

2023 Budget

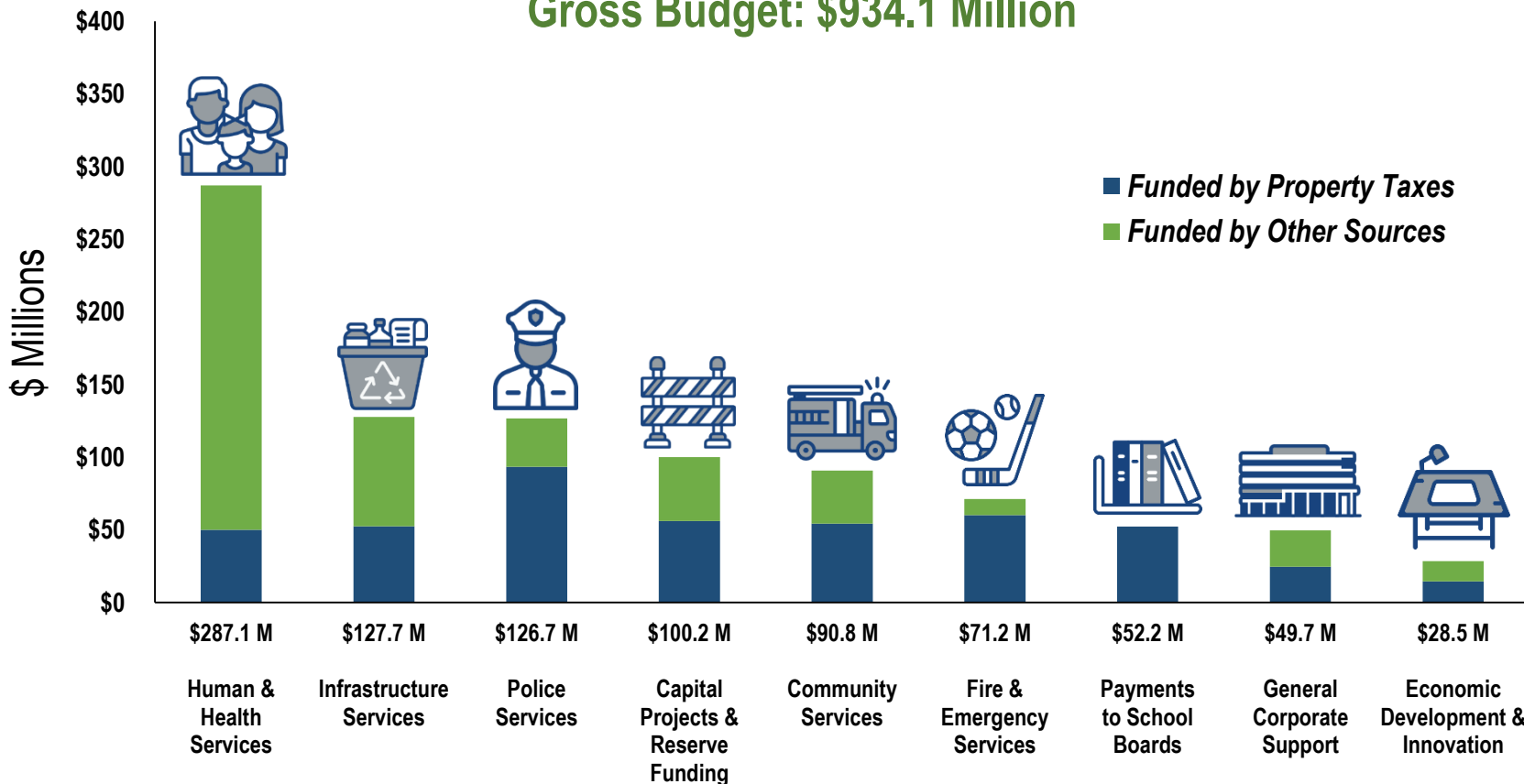


2023 Operating & Capital Budget Process



2023 Recommended Municipal Gross Operating Expenditures by Function

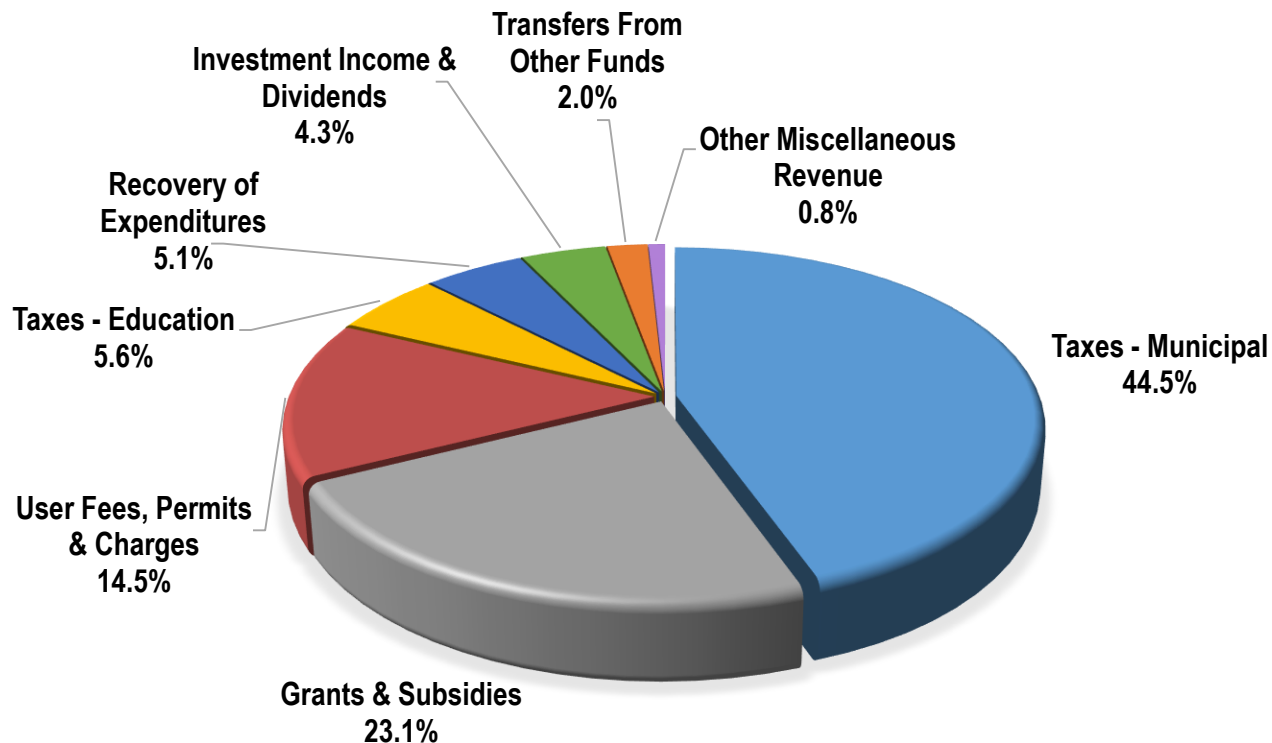
Gross Budget: \$934.1 Million



Net Property Tax Levy: \$458.2 Million

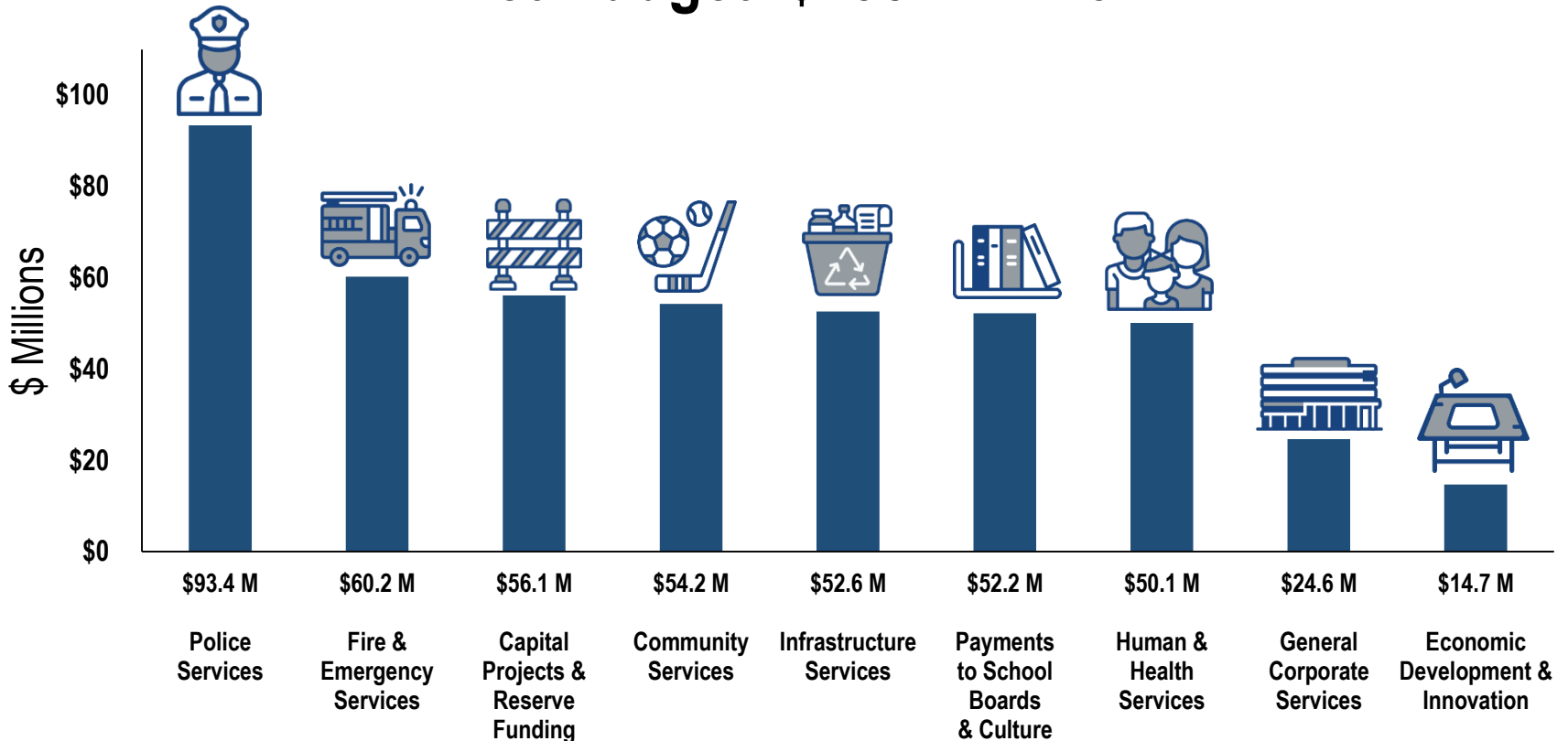
2023 Recommended Municipal Gross Operating Revenue

