



2020 Proposed Business Plan & Budget

As presented to Town Council November 12, 2019



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Tecumseh
Ontario**

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director

Transmittal

In accordance with Council policy and the provisions of The Municipal Act, we are pleased to submit for your consideration the 2020 Proposed Operating, Lifecycle & Reserve Budgets & Business Plans. The proposed budget, including the departmental business plans, supports the Town of Tecumseh's Strategic Priorities as well as the Town's Master Plans.

The budget submission proposes an increase to the municipal tax rate of 0.4%, which will raise an additional \$862,000 over the 2019 budgeted municipal levy. This is equivalent to a 3.7% tax levy increase (3.3% increase net of assessment growth) on the Tecumseh portion of taxes (53% of the total residential tax bill) and represents an increase in the municipal tax bill of approximately \$69 on a property assessed at \$250,000 (the average assessed value of a home in Tecumseh).

The Proposed 2020 Operating Budget:

- Maintains the base 2019 levels of service
- Recognizes assessment growth
- Includes inflationary allowances
- Reflects the Town's user fees
- Addresses contractual labour allowance
- Includes Capital Reserve contributions to support long-term sustainability of Town infrastructure

In closing, we extend our sincere thanks to the Town staff that have worked so diligently to bring forward a budget that maintains service levels and invests in Council's strategic priorities while balancing the affordability of quality programs and services. We look forward to working collaboratively with Council to meet the expectations of our community.

Sincerely,

Margaret Misek-Evans

Chief Administrative Officer

Tom Kitsos

Director Financial Services & Chief Financial Officer



Executive Summary

The 2020 Proposed Business Plan and Budget represents the 2020 Operating, Lifecycle and Reserve Budgets for the Town of Tecumseh as presented to Council on November 12, 2019.

The Municipal General Tax Levy is one of three levies included in property taxes. County Tax Levy and Education Tax Levy are the other two components. The three levies combined comprise the property tax levy and are referred to as the Consolidated Tax Levy. The Estimated Consolidated Tax Levy for Tecumseh property owners for 2020 is \$51,029,000, an increase of 3.1% from 2019.

The Municipal General Tax Levy for 2020 is \$24,182,000, an increase of 3.7% from 2019, to be achieved by a **0.4% increase to the Town's tax rate**. The total estimated assessment change for 2020 is 3.4%, largely due to phase-in increases. Assessment growth is estimated to generate \$100,000 in municipal tax revenue.

The 2020 budget provides for:

- Assessment growth translating into \$100,000 of additional tax revenue for a 0.4% decrease to the general tax levy.
- A \$200,000 increase towards the New Infrastructure Levy (NIL), bringing the annual levy to \$1,550,000, representing a 0.9% increase to the general tax levy. Initiated in 2015, the annual levy target is \$2,350,000 and will help fund known near-term new capital investments.
- A \$188,000 increase towards Lifecycle representing a 0.8% increase to the levy. This increase is required to address new asset additions and specific Lifecycle category deficiencies identified in recent study updates. Details are fully explained in Lifecycle.
- \$20.6 million capital expenditure program supported by Federal Gas Tax grant funding of \$1,127,500 (excluding Sportsplex project).

- Service level enhancements in some areas, including:
 - Additional resources to Fire Services including the addition of two Volunteer Firefighters and a provision for succession planning staff overlap at the Fire Prevention Officer position to provide training
 - Extended Parks and Recreation office hours to include evenings and weekends
 - Parks maintenance which includes goose control and playground maintenance
 - Tree trimming
 - Additional Public Works resources to assist with traffic warrant requests, capital projects and strategic planning.
- Some of the Service level enhancements will require additional staffing resources, detailed thoroughly in Staffing Summary, which will increase payroll and benefit costs by \$215,000 (\$138,000 net of reserve transfer), representing a 0.6% increase to the general tax levy.
- \$222,000 for known employee wage and benefit increases (\$79,000 net of reserve transfer) includes:
 - \$143,000 for 53rd pay period (offset by transfer from reserve)
 - \$79,000 for payroll other (negotiated wage and related benefit increases less reversal of employee retirement payouts less reduction to Council to true-up budget to actual for the impact of income tax changes)
- \$165,000 increase to general operations of which \$71,000 is for the estimated increase to contracted policing costs.
- Increase of 0.4% to Tecumseh's **municipal tax rate**, which will raise an additional \$862,000 over the 2019 budgeted municipal levy.

The goal of the municipal budget process is to produce a **balanced budget** while maintaining the following Town **fiscal policies**:

- The use of Reserve Funds where applicable
- The use of Reserves to fund one-time expenditures
- Debt issuance for long-term projects

The 2020 budget is focused on the following **Strategic Priorities 2019-2022** detailed in Council Report CAO-2019-05:

1. **Smart Growth:** Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
2. **Sustainable Infrastructure:** Ensure that the Town of Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
3. **Community Health and Wellness:** Integrate the principles of health and wellness into all of the Town of Tecumseh's plans and priorities.
4. **Continuous Improvement:** Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
5. **Leadership and Good Governance:** Demonstrate the Town of Tecumseh's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Furthermore, the Town's budget development focuses on a multi-year approach. The current year budget was developed along with forecasts for the ensuing two years.

The budget requires a municipal tax levy increase of 3.7%. When phase-in and assessment growth is taken into account the **average residential property** assessed at \$250,000 will see a \$69 or 3.95% increase. The impact on the various other property classes will vary based on numerous factors.

Future municipal levy increases forecast for 2021 to 2024 are 3.1%, 2.5%, 2.7% and 2.7% respectively.

Table 2.1 details estimated tax levy for an average residential property valued at \$250,000 experiencing phase-in assessment increase of 3.5%. That is, a 2020 assessed value of \$250,000 would be comparable to a 2019 assessed value of \$241,500. The overall impact is a \$123 or 3.69% increase.

Table 2.1	2020	2019	\$Change	%Change
Municipal	\$1,820	\$1,751	\$69	3.95%
County estimate	\$1,226	\$1,166	\$60	5.07%
Education estimate	\$383	\$389	\$(6)	(1.62)%
Total	\$3,429	\$3,306	\$123	3.69%

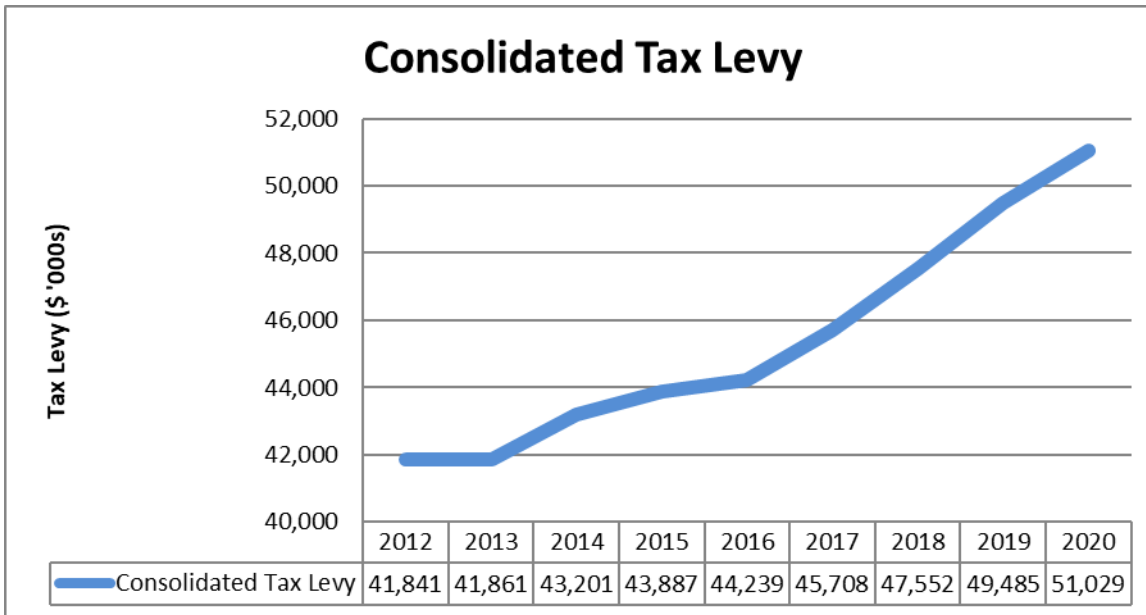
Table 2.2 details estimated tax levy per \$100,000 in assessment for a commercial property experiencing phase-in growth of 0.0%, which is the average for the Town commercial properties based on preliminary 2020 assessment data. Based on a phase-in increase of 0.0%, 2019 comparable assessment would be \$100,000. The overall impact is a \$19, or 0.73% levy reduction per \$100,000 of assessed value.

Table 2.2	2020	2019	\$Change	%Change
Municipal	\$788	\$785	\$3	0.41%
County estimate	\$530	\$523	\$8	1.50%
Education estimate	\$1,260	\$1,290	\$(30)	(2.33)%
Total	\$2,578	\$2,598	\$(19)	(0.73)%

Table 2.3 details estimated tax levy per \$100,000 in assessment for an industrial property experiencing phase-in growth of 1.0%, which is the average for Town industrial properties based on preliminary 2020 assessment data. Based on a phase-in increase of 1.0%, 2019 comparable assessment would be \$99,000. The overall impact is a \$6, or 0.17% levy increase per \$100,000 of assessed value.

Table 2.3	2020	2019	\$Change	%Change
Municipal	\$1,415	\$1,395	\$20	1.43%
County estimate	\$952	\$929	\$23	2.53%
Education estimate	\$1,240	\$1,277	\$(37)	(2.91)%
Total	\$3,607	\$3,601	\$6	0.17%

As illustrated in Tables 2.1 to 2.3, the estimated consolidated levy change will vary between properties. The recent historical trend has been, and continues to be, a shift of tax burden from Commercial/Industrial properties to Residential properties due to the relative impact of the Education levy and assessment weakness of the Commercial/Industrial classes.

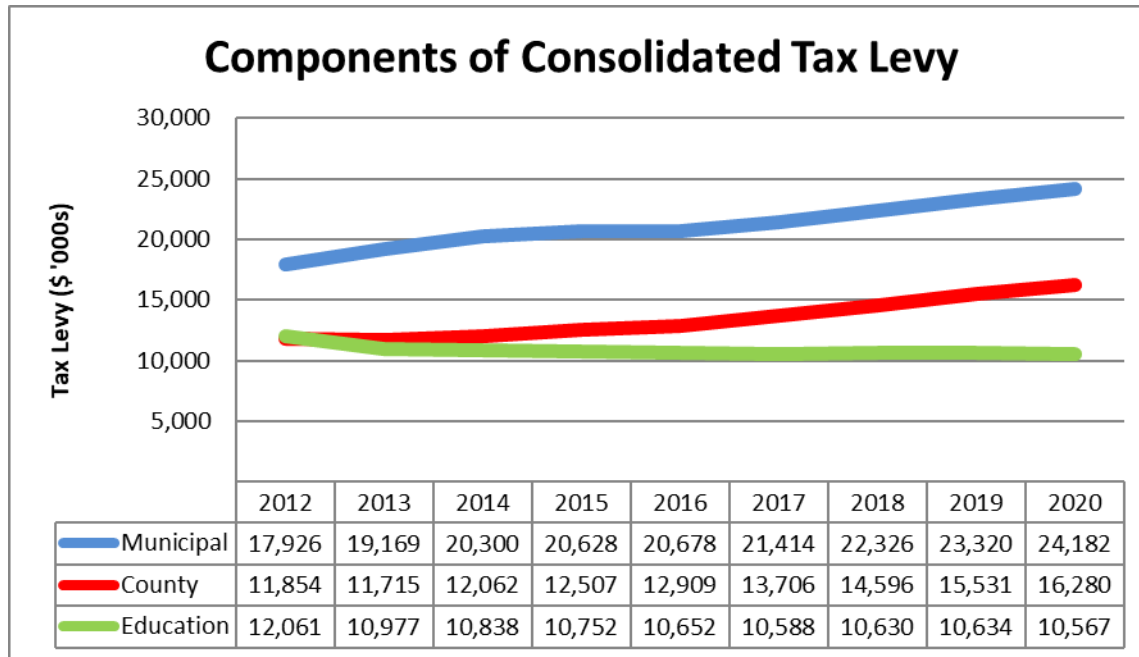


The chart above tracks the recent trend of the consolidated levy, whose annual increase has ranged from 0% to 4% during this time frame and has averaged 2.2%.

It is important to note that the 2020 County and Education levies are estimates. The estimated County levy increase is based on recent trends with respect to both gross County levy increases and the Town's proportionate share of that levy. The Town's proportionate share of the County levy bottomed in 2015 and has begun to increase the last three years as assessment growth in the Town has marginally surpassed average assessment growth of the other lower tier municipalities in the County.

The estimated Education levy decrease is based on recent trends due to province-wide assessment shifts and the 2016 Current Value Assessment figures (for tax years 2017 – 2020).

The following chart illustrates recent trends of the component tax levies.



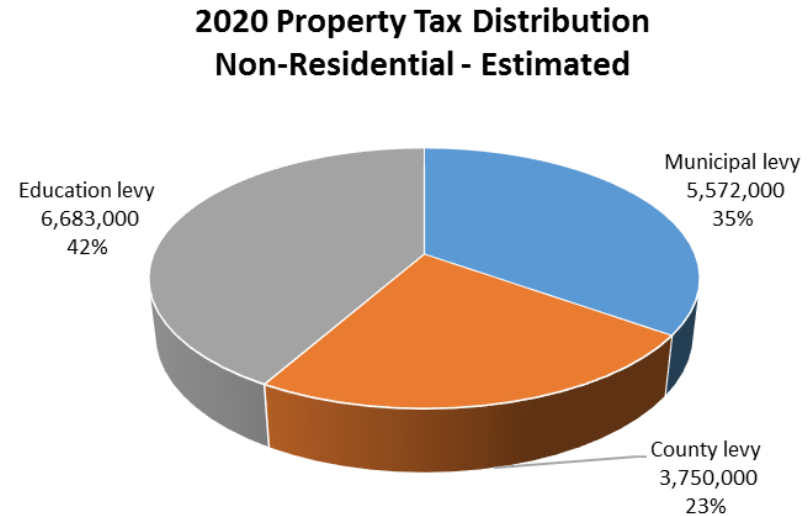
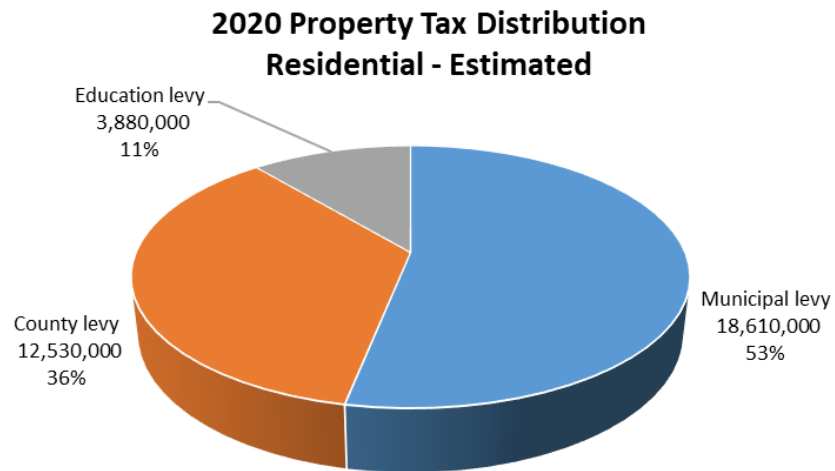
Current Value Assessments (CVA) of all properties in Ontario are updated periodically by MPAC. The latest update occurred during 2016, valuing all properties as at January 1, 2016 and forms the basis of property assessment for taxation years 2017 to 2020. The next update is in progress and will value properties as at January 1, 2019 and will form the basis of property assessment for taxation years 2021 to 2024.

