



2021 BUDGET

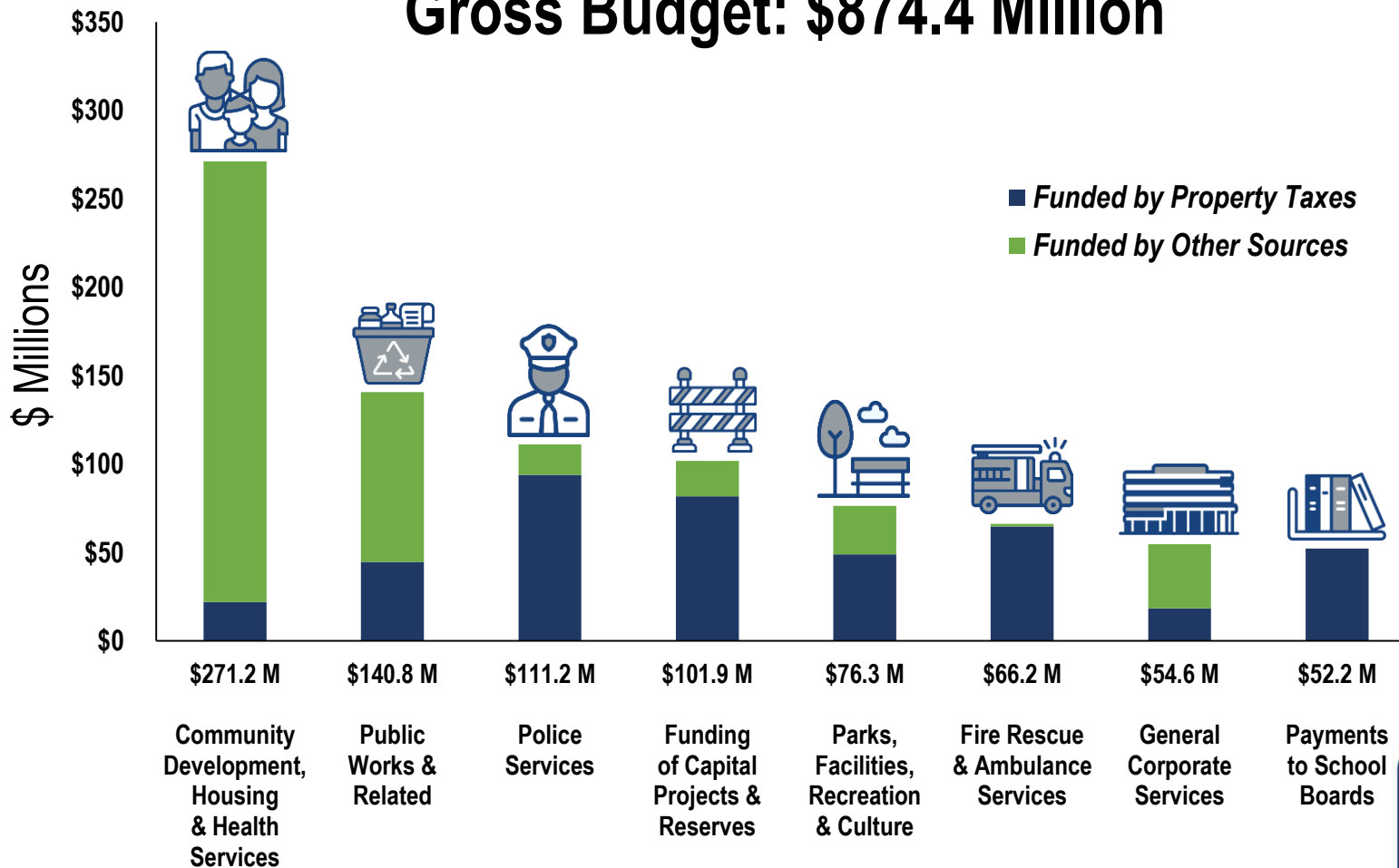
THE CITY OF
WINDSOR
ONTARIO, CANADA

2021 Budget Process

2021 Proposed Budget Process & Timeline (City Council Meeting) Public Input Opportunity	July 27, 2020
2021 Recommended Budget Development by Administration	July / 2020 – February / 2021
Telephone-Enabled Town Hall Meetings Public Input Opportunity	Fall / 2020
Budget Process Timetable Amended (Phase 2: COVID-19 Provincial Funding Application)	Oct. 19 – Nov. 6
2021 Recommended Budget Made Public (Available on the Internet and all Windsor Public Libraries)	February 8, 2021
2021 Final Budget Deliberations (Beginning at 10:00 am) Public Input Opportunity	February 22, 2021