2023 Recommended Gross Operating Revenue: \$934.1 Million



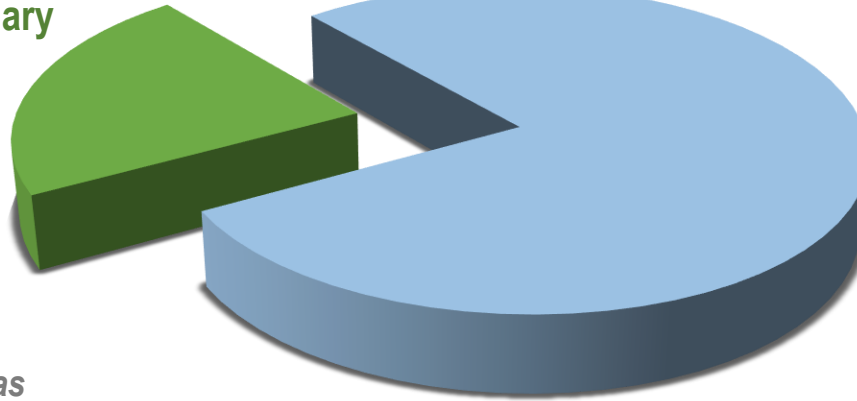
What is the 2023 Recommended Property Tax Levy Being Spent On?

Net Budget: \$458.2 Million



Mandatory vs. Discretionary Spending

Completely
Discretionary
22%



Completely or Mostly
Mandated
78%

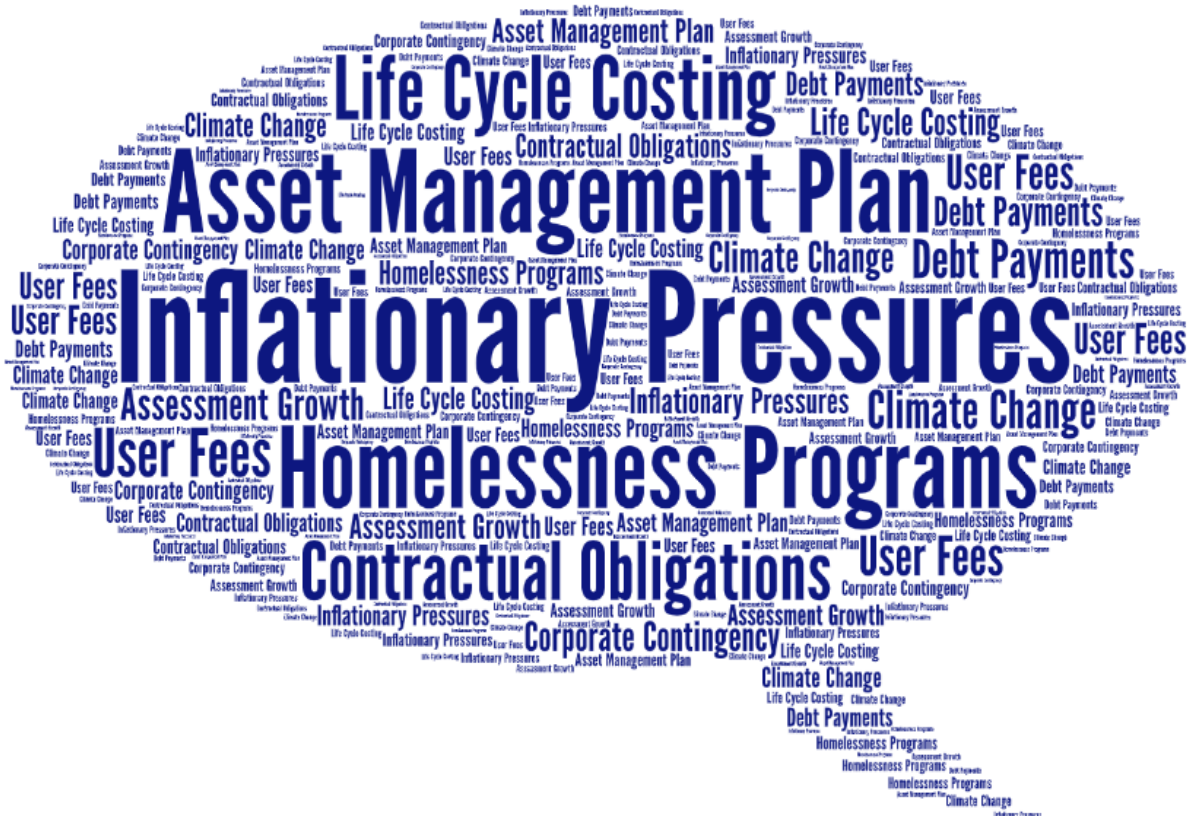
Examples:

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

Examples:

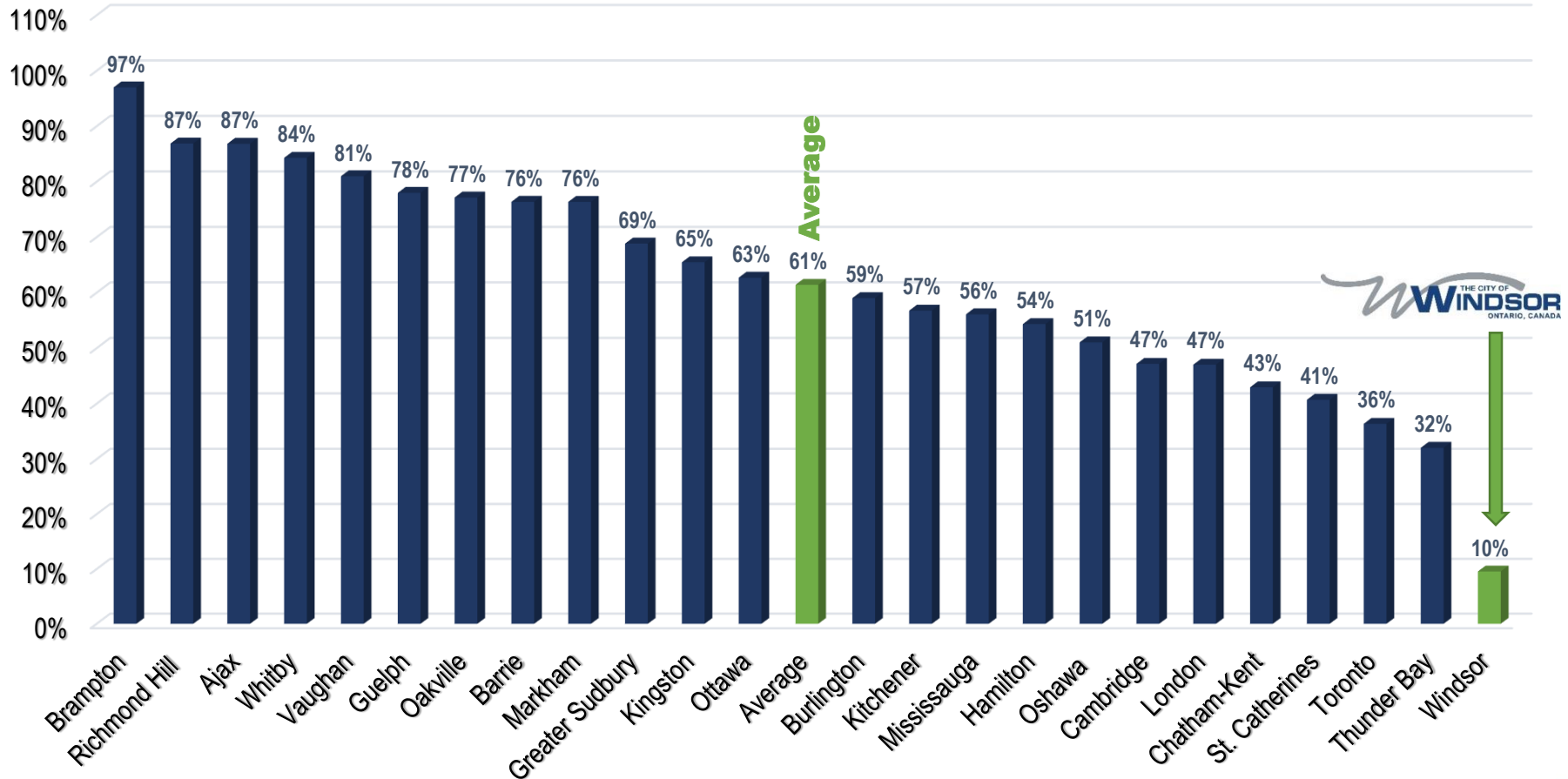
- *Police Services*
- *Fire & Rescue Services*
- *Emergency Medical Services (EMS)*
- *Storm & Wastewater Removal*
- *Waste Collection / Disposal, Diversion*
- *Employment & Social Services*
- *Social Housing*

Financial Snapshot



% Change in Total Tax Levy

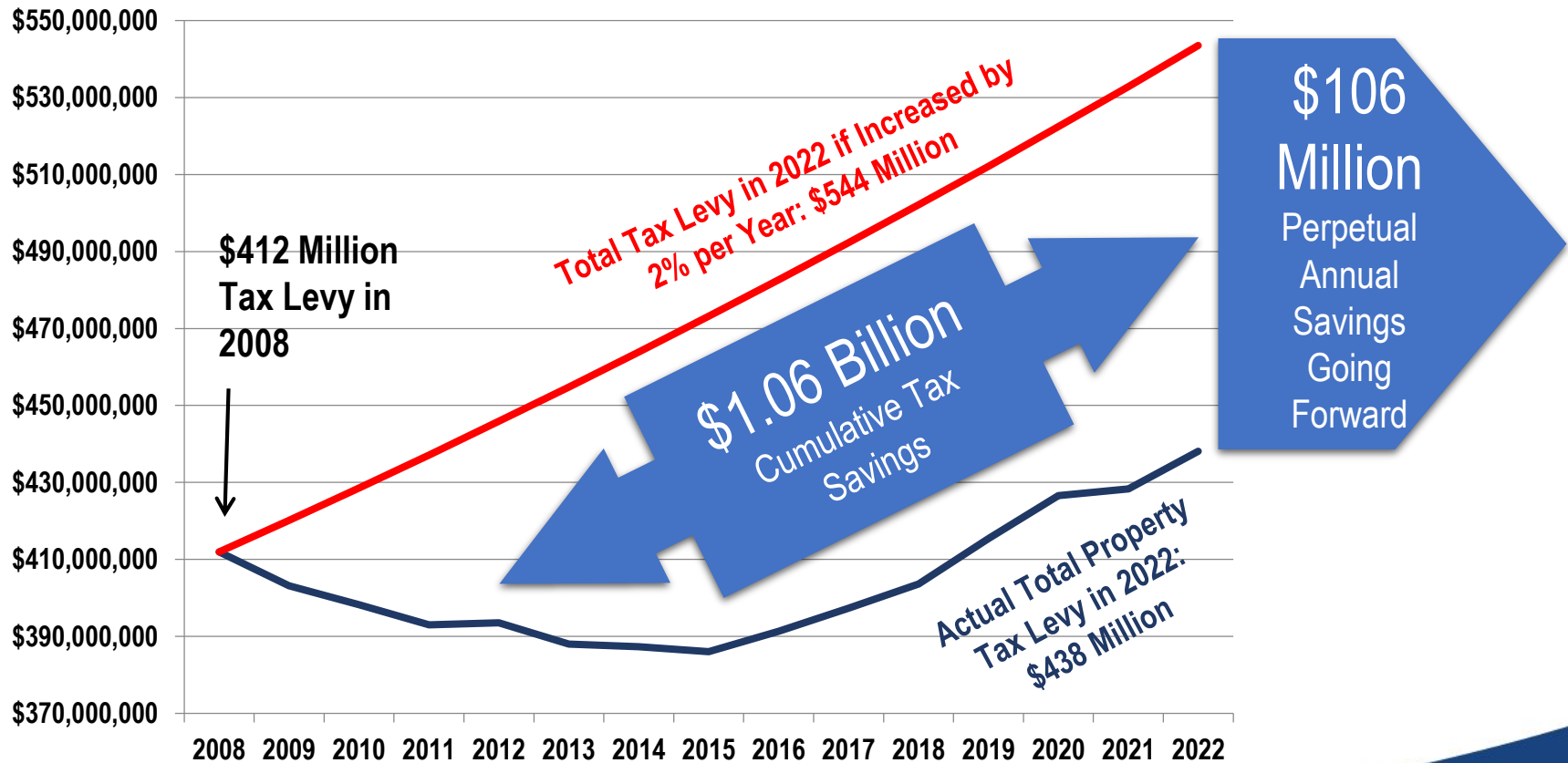
2021 vs. 2006 (15 Years)



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

Continued Fiscal Responsibility

\$1.06 Billion Cumulative Savings to Date
\$106 Million Perpetual Annual Savings Going Forward



