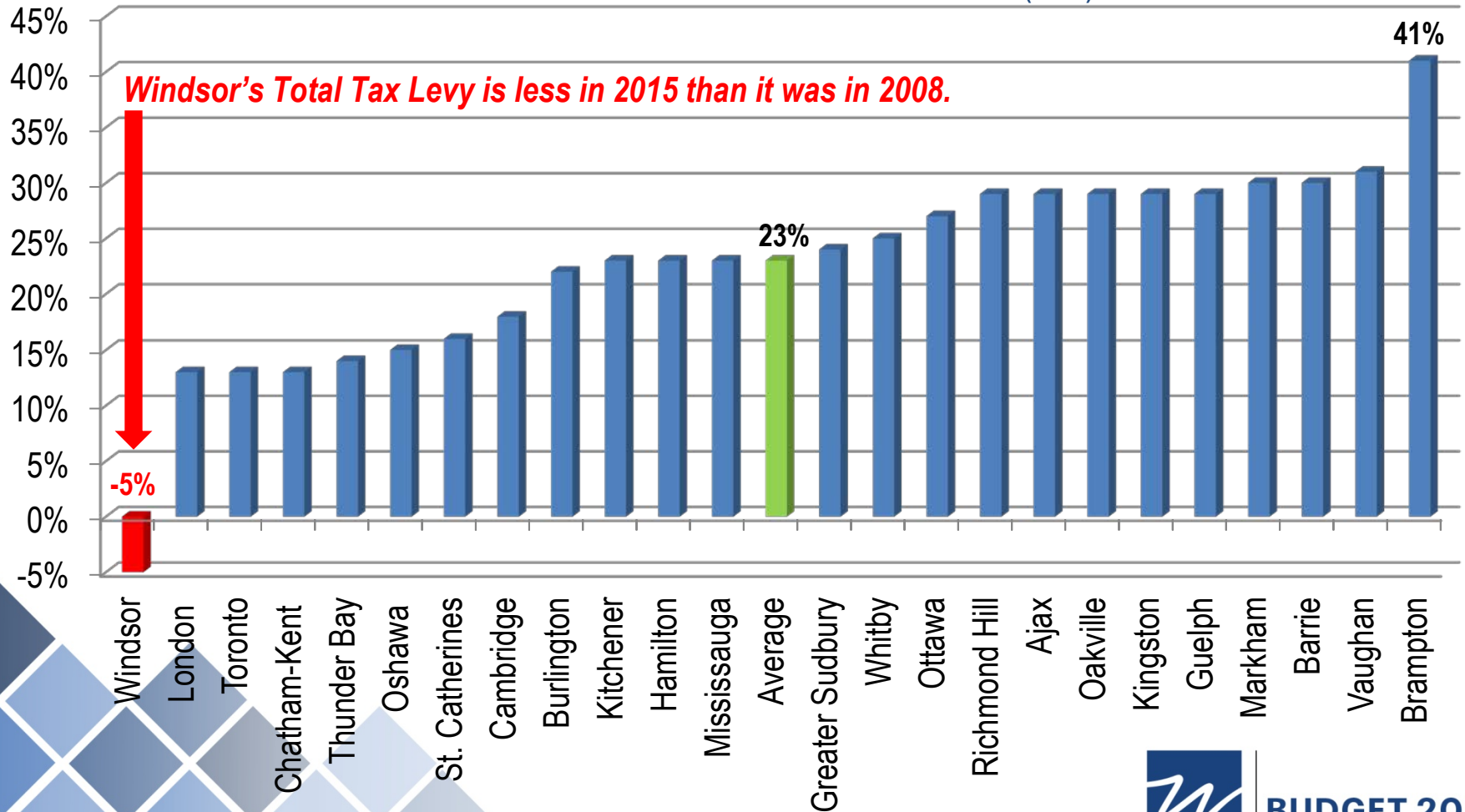
Lowering Taxes ✓

Total Tax Levy (\$ Millions)	
2008	2016
\$412 M	\$391 M



% Change in Total Tax Levy 2015 vs. 2008

Source: Ontario Financial Information Return (FIR)