2021 Recommended Municipal Gross Operating Expenditures by Function

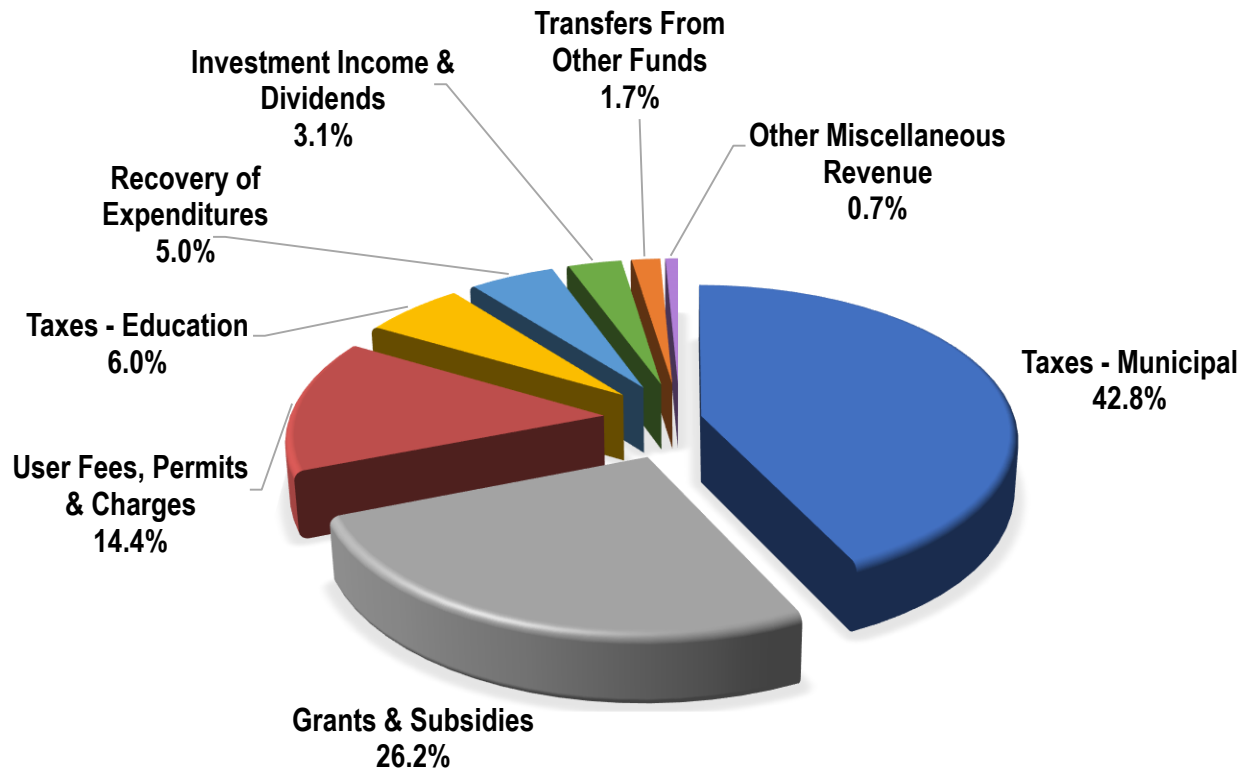
Gross Budget: \$874.4 Million



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2021 Recommended Municipal Gross Operating Revenue

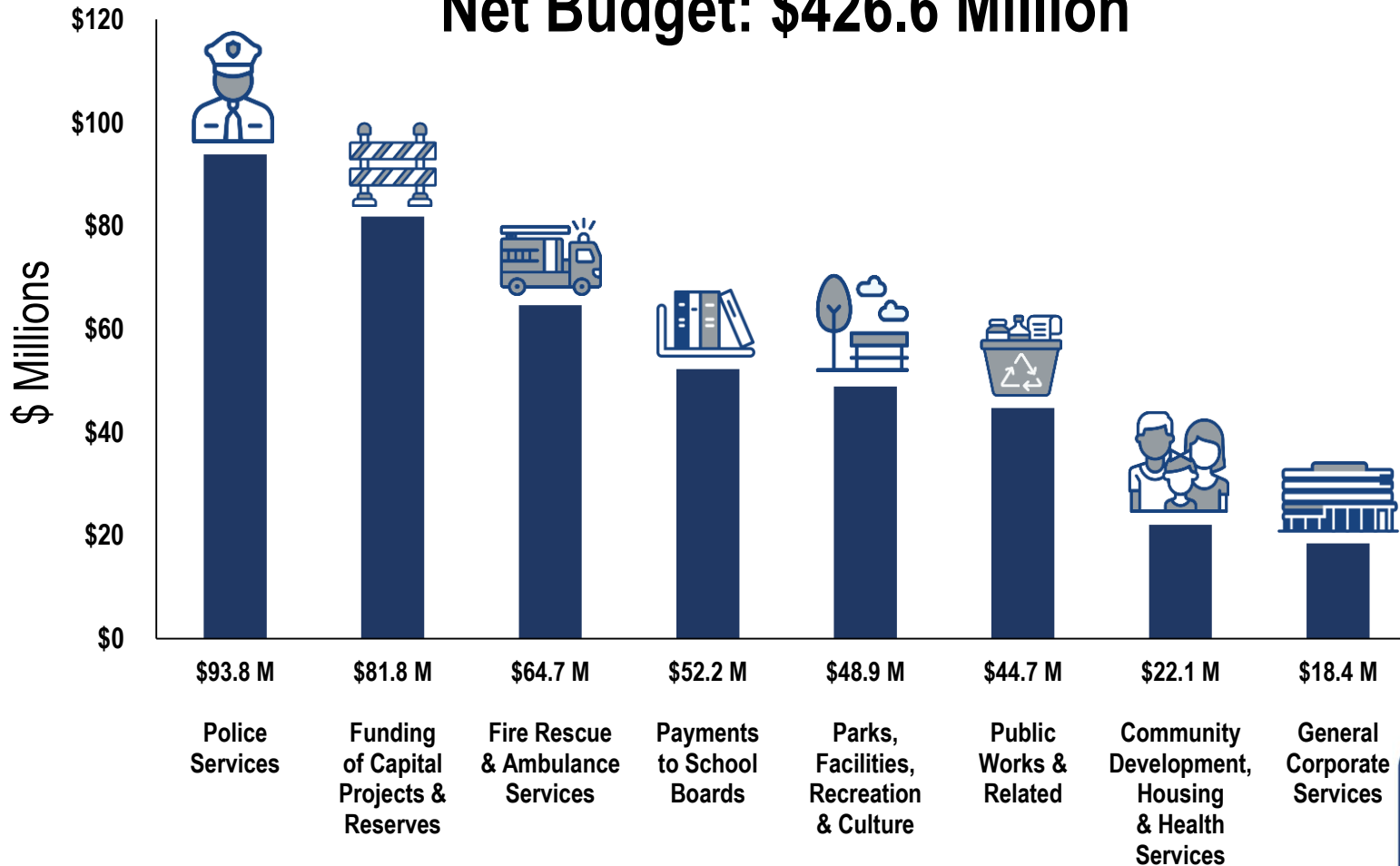
2021 Recommended Gross Operating Revenue: \$874.4 Million



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What is the 2021 Recommended Property Tax Levy Being Spent On?