Overall Comparison of Residential Charges

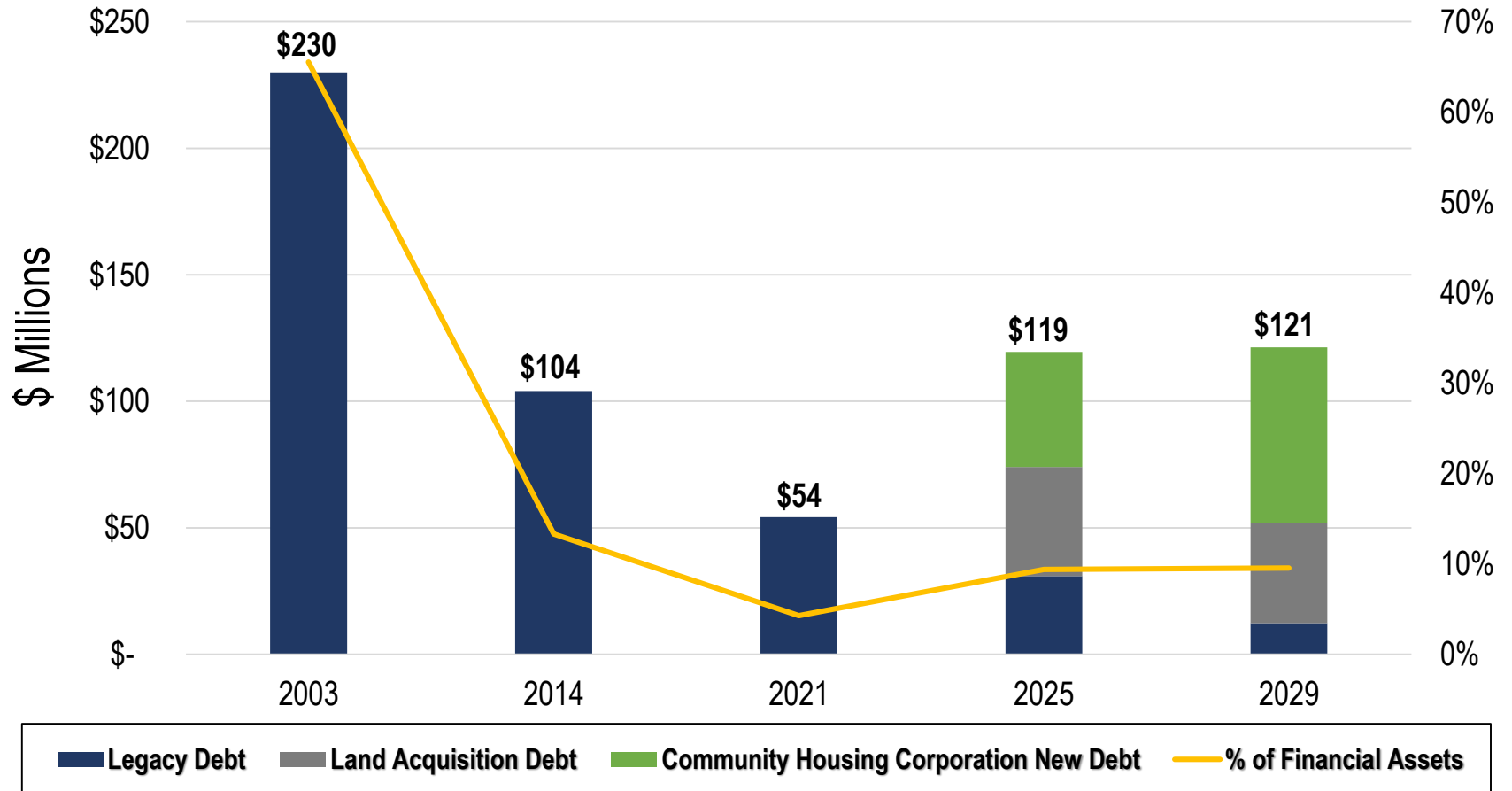
Typical Residence & Consumption Patterns

	Windsor	Provincial Average	Windsor Over / (Under) Average
Water	\$543	\$603	(\$60)
Sewer	\$791	\$648	\$143
Taxes	\$3,511	\$4,382	(\$871)
Total	\$4,845	\$5,633	(\$788)

Source: 2022 BMA Management Consulting Inc.