Comparison of Property Taxes

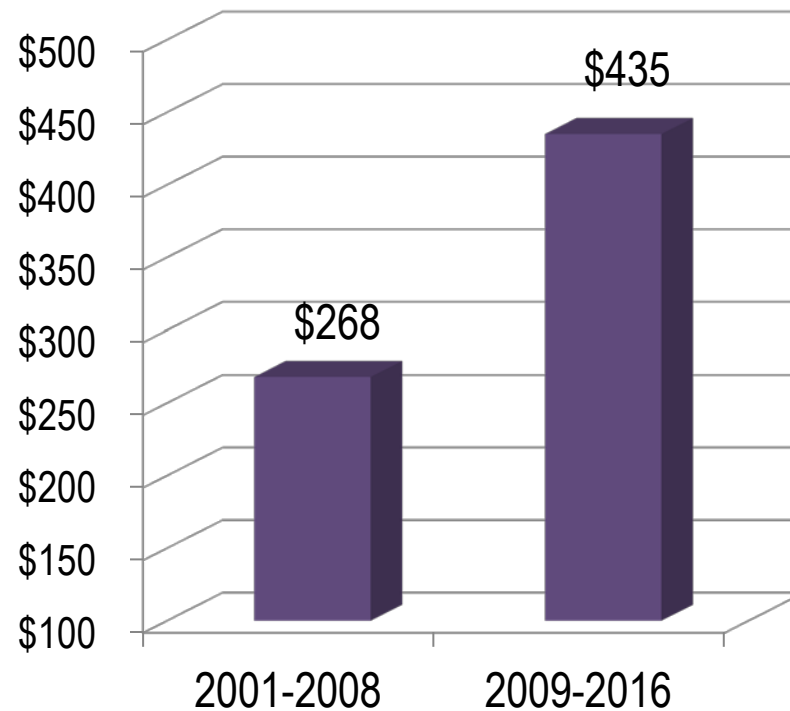
- Based on 2016 BMA Study: Windsor's Property Taxes are now lower than Peer Municipalities in 10 of 12 assessment categories studied.
- This is significantly improved from 2004 where Windsor's Property Taxes were lower than Peer Municipalities in only 3 of 11 assessment categories.

Looking Back

8 Years of Unprecedented Fiscal Responsibility

Roads & Sewers ✓

Roads, Sewers & Related Expenditures (\$ Millions)	
2001-2008	2009-2016
\$268 M	\$435 M