Based on figures made available by MPAC, CVA for Ontario properties, on average, increased 23% over 2012 valuation. The CVA for Tecumseh properties increased by 14% during that same re-valuation. This disparity in assessment valuation change affects the Education levy imposed on municipalities as the Education levy is assessed province-wide. Declining proportion of province-wide assessment combined with a relatively stable provincial education levy has resulted in declining Education levies for the Town. This trend has continued throughout the current assessment cycle (2017-2020).

The estimated consolidated levy increase will impact property classes differently as Municipal/ County/Education levy weightings differ for Residential versus Non-residential classes. Additionally, CVA updates from the 2012 base year to the 2016 base year have shown larger increases to Residential valuations as compared to increases to Non-residential valuations within Tecumseh.

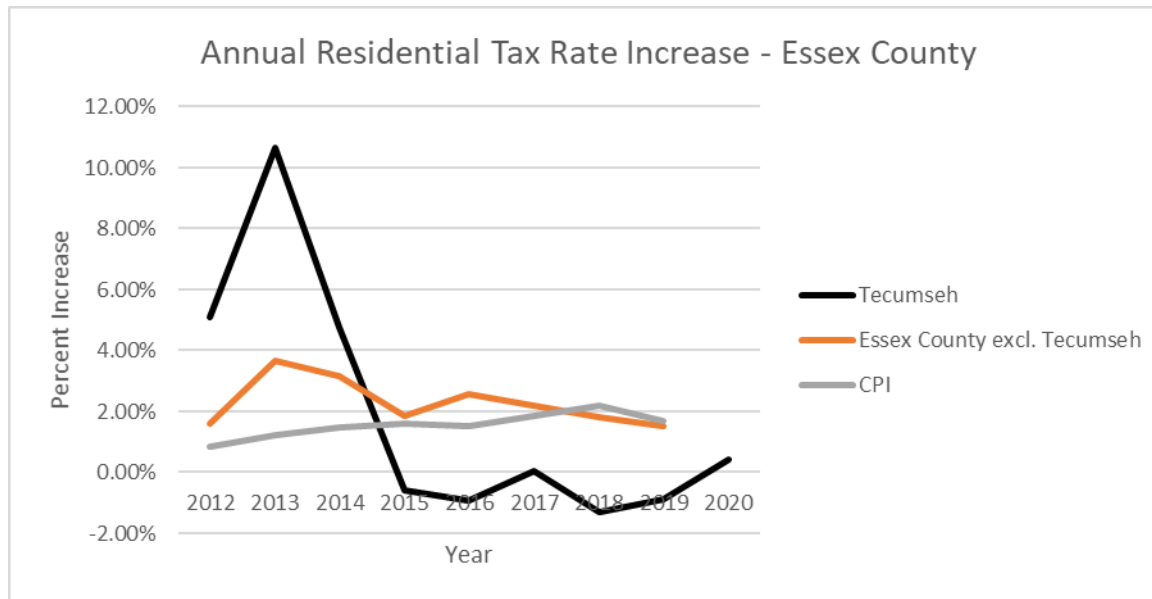
The recent trends of increasing Municipal and County levies and declining Education levies combined with Residential CVA increases exceeding Non-residential CVA increases within Tecumseh has resulted in a shift in total tax burden from Commercial/Industrial classes to Residential classes. This means that generally speaking, Residential properties will experience a larger percentage levy increase than Non-residential properties.

The following charts illustrate the composition of the consolidated levy for Residential versus Non-residential properties.



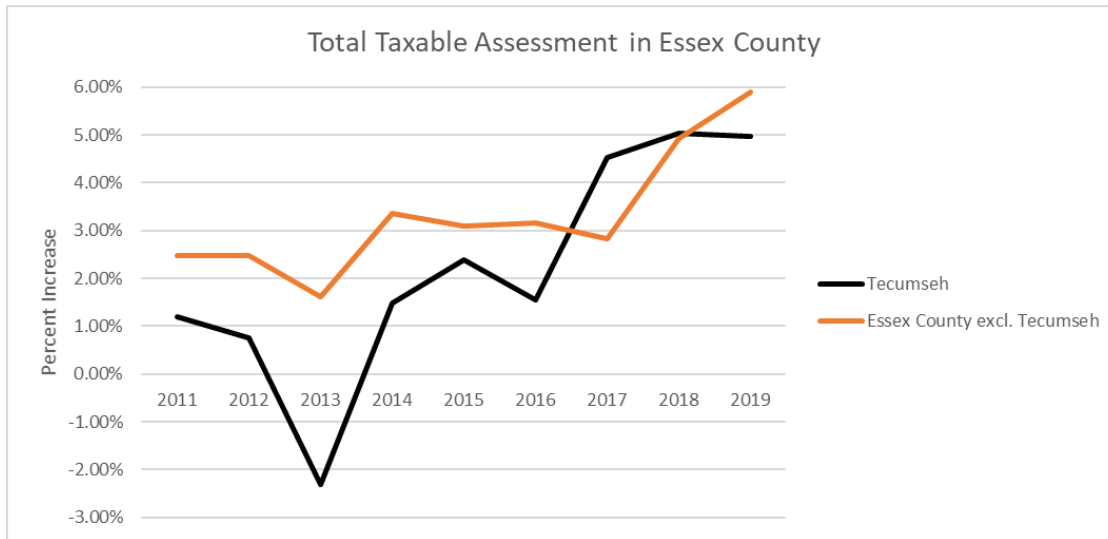
Comparable Tax Rates and Assessment

The chart below illustrates the annual change to the residential tax rate for Tecumseh as compared to the Essex County lower tier average and annual CPI since 2012.

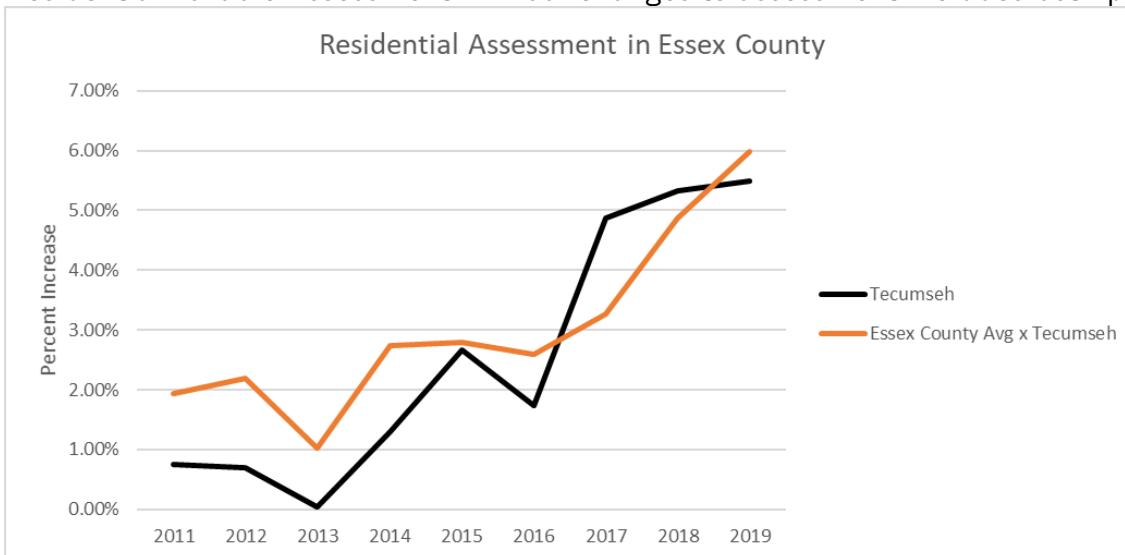


Tecumseh's annual tax rate increases have been at 0% or less for the last five years, following three years of relatively high increases. A modest increase of 0.4% is proposed for 2020. On average during the period shown, Tecumseh's annual tax rate increase is 2.1% as compared to the Essex County lower tier average of 2.3% and CPI of 1.6%. Note that the Tecumseh average includes 2020 figures that are not yet available for the County or CPI.

The spike in Tecumseh rates during 2012-2014 was due in part to negative total assessment growth particularly with respect to Industrial properties. Tecumseh has the greatest exposure to the Industrial class with 6.7% of total taxable assessment within this category (2019). In contrast, the Industrial class category represents 2.8% of total taxable assessment for the average of Essex County lower tiers (2019).



The impact of the Industrial sector can be seen when comparing annual changes to Total Taxable Assessment to annual changes to Residential Taxable Assessment. Annual changes to assessment includes both phased-in CVA increases and assessment growth.

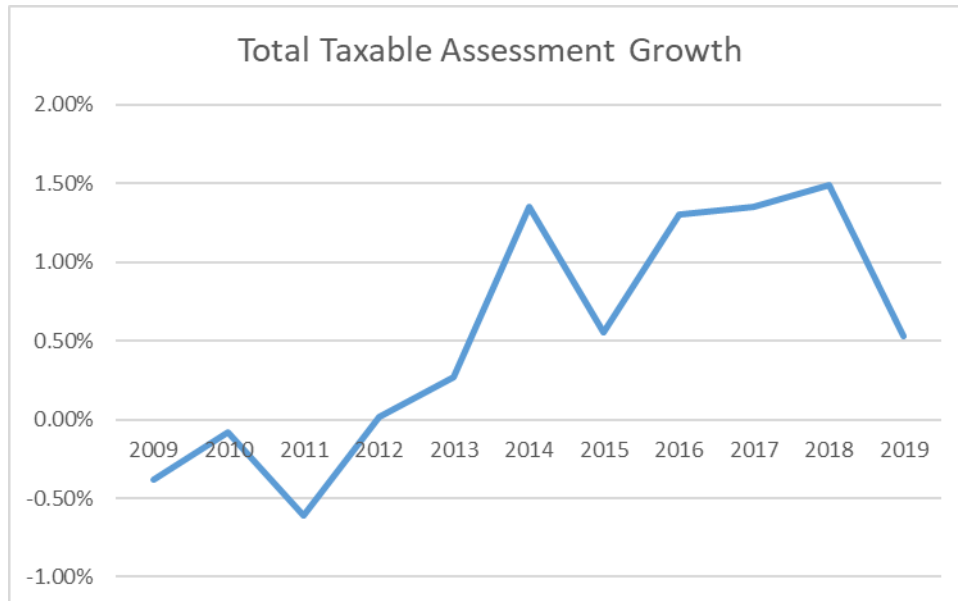


Challenges

Major factors that will challenge the Town's ability to manage the tax levy include:

- Stagnant revenue streams for most billable services, such as Arena rentals, will remain throughout the budget timeframe. This puts added pressure on the general tax levy.
- Large capital expenditures will be required to enable assessment growth to continue. The DC Study update, effective September 2019, estimates growth-related capital expenditures to be \$36 million over the next five years, with \$9 million of that figure to be borne by the general tax levy.
- The jump in assessment growth peaked in 2018 as most residential development projects were completed. Continued assessment growth is anticipated for this budget timeframe, however at a lower rate.
- The Town has a Post-Retirement Benefits liability of approximately \$11.5 million with \$1.8 million in reserves (2019 year-end forecast). Contributions to this reserve have been made on an irregular basis only. Prudent financial management would include a systematic process to funding this liability. The Town no longer provides this benefit to new employees. The Town has implemented a new Investment Policy, which includes investing the reserve funds in the equity market through the LAS Investment Program.
- Lifecycle Program – The 10-year program to fully fund replacement of existing assets was reached with the 2014 budget. However, as additional assets are added and studies undertaken it is imperative to adjust the annual requirement on a year to year basis. Although most Lifecycle categories are well-funded and generally require periodic inflationary increases, recently completed studies, including the (Tecumseh) Storm Drainage Master Plan and the Culvert Need Study highlighted areas that may require significant costly remedies. Studies to be completed during 2020, including the (Oldcastle Hamlet) Storm Drainage Master Plan and the Parks and Recreation Master Plan are likely to show significant cost increases as well. In addition, the Drain LC is experiencing significant pressure as a result of the increase in drain activity continuing over the next number of years.
- New Infrastructure – The Town's ability to finance new infrastructure continues to be limited. A New Infrastructure Levy was initially established with a target of \$1.3 million. While this levy is substantial, it isn't adequate to fund the new infrastructure on the horizon, i.e. Multi-Use Sportsplex, Tecumseh Main Street CIP Streetscape Plan, Park and Trail Enhancements, Share of Development Charge Projects, etc. The 2020 budget proposes an increase in the New Infrastructure Levy (NIL) of \$200,000 in 2020, along with projected annual increases of \$200,000 in each of 2021 to 2024 to reach an annual updated target amount of \$2,350,000 (allocation of \$550,000 to fund the Sportsplex project; \$1.8 million to fund other new infrastructure).

- Lottery license litigation has been ongoing since 2009. The Town is a defendant in a class action suit seeking the repayment of all licensing fees paid by gaming licensees between at least 1990 and the present. The Town's liability if unsuccessful in defending the claim could be in the millions of dollars.
- Assessment Growth History has been modest.



Annual taxable assessment growth has declined in 2019 however is expected to improve during this three-year budget timeframe.

Grants

The strategy of maintaining budget flexibility with the lifecycle program and reserve accumulation has enabled the Town to take advantage of recent senior government capital infrastructure initiatives (COMRIF, RinC, Build Canada Fund, Infrastructure Stimulus Fund, OCIF and CWWF). Without funding from senior government sources, many large capital infrastructure projects would be deferred or unattainable. The Town's ability to continue to take advantage of these programs is somewhat limited, as significant amounts of reserve funds have been utilized.

Federal Gas Tax funding of approximately \$1 million per year is incorporated within the Town's Lifecycle Roads annual allocation. The Federal government announced a one-time fund doubling of the 2018 allocation, which was received by the Town in 2019 and will likely be used towards a future Storm sewer related capital project.

Emphasis on reserve funding is becoming more important going forward as the province recently announced the Ontario Community Infrastructure Fund (OCIF) grant funding program. Tecumseh received \$494,000 in 2017, \$700,000 in 2018 and \$1,077,000 for 2019 under the formula allocation program. The Town also received a Top-Up grant of \$806,000 in 2017.

The OCIF also has an application based process for which the Town has been unsuccessful in obtaining an allocation. This component of OCIF is merit based and weighted towards municipalities with less than average household income and property assessment base.

Note that OCIF grant funding for 2020 has not been confirmed by the province. The future of this program is uncertain.

In 2018, the Town was successful in receiving a Canada Water/Wastewater Fund (CWWF) allocation of \$1,678,000. These funds, combined with the OCIF 2017 allocation of \$494,000 and the Top-Up allocation of \$806,000 allowed the Town to embark on a \$3,637,000 Sanitary Sewer Collection System Rehabilitation Project with a Town contribution of only \$559,000.

The Town has recently made an application to the Investing in Canada Infrastructure Program (ICIP), Culture and Recreation Stream grant for the Multi-Use Sportsplex. The estimated capital cost is \$54,005,000. For the 2020 Proposed Budget, 73% grant/27% Town funding (reserves, debt, fundraising) was assumed (as authorized by Council SCM-15/19). It is anticipated that successful Canada/Ontario Infrastructure grant funding will be announced in early 2020 with potential construction beginning later in the year.

Within the broader public sector, advocates have been vocal regarding the need to establish a national infrastructure strategy to provide a sustainable infrastructure funding program, in partnership with federal, provincial and municipal governments. Until such a strategy is introduced, municipalities will continue to struggle with investments in upgrades and refurbishing of capital infrastructure assets. In addition, programs that are periodically announced by federal and/or provincial governments reflect priorities which may not be consistent with local priorities.