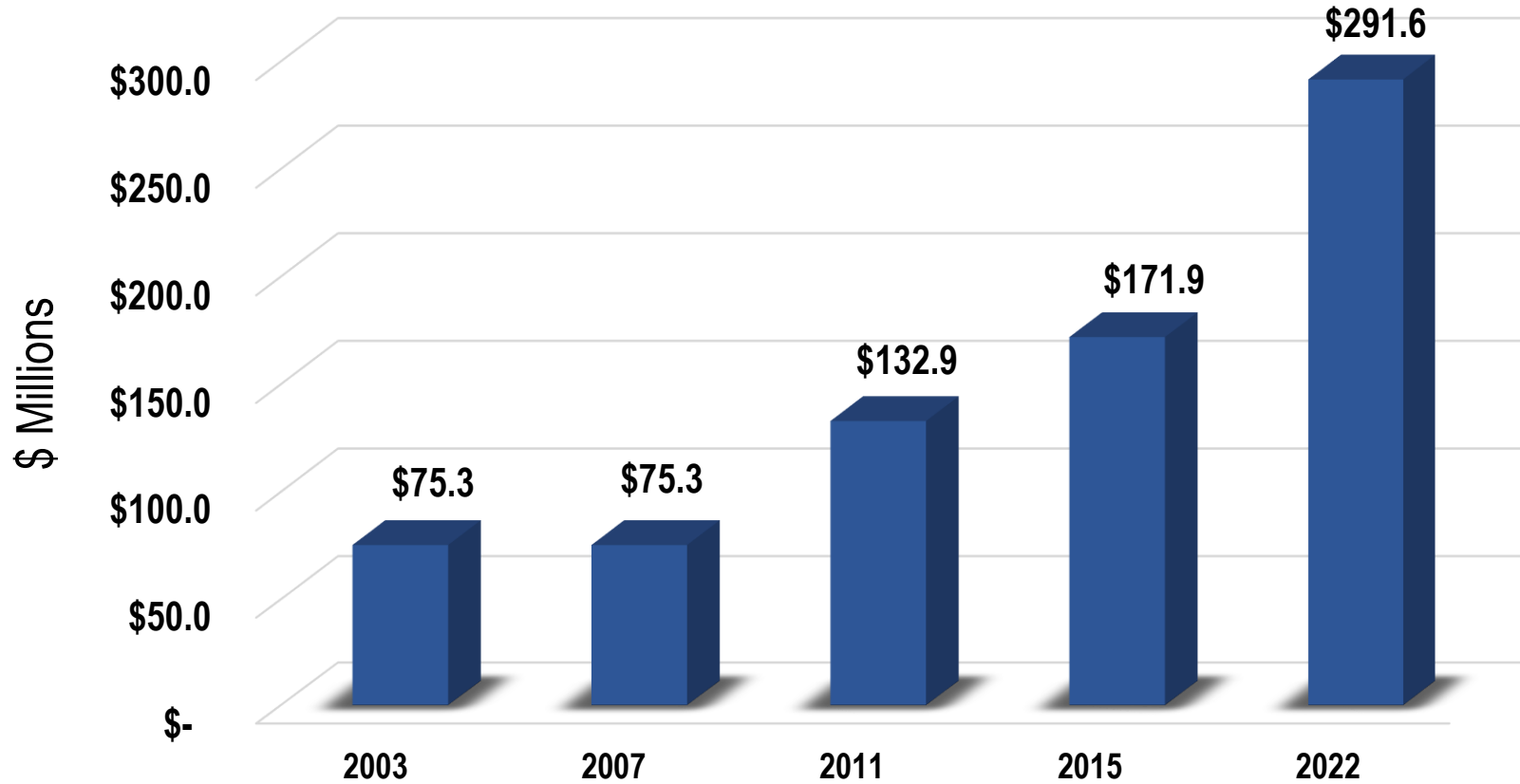
Decreasing Debt

Continued Fiscal Responsibility



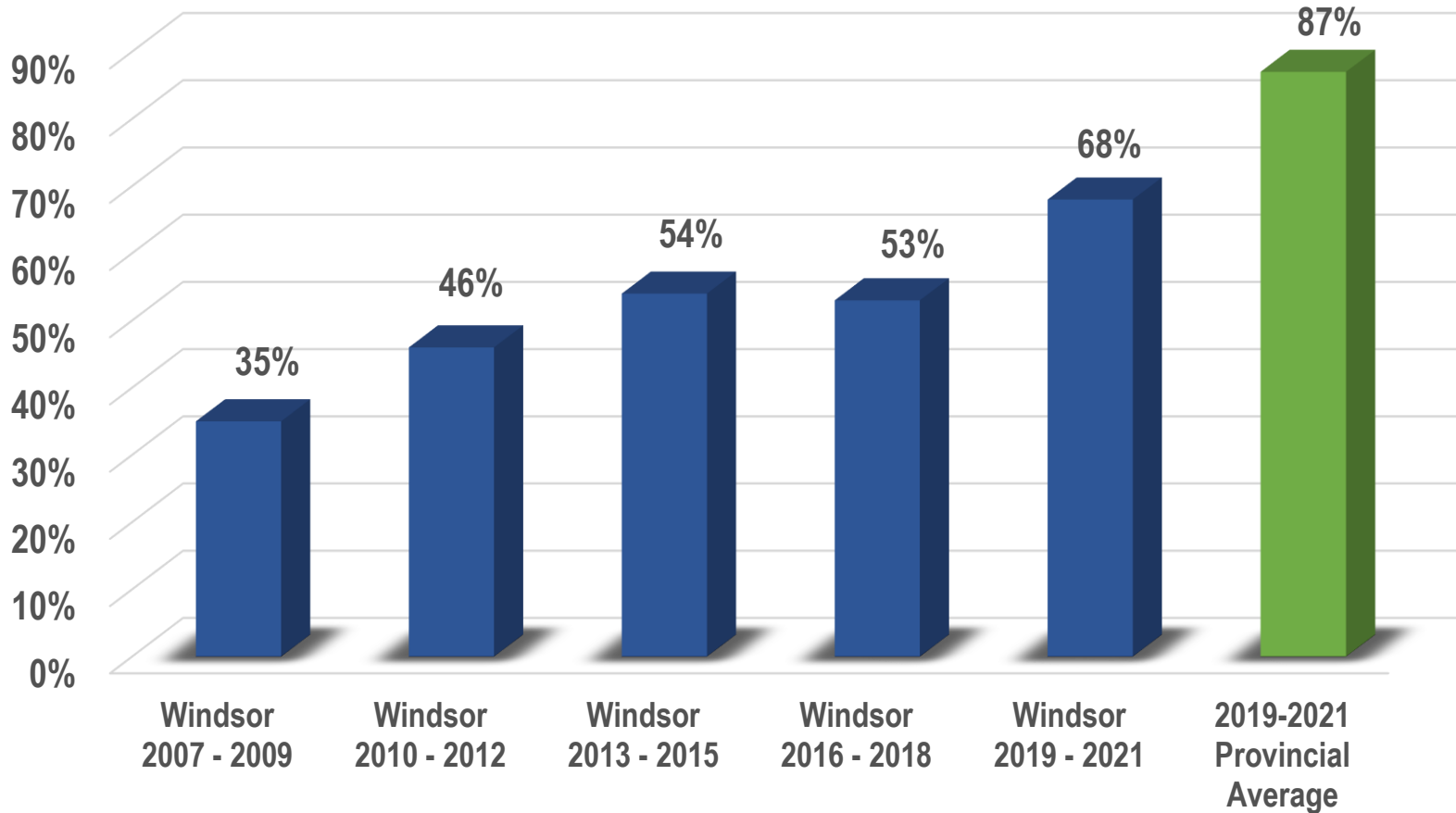
Projected Debt to Financial Assets Ratio for 2025 and 2029.

Increasing Reserves



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

Reserves as a % of Taxation



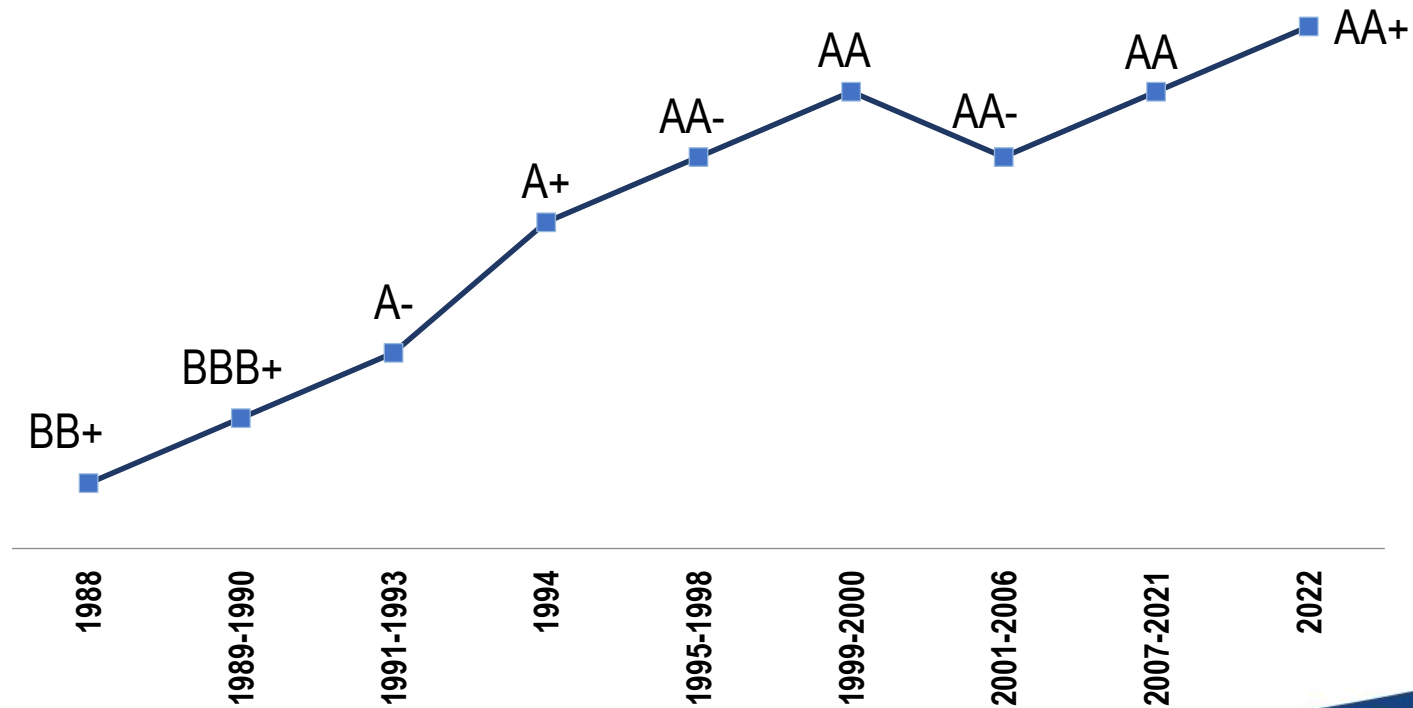
Source: 2010-2022 BMA Management Consulting Inc.