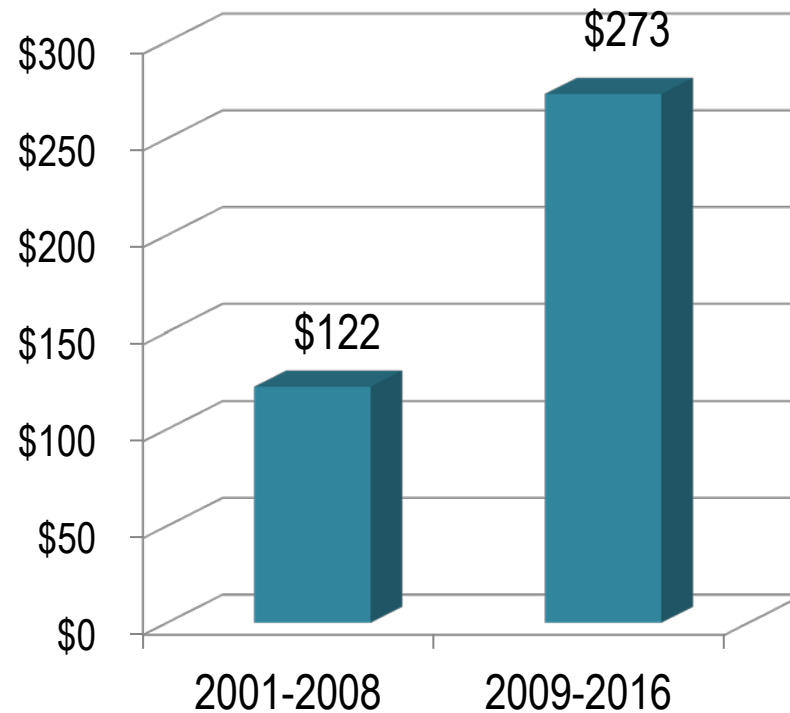


Looking Back

8 Years of Unprecedented Fiscal Responsibility

Sewers ✓

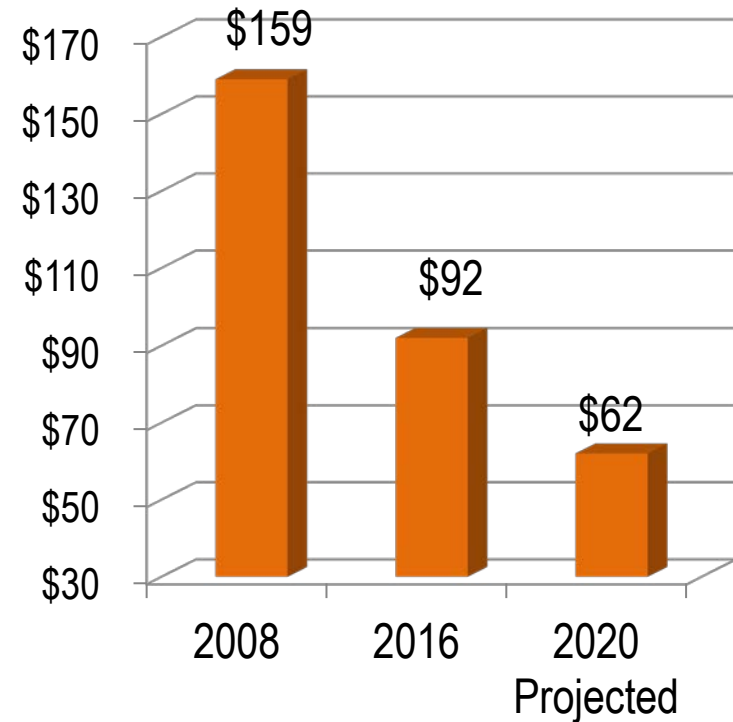
Sewers (\$ Millions)	
2001-2008	2009-2016
\$122 M	\$273 M