**Town of Tecumseh
2020 Draft 2 Budget
Consolidated Tax & Rate**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Taxes	22,414,667	23,323,140	23,320,357	24,182,190	861,833	3.70%	25,034,772	25,807,961
Supplementary Taxes	520,379	170,000	230,000	200,000	-30,000	-13.04%	200,000	200,000
Right of Way	15,688	15,629	15,000	15,000	-	- %	15,000	15,000
Special Charges	1,019	1,019	1,019	1,019	-	- %	1,019	-
Payments in Lieu	71,445	72,587	71,100	72,500	1,400	1.97%	72,500	72,500
Total Taxation	23,023,198	23,582,375	23,637,476	24,470,709	833,233	3.53%	25,323,291	26,095,461
Taxation Allocated To Capital	9,124,000	9,374,000	9,374,000	9,762,000	388,000	4.14%	10,162,000	10,562,000
Net Taxation Available for Operating	13,899,198	14,208,375	14,263,476	14,708,709	445,233	3.12%	15,161,291	15,533,461
Grants	522,616	506,389	471,436	379,063	-92,373	-19.59%	333,407	333,407
User Charges	11,422,632	11,337,543	11,798,070	12,157,136	359,066	3.04%	12,444,136	12,816,136
User Charges Allocated to Capital	3,692,676	3,921,068	4,166,584	4,379,805	213,221	-5.12%	4,564,269	4,780,681
Net User Charges Available for Operating	7,729,956	7,416,475	7,631,486	7,777,331	145,845	1.91%	7,879,867	8,035,455
Licences and Permits	643,181	543,064	583,450	635,950	52,500	9.00%	635,950	555,950
Fines	101,992	100,978	128,550	108,550	-20,000	-15.56%	105,550	105,550
Penalties and Interest	378,375	383,354	380,000	380,000	-	- %	380,000	380,000
Investment Income	1,318,151	1,478,969	1,189,175	1,192,309	3,134	0.26%	1,192,309	1,192,309
Other Income	563,533	595,170	599,465	608,675	9,210	1.54%	619,245	629,815
Revenues Before Transfers	25,157,002	25,232,774	25,247,038	25,790,587	543,549	2.15%	26,307,619	26,765,947
Transfers from Reserves	1,000,535	488,801	591,609	842,719	251,110	42.45%	429,567	402,067
Total Revenues	26,157,537	25,721,575	25,838,647	26,633,306	794,659	3.08%	26,737,186	27,168,014
Wages	7,620,346	7,909,014	8,091,400	8,559,127	467,727	5.78%	8,581,120	8,726,413
Benefits	2,131,055	2,253,102	2,404,764	2,501,403	96,639	4.02%	2,496,006	2,532,420
Total Wages & Benefits	9,751,401	10,162,116	10,496,164	11,060,530	564,366	5.38%	11,077,126	11,258,833
Long Term Debt Charges	1,019	1,019	1,019	1,019	-	- %	1,019	-
Office Supplies & Equip Mtnce	312,955	272,804	274,649	314,680	40,031	14.58%	316,641	320,882
Memberships	41,561	51,338	54,276	55,926	1,650	3.04%	57,015	58,815
Professional Development	156,972	150,851	190,650	214,350	23,700	12.43%	212,550	209,550
Maintenance Materials & Supplies	1,095,144	973,345	943,640	1,023,490	79,850	8.46%	988,513	1,004,975
Purchases for Resale	1,569,251	1,495,952	1,594,800	1,594,550	-250	-0.02%	1,631,550	1,670,550

**Town of Tecumseh
2020 Draft 2 Budget
Consolidated Tax & Rate**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Maintenance Services	908,253	942,809	857,080	945,245	88,165	10.29%	944,301	944,657
Contract Services	6,927,737	7,225,949	7,250,621	7,469,852	219,231	3.02%	7,573,888	7,738,430
Professional Services	644,470	653,334	652,500	587,073	-65,427	-10.03%	471,230	436,730
Vehicle & Equipment Leases	2,329	3,074	3,020	3,020	-	- %	3,020	3,020
Utilities	802,561	835,487	922,520	933,060	10,540	1.14%	950,520	968,330
Insurance	466,122	388,454	487,900	389,000	-98,900	-20.27%	396,704	404,563
Grants & Donations	500,764	132,306	256,000	236,000	-20,000	-7.81%	286,000	286,000
Other	418,187	423,909	436,944	444,928	7,984	1.83%	430,960	430,960
Financial Expense	159,105	136,185	226,900	226,900	-	- %	251,900	276,900
Expenditures Before Transfers	23,757,831	23,848,932	24,648,683	25,499,623	850,940	3.45%	25,592,937	26,013,195
Transfers to Reserves	2,627,003	2,325,061	1,189,965	1,133,675	-56,290	-4.73%	1,144,245	1,154,815
Total Expenditures	26,384,834	26,173,993	25,838,648	26,633,298	794,650	3.08%	26,737,182	27,168,010
Net Expenditures	227,297	452,418						



2020 Budget Reconciliation for PSAB Adjustments

O. Reg. 284/09

The *Municipal Act, 2001* Regulation 284/09 (O. Reg. 284/09) Section 1 allows a municipality to exclude all or a portion of the following expenses from the budget estimates:

- Amortization expenses,
- Post-employment benefits expenses,
- Solid waste landfill closure and post-closure expenses.

Section 2 (1) goes on to require a municipality **before adopting a budget for the year** that excludes any of the above items, to prepare a report about the excluded expenses and adopt the report by resolution.

Section 3 requires the report to include at least the following:

- An estimate of the change in the accumulated surplus to the end of the year resulting from the exclusion of the above expenses, and
- An analysis of the estimated impact of the exclusions on the future tangible capital asset funding requirements of the municipality.

The information presented in this section of the budget document fulfills the reporting requirements of O. Reg. 284/09.

Budget Reconciliation

The PSAB Handbook requires that budget numbers be included in the Financial Statements using the same Basis of Accounting that is used for actual results. The issue facing municipalities is that municipal budgets have typically been prepared on a cash basis with the main focus being the determination of the tax levy required.

The requirements of O. Reg. 284/09 force reconciliation between the typical cash budget and the Financial Statements for those expenses noted above.

Estimated Impact of Future Benefit

Future benefit expense is generally related to the Town's sick leave benefit plan, and health and dental benefits for retired employees. There is no legislated authority requiring a municipality to fully fund these benefits. However, it is sound financial planning to do so where possible.

The chart below indicates the Town's total estimated unfunded liability for Future Benefits is \$10.6 million and that on an annual basis in 2020 funding is estimated to be in a \$0.9 million deficit position.

Status of Future Benefit Liabilities

	2020	2019	2018
	Budget	Estimated	Actual
Sick Leave			
Accrued Benefit Liability	\$382,100	\$347,100	\$356,500
Reserve	312,100	312,100	356,500
Unfunded/(Funded) Balance	70,000	35,000	-
Annual Expense	35,000	35,000	36,300
Benefits Paid	0	44,400	19,700
	35,000	(9,400)	16,600
Contribution to reserve	-	-	-
Net Annual Funding Deficit/(Surplus)	35,000	(9,400)	16,600
Health and Dental			
Accrued Benefit Liability	\$12,361,300	\$11,488,100	\$10,606,700
Reserve	1,826,400	1,773,200	1,729,000
Unfunded Balance	10,534,900	9,714,900	8,877,700
Annual Expense	1,000,000	1,000,000	880,400
Benefits Paid	126,800	118,600	126,800
	873,200	881,400	753,600
Contribution to Reserve	-	-	-
Net Annual Funding Deficit	873,200	881,400	753,600
Total Unfunded Balance	10,605,000	9,749,900	8,877,700
Total Net Annual Funding Deficit	908,200	872,000	770,100

The Town generally funds current year sick leave payouts from current year budget allocations.

The impact of Health and Dental Benefit will lessen over time as post-retirement benefits have been grandfathered to existing employees when the benefit was terminated.

In 2016, Council adopted Investment Policy No. 87. The effect of the Policy allows the Town to invest in the ONE Equity Portfolio. The purpose of doing so allows the Town to invest the Post-Retirement Reserve Funds in the stock market. The expectation is that the return on this portfolio will be greater than that earned on current investments thus reducing the Total Unfunded Balance for Health and Dental.

Estimated Impact of Solid Waste Landfill Closure: Solid waste landfill closure costs deal with the ongoing costs of maintaining a landfill once it no longer accepts waste. There is no legislated authority requiring a Municipality to fully fund these costs. However, it is sound financial planning to do so where possible.

Status of Solid Waste Landfill Closure

	2020 Budget	2019 Estimated	2018 Actual
Accrued Benefit Liability Reserve	\$ 617,600	\$ 615,600	\$ 611,100
Unfunded balance	617,600	615,600	611,100
Annual expense	31,000	31,000	30,500
Benefits paid	29,000	26,400	26,400
	2,000	4,600	4,100
Contribution to reserve	-	-	-
Net annual funding (surplus)/deficit	2,000	4,600	4,100

Landfill #3 is closed so we do not expect this liability to increase significantly unless there is an unplanned increase in requirements for maintaining the site.

Unused Vacation Liability: Although O. Reg. 248/09 does not require comment, the Town has a liability for unused vacation days that has not been fully funded in the past. This liability is a result of employees generally not being able to take vacation days until after their hire anniversary date and employees' ability to bank up to 10 days carry forward. There is no legislated authority requiring a municipality to fully fund these costs. However, it is sound financial planning to do so where possible.

Typically these funds are not paid out but are taken as days off in the following year. Payments that occur upon retirement are funded out of current year budget allocations or reserves.

Status of Vacation Leave Liability

	2020 Budget	2019 Estimated	2018 Actual
Liability	\$ 346,000	\$ 346,000	\$ 345,800
Reserve	306,400	331,900	336,500
(Funded)/Unfunded Balance	39,600	14,100	9,400

Estimated Impact of Excluded Amortization on Future TCA Funding Requirements: The chart below compares the capital funding included in the 2020 budget to the estimated amortization cost for 2020.

	Tax/Rate Funding	Amortization Estimate	Difference
Capital Tax Levy	\$9,762,000	\$6,014,000	\$3,747,100
Gas tax allocated to Lifecycle	1,127,500	-	1,127,500
	10,889,500	6,014,000	4,874,600
Sanitary Sewer Rate	2,454,700	711,300	1,743,400
Water Rate	1,925,100	962,600	962,500
	15,269,300	7,688,800	7,580,500

Amortization expense is an estimate of the consumption of future benefits from past investment in capital assets. It takes the asset's historical cost and spreads it evenly over the expected useful life of the asset. This amortization period can range from 3 years up to as many as 65 years depending on the nature of the asset. Amortization does not take into account inflation, service upgrades or increase in standards. Therefore, funding only for amortization will not provide sufficient funding for replacement in most cases.

The Town adopted a Lifecycle program in 2005 for funding tax supported assets. This program is designed to provide the Town with sufficient funds to replace existing assets. Annual allocation to service areas is based on a review of existing assets and estimated replacement costs.

Water and Wastewater contributions are based on the 2015 Water and Wastewater Rate Study prepared in-house by Financial Services staff, which takes into account lifecycle requirements.

Neither amortization nor the lifecycle program deals with the issue of new capital requirements. As part of the 2015 budget, the implementation of a special New Infrastructure Levy (NIL) was approved to begin addressing the funding issues raised by funds required for new infrastructure. The current levy is \$1,350,000 with an additional \$200,000 budgeted for 2020.

Estimate of the Change in Accumulated Surplus due to Excluded Expenses: The chart below starts with the 2020 surplus per the budget excluding reserve transfers, long term debt incurred and other financing items included in the budget. Various PSAB adjustments are then required to arrive at the surplus to be reported for Statement purposes.

2020 Accumulated Surplus Reconciliation	
2020 Surplus	Amount
Budget surplus/(deficit) for the year	<u>\$(14,311,191)</u>
Add:	
Share of government business enterprise surplus	748,000
Landfill post-closure expenditures	29,000
Gain/(loss) on disposal of tangible capital assets	(28,069)
Capital expenditures	<u>70,979,375</u>
	<u>71,728,306</u>
Less:	
Accrued interest expense	(3,600)
Dividend from government business enterprise	447,000
Employee future benefits expense	908,000
Landfill post-closure expense	31,000
Amortization	<u>7,688,786</u>
	<u>9,071,186</u>
PSAB Surplus per Statement of Operations	48,345,929
PSAB Opening surplus (estimated)	<u>265,338,556</u>
PSAB Surplus end of year	<u><u>313,684,485</u></u>

The PSAB Surplus does not mean there is a large amount of cash available to reduce taxation. Rather, it only serves to indicate the difference between assets and liabilities, recorded in compliance with PSAB, at one point in time. The Town continues to budget on a modified accrual basis to determine the taxation requirements for the municipality.

2020 Full-Accrual Proposed Budget

As mentioned previously, the Public Sector Accounting Board requires budgeted amounts on the financial statements be presented on a full accrual basis. A series of accounting adjustments are completed to convert the budgeted amounts from modified accrual to full accrual. These adjustments include amortization, post-employment benefits, solid waste landfill closure and post-closure expenses. Additionally, the Operating, Capital and Reserve/Reserve Funds budgets are consolidated thereby eliminating interfund transfers. The budgeted surplus does not represent a surplus of cash, but rather it represents the Town's investment in assets.

Town of Tecumseh 2020 Full-Accrual Proposed Budget	
Revenues	Amount
Property taxes	\$24,469,690
User charges	12,901,636
Government transfers	41,683,063
Capital contributions	5,351,900
Investment income	1,133,434
Income from government business enterprise	787,275
Penalties and interest on property taxes	380,000
Other	6,500
(Loss)/ Gain on disposal of tangible capital assets	(28,069)
Total Revenues	86,685,429
Expenses	
General government	\$5,175,342
Protection to persons and property	6,507,757
Transportation	7,330,556
Environmental	11,580,360
Social and family	51,257
Recreation and cultural	5,767,159
Planning and development	1,927,069
Total Expenses	38,339,500
Annual surplus	48,345,929
Accumulated surplus, beginning of year (est.)	265,338,556
Accumulated surplus, end of year	\$313,684,485

Note: The significant budgeted annual surplus is due to the Canada/Ontario Infrastructure grant funding for the Sportsplex. Sportsplex project costs are recorded as 'Construction Works-In-Progress', which is not shown on the PSAB Budget. Construction Works-In-Progress are recorded on the Consolidated Statement Financial of Position, a year-end financial statement.



Recommended New Staffing Enhancements

The 2020 Proposed Budget includes an allowance for an overall increase of 3.96 Full-Time Equivalent (FTE) employees. Additional staff resources were recommended to facilitate desired service level enhancements and/or increased workloads due to a variety of factors including:

- Guidelines from the Office of the Fire Marshal with respect to the level of fire protection services
- Expected quality and level of service of various capital projects and review of development proposals
- Extended arena/recreation facility operating hours
- Expected level of service with regards to Town festivals and events
- Fundraising required for the Sportsplex

Staffing increases are supported by Recommended New Staffing Enhancements (RNSE) forms. An RNSE is completed for staffing increases that are considered permanent in nature. The RNSE forms contain sections on:

- Description of enhancement
- Justification for the request
- Concerns associated with current situation
- Impact to residents should the position not be approved
- Budget impact

A Staffing Resources Summary page can be found following the RNSEs.