City of Windsor Bond Rating

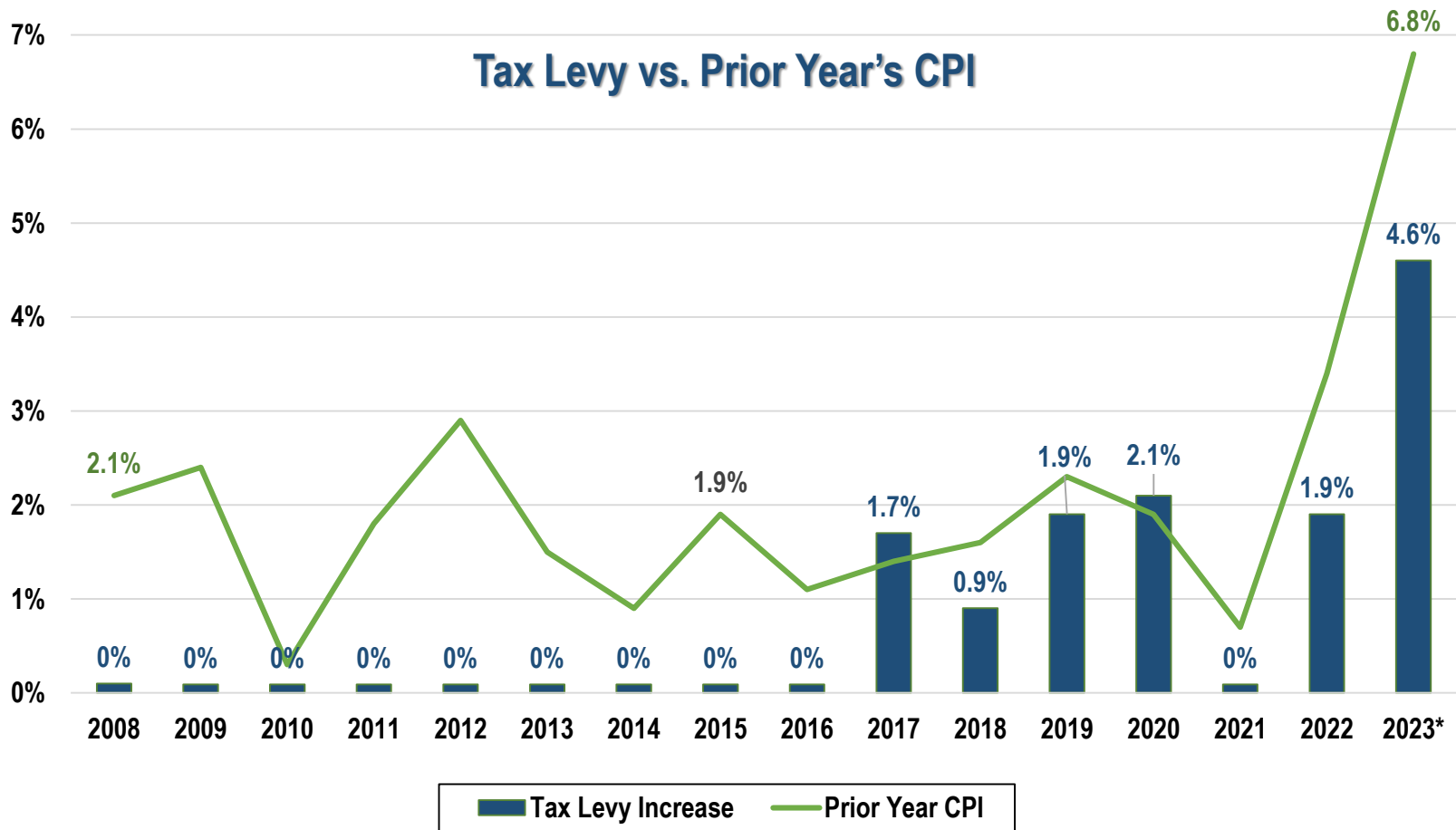
1988 - 2022

2021 Standard & Poor's Bond Rating Services

"Windsor's prudent and forward-looking financial management practices will support the city's strong budgetary results."



Inflationary Pressures



* The 2023 Levy Increase represents the Operating Budget Review Committee recommended budget.

2023 Recommended Budget Overview

Category	2023 Admin. Review	2023 OBRC Review	2023 Revised Per Budget Report	2023 Latest Update
City Departments	\$13,237,150 3.02%	\$10,423,156 2.38%	\$11,449,952 2.61%	\$9,854,882 2.25%
Agencies, Boards & Committees (ABC's)	\$4,584,269 1.05%	\$4,584,269 1.05%	\$5,442,469 1.25%	\$5,185,421 1.18%
Asset Management Plan (AMP)	\$5,081,916 1.16%	\$5,081,916 1.16%	\$5,081,916 1.16%	\$5,081,916 1.16%
2023 Tax Levy Increase	\$22,903,335 5.23%	\$20,089,341 4.59%	\$21,974,337 5.02%	\$20,122,219 4.59%

Budget Overview – City Departments

\$22.6 Million – Expenditure Increases / Revenue Decreases

\$10.4 Million – Pre-Approved Contractual Labour Contracts & Fringe Benefits

\$6.3 Million – Other Contractual & Inflationary Pressures

\$3.6 Million – Costs to Maintain Status Quo Service Levels

\$1.4 Million – Economic Development Debt Issuance

\$0.9 Million – Various Miscellaneous

Budget Overview – City Departments

(\$12.2) Million – Expenditure Decreases / Revenue Increases

(\$4.3) Million – Increase in Interest Income Revenue









(\$2.4) Million – Property Taxes Resulting from New Assessment Growth

(\$2.2) Million – User Fee & Recovery Increases

(\$1.9) Million – Various Miscellaneous Expenditure Decreases

(\$1.4) Million – Various Miscellaneous Revenue Increases

Budget Overview – ABC's

Agency, Board or Committee	2023 Recommended	2023 Revised	2023 Latest
 Windsor Police Services	\$2,186,452	\$2,186,452	\$1,929,404
 Windsor Essex Housing Corporation	\$1,470,000	\$1,470,000	\$1,470,000
 Essex-Windsor Emergency Medical Services	\$500,000	\$1,358,200	\$1,358,200
 Handi Transit	\$164,707	\$164,707	\$164,707
 Essex Region Conservation Authority	\$111,193	\$111,193	\$111,193
 Invest Windsor Essex	\$75,000	\$75,000	\$75,000
 Windsor-Essex Health Unit	\$66,917	\$66,917	\$66,917
 Arts Council Windsor & Region	\$10,000	\$10,000	\$10,000
Total	\$4,584,269	\$5,442,469	\$5,185,421

2023 Budget Overview (Executive Summary)

A = \$14.8 M

- Recommended Preapprovals & Pressures with Little or No Council Discretion (Recommended)

B = \$4.1 M

- Highest Priority Budget Increases Recommended by Administration (Recommended)

C = \$3.7 M

- Priority Budget Increases Recommended by Admin. to Maintain or Improve Services (Recommended)

D = (\$12.2) M

- Recommended Administrative Budget Cuts / Increased Revenue (Recommended)