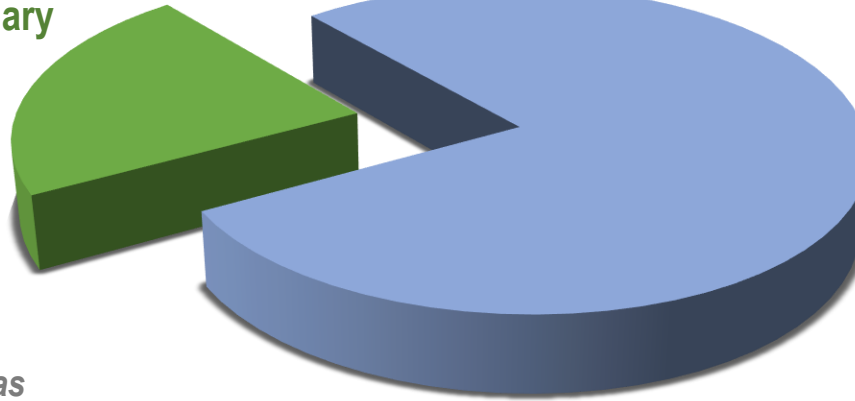
Net Budget: \$426.6 Million



**2021
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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*

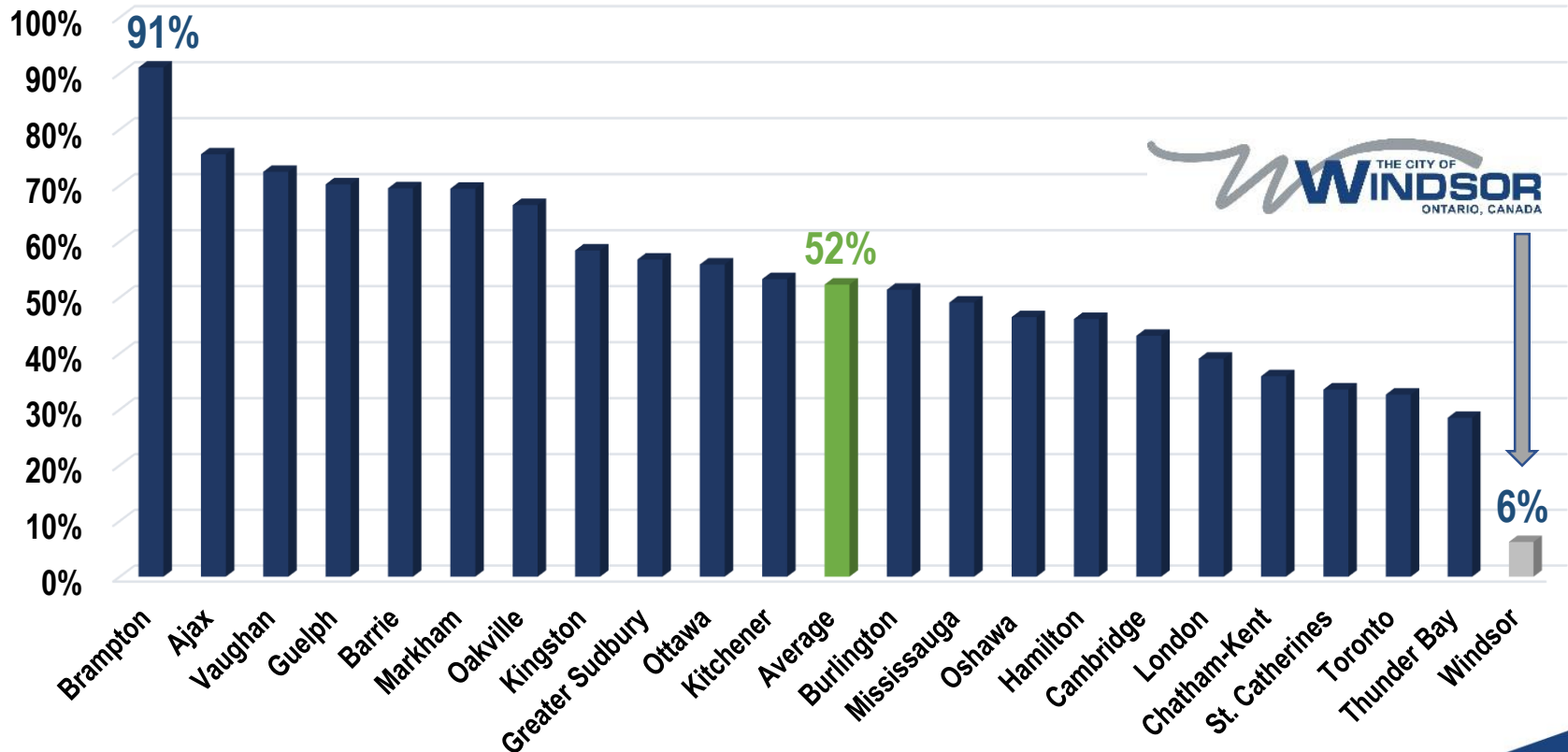
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Financial Snapshot



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% Change in Total Tax Levy 2019 vs. 2006



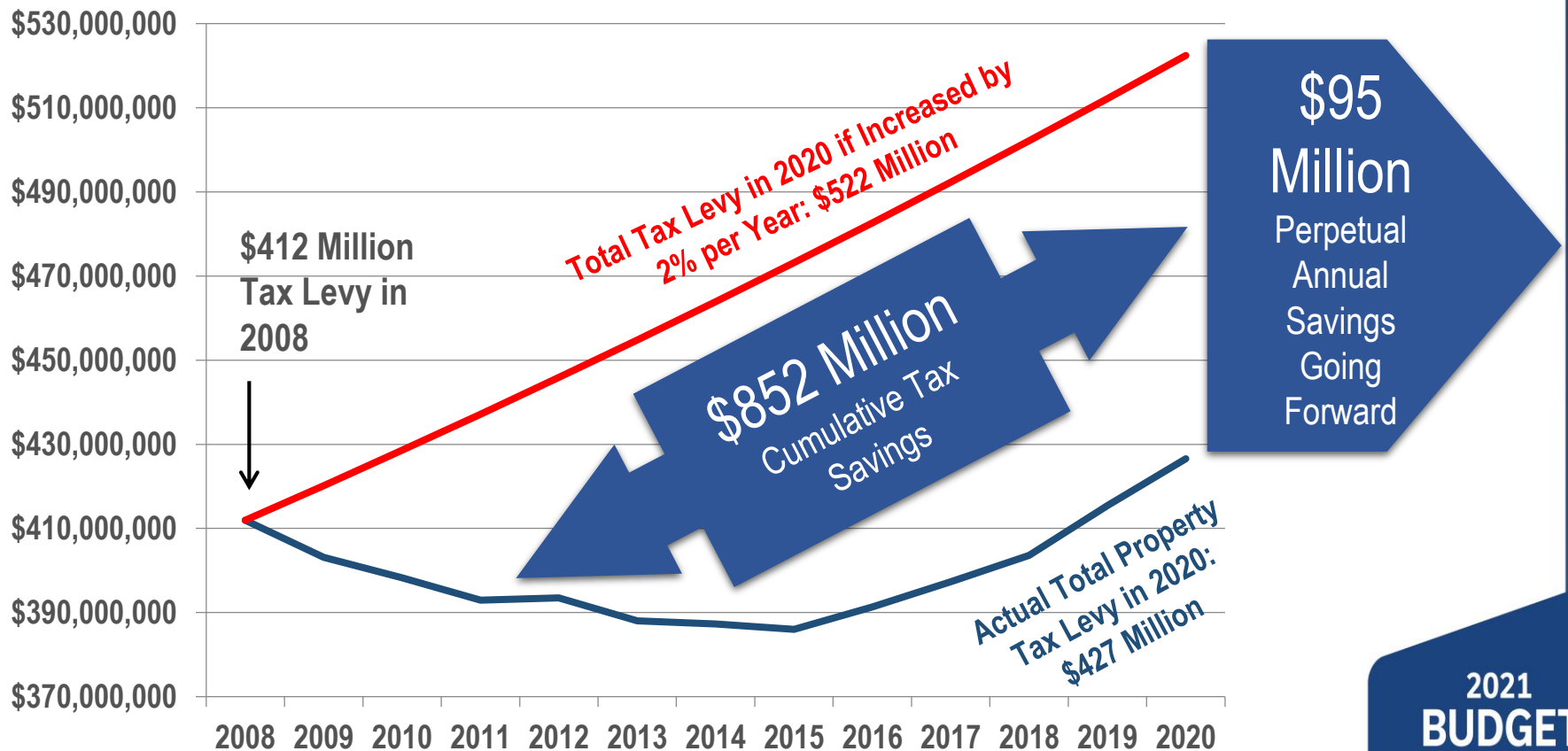
Source: Latest Ontario Financial Information Return (FIR)
Includes Municipalities within Ontario with a Population > 100,000