The increase is a result of the following additions:

- ICS 0.3 addition – Co-op Summer Student for various ICS initiatives
- Fire Services 0.27 addition – 2 Volunteer Firefighters, one at each station, to increase pool to draw from for fire calls
- Fire Services 0.30 addition – temporary overlap for the Fire Prevention Officer position to provide training prior to retirement
- Public Works and Environmental Services 1.0 addition - Project Technician to support Engineering Services with traffic warrant requests and assist with capital projects and strategic planning
- Arena 1.0 addition – temporary two year Sportsplex Fundraising Coordinator; wages and benefits offset by NIL
- Arena 0.14 addition – additional hours for each part-time position to provide extended hours for program registration during the summer months
- Recreation Programs (Day Camp) 0.29 addition – adding hours (0.16 FTE) to the base to better match resources to program requirements plus additional one-time hours (0.13 FTE) requested for the extra week of summer
- Pool 0.33 addition - adding hours (0.2 FTE) to the base for the Coordinator and Lifeguards to accommodate the anticipated programs and registered participants plus additional one-time hours (0.13 FTE) requested for the extra week of summer
- Corn Festival and Special Events 0.34 addition - one seasonal, part-time Festival and Events Assistant to provide support for the Corn Festival and other community events



Recommended New Staffing Enhancement

Parks and Recreation Department

Position:	Festival and Events Assistant
Department:	Parks and Recreation Department
Service Area:	Parks and Recreation Department

Description of enhancement: Reporting to the Manager Recreation Programs and Events, this seasonal part-time position would provide support to the Parks and Recreation Department as well as be a customer service representative for community events. The general objectives include: providing assistance in the planning, development, coordination and delivery of various festivals and events. Responsibilities include event planning, marketing, administration, training of volunteers, vendor coordination and payment tracking, sponsorship, community exhibitor, and parade entry administration, event staff scheduling and volunteer management, as well coordination and assisting with set-up and tear-down for municipal special events as well as supervision and customer service to evening and weekend outdoor facility rentals. The main focus of the position will be directly related to the Corn Festival operations beginning with planning and following through to the completion of the event, allowing the Manager Recreation Programs & Events to concentrate on her other duties.

The position would be normally scheduled up to 24 hours per week with more hours as required leading up to and including festivals & events. Must be available to work all festivals and events (including work on weekends and evenings hours total 800 hrs. during April – September). This position would be part of the bargaining unit under agreement 702.13.

Justification for the request The Parks and Recreation Department offers festivals & events seven days a week and during the spring/summer months, the department services a number of outdoor rentals at parks, pavilions and sports fields. Rental groups typically require particular set-ups for events that utilizes equipment and/or electrical hook-ups. If a customer arrives to the park/facility and experiences difficulties, or requires direction/clarification, there is currently no onsite staff member to assist and the customer is left to call for assistance (and outside regular office hours the number is referred to a call service). With the introduction of this position, the assistant will be scheduled to work during scheduled rentals to ensure that a member of the department is onsite to meet with the event organizers and assist in matters that may arise.

The Parks and Recreation Department also offers a variety of park pavilions for private use that are used for family picnics, corporate parties, and celebrations. Pavilions are available at Lacasse Park (2), McAuliffe Park (2), St. Mary's Park, Weston Park, and Optimist Park. Often times, pavilions rental groups arrive to the park to find that other people are set-up under the pavilion that they have reserved and they are not comfortable approaching the groups to ask them to move. The assistant will be responsible for posting signage at the pavilions to indicate if/when the pavilion is reserved for a private function. In addition, the assistant can be scheduled on the weekends to travel to each of the pavilion locations to check-in with each of the scheduled rentals to ensure that the facility is meeting their needs. Should any rental groups not be adhering to the terms and conditions of the rental agreement, such as exceeding the Noise Bylaw, the Summer Student – Special Events will be able to address the concern to the rental group.

The Festival & Events Assistant will also be responsible to assist the Manager Recreation Programs and Events with the set-up and tear-down of Town scheduled programs and events such as: Canada Day Celebration and Outdoor Movie Nights. The Assistant will also play a part with the set-up and tear-down of the Tecumseh Corn Festival that includes the transportation of equipment, materials and supplies from the arena storage to the festival grounds and then back.

Impact to residents should the position not be approved: This Festival & Events position will allow the Parks and Recreation Department to provide greater access to services for residents and customers and will provide the necessary support to the entire schedule of events, specifically the Corn Festival, that are currently being completed by the Manager Recreation Programs and Events. Festivals & Events have been growing in our community and currently our staffing resources have not been adjusted to meet and expand this growth. If the position is not approved, future direction of the Corn Festival will require changes due to lack of staffing resources and residents individual events and event request may not be able to be approved, due to lack of staffing resources

Budget impact: The estimated cost for adding this position is \$22,200 including wages and benefits.



Recommended New Staffing Enhancement

Fire and Rescue Services

Position:	Volunteer Firefighter
Department:	Fire Rescue Services
Service Area:	Emergency Services

Description of enhancement: Add two (2) additional permanent volunteer firefighters, one based at each of the stations.

Justification for the request: Currently, during daytime and evening fire calls, the number of available firefighters responding has been slightly lower than required to carry out firefighters' tasks on scene.

This staffing request would be an enhancement to the department's services by providing the following:

- Increasing the number of firefighters by one at each station will give a larger pool to draw from for fire calls, possibly during daytime hours
- These recruits will enable us to continue to train additional firefighters for the future to support department stability and sustainability.

Impact to residents should the position not be approved: Fire suppression operations of the Tecumseh Fire Department combine the challenges typical of a suburban town with those of localities that are more rural:

- Number of firefighters responding to daytime incidents are reduced at the present time;
 - Duties of firefighters on scene may not be able to be performed safely
 - Challenges with providing adequate service during medical, fire calls and emergency situations
- Number of firefighters needs to be slowly increased to meet new standards of training

As identified in the *Fire Protection and Prevention Act (FPPA)*, 1997, the Office of the Fire Marshal, Ontario (OFM) has the authority to issue guidelines to municipalities with respect to fire protection services and related matters. The guidelines are to be used by local municipalities to determine the level of fire protection services required in relation with its needs and circumstances.

Performance measures for fire suppression response are typically measured in two parts:

- First Response – getting the first crew on scene in an accepted time frame; and
- Depth of Response – assembling the appropriate crew resources on scene to begin mitigation of the emergency in an accepted period.

The OFM 10-in-10 performance measure is the minimum response performance measure typically used for Ontario municipalities to benchmark against. For emergency response, the OFM 10-in-10 guideline recommends:

- Minimum of 4 firefighters initially responding;
- Minimum of 10 firefighters within 10 minutes for fire attack team, choosing either aggressive interior fire suppression or rescue operations for 90% of reported fire emergencies; and
- Assembly of the 10 firefighters is calculated from the time the fire department receives the emergency alarm until that fire attack team has arrived at the emergency scene.

Risk Management

- Currently, the number of firefighters may be insufficient to carry out firefighting tasks on scene to meet the OFM recommendation of 10 in 10
- Number of firefighters needs to be slowly increased to meet new standards of training and amount of courses required to meet firefighter curriculum qualifications

Budget impact: The estimated cost of adding two (2) additional permanent volunteer firefighters, one based at each of the stations is \$22,700 inclusive of wages and benefits.

Public Works & Environmental Services

Position:	Project Technician
Department:	Public Works & Environmental Services
Service Area:	Public Works & Environmental Services

Description of enhancement: This permanent full-time position will provide technical and project support to the department of Public Works & Environmental Services. The general objective for this position is to assist with the delivery of capital works projects, infrastructure plans, traffic warrant analysis and to assist in studies and initiatives to facilitate development proposals.

Reporting to the Manager Engineering Services, the Project Technician position will provide additional technical support to the Public Works & Environmental Services Department. Responsibilities would include, but would not be limited to: performing traffic warrant analysis; assisting in the delivery of the approved annual capital works plans; assisting with project documentation (specifications, schedules, technical reports); working to facilitate development proposals; supporting the Manager in coordinating and liaising with the internal project team and external consultants and contractors regarding reports, drawings, submittals and other outstanding issues. The Project Technician will also assist with developing the department annual budget.

Justification for the request: Workload volume, timely response, and the expected quality and level of service of various capital projects and review of development proposals requires an additional resource to assist and support the Manager Engineering Services. Engineering Services is responsible to deliver Council approved capital works projects in a timely and efficient manner. Growing demands, complexities and strategic initiatives related to initiating development support the need for the Town to ensure that its interests and competitiveness are represented.

The current complement staff reporting to the Manager Engineering Services is as follows:

- Drainage Superintendent 0.7 / Engineering Technician 0.3
- Assistant Drainage Superintendent 1.0

Over the years, the Town has experienced a large increase in drainage requests for the repair and/or maintenance of municipal drains. This trend and continued strain on Drainage staff continues. This in concert with the advanced age of the last known Engineer's Report or lack of maintenance work on many of the drains, has led to a significant rise in demand for services from Drainage Staff needed to address the drainage requests. As such, the Drainage Superintendent's full allocation of time is anticipated to continue to be focused on Municipal Drains leaving no time for the engineering component of this position.

Increasingly, staff have been taxed with an escalation of traffic related complaints and enquiries through Ward Councillors on behalf of residents i.e. speed studies, traffic calming options, regulatory modifications, etc. This rise in traffic review is difficult to manage with existing staffing levels.

The Project Technician is therefore necessary as the current staff complement is challenged to complete the increasing demands of Engineering Services. Overtime is currently being worked by staff members to keep up as efficiently as possible with the demand and at present levels; however, it is becoming more difficult to provide the level of service required and expected of Engineering Services.

Impact to residents should the position not be approved: If the requested enhancement is not approved, the Manager Engineering Services will be required to prioritize the services delivered by the Engineering Services Division, which may result in less than satisfactory level of service regarding capital projects. This permanent full-time position will be key in supporting Engineering Services with traffic warrant requests and assisting the Manager with capital projects and strategic planning to facilitate economic growth and development.

Budget impact: The estimated cost for adding this position is \$91,500 including wages and benefits and is funded 33.3% from the Water budget, 33.3% Wastewater budget and 33.3% from the Roads budget.

Information & Communication Services (ICS)

Position:	Co-op Summer Student
Department:	Information & Communication Services
Service Area:	Administration

Description of enhancement: The Information & Communication Services Department is requesting one summer student in 2020 to assist with extra workload anticipated with Town Hall Renovation

Justification for the request: In 2005 when the Town Hall was last renovated all departments were relocated during the renovation period. In 2020, a planned \$3.15M Town Hall Expansion project is anticipated and there will be various times where staff will be relocated due to Town Hall remaining open for business.

Summer Student duties to assist with this process and other ICS initiatives will include but not be limited to:

TOWN HALL EXPANSION

- Set up temporary and ultimately permanent staff workstations including desk phones
- Network setup, testing and security compliance for new addition including setup testing of new ICS and AV related equipment
- Deployment of new network infrastructure (wifi access points, routers, switches) multi-function copiers, workstations, security cameras and audio visual equipment)
- Assist with end-user requests.

OTHER ICS INITIATIVES

- Cyber Security projects
- ICS inventory control, patch management program
- Assist in development and testing of a business continuity plan and disaster recover plan
- Setup and testing of public wi-fi in various locations

Impact to residents should the position not be approved: As the Director ICS is also project lead for the renovation project there will be limited resources in the ICS department to facilitate the additional workload relative to the Town Hall Expansion.

Budget impact: The addition of a Co-op Summer Student for Information & Communication Services Department will require \$11,000 to the operational budget.

Staffing Resources	2018 Budget	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Financial Services	10.30	10.00	10.00	10.00	10.00
CAO	3.00	3.00	3.00	3.00	3.00
Municipal Intern Program	0.00	0.00	0.00	0.00	0.00
Council	0.60	0.60	0.60	0.60	0.60
Total CAO	3.60	3.60	3.60	3.60	3.60
Information Technology	4.00	4.00	4.30	4.30	4.30
Corporate Services/Clerk	6.00	5.70	5.40	5.40	5.40
Human Resources	1.30	1.30	1.60	1.60	1.60
Crossing Guards	2.02	2.02	2.02	2.02	2.02
Total Corporate Services/Clerk	9.32	9.02	9.02	9.02	9.02
Fire Services	9.65	9.65	10.22	9.92	9.92
Roadways	9.64	9.69	10.02	10.02	10.02
Winter Control	1.36	1.56	1.56	1.56	1.56
Agriculture & Reforestation	2.00	2.00	2.00	2.00	2.00
Storm Sewer	1.00	1.00	1.00	1.00	1.00
Total Public Works & Environmental Services	14.00	14.25	14.58	14.58	14.58

Staffing Resources	2018 Budget	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Maintenance	1.40	1.40	1.40	1.40	1.40
Parks	15.33	15.70	15.70	15.70	15.70
Parks Buildings	0.91	1.29	1.29	1.29	1.29
Arena Administration/Rink	9.70	10.38	11.52	11.52	10.52
Concession	1.08	1.08	1.08	1.08	1.08
Recreation Programs	2.69	2.71	3.00	2.87	2.87
Pool	3.28	3.42	3.75	3.62	3.62
Corn Festival	0.25	0.25	0.52	0.52	0.52
Special Events	0.00	0.00	0.07	0.07	0.07
Total Parks & Recreation	34.64	36.23	38.33	38.07	37.07
Building Services	2.90	2.90	2.85	2.85	2.85
By-law Enforcement	1.40	1.40	1.75	1.75	1.75
Planning Services	2.75	2.75	2.40	2.40	2.40
Committee of Adjustment	0.65	0.65	0.65	0.65	0.65
Transit	0.30	0.30	0.35	0.35	0.35
Total Planning & Building Services	8.00	8.00	8.00	8.00	8.00
Sanitary Sewer	2.25	1.50	1.83	1.83	1.83
Water General	2.50	2.50	2.83	2.83	2.83
Watermain	8.62	8.62	8.62	8.62	8.62
Total Water & Wastewater	13.37	12.62	13.28	13.28	13.28
Total Corporation	106.88	107.37	111.33	110.07	109.07

Town of Tecumseh
2020 Draft 2 Budget
General Operating Summary

(excludes Water & Wastewater)

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Taxes	22,414,667	23,323,140	23,320,357	24,182,190	861,833	3.70%	25,034,772	25,807,961
Supplementary Taxes	520,380	170,000	230,000	200,000	-30,000	-13.04%	200,000	200,000
Right of Way	15,688	15,629	15,000	15,000	-	- %	15,000	15,000
Special Charges	1,019	1,019	1,019	1,019	-	- %	1,019	-
Payments in Lieu	71,445	72,587	71,100	72,500	1,400	1.97%	72,500	72,500
Total Taxation	23,023,199	23,582,375	23,637,476	24,470,709	833,233	3.53%	25,323,291	26,095,461
Taxation Allocated To Capital	9,124,000	9,374,000	9,374,000	9,762,000	388,000	4.14%	10,162,000	10,562,000
Net Taxation Available for Operating	13,899,199	14,208,375	14,263,476	14,708,709	445,233	3.12%	15,161,291	15,533,461
Grants	472,247	506,389	471,436	379,063	-92,373	-19.59%	333,407	333,407
User Charges	1,932,399	1,756,490	1,708,570	1,759,636	51,066	2.99%	1,732,636	1,732,636
Net User Charges Available for Operating	1,932,399	1,756,490	1,708,570	1,759,636	51,066	2.99%	1,732,636	1,732,636
Licences and Permits	643,180	543,063	583,450	635,950	52,500	9.00%	635,950	555,950
Fines	101,992	100,978	128,550	108,550	-20,000	-15.56%	105,550	105,550
Penalties and Interest	378,375	383,354	380,000	380,000	-	- %	380,000	380,000
Investment Income	1,318,152	1,478,968	1,189,175	1,192,309	3,134	0.26%	1,192,309	1,192,309
Other Income	544,758	576,120	580,415	589,275	8,860	1.53%	599,845	610,415
Revenues Before Transfers	19,290,302	19,553,737	19,305,072	19,753,492	448,420	2.32%	20,140,988	20,443,728
Transfers from Reserves	843,084	488,800	591,609	842,719	251,110	42.45%	429,567	402,067
Total Revenues	20,133,386	20,042,537	19,896,681	20,596,211	699,530	3.52%	20,570,555	20,845,795
Wages	6,614,035	6,900,830	7,061,480	7,442,552	381,072	5.40%	7,458,186	7,575,405
Benefits	1,822,302	1,958,949	2,082,974	2,139,358	56,384	2.71%	2,134,351	2,164,430
Total Wages & Benefits	8,436,337	8,859,779	9,144,454	9,581,910	437,456	4.78%	9,592,537	9,739,835
Long Term Debt Charges	1,019	1,019	1,019	1,019	-	- %	1,019	-
Office Supplies & Equip Mtnce	268,706	243,048	234,519	274,550	40,031	17.07%	275,797	279,311
Memberships	41,443	50,377	52,176	53,826	1,650	3.16%	54,873	56,630
Professional Development	138,830	132,016	165,150	186,350	21,200	12.84%	184,550	181,550
Maintenance Materials & Supplies	955,584	844,877	813,140	888,590	75,450	9.28%	850,915	864,626
Purchases for Resale	45,552	44,158	44,800	46,550	1,750	3.91%	46,550	46,550
Maintenance Services	706,330	703,694	642,080	699,745	57,665	8.98%	692,001	690,875

Town of Tecumseh
2020 Draft 2 Budget
General Operating Summary

(excludes Water & Wastewater)

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Contract Services	5,337,848	5,595,311	5,594,721	5,801,932	207,211	3.70%	5,842,778	5,943,320
Professional Services	586,062	557,463	565,800	550,373	-15,427	-2.73%	434,530	400,030
Vehicle & Equipment Leases	2,329	3,074	3,020	3,020	-	- %	3,020	3,020
Utilities	740,694	768,618	841,170	854,310	13,140	1.56%	870,348	886,708
Insurance	391,690	327,279	411,100	324,000	-87,100	-21.19%	330,404	336,937
Grants & Donations	398,634	92,907	156,000	161,000	5,000	3.21%	211,000	211,000
Other	343,247	370,568	382,044	390,028	7,984	2.09%	376,060	376,060
Financial Expense	132,914	133,694	216,300	216,300	-	- %	241,300	266,300
Expenditures Before Transfers	18,527,219	18,727,882	19,267,493	20,033,511	766,010	3.98%	20,007,685	20,282,755
Transfers to Reserves	1,833,458	1,767,080	629,190	562,700	-66,490	-10.57%	562,870	563,040
Total Expenditures	20,360,677	20,494,962	19,896,683	20,596,211	699,520	3.52%	20,570,555	20,845,795
Net Expenditures	227,291	452,425						



Financial Services

Financial Services is responsible for the overall management of the Town's financial resources in a fiscally responsible and prudent manner. The department is bound by the financial reporting requirements of the Public Sector Accounting Board (PSAB) in accordance with the *Municipal Act*.