8 Years of Unprecedented Fiscal Responsibility

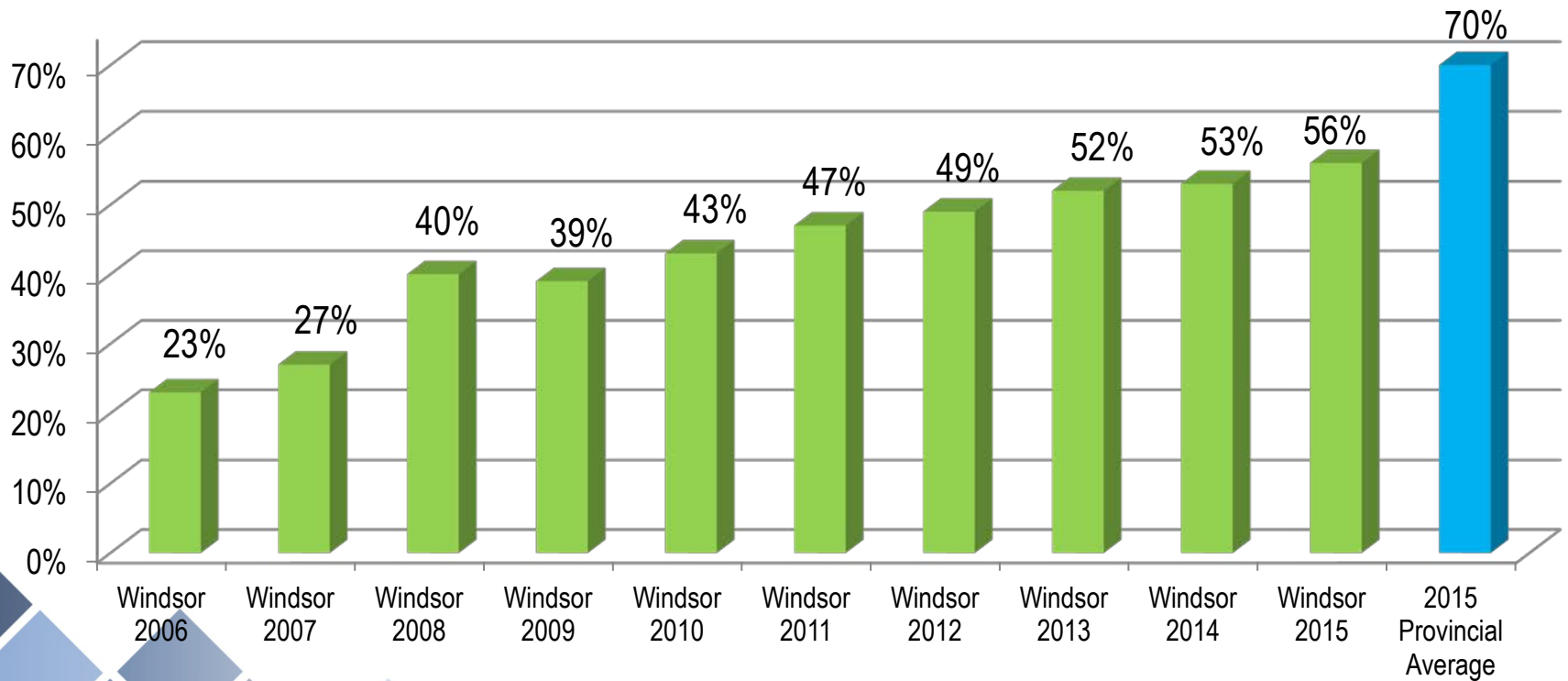
Decreasing Debt ✓

Debt (\$ Millions)		
2008	2016	2020
\$159 M	\$92 M	\$62 M Projected



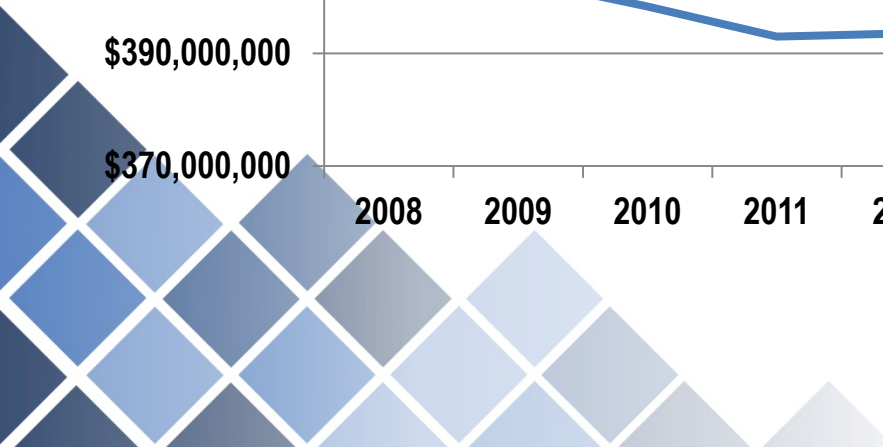
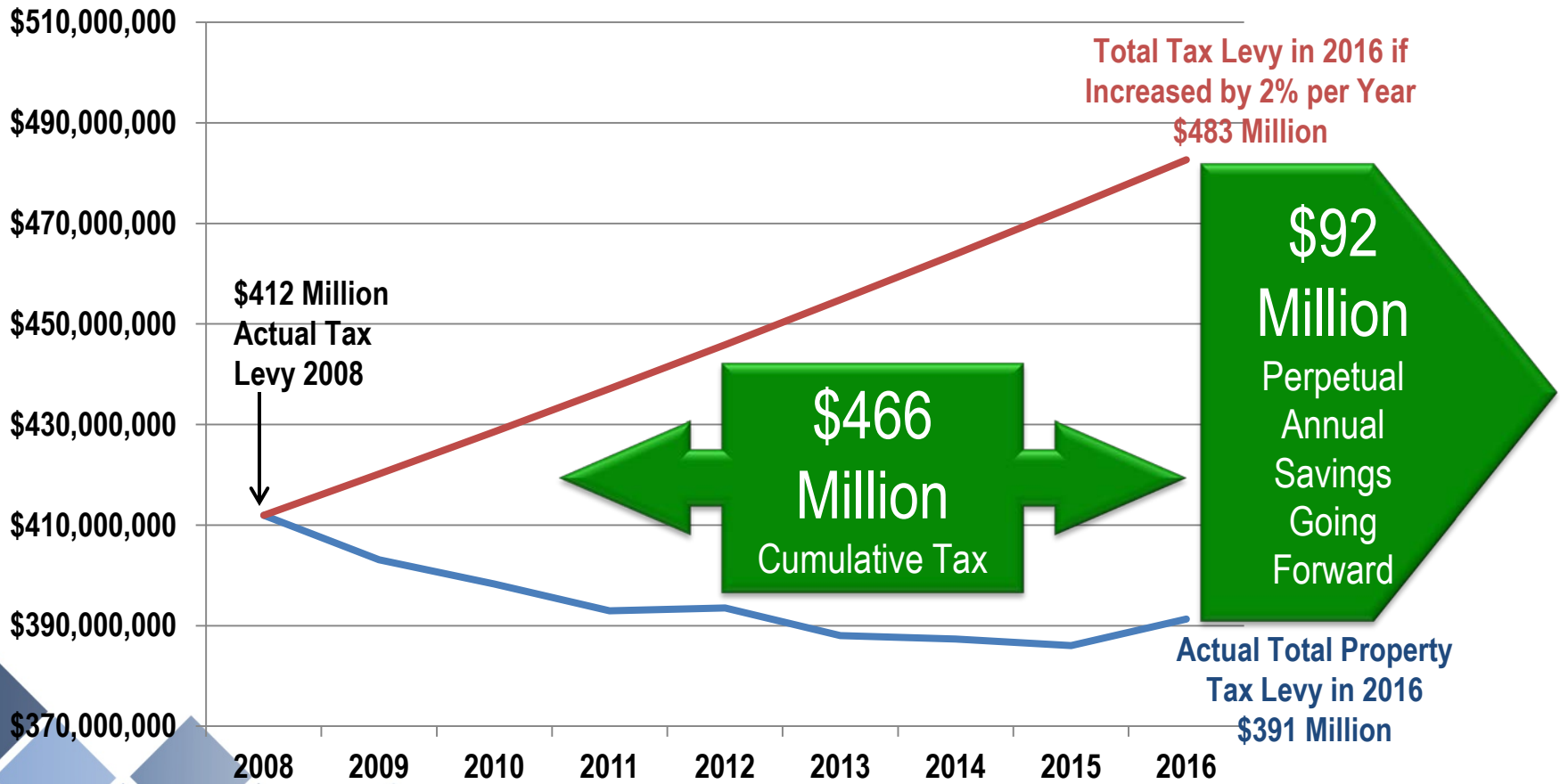
Comparative Analysis Reserves as a % of Tax Revenues

Source: BMA 2016 Municipal Study



The Fiscal Dividend

- \$466 M Cumulative Savings to Ratepayers to Date
- \$92 M Perpetual Annual Savings to Rate Payers Going Forward