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Continued Fiscal Responsibility

\$852 Million Cumulative Savings to Date
\$95 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	\$503	\$555	(\$52)
Sewer	\$783	\$602	\$181
Taxes	\$3,363	\$4,201	(\$838)
Total	\$4,649	\$5,358	(\$709)

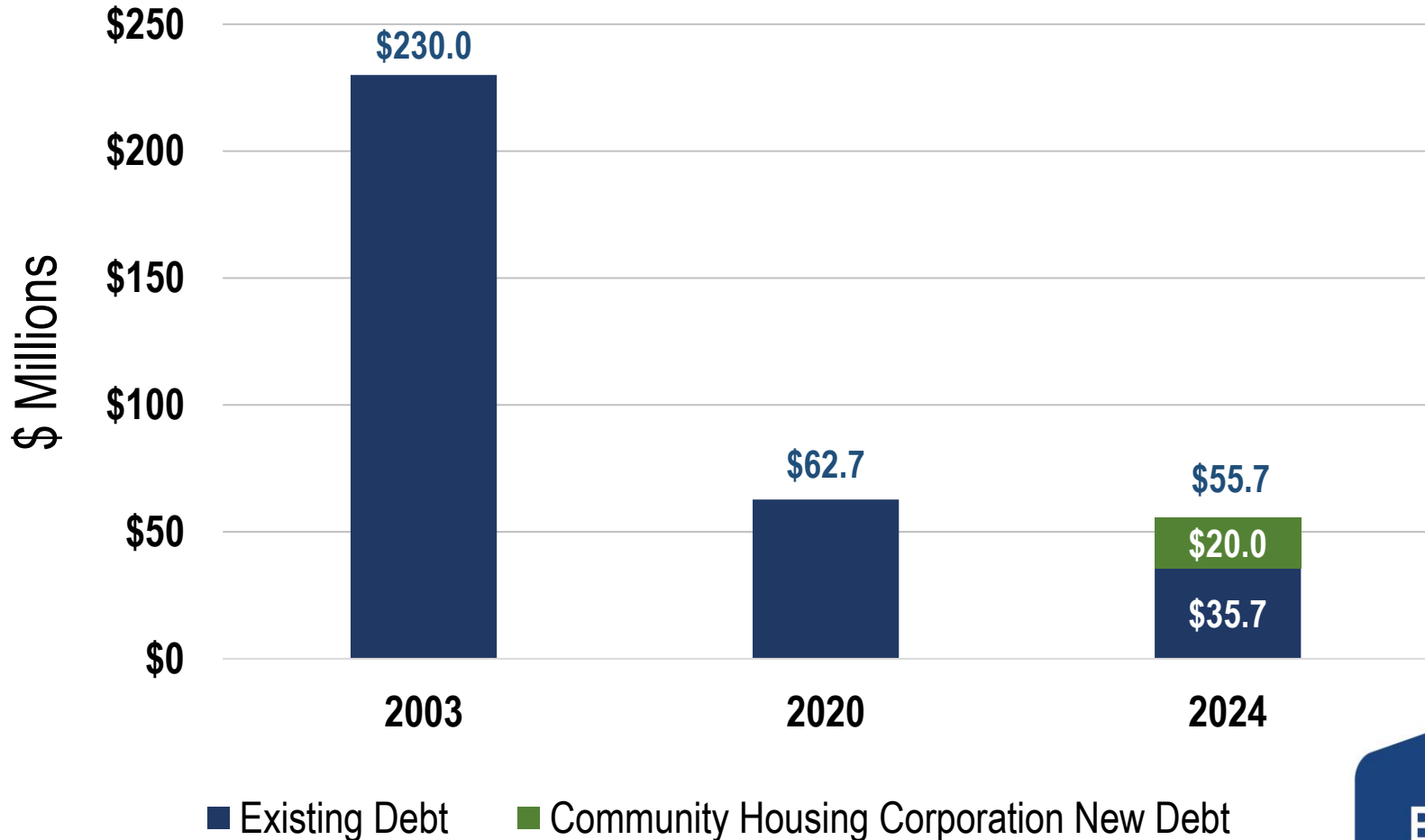
Source: 2020 BMA Management Consulting Inc.