Functions of the Financial Services Department include:

- Financial management
- Development of long-range financial plans, strategies, studies and policies
- Formulation of operating, capital and reserves budgets
- Issuance and collection of property tax billings and other revenues
- Financial reporting and controls
- Provision of objective professional support on major strategic and financial initiatives
- Administration of the procurement of goods and services
- Liaison with regulatory officials/agencies
- Corporate banking and investment management
- Administration of accounts payable and receivable
- Payroll calculation and distributions

The Director Financial Services and CFO oversees the Corporate Shared (Administration) accounts. This includes those revenues and expenses that are not attributable to a specific department. Examples include: taxation, investment income, penalties and interest and general reserve transactions.

2020 Budget Highlights

Corporate Shared

- Increase of \$861,800 to 'Taxes' representing a 3.70% net increase to the general tax levy required to deliver the programs as proposed for 2020.
- Decrease of \$30,000 to Residential Supplementary Taxation to reflect development activity.
- Increase of \$388,000 to 'Taxation Allocated to Capital' representing the increase to the annual allocation to capital reserves and includes a \$188,000 increase to Lifecycle Reserves and a \$200,000 increase to the New Infrastructure Levy (NIL). Full detail on this is included in the Lifecycle Budget section.
- Decrease of \$14,400 to 'Grants' to reflect declining OMPF allocation.
- Decrease of \$20,000 to 'Fines' as Provincial Offences Act (POA) revenue has been trending lower for the past few years.
- Increase of \$10,400 to 'Other Income' due to inflationary increase to general administrative services assessed to the Town's Water and Wastewater departments.
- Net increase of \$101,000 to 'Transfers from Reserves' which includes the reversal of 2019 one-time items in the amount of \$42,000 and a one-time increase of \$143,000 to fund the 53rd pay period in 2020.
- Decrease of \$12,000 to 'Insurance' due to lower premiums.
- Increase of \$5,000 to 'Grants and Donations' reflective of allocation to Lakeshore Community Services.
- Decrease of \$10,300 to 'Other' primarily due to the reversal of 2019 one-time costs associated with the tax roll review.

Financial Services

- Decrease of \$28,000 to 'Transfers from Reserves' due to the reversal of 2019 one-time budgeted costs associated with employee retirement payouts.

Conservation Authority

- Increase of \$26,800 to 'Contract Services' due to the estimated 9.5% increase to ERCA levy.

2020 Program Objectives

- Completion of 2020 Water and Wastewater Rate Study. (SP#2: Sustainable Infrastructure)
- Asset Management Plan updates in compliance with O. Reg. 588/17. (SP#2: Sustainable Infrastructure)
- Cost out various town service contracts. (SP#4: Continuous Improvement)
- GFOA Distinguished Budget Presentation Award. (SP#4: Continuous Improvement)
- Work with Town departments on grant applications and recovery of funds from Provincial and Federal governments if successful. (SP#2: Sustainable Infrastructure)

Looking Ahead

- Increases to Lifecycle and NIL Reserves to support capital asset replacement and upcoming new capital project initiatives.
- Financial analysis for large, strategic Town projects.

Staffing Resources

Permanent FTE	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Full – Time FTE	9.00	9.00	9.00	9.00
Part – Time FTE	1.00	1.00	1.00	1.00
Total FTE	10.00	10.00	10.00	10.00
Net Change	-	-	-	-

Staffing complement includes:

1.00 Director Financial Services and CFO

1.00 Deputy Treasurer and Tax Collector

2.00 Financial Analyst

1.00 Procurement Officer

4.00 Full-Time Clerical

0.69 Part-Time Clerical

0.31 Finance Student

**Town of Tecumseh
2020 Draft 2 Budget
Corporate Shared 1200**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Taxes	22,414,667	23,323,140	23,320,357	24,182,190	861,833	3.70%	25,034,772	25,807,961
Supplementary Taxes	520,379	170,000	230,000	200,000	-30,000	-13.04%	200,000	200,000
Right of Way	15,688	15,629	15,000	15,000	-	- %	15,000	15,000
Payments in Lieu	71,445	72,587	71,100	72,500	1,400	1.97%	72,500	72,500
Total Taxation	23,022,179	23,581,356	23,636,457	24,469,690	833,233	3.53%	25,322,272	26,095,461
Taxation Allocated To Capital	9,124,000	9,374,000	9,374,000	9,762,000	388,000	4.14%	10,162,000	10,562,000
Net Taxation Available for Operating	13,898,179	14,207,356	14,262,457	14,707,690	445,233	3.12%	15,160,272	15,533,461
Grants	52,000	67,816	51,935	37,570	-14,365	-27.66%	37,570	37,570
User Charges	205,527	68,739	67,120	71,886	4,766	7.10%	71,886	71,886
Net User Charges Available for Operating	205,527	68,739	67,120	71,886	4,766	7.10%	71,886	71,886
Fines	93,939	89,552	120,000	100,000	-20,000	-16.67%	100,000	100,000
Penalties and Interest	378,375	383,354	380,000	380,000	-	- %	380,000	380,000
Investment Income	1,318,151	1,478,969	1,189,175	1,192,309	3,134	0.26%	1,192,309	1,192,309
Other Income	508,120	518,280	518,280	528,640	10,360	2.00%	539,210	549,780
Revenues Before Transfers	16,454,291	16,814,066	16,588,967	17,018,095	429,128	2.59%	17,481,247	17,865,006
Transfers from Reserves	20,000	5,597	42,050	143,000	100,950	240.07%	-	-
Total Revenues	16,474,291	16,819,663	16,631,017	17,161,095	530,078	3.19%	17,481,247	17,865,006
Benefits	-28,042	24,257	22,873	22,011	-862	-3.77%	22,011	22,011
Total Wages & Benefits	-28,042	24,257	22,873	22,011	-862	-3.77%	22,011	22,011
Office Supplies & Equip Mtnc	36,730	35,608	33,685	36,310	2,625	7.79%	36,360	36,411
Memberships	917	2,750	2,850	2,850	-	- %	2,907	2,965
Maintenance Materials & Supplies	22,577	13,361	11,300	13,300	2,000	17.70%	13,416	13,534
Maintenance Services	9,215	13,653	7,500	8,750	1,250	16.67%	8,925	9,104
Contract Services	26,682	26,941	28,200	33,200	5,000	17.73%	33,200	33,200
Vehicle & Equipment Leases	925	950	900	900	-	- %	900	900
Utilities	14,950	18,254	22,520	21,720	-800	-3.55%	22,310	22,912
Insurance	95,634	107,450	105,300	93,200	-12,100	-11.49%	95,064	96,965
Grants & Donations	15,000	10,000	10,000	15,000	5,000	50.00%	15,000	15,000
Other	22,579	26,772	35,100	24,800	-10,300	-29.34%	22,800	22,800
Financial Expense	119,312	117,704	200,000	200,000	-	- %	225,000	250,000
Expenditures Before Transfers	336,479	397,700	480,228	472,041	-8,187	-1.70%	497,893	525,802
Transfers to Reserves	1,695,783	1,507,806	457,000	457,000	-	- %	457,000	457,000

**Town of Tecumseh
2020 Draft 2 Budget
Corporate Shared 1200**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Total Expenditures	2,032,262	1,905,506	937,228	929,041	-8,187	-0.87%	954,893	982,802
Net Expenditures	-14,442,029	-14,914,157	-15,693,789	-16,232,054	-538,265	3.43%	-16,526,354	-16,882,204

**Town of Tecumseh
2020 Draft 2 Budget
Financial Services 1240**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	21,947	25,199	25,500	25,500	-	- %	25,500	25,500
Net User Charges Available for Operating	21,947	25,199	25,500	25,500	-	- %	25,500	25,500
Other Income	-	20,000	20,000	20,000	-	- %	20,000	20,000
Revenues Before Transfers	21,947	45,199	45,500	45,500	-	- %	45,500	45,500
Transfers from Reserves	-	19,998	28,000	-	-28,000	-100.00%	-	-
Total Revenues	21,947	65,197	73,500	45,500	-28,000	-38.10%	45,500	45,500
Wages	661,336	675,160	781,161	782,820	1,659	0.21%	787,155	806,834
Benefits	211,526	226,682	249,927	253,299	3,372	1.35%	253,163	257,743
Total Wages & Benefits	872,862	901,842	1,031,088	1,036,119	5,031	0.49%	1,040,318	1,064,577
Office Supplies & Equip Mtnc	43,494	46,853	45,275	49,875	4,600	10.16%	48,455	49,046
Memberships	3,944	4,062	4,200	5,495	1,295	30.83%	5,605	5,717
Professional Development	10,246	3,712	10,100	11,500	1,400	13.86%	11,500	11,500
Professional Services	29,537	39,277	27,900	28,430	530	1.90%	33,930	29,430
Vehicle & Equipment Leases	1,404	1,404	1,400	1,400	-	- %	1,400	1,400
Utilities	1,153	995	800	800	-	- %	800	800
Other	7,139	8,933	8,850	8,850	-	- %	8,850	8,850
Financial Expense	168	200	800	800	-	- %	800	800
Expenditures Before Transfers	969,947	1,007,278	1,130,413	1,143,269	12,856	1.14%	1,151,658	1,172,120
Total Expenditures	969,947	1,007,278	1,130,413	1,143,269	12,856	1.14%	1,151,658	1,172,120
Net Expenditures	948,000	942,081	1,056,913	1,097,769	40,856	3.87%	1,106,158	1,126,620

**Town of Tecumseh
2020 Draft 2 Budget
Conservation Authority 2500**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Contract Services	263,061	271,541	270,520	297,300	26,780	9.90%	311,606	326,448
Expenditures Before Transfers	263,061	271,541	270,520	297,300	26,780	9.90%	311,606	326,448
Total Expenditures	263,061	271,541	270,520	297,300	26,780	9.90%	311,606	326,448
Net Expenditures	263,061	271,541	270,520	297,300	26,780	9.90%	311,606	326,448

**Town of Tecumseh
2020 Draft 2 Budget
Tile Drainage/Shoreline Assist 8900**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Special Charges	1,019	1,019	1,019	1,019	-	- %	1,019	-
Total Taxation	1,019	1,019	1,019	1,019	-	- %	1,019	-
Net Taxation Available for Operating	1,019	1,019	1,019	1,019	-	- %	1,019	-
Revenues Before Transfers	1,019	1,019	1,019	1,019	-	- %	1,019	-
Total Revenues	1,019	1,019	1,019	1,019	-	- %	1,019	-
Long Term Debt Charges	1,019	1,019	1,019	1,019	-	- %	1,019	-
Expenditures Before Transfers	1,019	1,019	1,019	1,019	-	- %	1,019	-
Total Expenditures	1,019	1,019	1,019	1,019	-	- %	1,019	-
Net Expenditures	-	-	-	-	-	- %	-	-



Chief Administrative Officer and Council

Council consists of a Mayor, Deputy Mayor and five (5) Councillors that represent the public on municipal matters in Tecumseh.

The Mayor (or Deputy Mayor in the absence of the Mayor) acts as the Head of Council and presides over Council meetings, provides leadership to Council, represents the Town of Tecumseh and carries out the duties as Head of Council as prescribed by the Municipal Act.

The Chief Administrative Officer (CAO) is appointed by Council and directs and coordinates the general and administrative management and business of the Town.

Police Services and the Police Services Board fall under the responsibility of the CAO. Policing in Tecumseh is provided by the Ontario Provincial Police and oversight is provided by the Police Services Board. The Board is comprised of five members with three appointed by Council and two by Provincial Order-in-Council.

The Police Services Board oversees the provision of policing services for the Town of Tecumseh. The current contract with the OPP is a six-year term, expiring December 2020.

2020 Budget Highlights

Council

- Decrease of \$25,700 in 'Wages and Benefits' due to over budgeting in 2019 for the impact of income tax changes, as well as expected wage increases not being fully realized

CAO

- 'Professional Services' will be used in part to support the Town's share of external costs to complete a Community Safety and Wellbeing Plan, as required by legislative amendments to the *Police Services Act, 1990*. (SP#3: Community Health and Wellness). The one-time increase of \$10,000 is expected to be offset by grant funding.
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OPP

- Reduce 'Grants' amount by \$31,300 under Local Priorities Funding Stream of the Community Safety and Policing (CSP) Grant, which replaces the previous Community Policing Partnerships (CPP) and Safer Communities - 1,000 Officers Partnership (1,000 Officers) Programs.
- Increase of \$9,800 to 'User Charges' revenue for alarm registrations to reflect past trends (\$1,800) and OPP reports and clearances for increases made to the OPP Schedule of Fees (\$8,000).
- Increase of \$71,200 to OPP Contract Services costs to allow for wage settlements, special event policing and potential adjustments and reconciliations. (SP#3: Community Health and Wellness)
- Adjustment to Janitorial Services by \$1,500 to reflect actual contract amount.

2020 Program Objectives

- Implement the outcome of the Council Compensation Review, which made adjustments to address the changes in taxation. (SP#2: Sustainable Infrastructure)
- Actively pursue capital infrastructure grant opportunities under Canada-Ontario Bilateral Agreement for the Sportsplex Project. Move forward with fundraising program. (SP#3: Community Health and Wellness)
- Implement proposed expansion of Town Hall. (SP#2: Sustainable Infrastructure)
- Complete Community Safety and Wellbeing Plan for the Town in conjunction with area municipalities and Essex County. (SP#3: Community Health and Wellness)
- Report out on first year of Corporate Strategic Priorities. (SP#5: Good Governance)
- Undertake an organizational review with a view to finding efficiencies through service re-alignment and performance measures. (SP#4: Continuous Improvement)
- Enhance citizen engagement opportunities through the use of on-line tools. (SP#4: Continuous Improvement)

Looking Ahead

- There is a potential for impact to 2021 and future budgets from new policing contract. The current OPP contract expires on December 31, 2020.
- Impacts to future budgets for Police Services Board may result from new *Community Safety and Policing Act, 2019* and associated regulations, currently under development.