F = (\$17.8) M

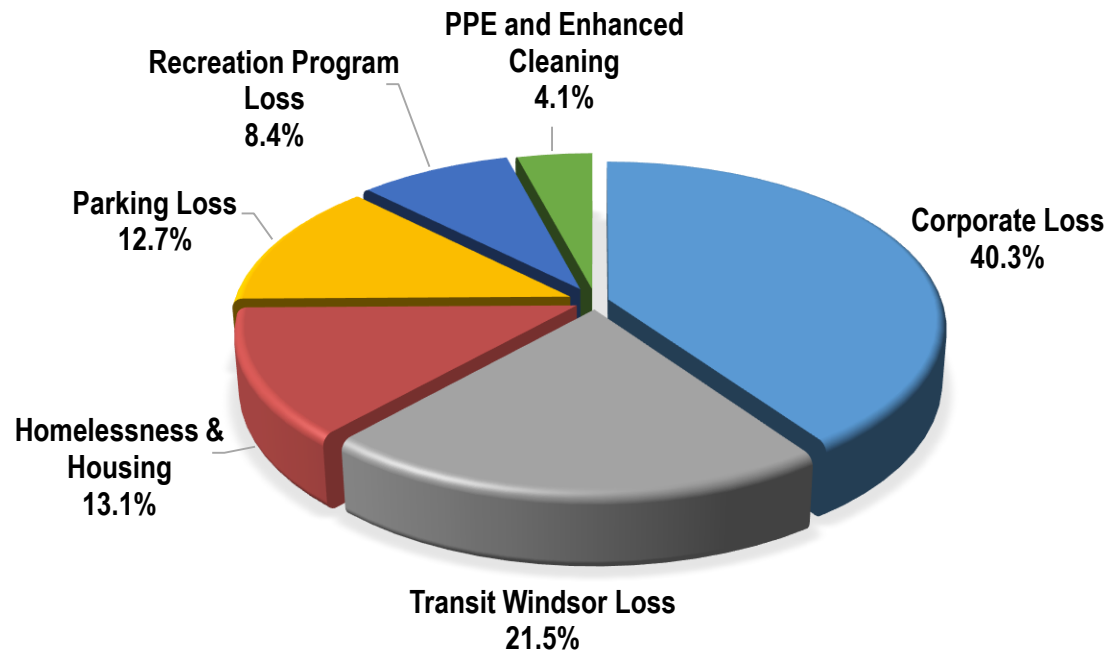
- Other Potential Reductions Options Considered (Not Recommended)

G = \$0.8 M

- Other Potential Enhancement Options Considered (Not Recommended)

2023 Estimated COVID-19 Related One-Time Budget Impacts

Approximately: \$7.5 Million

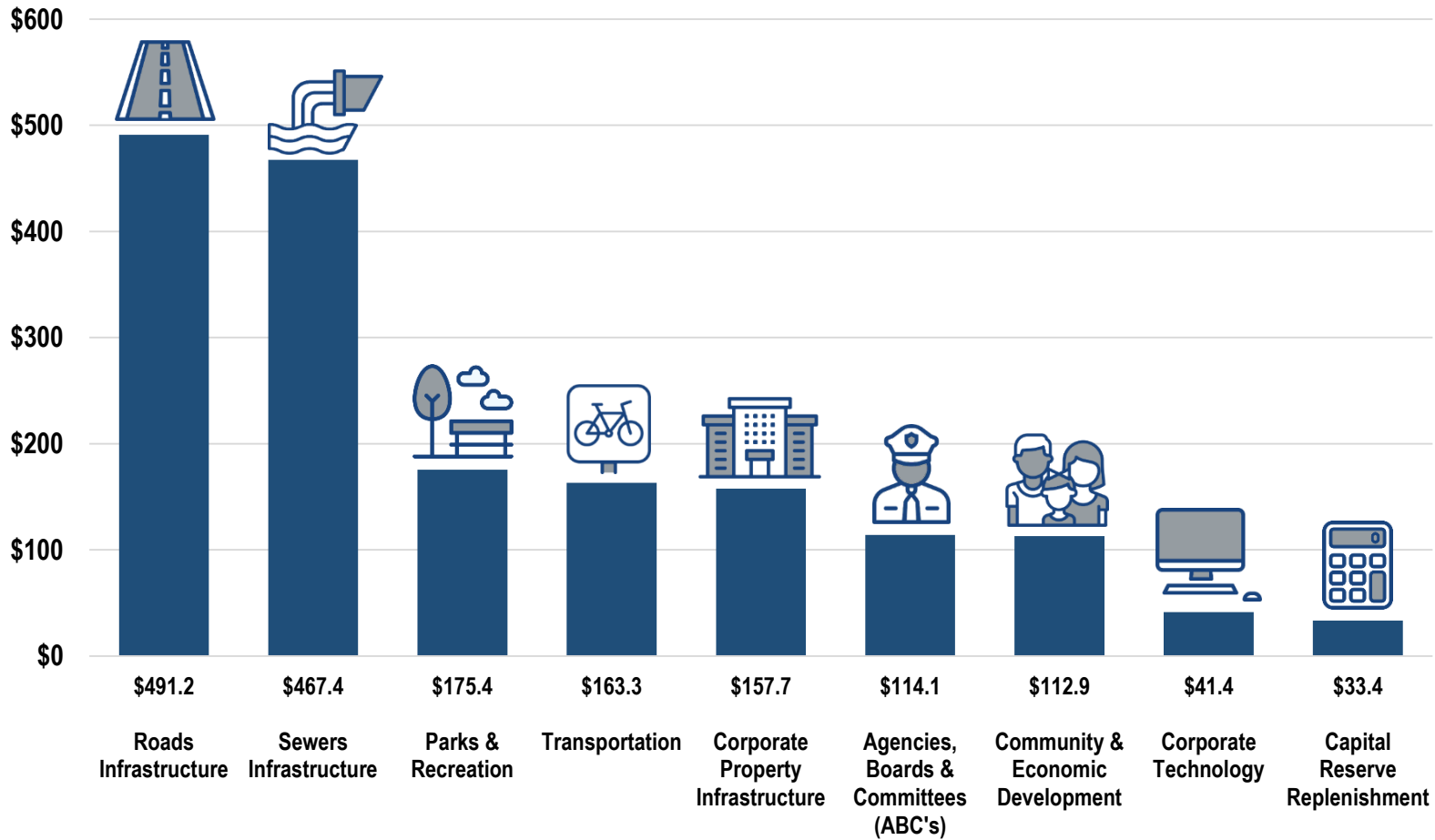


Sewer Surcharge

- *Total Recommended 2023 Sewer Surcharge Revenues of \$97 M*
- *The Recommended budget includes \$10.25 M in additional capital funding for the Sewer Master Plan, increased inflationary pressures, and reserve replenishment.*
- *Proposed 2023 increase to average residential users is \$6.23 / month or \$74.76 / year.*
- *Proposed increase in Commercial / Industrial rates to move closer to actual consumption patterns resulting in a recommended 2023 Commercial / Industrial variable rate of \$3.04 m³; up from \$2.11 m³ in 2022.*
- *The previously approved storm water financing implementation plan is currently being executed with an update to Council planned in 2023.*

2023 Capital Budget

Recommended 10-Year Plan Approximately \$1.8 Billion



Totals shown in \$ Millions

2023 Capital Budget

The 2023 10-year Capital Budget meets the requirements for Ont. Reg. 588/17 for Asset Management Planning



The pre-commitment of capital funding within the immediate 5 year funding window continues to allow for efficiencies & reduced cost when undertaking larger phased projects