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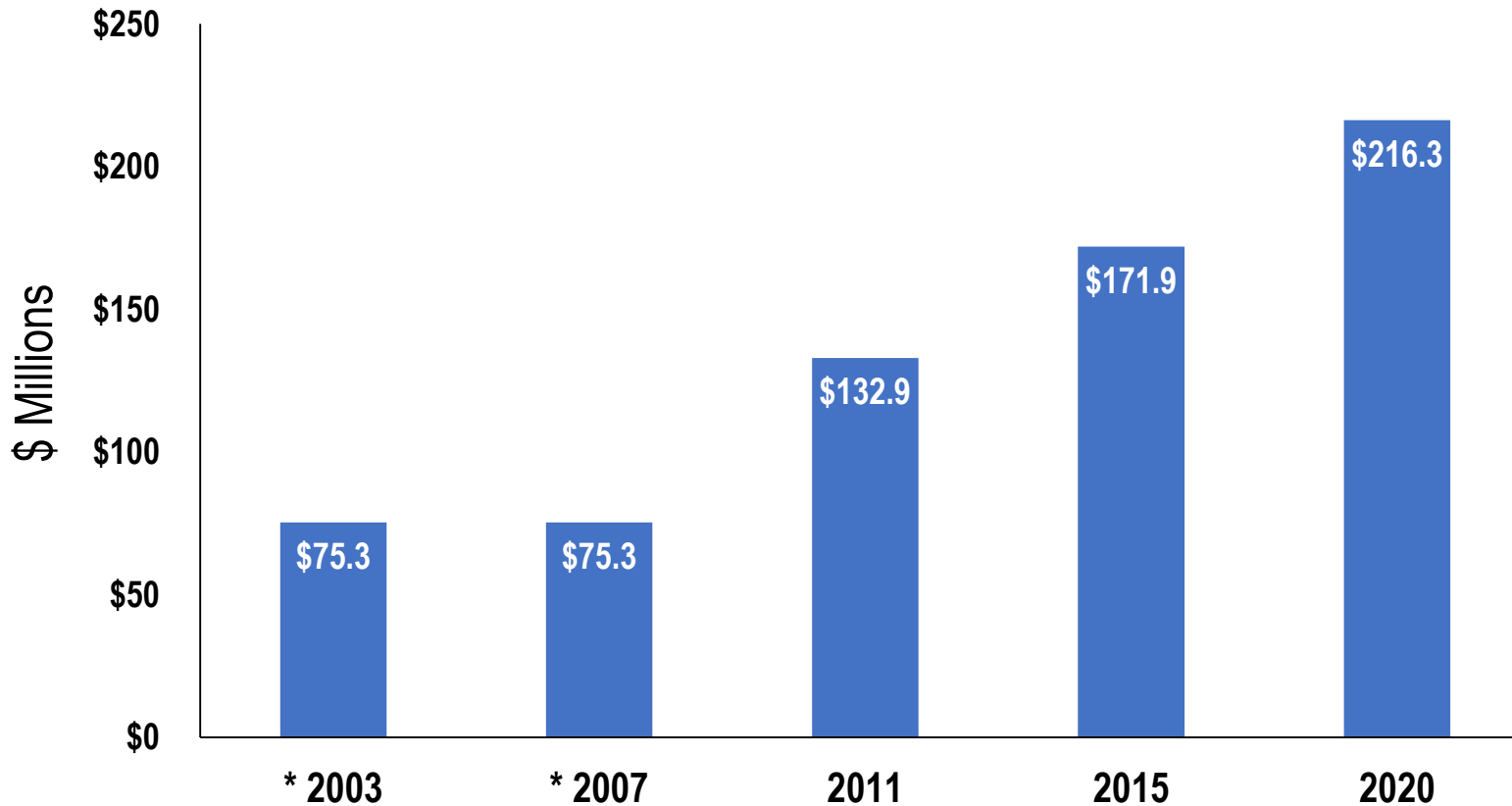
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Decreasing Debt

Continued Fiscal Responsibility



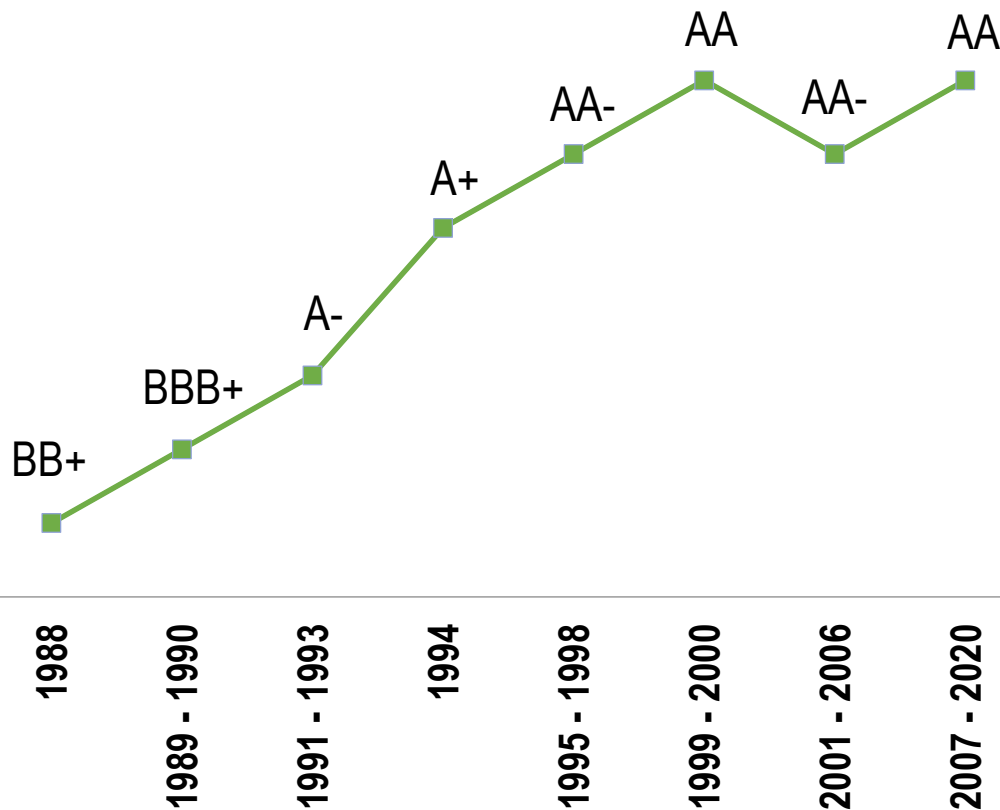
Increasing Reserves



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

City of Windsor Bond Rating

1988 - 2020



2020 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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2021 Recommended Budget Overview

2020 Total Property Tax Levy	\$426,576,438	
Total City Departments Operating Needs	\$2,562,885	0.60%
Agencies, Boards & Committees (ABC's) Requests	\$2,988,828	0.70%
Previously Approved Asset Management Plan (AMP)	\$4,948,287	1.16%
Sub-Total: 2021 Property Tax Levy Impact	\$437,076,438	2.46%
Reduction in Education Levy	(\$10,500,000)	(2.46%)
Total: 2021 Property Tax Levy	\$426,576,438	0.00%

The 2021 property tax levy of \$426,576,438 noted above does not include an estimated \$37,737,044 required in 2021 to offset anticipated COVID-19 related pressures.