Staffing Resources

Permanent FTE	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Full-Time FTE	3.00	3.00	3.00	3.00
Part-Time FTE	0.60	0.60	0.60	0.60
Total FTE	3.60	3.60	3.60	3.60
Net Change	-	-	-	-

Staffing complement includes:

1.00 CAO

1.00 Manager Strategic Initiatives

1.00 Executive Assistant to CAO

0.60 Administrative Assistant to Mayor and Council

**Town of Tecumseh
2020 Draft 2 Budget
Council 1100**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	7,417	8,285	-	-	-	- %	-	-
Net User Charges Available for Operating	7,417	8,285	-	-	-	- %	-	-
Revenues Before Transfers	7,417	8,285	-	-	-	- %	-	-
Transfers from Reserves	2,000	4,000	4,000	7,000	3,000	75.00%	-	-
Total Revenues	9,417	12,285	4,000	7,000	3,000	75.00%	-	-
Wages	243,096	271,117	296,516	275,732	-20,784	-7.01%	278,088	285,040
Benefits	44,832	58,833	84,142	79,218	-4,924	-5.85%	78,942	80,108
Total Wages & Benefits	287,928	329,950	380,658	354,950	-25,708	-6.75%	357,030	365,148
Office Supplies & Equip Mtnce	7,147	9,130	7,100	7,150	50	0.70%	7,240	7,332
Memberships	7,007	7,246	7,475	7,475	-	- %	7,625	7,778
Professional Development	21,630	22,960	28,500	28,500	-	- %	28,500	28,500
Utilities	5,219	7,000	7,000	7,000	-	- %	7,000	7,000
Other	25,135	40,719	34,500	39,000	4,500	13.04%	32,000	32,000
Expenditures Before Transfers	354,066	417,005	465,233	444,075	-21,158	-4.55%	439,395	447,758
Total Expenditures	354,066	417,005	465,233	444,075	-21,158	-4.55%	439,395	447,758
Net Expenditures	344,649	404,720	461,233	437,075	-24,158	-5.24%	439,395	447,758

**Town of Tecumseh
2020 Draft 2 Budget
CAO 1220**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	-	-	-	20,000	20,000	- %	-	-
User Charges	3,520	-	-	-	-	- %	-	-
Net User Charges Available for Operating	3,520	-	-	-	-	- %	-	-
Revenues Before Transfers	3,520	-	-	20,000	20,000	- %	-	-
Transfers from Reserves	274,900	169,000	150,000	150,000	-	- %	150,000	150,000
Total Revenues	278,420	169,000	150,000	170,000	20,000	13.33%	150,000	150,000
Wages	379,960	427,218	387,559	398,568	11,009	2.84%	400,676	410,693
Benefits	91,082	102,885	112,057	110,971	-1,086	-0.97%	110,962	113,131
Total Wages & Benefits	471,042	530,103	499,616	509,539	9,923	1.99%	511,638	523,824
Office Supplies & Equip Mtnc	3,282	3,601	3,650	3,650	-	- %	3,662	3,674
Memberships	2,370	2,320	2,750	2,680	-70	-2.55%	2,734	2,789
Professional Development	16,034	11,088	13,200	13,200	-	- %	13,200	13,200
Professional Services	397,063	249,999	250,000	260,000	10,000	4.00%	250,000	250,000
Utilities	872	1,400	1,400	1,400	-	- %	1,400	1,400
Other	20,257	13,149	15,000	13,000	-2,000	-13.33%	13,000	13,000
Expenditures Before Transfers	910,920	811,660	785,616	803,469	17,853	2.27%	795,634	807,887
Total Expenditures	910,920	811,660	785,616	803,469	17,853	2.27%	795,634	807,887
Net Expenditures	632,500	642,660	635,616	633,469	-2,147	-0.34%	645,634	657,887

**Town of Tecumseh
2020 Draft 2 Budget
Police 2200**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	152,308	151,187	151,187	119,927	-31,260	-20.68%	103,740	103,740
User Charges	50,007	45,440	39,200	49,000	9,800	25.00%	49,000	49,000
Net User Charges Available for Operating	50,007	45,440	39,200	49,000	9,800	25.00%	49,000	49,000
Fines	8,053	11,096	8,000	8,000	-	- %	-	-
Revenues Before Transfers	210,368	207,723	198,387	176,927	-21,460	-10.82%	152,740	152,740
Total Revenues	210,368	207,723	198,387	176,927	-21,460	-10.82%	152,740	152,740
Benefits	4,028	3,681	4,148	3,902	-246	-5.93%	3,902	3,902
Total Wages & Benefits	4,028	3,681	4,148	3,902	-246	-5.93%	3,902	3,902
Office Supplies & Equip Mtnce	600	1,844	2,500	2,500	-	- %	2,500	2,500
Maintenance Materials & Supplies	2,309	2,700	2,700	2,700	-	- %	2,700	2,700
Maintenance Services	7,149	3,895	7,000	7,000	-	- %	7,000	7,000
Contract Services	3,291,610	3,435,432	3,445,241	3,517,922	72,681	2.11%	3,587,722	3,658,922
Professional Services	565	1,192	1,000	1,000	-	- %	1,000	1,000
Utilities	12,907	15,148	16,400	16,700	300	1.83%	16,700	16,700
Insurance	5,206	3,513	5,400	3,800	-1,600	-29.63%	3,800	3,800
Other	80	300	300	300	-	- %	300	300
Expenditures Before Transfers	3,324,454	3,467,705	3,484,689	3,555,824	71,135	2.04%	3,625,624	3,696,824
Total Expenditures	3,324,454	3,467,705	3,484,689	3,555,824	71,135	2.04%	3,625,624	3,696,824
Net Expenditures	3,114,086	3,259,982	3,286,302	3,378,897	92,595	2.82%	3,472,884	3,544,084

**Town of Tecumseh
2020 Draft 2 Budget
Police Services Board 2220**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	-	420	-	-	-	- %	-	-
Net User Charges Available for Operating	-	420	-	-	-	- %	-	-
Revenues Before Transfers	-	420	-	-	-	- %	-	-
Total Revenues	-	420	-	-	-	- %	-	-
Wages	21,475	20,778	24,256	24,657	401	1.65%	24,657	24,657
Benefits	1,554	2,008	1,504	1,450	-54	-3.59%	1,450	1,450
Total Wages & Benefits	23,029	22,786	25,760	26,107	347	1.35%	26,107	26,107
Memberships	1,436	1,422	1,460	1,560	100	6.85%	1,560	1,560
Professional Development	10,672	6,139	10,000	10,600	600	6.00%	13,600	10,600
Maintenance Materials & Supplies	316	-	-	-	-	- %	-	-
Insurance	1,198	-	1,300	-	-1,300	-100.00%	-	-
Other	3,402	4,500	4,500	4,500	-	- %	4,500	4,500
Expenditures Before Transfers	40,053	34,847	43,020	42,767	-253	-0.59%	45,767	42,767
Total Expenditures	40,053	34,847	43,020	42,767	-253	-0.59%	45,767	42,767
Net Expenditures	40,053	34,427	43,020	42,767	-253	-0.59%	45,767	42,767



Information and Communications Services

The Information and Communication Services (ICS) Department enables the effective use of information technology and communications in all departments of the Town and with the Public. These efforts are to ensure established department business objectives and corporate strategic objectives are realized.

Business Solutions - focus on identifying opportunities for delivery and deployment of new business solutions for all Town departments. Specific responsibilities of this unit include:

- Business Needs Analysis
- Communication Plans
- Definition of Requirements
- Acquisition/Deployment
- Project Management and Quality Control
- Implementation
- Support and Maintenance

Technical Services - focus on maintaining a reliable, secure, scalable and cost-effective corporate computing and telecommunications infrastructure. Specific responsibilities of this unit include:

- Computing and Telecommunications Infrastructure Planning/Design/Procurement/Maintenance
- Capacity Planning
- Security and Audio/Visual Systems
- Systems Administration

- Performance Monitoring and Fine-tuning
- Data Management
- Assets Co-ordination
- Digital Radios
- GPS/AVL Systems

Client Services - focus on providing support and assistance to clients in the use of corporate computer and communication facilities. Specific responsibilities of this unit include:

- Help Desk and Desktop Support
- Rollout and Logistics
- Troubleshooting and Diagnosis
- Training

Geographic Information Systems (GIS) - focus on providing support and assistance to clients in use of GIS mapping. Examples of Municipal Information which is managed by GIS are:

- Storm and Sanitary Sewers, Watermains, Municipal Drains
- Roads, Street Signs and Lights
- Zoning and Parkland Information
- Registered Plan inventory
- Mobile Field Staff Solutions
- Maintain Tecumseh Alert System
- Aerial Photography
- Tecumseh Transit routes and mapping
- Fleet location and reporting (AVL)

2020 Budget Highlights

- Increase of \$26,000 in “Wages and Benefits”. As part of the Town Hall Expansion project, there is a request for a summer student to assist with system transitions, installations and other ICS initiatives (\$11,000). The balance is for contractual increases, benefits adjustments and the 53rd pay period.

2020 Program Objectives

- Oversee Town Hall Expansion Project. (SP#2: Sustainable Infrastructure)
- Oversee implementation of approved Municipal Modernization Fund projects. (SP#2: Sustainable Infrastructure)
- Finalize implementation and training of new electronic work order system (Cityworks phase II). (SP#4: Continuous Improvement)
- Improve connectivity between sites. Review opportunities and implement additional public wireless hotspots. (SP#4: Continuous Improvement)
- Replace infrastructure as needed through lifecycle. (SP#4: Continuous Improvement)
- Continue to monitor and implement stronger network security measures to prevent unauthorized access. (SP#4: Continuous Improvement)
- Advocate for high-speed internet for underserved areas in Town on behalf of our residents and businesses. (SP#2: Sustainable Infrastructure)
- Complete the 2020 Citizen Satisfaction Survey. (SP#5: Leadership and Good Governance)
- Continue to develop toolsets for gathering and analyzing GIS data. (SP#4: Continuous Improvement)
- Review regional radio communication contract and overall plan. (SP#4: Continuous Improvement)

Looking Ahead

- Outlook for 2021 and 2022 is for support of existing departments, associated infrastructure and complete review of corporate enterprise financial software
- Adapt to changing technologies with focus on continued improvement to network security.

- Annual increases in the operating budget are mostly inflationary with the exception of the summer student. It has been noted that the ICS Lifecycle is currently underfunded and has only been adjusted negatively in the past 14 years.
- As we approach capacity for the department we will continue to monitor the resource commitment to Town information and communication initiatives.

Staffing Resources

Permanent FTE	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Full-Time FTE	4.00	4.00	4.00	4.00
Part-Time FTE	0.00	0.30	0.30	0.30
Total FTE	4.00	4.30	4.30	4.30
Net Change	-	+0.30	-	-

Staffing complement includes:

- 1.00 Director Information & Communication Services
- 1.00 Systems Analyst
- 2.00 GIS Technicians
- 0.30 Co-op Student

**Town of Tecumseh
2020 Draft 2 Budget
Information & Communication Services 1230**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	110	-	-	-	-	- %	-	-
Net User Charges Available for Operating	110	-	-	-	-	- %	-	-
Revenues Before Transfers	110	-	-	-	-	- %	-	-
Transfers from Reserves	81,288	82,110	82,110	84,440	2,330	2.84%	84,440	84,440
Total Revenues	81,398	82,110	82,110	84,440	2,330	2.84%	84,440	84,440
Wages	320,380	328,953	328,952	351,853	22,901	6.96%	362,409	371,469
Benefits	109,368	108,552	111,877	115,021	3,144	2.81%	114,860	116,932
Total Wages & Benefits	429,748	437,505	440,829	466,874	26,045	5.91%	477,269	488,401
Office Supplies & Equip Mtnce	66,368	65,739	70,927	69,900	-1,027	-1.45%	71,220	72,566
Memberships	1,214	1,305	1,255	1,255	-	- %	1,280	1,306
Professional Development	1,676	2,329	5,500	5,500	-	- %	5,500	5,500
Maintenance Materials & Supplies	3,547	2,599	3,500	3,500	-	- %	3,570	3,641
Professional Services	2,249	2,385	3,000	3,000	-	- %	3,000	3,000
Utilities	3,093	2,300	2,300	2,300	-	- %	2,300	2,300
Other	620	56	1,000	1,000	-	- %	1,000	1,000
Expenditures Before Transfers	508,515	514,218	528,311	553,329	25,018	4.74%	565,139	577,714
Total Expenditures	508,515	514,218	528,311	553,329	25,018	4.74%	565,139	577,714
Net Expenditures	427,117	432,108	446,201	468,889	22,688	5.08%	480,699	493,274



Corporate Services and Clerk

The Corporate Services Department is comprised of two divisions: the Clerk's Office and Human Resources.

Under the direction of the Director Corporate Services and Clerk, the **Clerk's Office** performs statutory duties as outlined in the *Municipal Act* and other legislation.

Council and Committee: secretariat to Council and Committees including preparing all meeting agendas and minutes and managing various Committee initiatives; ensures the decisions of Council are recorded and actions carried out.

Elections: responsible for coordination and conduct of the Municipal and School Board elections every four years.

Records Management: processes all information requests; management of corporate records.

Licensing: issuance of taxi, dog, marriage and lottery licences.

Vital Statistics: issuance of death certificates and burial permits, as well as marriage certificates and solemnization.

Legislative: compliance with all Federal and Provincial legislation that impacts the Town; liaison with all levels of government, local boards, community groups and associations.

Policy: development and administration of policies in accordance with legislative requirements; provide guidance and advice to both Council and staff.

Risk Management: manage all risks and claims against the municipality.

Human Resources delivers a variety of services to employees through occupational health and wellness, administration of health and life benefits, training and professional development.

In addition, Human Resources manages all recruitment, and is responsible for employee retention, administration of policies and labour relations with four bargaining units and the Tecumseh Fire Fighters' Association.

2020 Budget Highlights

Corporate Services and Clerk

- Increase in revenue of \$2,000 to 'Death Registrations' and \$2,500 to 'Marriage Licenses.' Marriage Licenses Expenses have also been increased by \$1,750 for officiant services.
- Inflationary increases to 'Communications – Cellular' 'Office Supplies,' 'Postage,' and 'Equipment Maintenance' total \$2,300
- 'Computer Support-Software' is increased to reflect annual eScribe maintenance and App by \$4,700, and implementation of webcasting and closed captioning by \$18,900 approved by Council. Funding for Accessible documents and e-commerce of \$4,400 is included, as well as \$500 for TOMRMS records retention updates. .
- Based on average experience, 'Professional Fee-Legal' is increased by \$6,000
- 'Professional Fee-Other' is reduced by \$2,500 as meeting investigations are now being carried out by the OMBUDSMAN
- 'Public Relations' is increased by \$4,500 to reallocate funding for the Volunteer Appreciation Night to the Corporate Services Budget
- Wages and benefits have been reduced to allocate 30% of the Administrative Assistant time to Human Resource
- A one-time Special Grant of \$4,500 received for the Golden Age Club under the Seniors Active Living Centre funding
- A Senior Community Grant of \$5,000 is included the Senior Advisory Committee Budget to support educational workshops

Human Resources

- Wages and benefits have been increased to allocate 30% of the Administrative Assistant time to Human Resource
- A one-time increase of \$22,000 to 'Professional Fees - Other' for Leadership Training under the Wellness and Positive Workplace Program and for maintenance of the Non-union Salary Grid
- An increase of \$5,000 to 'Professional Fees – Legal' based on experience in prior years
- Inflationary increases have been made to "Computer Support' Postage & Courier' and 'Subscriptions' totaling \$575

- 'Education/Seminar Fees' is increased by \$7,500 to support an annual 'Customer Service Week' and to re-allocate the \$2,000 formal under 'Wellness'

Animal Control

- Animal Control has been increased by \$5,900 to reflect the Town's average annual operational and capital expenses contributions for the Lakeshore Dog Pound
- 'Miscellaneous' is reduced by \$500 to reflect the decreased use of the Cat In-take Program

2020 Program Objectives

- Implement webcasting and closed captioning of Council meetings.
- Continue to implement a corporate-wide Electronic Records Management System, electronic forms and signatures
- Facilitate creation and retention of documents in an accessible format
- Introduce and review policies and by-laws in accordance with amendments to the Municipal Act 2001, and other legislation
- Ongoing management of Lottery License Fee Litigation
- Complete the Pay Equity Plan maintenance for CUPE Local 702.2 and Non-union Management Salary Grid.
- Phase 2 of Wellness and Positive Workplace Program for the Leadership Team
- Manage Human Rights Tribunal Hearings on two Complaints - Firefighter mandatory retirement at age sixty; and a public allegation of discrimination
- Launch an electronic dog tag licence program
- Oversee Seniors' Educational Workshops funded by the Senior Community Grant Program

Looking Ahead

- Outlook for next two years is support from existing departments, on a corporate-wide changeover to an Electronic Records Management System.