2017 Budget Overview

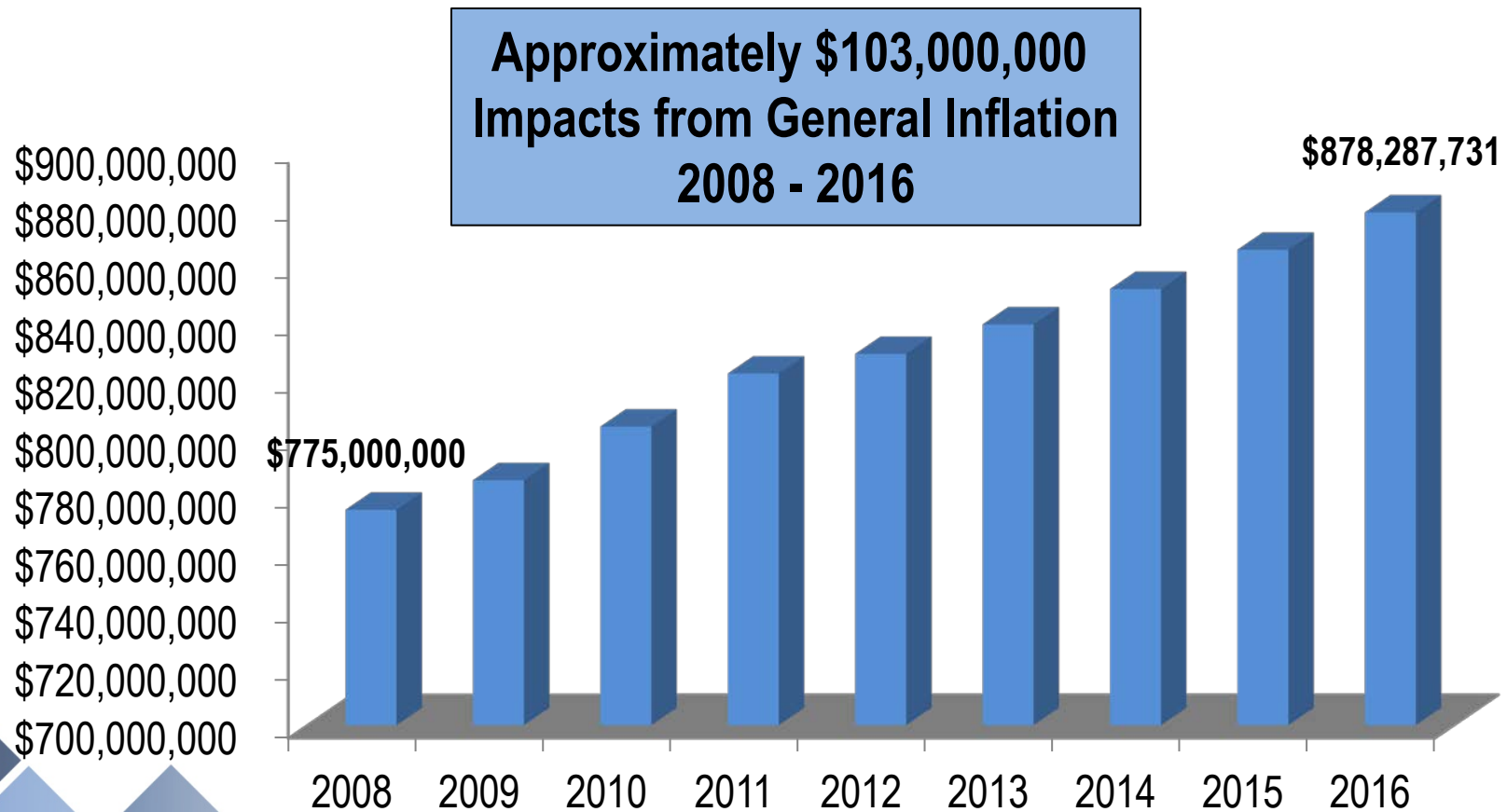
- It is becoming increasingly difficult to maintain existing service levels, given 8 years of holding the line on taxes.
- Inflationary Pressures:
 - Hydro Increase - \$2 Million or 8%
 - Wage Settlements
 - General Inflation Increase 1.8%
- Provincial Mandates:
 - Arbitration Process (3%+) which impacts 40% of the City Budget
 - Firefighter Presumptive Legislation \$1 million
 - More stringent Environmental Regulations (eg. Species at Risk)