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Budget Overview – City Departments

\$9.6 Million – Expenditure Increases / Revenue Decreases

\$3.8 Million – Contractual Collective Agreements

\$2.0 Million – Contingency for COVID-19 Related Impacts / Capital Grants

\$1.0 Million – Insurance Premiums

\$0.5 Million – Windsor Works Economic Development Initiative

\$2.3 Million – Other

\$7.0 Million – Expenditure Decreases / Revenue Increases

\$1.8 Million – Increase in Property Taxes From Assessment Growth

\$1.3 Million – Reduction in Utility & Fuel Costs

\$1.0 Million – Increase in Pay-As-You-Go Transfer

\$2.9 Million – Other

Budget Overview – ABC's

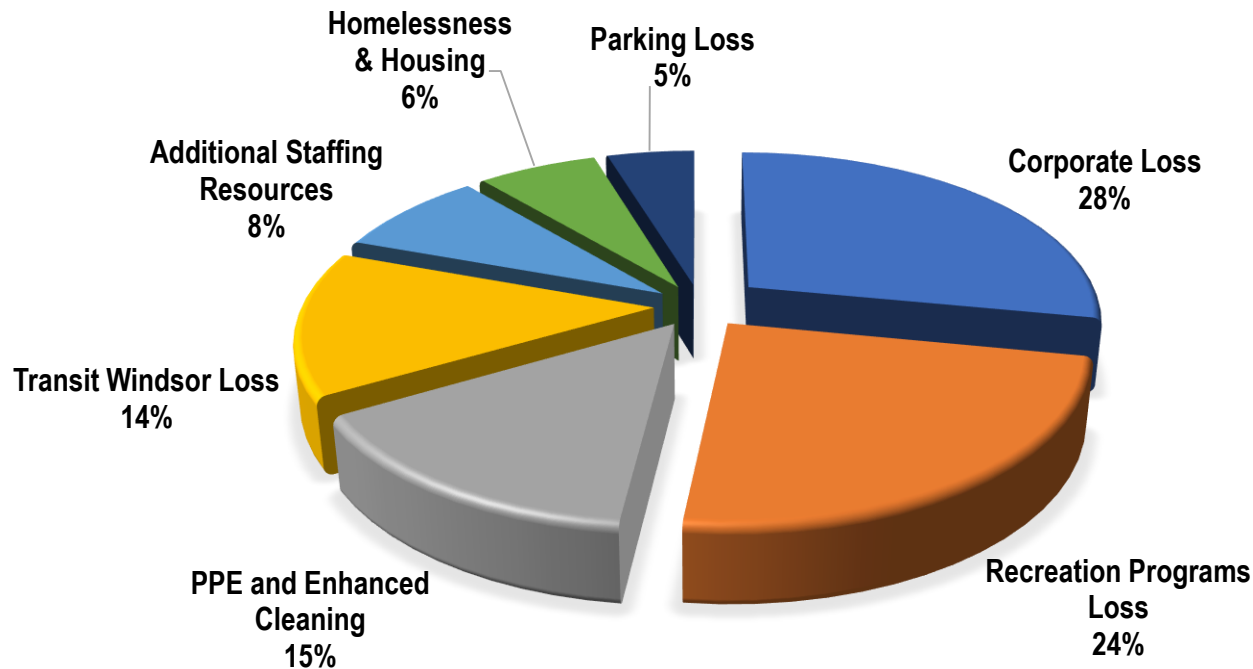
Agency, Board or Committee	% Increase Over Prior Year Budget	\$ Increase
Essex Region Conservation Authority (ESTIMATE)	6.9%	\$112,737
Windsor Essex County Health Unit (ESTIMATE)	5.6%	\$192,000
Windsor Essex Community Housing Corporation	5.6%	\$680,004
Handi-Transit	2.2%	\$23,400
Land Ambulance	2.2%	\$264,810
Windsor Police Services	1.9%	\$1,715,877
Total		\$2,988,828

2021 Budget Overview (Executive Summary)

- Identifies High Priority Budgetary Pressures with Little or No Discretion as well as High Priority Budget Recommendations of \$10 M **(A + B)**
- Administrative Recommendations to maintain or improve services of \$0.5 million **(C)**
- Recommended Administrative Budget Cuts / Increased Revenue of \$7.9 million **(D)**
- Other Potential Reductions / Enhancement Options Considered **(E, F & G)**

2021 Estimated COVID-19 Related One-Time Budget Impacts

Approximately \$37.7 Million



Continued Senior Level Government Relief Funding Programs Required in 2021 to Offset these "One Time" Costs

Excludes COVID related impacts for Government Business Enterprises (Windsor Detroit Tunnel & YQG Windsor Airport)