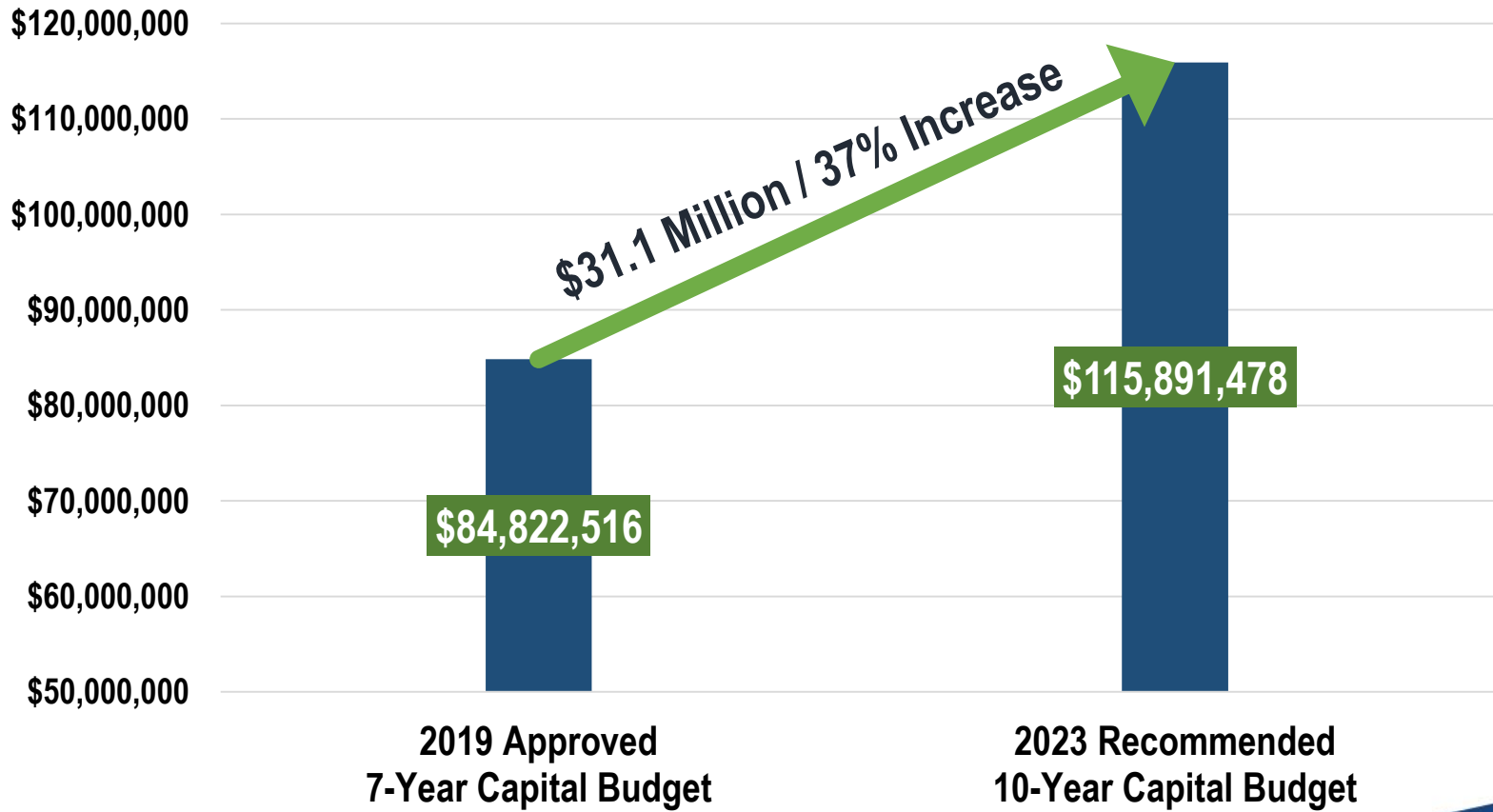
Challenges related to increased inflationary pressures have resulted in the erosion of purchasing power and continue to place pressure on most, if not all, capital programs



The current 10-year plan addresses the City's funding requirements under the Repair & Renew program and provides for investment in the H4 Housing and Homelessness Hub

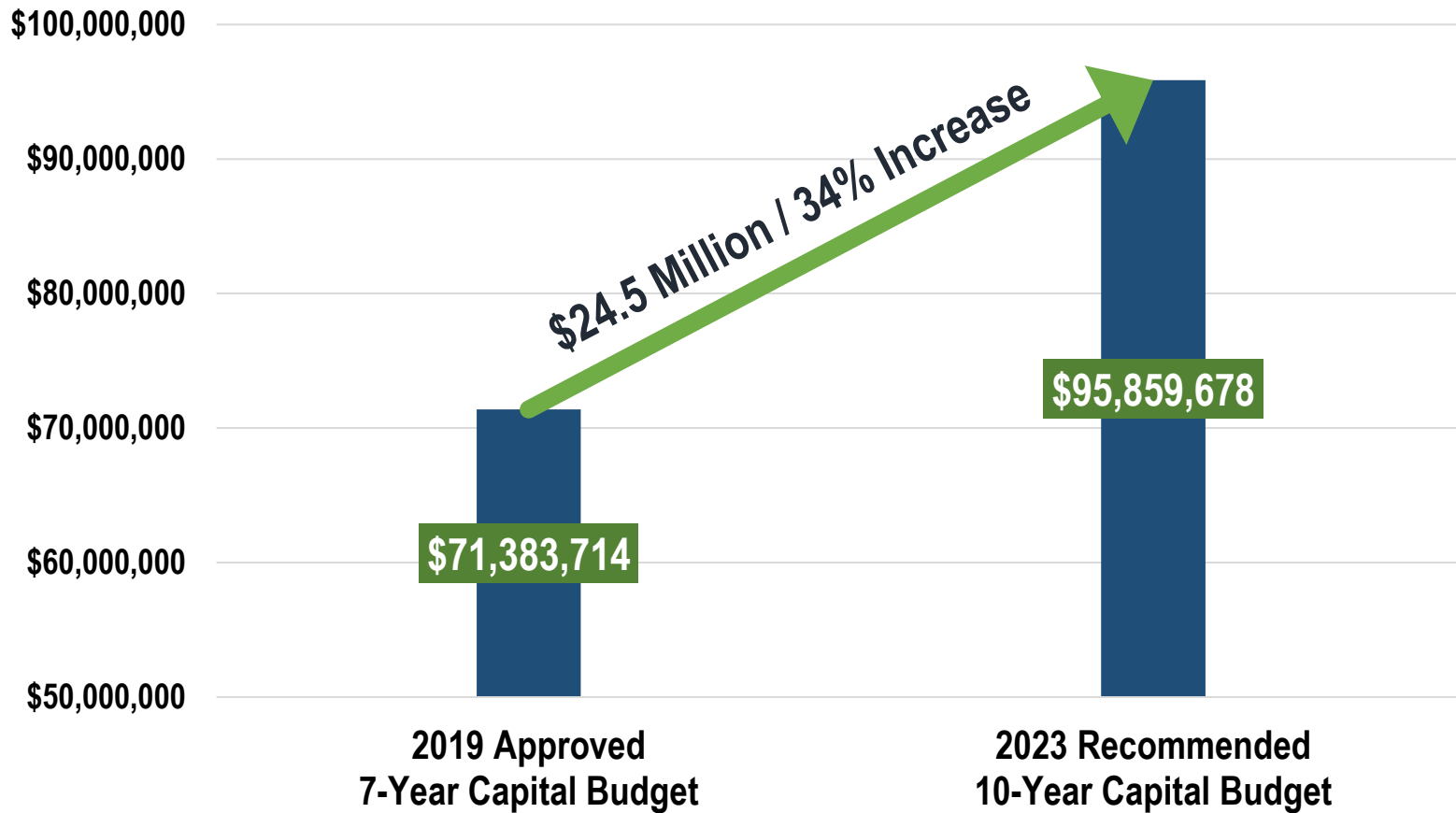
Service Sustainability Investments

2019 Capital Budget vs. 2023 Capital Budget (Annual Average)



Roads & Sewers Infrastructure Increase

2019 Capital Budget vs. 2023 Capital Budget (Annual Average)



Grant Funding

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

- Pursued: \$423.5 million
- Awarded: \$208.8 million
- Pending: \$ 76.5 million

- Administration continues to actively pursue all viable opportunities for funding with a focus on capital project initiatives
- Short response times for grant submissions continue to pose challenges and limit flexibility into 2023 but Administration continues to focus on responding effectively
- Additional challenges related to grants providing fixed funding amounts have the potential to place significant pressures on City funding in the current inflationary environment (eg. DMAF, ICIP)
- It is expected that Federal and Provincial infrastructure funding programs will continue to include climate mitigation and adaption components throughout 2023
- An emerging trend for 2023 are funding programs focusing on the supply of affordable housing that includes adherence to green initiatives and net-zero emission codes

Looking Forward

The City continues to operate at a lean and fiscally responsible budgetary level.



Inflationary & post pandemic pressures continue to place a strain on operational budgets (i.e. inflation, reduced revenues, increased service demands, etc.).



2023 Continues to have some remaining pandemic pressures that will likely require permanent base funding increases 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 and focused efforts on significant economic development growth initiatives on the horizon.

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 in 2024 & 2025.



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)

A continued and balanced approach to 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 (i.e. LTD levels, alternate revenue sources, reserve enhancement, etc...)



Budgetary decisions should continue to consider both the short term & longer term impacts.

Thank you