2017 Budget Overview (continued)

- Council Approved Service Enhancements:
 - East Side Pool Operations- \$628,000
 - Transit Smart Bus Technology
- Agencies, Boards & Committee Requests:
 - No Control by City Administration
 - \$3.9 Million Requested Increase
 - 3.7% increase requested for 2017
- Infrastructure Deficit:
 - Continued need to significantly increase funding for roads, sewers and other infrastructure

Tax Levy Pressures From Inflation

(Why it Becomes Increasingly More Difficult to Keep Holding the Line on Property Taxes)



2017 Budget Summary

- \$10.5 million in recommended cuts through continued fiscal prudence.
- Notwithstanding these recommended reductions, a 1.7% levy increase related to City Departments is recommended.
- Agencies, Boards & Committees are requesting a 3.7% increase in their budgets which would result in a further 1.0% increase to the levy.
- Resulting in total levy increase of 2.7%.
- While not recommended and difficult to achieve without significant service reductions, Administration has provided options to achieve a zero levy increase.
- Becoming extremely difficult to find sufficient additional savings to offset ABC increases.

2017 Operating Budget Executive Summary

- Identifies Budgetary Pressures with Little or No Discretion of \$12.6 million
- Administrative Recommendations to maintain or improve services of \$4.6 million
- Recommended Administrative Budget Cuts of \$10.5 million
- Requests from Agencies, Boards & Committees with no Administrative city control of \$3.8 million.
- This results in a 1.7% levy increase for City departments plus a 1% increase for ABC's for a Total Property Tax Levy Increase of 2.7%

How Will Tax Payers Be Impacted by the Recommended 2017 Budget

- Modest increase to Municipal Property Tax Levy as compared to 2016.
- The Education Tax Levy of approximately \$70 million not yet announced by Province.
- A 2.7% increase in property taxes based on the previous assessment cycle values for an average home valued at \$150,000 = \$74
- The actual impact on individual tax payers for 2017 will depend on MPAC assessment revaluation results, the education levy set by the province, and tax rates & tax policies to be adopted by City Council in spring 2017.

How Will Tax Payers Be Impacted by the Recommended 2017 Budget (continued)

Additional tax impacts can be expected resulting from:

- *Tax shifting between tax classes caused by varying % changes in assessment categories.*
- *More specifically, tax shifts from Commercial & Industrial Classes onto Residential & Multi Residential.*
- *New Legislated Multi-Residential capping impacts that further impact Residential, Commercial and Industrial Classes.*