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Sewer Surcharge

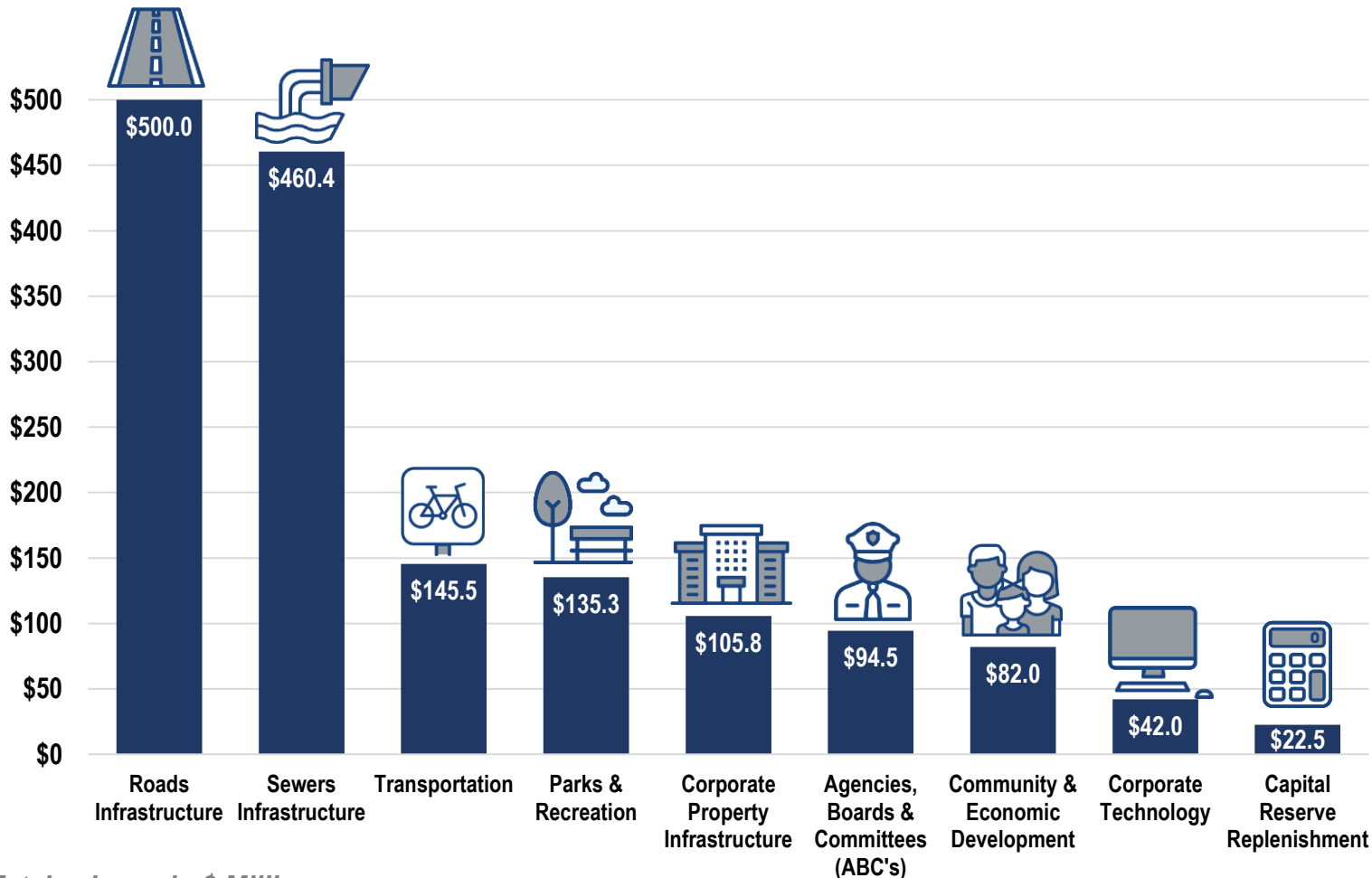
- *Total Recommended 2021 Sewer Surcharge Revenues of \$80 M*
- *Reflects a third year shift in allocation of Residential to Commercial / Industrial to better align with actual consumption trends.*
- ***NO INCREASE*** *to Residential Users is recommended for 2021.*
- *Proposed increase in Commercial / Industrial rates to move closer to actual consumption patterns.*

Sewer Surcharge (continued)

- Projected 2021 Wastewater Costs:
 - *Windsor's Industrial wastewater charges – 14% below provincial average*
 - *Windsor's Commercial wastewater charges – 6% below provincial average*
 - *Proposed third year funding allocation change will bring Windsor wastewater charges more in line with the provincial average.*
 - *Proposed 2021 Commercial / Industrial variable rate of \$1.68 m³; up from \$1.42 m³ in 2020.*

2021 Capital Budget

Approved 10-Year Plan Approximately \$1.6 Billion



Totals shown in \$ Millions

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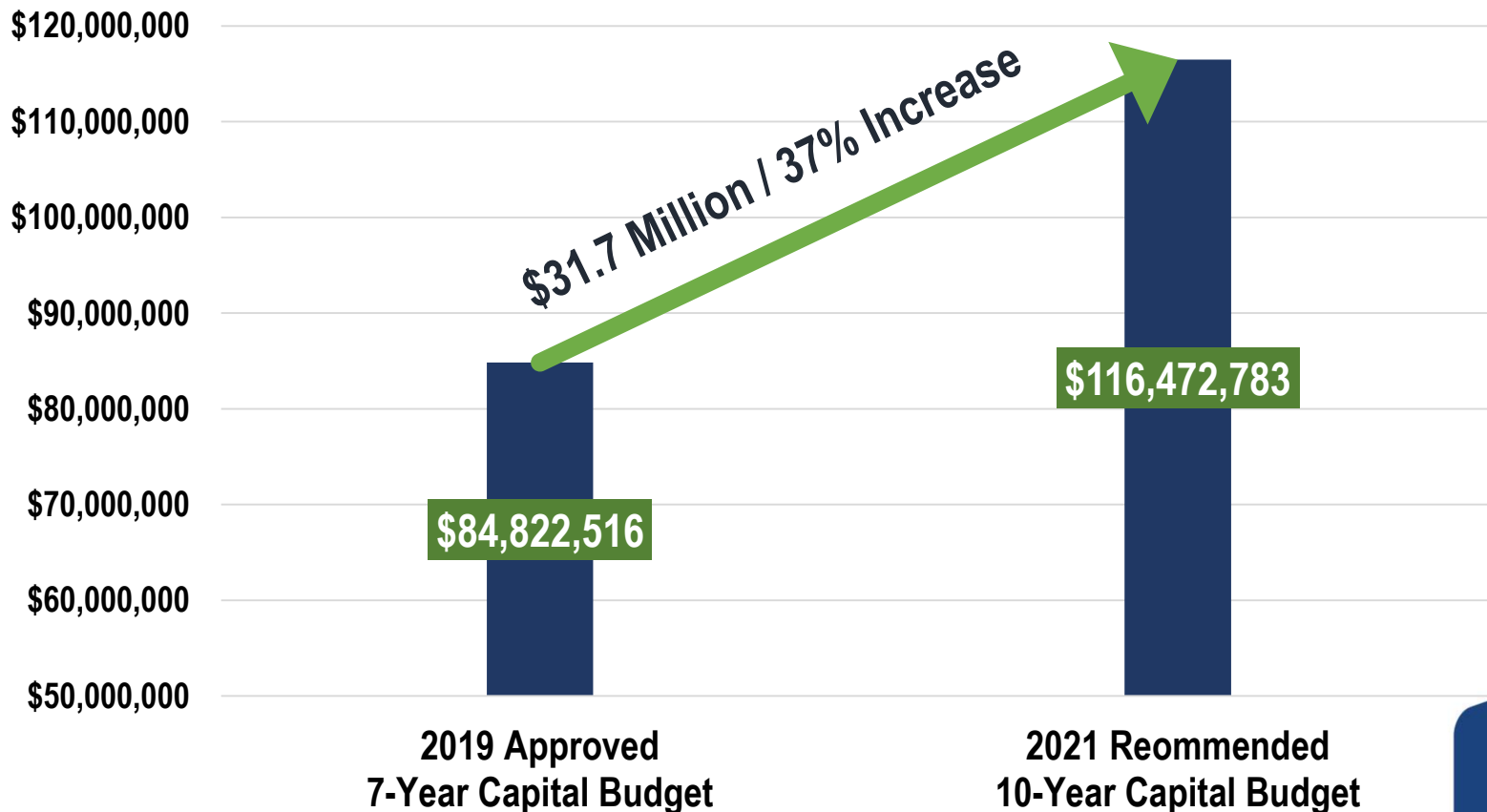
Capital Budget (continued)