- Improved customer service by streamlining external applications and internal forms processes with electronic forms and e-commerce.
- Adapt to new and changing legislation with a focus on stewarding good governance and policymaking.
- With the looming number of retirements, and upcoming expansion in Recreation Services, ensure future staffing needs are met to guarantee the stability of municipal services.

Staffing Resources

Permanent FTE	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook	
Full-Time FTE	7.00	7.00	7.00	7.00	Staffing complement includes: 1.00 Director Corporate Services and Clerk 1.00 Deputy Clerk and Manager Legislative Services 1.00 Manager Committee and Community Services 1.00 Administrative Assistant
Part-Time FTE	2.02	2.02	2.02	2.02	2.00 Clerical II-Administrative Clerk 1.00 Human Resources Officer
Total FTE	9.02	9.02	9.02	9.02	2.02 Crossing Guards (7 regular Adult School Crossing Guard and 5 Alternate Crossing Guards)
Net Change	-	-	-	-	

**Town of Tecumseh
2020 Draft 2 Budget
Corporate Services & Clerks 1250**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	11,118	11,749	7,400	9,400	2,000	27.03%	9,400	9,400
Net User Charges Available for Operating	11,118	11,749	7,400	9,400	2,000	27.03%	9,400	9,400
Licences and Permits	209,244	208,579	204,650	207,150	2,500	1.22%	207,150	207,150
Revenues Before Transfers	220,362	220,328	212,050	216,550	4,500	2.12%	216,550	216,550
Transfers from Reserves	79,728	2,125	1,500	23,050	21,550	1,436.67%	2,125	2,125
Total Revenues	300,090	222,453	213,550	239,600	26,050	12.20%	218,675	218,675
Wages	441,014	462,380	462,380	465,213	2,833	0.61%	469,629	481,370
Benefits	125,075	139,801	143,008	141,584	-1,424	-1.00%	142,143	144,853
Total Wages & Benefits	566,089	602,181	605,388	606,797	1,409	0.23%	611,772	626,223
Office Supplies & Equip Mtnce	59,350	23,748	7,677	38,602	30,925	402.83%	39,211	39,831
Memberships	1,412	1,288	1,550	1,550	-	- %	1,581	1,613
Professional Development	9,934	9,031	12,000	12,000	-	- %	12,000	12,000
Purchases for Resale	7,449	7,753	4,800	6,550	1,750	36.46%	6,550	6,550
Professional Services	19,910	13,319	16,000	19,500	3,500	21.88%	19,500	19,500
Utilities	540	1,248	800	1,300	500	62.50%	1,300	1,300
Other	13,342	9,670	6,350	10,850	4,500	70.87%	10,850	10,850
Expenditures Before Transfers	678,026	668,238	654,565	697,149	42,584	6.51%	702,764	717,867
Transfers to Reserves	3,000	-	-	-	-	- %	-	-
Total Expenditures	681,026	668,238	654,565	697,149	42,584	6.51%	702,764	717,867
Net Expenditures	380,936	445,785	441,015	457,549	16,534	3.75%	484,089	499,192

**Town of Tecumseh
2020 Draft 2 Budget
Human Resources 1260**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	-	675	-	-	-	- %	-	-
Net User Charges Available for Operating	-	675	-	-	-	- %	-	-
Revenues Before Transfers	-	675	-	-	-	- %	-	-
Transfers from Reserves	8,174	-	-	28,000	28,000	- %	-	-
Total Revenues	8,174	675	-	28,000	28,000	- %	-	-
Wages	128,608	126,059	126,059	153,958	27,899	22.13%	154,709	158,577
Benefits	36,856	37,508	39,117	47,648	8,531	21.81%	47,564	48,428
Total Wages & Benefits	165,464	163,567	165,176	201,606	36,430	22.06%	202,273	207,005
Office Supplies & Equip Mtnce	2,968	3,003	2,593	3,168	575	22.18%	3,200	3,233
Memberships	338	350	350	350	-	- %	357	364
Professional Development	5,874	7,830	8,550	18,050	9,500	111.11%	18,050	18,050
Professional Services	46,972	88,901	45,800	72,800	27,000	58.95%	44,800	44,800
Other	10,157	13,783	10,700	8,700	-2,000	-18.69%	8,700	8,700
Expenditures Before Transfers	231,773	277,434	233,169	304,674	71,505	30.67%	277,380	282,152
Total Expenditures	231,773	277,434	233,169	304,674	71,505	30.67%	277,380	282,152
Net Expenditures	223,599	276,759	233,169	276,674	43,505	18.66%	277,380	282,152

**Town of Tecumseh
2020 Draft 2 Budget
Youth Advisory Committee 1280**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Maintenance Materials & Supplies	654	620	-	750	750	- %	760	770
Contract Services	181	1,995	-	2,000	2,000	- %	2,000	2,000
Utilities	34	232	500	500	-	- %	500	500
Other	8,488	7,154	9,500	6,750	-2,750	-28.95%	6,750	6,750
Expenditures Before Transfers	9,357	10,001	10,000	10,000	-	- %	10,010	10,020
Total Expenditures	9,357	10,001	10,000	10,000	-	- %	10,010	10,020
Net Expenditures	9,357	10,001	10,000	10,000	-	- %	10,010	10,020

**Town of Tecumseh
2020 Draft 2 Budget
Seniors Advisory Committee 1281**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	17,962	3,875	-	4,984	4,984	- %	-	-
Revenues Before Transfers	17,962	3,875	-	4,984	4,984	- %	-	-
Total Revenues	17,962	3,875	-	4,984	4,984	- %	-	-
Maintenance Materials & Supplies	10,611	13	-	600	600	- %	-	-
Contract Services	-	-	-	500	500	- %	-	-
Other	10,402	8,862	5,000	8,884	3,884	77.68%	5,000	5,000
Expenditures Before Transfers	21,013	8,875	5,000	9,984	4,984	99.68%	5,000	5,000
Total Expenditures	21,013	8,875	5,000	9,984	4,984	99.68%	5,000	5,000
Net Expenditures	3,051	5,000	5,000	5,000	-	- %	5,000	5,000

**Town of Tecumseh
2020 Draft 2 Budget
Crossing Guards 3110**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Wages	70,337	75,599	75,599	78,623	3,024	4.00%	80,589	82,604
Benefits	7,376	8,388	8,388	8,446	58	0.69%	8,616	8,787
Total Wages & Benefits	77,713	83,987	83,987	87,069	3,082	3.67%	89,205	91,391
Other	1,032	986	2,000	2,000	-	- %	2,000	2,000
Expenditures Before Transfers	78,745	84,973	85,987	89,069	3,082	3.58%	91,205	93,391
Total Expenditures	78,745	84,973	85,987	89,069	3,082	3.58%	91,205	93,391
Net Expenditures	78,745	84,973	85,987	89,069	3,082	3.58%	91,205	93,391

**Town of Tecumseh
2020 Draft 2 Budget
Animal Control 2620**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Licences and Permits	36,506	37,275	34,000	34,000	-	- %	34,000	34,000
Fines	-	330	550	550	-	- %	550	550
Revenues Before Transfers	36,506	37,605	34,550	34,550	-	- %	34,550	34,550
Total Revenues	36,506	37,605	34,550	34,550	-	- %	34,550	34,550
Office Supplies & Equip Mtnce	1,328	1,500	1,500	1,500	-	- %	1,500	1,500
Maintenance Materials & Supplies	282	309	420	420	-	- %	428	437
Contract Services	22,901	48,912	25,610	31,510	5,900	23.04%	31,510	31,510
Other	15,403	16,639	17,750	17,250	-500	-2.82%	17,250	17,250
Expenditures Before Transfers	39,914	67,360	45,280	50,680	5,400	11.93%	50,688	50,697
Total Expenditures	39,914	67,360	45,280	50,680	5,400	11.93%	50,688	50,697
Net Expenditures	3,408	29,755	10,730	16,130	5,400	50.33%	16,138	16,147

**Town of Tecumseh
2020 Draft 2 Budget
Golden Age Club 6200**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	23,117	21,000	22,217	25,485	3,268	14.71%	21,000	21,000
Revenues Before Transfers	23,117	21,000	22,217	25,485	3,268	14.71%	21,000	21,000
Total Revenues	23,117	21,000	22,217	25,485	3,268	14.71%	21,000	21,000
Office Supplies & Equip Mtnce	969	564	1,217	-	-1,217	-100.00%	-	-
Maintenance Materials & Supplies	20	500	500	500	-	- %	510	520
Maintenance Services	4,155	2,500	2,500	6,985	4,485	179.40%	2,550	2,601
Utilities	5,990	6,999	6,900	7,100	200	2.90%	7,242	7,387
Insurance	5,726	4,094	5,900	4,400	-1,500	-25.42%	4,488	4,578
Grants & Donations	21,000	21,000	21,000	21,000	-	- %	21,000	21,000
Expenditures Before Transfers	37,860	35,657	38,017	39,985	1,968	5.18%	35,790	36,086
Total Expenditures	37,860	35,657	38,017	39,985	1,968	5.18%	35,790	36,086
Net Expenditures	14,743	14,657	15,800	14,500	-1,300	-8.23%	14,790	15,086

**Town of Tecumseh
2020 Draft 2 Budget
Cultural Committee 7700**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Transfers from Reserves	-	2,000	2,000	2,000	-	-	1,000	1,000
Total Revenues	-	2,000	2,000	2,000	-	- %	1,000	1,000
Maintenance Materials & Supplies	1,006	1,110	2,000	2,000	-	-	2,020	2,040
Professional Services	343	3,882	5,000	5,000	-	-	5,000	5,000
Other	1,483	700	2,000	2,000	-	-	1,000	1,000
Expenditures Before Transfers	2,832	5,692	9,000	9,000	-	- %	8,020	8,040
Total Expenditures	2,832	5,692	9,000	9,000	-	- %	8,020	8,040
Net Expenditures	2,832	3,692	7,000	7,000	-	- %	7,020	7,040

**Town of Tecumseh
2020 Draft 2 Budget
Heritage Committee 7705**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Transfers from Reserves	-	1,484	1,484	2,727	1,243	83.76%	-	-
Total Revenues	-	1,484	1,484	2,727	1,243	83.76%	-	-
Memberships	116	120	150	150	-	- %	153	156
Professional Services	-	-	-	743	743	- %	-	-
Other	14	637	3,334	3,834	500	15.00%	1,850	1,850
Expenditures Before Transfers	130	757	3,484	4,727	1,243	35.68%	2,003	2,006
Transfers to Reserves	-	2,727	-	-	-	- %	-	-
Total Expenditures	130	3,484	3,484	4,727	1,243	35.68%	2,003	2,006
Net Expenditures	130	2,000	2,000	2,000	-	- %	2,003	2,006



Tecumseh Fire and Rescue Services

The Tecumseh Fire and Rescue Service (TFRS) is responsible for providing fire and life safety protection to citizens and their property and providing public education, fire prevention enforcement of the Fire Protection and Prevention Act, and implementing applicable statutes of the Ontario Fire Code. Department programming includes structural firefighting, basic medical intervention, CPR and defibrillation, vehicle and industrial extrication, confined space rescue and shore-based water rescue.

Tecumseh Fire Rescue operates out of two stations: Fire Hall No. 1 at 985 Lesperance Road and Fire Hall No. 2 at 5520 Walker Road supported with a fleet of six fire apparatus, two command vehicles and one fire prevention vehicle. TFRS responds to approximately 400 calls annually.

The TFRS is responsible for meeting Emergency Measures, Ontario's essential level of the emergency measures program. Emergency exercises, testing and review of the Town's Emergency Plan are conducted annually as required by legislation.

2020 Budget Highlights

- Increase of \$87,000 to 'Wages and Benefits'. Two additional permanent volunteer firefighters are proposed (\$23,000). A three month overlap for the Fire Prevention Officer position to provide training prior to retirement is recommended (\$31,000 one-time). The balance is for contractual increases, benefits adjustments and the 53rd pay period. (SP#3: Community Health and Wellness)
- Increase of \$3,000 in 'Professional Development' for educational expenses for the new Chief and ongoing education for the Deputy Chief. (SP#4: Continuous Improvement)
- Increase of \$1,600 in 'Maintenance, Materials & Supplies' for additional uniform costs related to new hires.
- Increase of \$4,000 in 'Maintenance Services' for vehicle parts and service, including repairs for an aging fleet and required annual inspections.
- Decrease of \$8,100 for 'Contract Services' due to a reduction in costs for airtime.

2020 Program Objectives

- A continuing proactive approach to potential emergencies such as High Water Events through the acquisition of necessary equipment and training. (SP#1: Smart Growth)
- Investigate available heritage grant funding to refurbish the antique firetruck prior to Tecumseh Fire Rescue Services 100th Anniversary in 2021. (SP#2: Sustainable Infrastructure)
- Review and update the Town of Tecumseh Emergency Response Plan. (SP#1: Smart Growth)

Looking Ahead

- Monitoring changes to the licencing and standards of the current radio system effective and possible financial impacts.