Sewer Surcharge

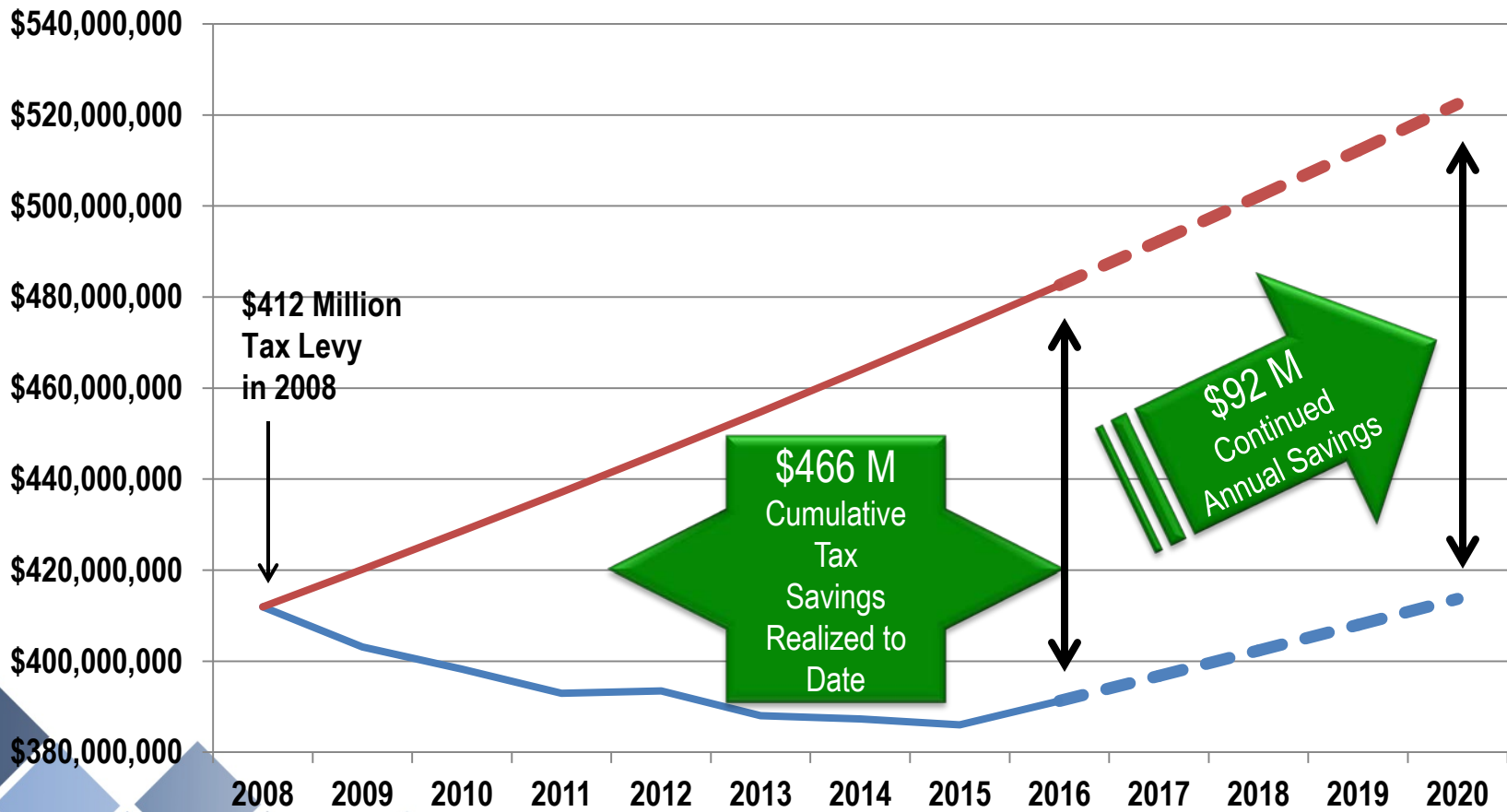
- Rates increase nominally by 2.17% for the average residential user.
- Some of this increase is due to decreasing consumption trends driven by conservation.
- Unlike taxation, Sewer Surcharge fee increases **can be completely offset** by conservation consumption measures. (No fixed fee increases)
- 6 of the last 9 years there has been no increase.
- Total revenues \$59.6 M
- \$23.3 M going to fund sewer capital projects and sewer related equipment replacement.
- Per the BMA Study, Windsor spends a greater percentage of its sewer surcharge on capital projects than any other municipality in the Provincial survey.

Capital Budget

- Total funding for the Capital Budget 5-Year Plan is \$548.1 million.
- Capital funding for 2017 is \$129 million.
- Total funding for roads, sewers and related projects in the 5-Year Plan is \$357 million or nearly two thirds of the total capital budget.
- The 5 year capital plan continues the focus on investing in roads & sewers as previously highlighted in the presentation.

The Fiscal Dividend-Looking Forward

- \$466 M Cumulative Savings to Ratepayers to Date
- \$92 M Perpetual Annual Savings to Ratepayers Going Forward



Looking Forward

- We have created a leaner and more efficient organization.
- The municipal corporation is in a solid financial position as a result of Council's adoption and ongoing adherence to sound financial policies.
- These policies have allowed the Corporation to weather some challenging economic times and come out stronger than ever.
- Notwithstanding significant capital investment in infrastructure the ongoing challenge of tackling the infrastructure deficit will continue.

Looking Forward (Continued)

- Administration will continue to look for efficiencies to avoid or minimize tax increases.
- Modest tax increases due to inflationary pressures will most likely be required going forward to avoid degradation of services.
- Council is encouraged to continue to consider both the short and long term impacts of the decisions that are required to approve the 2017 budget.

Thank you.