- The 2021 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. 2021 Capital Budget Annual Average

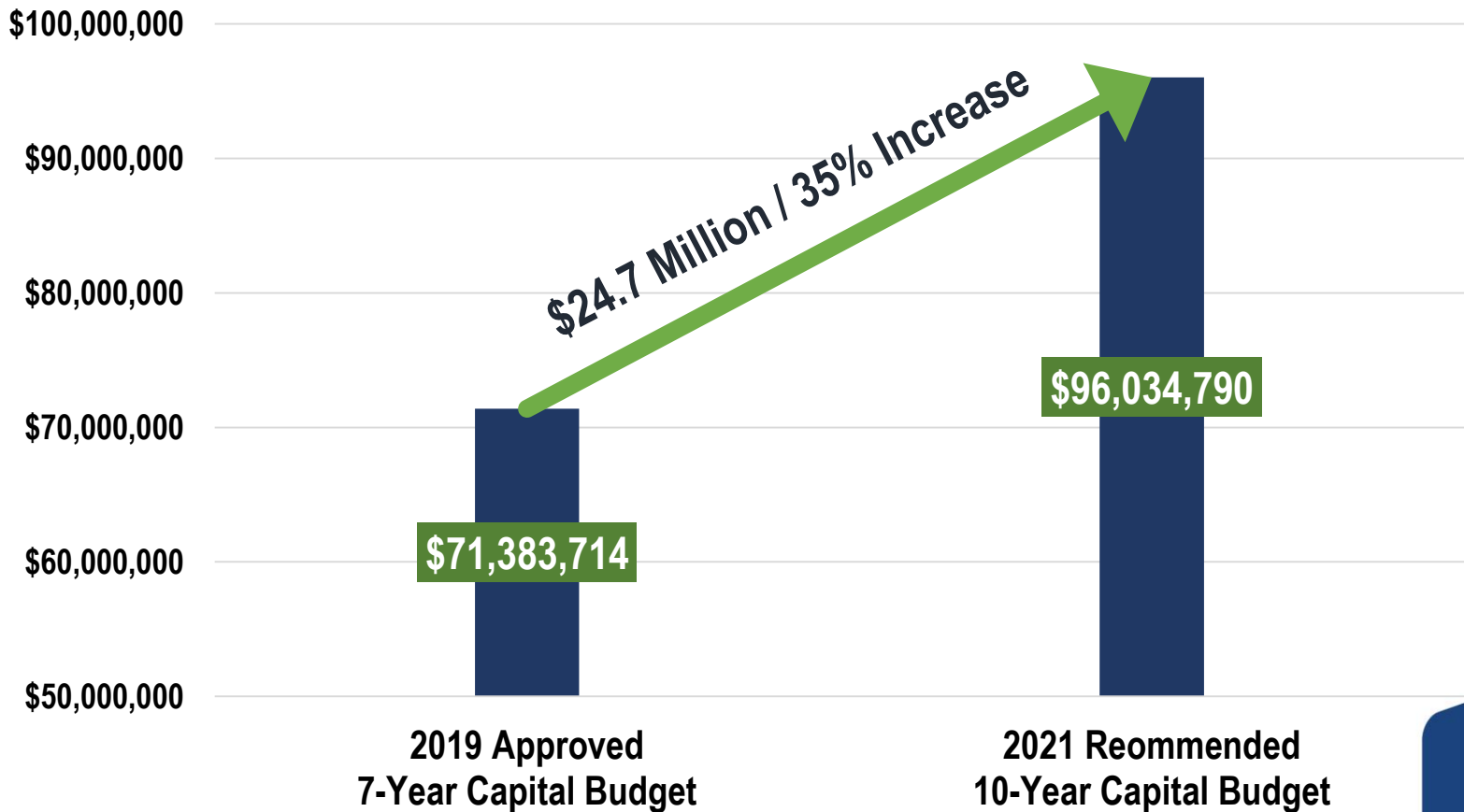


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Asset Management Plan

Roads & Sewers Infrastructure Increase

2019 Capital Budget vs. 2021 Capital Budget Annual Average



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Grant Funding

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

- Pursued: \$246 million
- Awarded: \$129 million
- Pending: \$26.3 million

- Federal and Provincial grant funding programs for Infrastructure and various COVID response programs are expected to continue at a strong pace throughout 2021
- Administration will continue to actively pursue all viable opportunities for funding.
- Despite challenging timelines set for grant submissions, Administration continues to respond effectively.

Looking Forward

- We continue to operate a leaner and more efficient organization creating opportunities for growth and economic development opportunities.
- 2021 and future budgets will need to address the financial realities of a Post Pandemic Organization and the longer term ongoing impacts to the base budget.
- 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 and create opportunity and an environment for ongoing service level enhancements to meet the increased service demands in a strong local economy.

Looking Forward (continued)

- 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.
- 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 for ABC's.
- Funding levels required for Service Level Improvements resulting from various Master Plans to be considered and appropriately planned during the annual budgetary process.

Looking Forward (continued)

- Continued Investment in Reserves 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.
- Continued efforts remain to appropriately manage the City's Long Term Debt (LTD) Levels
- Budgetary decisions should continue to consider both the Short term & Longer Term Impacts.

Thank you.