Staffing Resources

Permanent FTE	2019 Budget	2020 Proposed	2021 Outlook	2022 Outlook
Full-Time FTE	4.00	4.30	4.00	4.00
Part-Time FTE	5.65	5.92	5.92	5.92
Total FTE	9.65	10.22	9.92	9.92
Net Change	-	+0.57	-0.30	-

Staffing complement includes:

- 1.00 Director Fire Services
- 1.00 Deputy Fire Chief
- 1.30 Fire Prevention Officer
- 1.00 Full-Time Clerical
- 1.20 Firefighter Captains (8 Part-Time)
- 4.72 Firefighters (34 Part-Time)

**Town of Tecumseh
2020 Draft 2 Budget
Fire 2100**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	-	5,739	2,000	2,000	-	- %	2,000	2,000
User Charges	40,174	22,153	25,800	26,800	1,000	3.88%	26,800	26,800
Net User Charges Available for Operating	40,174	22,153	25,800	26,800	1,000	3.88%	26,800	26,800
Revenues Before Transfers	40,174	27,892	27,800	28,800	1,000	3.60%	28,800	28,800
Transfers from Reserves	1,900	-	-	-	-	- %	-	-
Total Revenues	42,074	27,892	27,800	28,800	1,000	3.60%	28,800	28,800
Wages	770,409	776,911	790,962	864,827	73,865	9.34%	828,497	849,834
Benefits	164,597	177,361	171,707	184,883	13,176	7.67%	179,497	182,616
Total Wages & Benefits	935,006	954,272	962,669	1,049,710	87,041	9.04%	1,007,994	1,032,450
Office Supplies & Equip Mtnc	5,876	6,400	7,400	6,800	-600	-8.11%	6,842	6,885
Memberships	2,993	3,240	3,240	3,240	-	- %	3,305	3,371
Professional Development	14,548	9,800	9,800	12,800	3,000	30.61%	12,800	12,800
Maintenance Materials & Supplies	67,422	59,161	64,400	66,000	1,600	2.48%	65,668	65,353
Maintenance Services	95,818	92,800	92,800	96,800	4,000	4.31%	97,356	97,923
Contract Services	76,780	66,091	77,600	69,500	-8,100	-10.44%	69,500	69,500
Professional Services	-	4,000	4,000	4,000	-	- %	4,000	4,000
Utilities	27,998	29,836	34,110	34,710	600	1.76%	35,242	35,785
Insurance	31,653	18,705	32,700	19,900	-12,800	-39.14%	20,298	20,704
Other	11,052	10,706	12,750	12,750	-	- %	12,750	12,750
Expenditures Before Transfers	1,269,146	1,255,011	1,301,469	1,376,210	74,741	5.74%	1,335,755	1,361,521
Total Expenditures	1,269,146	1,255,011	1,301,469	1,376,210	74,741	5.74%	1,335,755	1,361,521
Net Expenditures	1,227,072	1,227,119	1,273,669	1,347,410	73,741	5.79%	1,306,955	1,332,721

**Town of Tecumseh
2020 Draft 2 Budget
Emergency Measures 2700**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	25,033	22,000	15,000	15,000	-	- %	15,000	15,000
Net User Charges Available for Operating	25,033	22,000	15,000	15,000	-	- %	15,000	15,000
Revenues Before Transfers	25,033	22,000	15,000	15,000	-	- %	15,000	15,000
Total Revenues	25,033	22,000	15,000	15,000	-	- %	15,000	15,000
Office Supplies & Equip Mtnce	6,614	7,000	7,300	7,300	-	- %	7,440	7,583
Professional Development	645	1,000	1,000	1,000	-	- %	1,000	1,000
Maintenance Materials & Supplies	1,436	1,700	1,700	3,000	1,300	76.47%	3,060	3,121
Maintenance Services	-	76	1,000	1,000	-	- %	1,020	1,040
Contract Services	13,003	12,757	14,500	14,500	-	- %	14,500	14,500
Utilities	732	732	750	750	-	- %	750	750
Insurance	851	515	1,000	1,000	-	- %	1,020	1,040
Other	-	1,000	1,500	1,500	-	- %	1,500	1,500
Expenditures Before Transfers	23,281	24,780	28,750	30,050	1,300	4.52%	30,290	30,534
Transfers to Reserves	25,033	22,000	15,000	15,000	-	- %	15,000	15,000
Total Expenditures	48,314	46,780	43,750	45,050	1,300	2.97%	45,290	45,534
Net Expenditures	23,281	24,780	28,750	30,050	1,300	4.52%	30,290	30,534



Public Works and Environmental Services

The Public Works and Environmental Services Department is responsible for both tax and rate supported budgets. For transparency, the rate supported water and wastewater budget is shown separately from the tax supported general operating budget. This section deals with departmental budgets that are tax supported.

The Department is responsible for constructing, operating and maintaining the Town's infrastructure.

This includes the Town's water distribution and drinking water systems and sanitary collection systems, storm sewers and pumping stations, municipal road system and sidewalks, winter control and maintenance, bridges and culverts, street signs and traffic signals, street lighting, fleet and equipment maintenance, roadside debris and litter pick-up, administration of garbage collection contract, roadside maintenance, noxious weed control, and municipal drains.

The road network consists of 180 km of roadway, 60 km of sidewalks, 25.7 km of pathways/trails, 3 km of walkways, 17 bridges, 73 culverts, 16 vehicles and six pieces of heavy equipment.

The storm network consists of 138 km of storm sewer pipe; 62 km of storm service connections; 1,414 manholes; 4,713 catch basins; 8 storm pump stations; and 124 municipal drains totaling 200 km.

2020 Budget Highlights

Roadways

- Increase of \$63,100 in 'Wages and Benefits'. The addition of a Project Technician has been requested for 2020 (\$91,500 split between Roadways, Water and Wastewater). The balance is for contractual increases, benefits adjustments and the 53rd pay period.
- Increase of \$2,400 in 'Office Supplies & Equipment Maintenance' for road and sidewalk patrol software.
- Added \$11,450 to 'Maintenance Services' primarily due to higher 'Vehicle Parts & Service' costs.
- Decrease of \$75,000 to 'Professional Services' to reflect the reversal of one-time budgeted engineering fees related to the Tecumseh Hamlet Secondary Plan.

- Decrease of \$16,300 to the 'Insurance' budget due to lower premiums.
- Increase of \$4,000 in 'Hardtop Maintenance' due to the County adjusting their line painting costs to be in line with OPSS rates.

Winter Control

- Increase in \$8,600 in 'Maintenance Materials & Supplies' for inflationary increases to salt costs.
- Increase of \$3,000 in 'Maintenance Services' to be more in line with historical expenditures on 'Equipment Parts & Service'.

Street Lighting

- Increase of \$15,000 in 'Maintenance Services' to be more in line with historical expenditures.

Storm Sewer System

- One-time increase of \$50,000 in 'Contract Services' as a contingency to be used if required due to increasing lake levels. Offset by reserve transfer.
- One-time increase of \$50,000 in 'Maintenance Materials & Supplies' as a contingency to be used if required due to increasing lake levels. Offset by reserve transfer.
- Increase on \$4,000 in 'Professional Development' due to the Town's required attendance at the 2020 WEGE Award / Great Lakes & St. Lawrence Cities Initiative.

Garbage Collection

- Increase of \$13,700 in 'Contract Services' due to inflationary/contractual increase and a small allowance for new homes.

Drainage

- Increase of \$10,400 in 'Wages and Benefits' due to overtime costs to address the backlog of drain maintenance works, negotiated wage increases and the 53rd pay period.

2020 Program Objectives

- Investigate risk management, resources and costs of Town-wide snow removal on sidewalks. (SP#4: Continuous Improvement)
- Complete Town Development Manual in coordination with the Planning & Building Services Department. (SP#2: Sustainable Infrastructure)
- Create a Local Servicing Policy for new infrastructure (i.e. sidewalks, street lighting, etc.). (SP#2: Sustainable Infrastructure)
- Finalize the Oldcastle Hamlet Storm Drainage Master Plan. (SP#4: Continuous Infrastructure)
- Complete a Shoreline Management Plan. (SP#2: Sustainable Infrastructure)
- Undertake a study to review the implementation of Storm Water Rates. (SP#4: Continuous Improvement)

Looking Ahead

- Future increases to hardtop maintenance programs anticipated.
- Increased patrolling required during winter months.
- Recommend upgrades to stormwater collection and pumping stations arising from the Storm Drainage Master Plans currently in development.
- Identify a maintenance and repair program as part of the condition assessment report (bridge and culvert structures).
- Additional staffing and equipment will be required to meet maintenance requirements for sidewalks in order to meet the Minimum Maintenance Standards legislation.
- Continued repair and maintenance of municipal drains and creation of a proactive annual maintenance program.

Staffing Resources

Permanent FTE	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Full-Time FTE	12.99	13.32	13.32	13.32
Part-Time FTE	1.26	1.26	1.26	1.26
Total FTE	14.25	14.58	14.58	14.58
Net Change	-	0.33	-	-

Staffing complement includes:

0.33 Director Public Works and Environmental Services

1.00 Manager Roads and Fleet

0.33 Manager Engineering Services

0.33 Full-Time Project Technician

0.33 Full-Time Clerical

8.00 Full-Time Labourers

1.00 Full-Time Drainage Superintendent

1.00 Full-Time Assistant Drainage Superintendent

1.00 Full-Time Storm Sewer Operator

1.26 Part-Time Student Labourers (four physical employees)

**Town of Tecumseh
2020 Draft 2 Budget
Roadways 3100**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	6,720	-	-	-	-	- %	-	-
User Charges	6,673	200	6,000	6,000	-	- %	6,000	6,000
Net User Charges Available for Operating	6,673	200	6,000	6,000	-	- %	6,000	6,000
Licences and Permits	17,398	18,835	10,000	10,000	-	- %	10,000	10,000
Other Income	28,638	31,340	34,135	34,135	-	- %	34,135	34,135
Revenues Before Transfers	59,429	50,375	50,135	50,135	-	- %	50,135	50,135
Transfers from Reserves	26,590	55,089	75,000	-	-75,000	-100.00%	-	-
Total Revenues	86,019	105,464	125,135	50,135	-75,000	-59.94%	50,135	50,135
Wages	727,095	760,983	728,021	779,278	51,257	7.04%	786,650	806,316
Benefits	244,408	242,697	250,201	262,049	11,848	4.74%	262,717	267,167
Total Wages & Benefits	971,503	1,003,680	978,222	1,041,327	63,105	6.45%	1,049,367	1,073,483
Office Supplies & Equip Mtnce	7,277	8,850	6,920	9,320	2,400	34.68%	9,432	9,546
Memberships	10,290	15,000	15,000	15,200	200	1.33%	15,504	15,814
Professional Development	7,412	7,916	8,000	9,500	1,500	18.75%	9,500	9,500
Maintenance Materials & Supplies	151,430	181,670	173,000	169,000	-4,000	-2.31%	171,900	174,856
Maintenance Services	216,648	171,399	154,450	165,900	11,450	7.41%	167,050	168,223
Contract Services	46,086	52,433	56,900	56,600	-300	-0.53%	61,600	61,600
Professional Services	21,530	58,963	81,000	6,000	-75,000	-92.59%	6,000	6,000
Utilities	39,303	47,194	49,460	50,160	700	1.42%	51,052	51,962
Insurance	62,661	45,487	64,600	48,300	-16,300	-25.23%	49,266	50,251
Other	24,297	24,099	24,110	24,110	-	- %	24,110	24,110
Expenditures Before Transfers	1,558,437	1,616,691	1,611,662	1,595,417	-16,245	-1.01%	1,614,781	1,645,345
Transfers to Reserves	18,775	19,050	19,050	19,400	350	1.84%	19,400	19,400
Total Expenditures	1,577,212	1,635,741	1,630,712	1,614,817	-15,895	-0.97%	1,634,181	1,664,745
Net Expenditures	1,491,193	1,530,277	1,505,577	1,564,682	59,105	3.93%	1,584,046	1,614,610

**Town of Tecumseh
2020 Draft 2 Budget
Winter Control 3200**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Wages	131,497	112,745	112,744	117,068	4,324	3.84%	117,630	120,571
Benefits	33,636	37,607	36,273	36,794	521	1.44%	36,734	37,411
Total Wages & Benefits	165,133	150,352	149,017	153,862	4,845	3.25%	154,364	157,982
Professional Development	4,038	1,700	1,700	1,700	-	- %	1,700	1,700
Maintenance Materials & Supplies	330,970	186,521	195,340	203,940	8,600	4.40%	208,019	212,179
Maintenance Services	20,015	14,451	14,500	17,500	3,000	20.69%	17,850	18,206
Other	377	482	500	500	-	- %	500	500
Expenditures Before Transfers	520,533	353,506	361,057	377,502	16,445	4.55%	382,433	390,567
Total Expenditures	520,533	353,506	361,057	377,502	16,445	4.55%	382,433	390,567
Net Expenditures	520,533	353,506	361,057	377,502	16,445	4.55%	382,433	390,567

**Town of Tecumseh
2020 Draft 2 Budget
Street Lighting 3500**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	4,998	-	-	-	-	- %	-	-
Net User Charges Available for Operating	4,998	-	-	-	-	- %	-	-
Revenues Before Transfers	4,998	-	-	-	-	- %	-	-
Transfers from Reserves	-	-	-	15,000	15,000	- %	-	-
Total Revenues	4,998	-	-	15,000	15,000	- %	-	-
Maintenance Materials & Supplies	9,253	4,000	4,000	4,000	-	- %	4,080	4,162
Maintenance Services	59,968	53,131	35,000	50,000	15,000	42.86%	35,700	36,414
Utilities	165,478	162,899	190,000	185,000	-5,000	-2.63%	188,700	192,474
Expenditures Before Transfers	234,699	220,030	229,000	239,000	10,000	4.37%	228,480	233,050
Total Expenditures	234,699	220,030	229,000	239,000	10,000	4.37%	228,480	233,050
Net Expenditures	229,701	220,030	229,000	224,000	-5,000	-2.18%	228,480	233,050

**Town of Tecumseh
2020 Draft 2 Budget
Garbage Collection 4400**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Contract Services	604,374	619,957	616,500	630,160	13,660	2.22%	633,000	647,500
Other	2,872	2,946	3,000	3,000	-	- %	3,000	3,000
Expenditures Before Transfers	607,246	622,903	619,500	633,160	13,660	2.21%	636,000	650,500
Total Expenditures	607,246	622,903	619,500	633,160	13,660	2.21%	636,000	650,500
Net Expenditures	607,246	622,903	619,500	633,160	13,660	2.21%	636,000	650,500

**Town of Tecumseh
2020 Draft 2 Budget
Garbage Disposal 4500**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Maintenance Services	26,403	26,406	29,000	29,000	-	- %	29,000	29,000
Contract Services	747,302	780,000	810,000	810,000	-	- %	810,000	810,000
Expenditures Before Transfers	773,705	806,406	839,000	839,000	-	- %	839,000	839,000
Total Expenditures	773,705	806,406	839,000	839,000	-	- %	839,000	839,000
Net Expenditures	773,705	806,406	839,000	839,000	-	- %	839,000	839,000

**Town of Tecumseh
2020 Draft 2 Budget
Storm Sewer System 4200**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	6,180	6,534	1,440	1,440	-	- %	1,440	1,440
User Charges	33,361	15,000	10,000	10,000	-	- %	10,000	10,000
Net User Charges Available for Operating	33,361	15,000	10,000	10,000	-	- %	10,000	10,000
Revenues Before Transfers	39,541	21,534	11,440	11,440	-	- %	11,440	11,440
Transfers from Reserves	10,178	-	-	100,000	100,000	- %	-	-
Total Revenues	49,719	21,534	11,440	111,440	100,000	874.13%	11,440	11,440
Wages	68,490	72,738	72,467	75,345	2,878	3.97%	75,743	77,637
Benefits	20,065	20,892	21,678	23,189	1,511	6.97%	23,199	23,662
Total Wages & Benefits	88,555	93,630	94,145	98,534	4,389	4.66%	98,942	101,299
Office Supplies & Equip Mtnc	-	-	5,000	5,000	-	- %	5,100	5,202
Professional Development	402	5,731	5,000	9,000	4,000	80.00%	5,000	5,000
Maintenance Materials & Supplies	34,465	71,539	37,800	88,000	50,200	132.80%	38,760	39,536
Maintenance Services	64,448	85,413	83,680	82,660	-1,020	-1.22%	84,283	85,939
Contract Services	4,003	36,727	4,000	54,000	50,000	1,250.00%	4,000	4,000
Professional Services	19,050	11,906	5,000	6,000	1,000	20.00%	6,000	6,000
Utilities	107,135	113,000	125,720	125,720	-	- %	128,220	130,770
Insurance	55,829	49,728	57,600	52,800	-4,800	-8.33%	53,856	54,933
Other	1,627	1,449	1,000	1,000	-	- %	1,000	1,000
Expenditures Before Transfers	375,514	469,123	418,945	522,714	103,769	24.77%	425,161	433,679
Transfers to Reserves	20,894	15,000	10,000	10,000	-	- %	10,000	10,000
Total Expenditures	396,408	484,123	428,945	532,714	103,769	24.19%	435,161	443,679
Net Expenditures	346,689	462,589	417,505	421,274	3,769	0.90%	423,721	432,239

**Town of Tecumseh
2020 Draft 2 Budget
Drainage 8800**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	57,020	54,500	54,500	54,500	-	- %	54,500	54,500
User Charges	1,748	1,925	700	1,000	300	42.86%	1,000	1,000
Net User Charges Available for Operating	1,748	1,925	700	1,000	300	42.86%	1,000	1,000
Revenues Before Transfers	58,768	56,425	55,200	55,500	300	0.54%	55,500	55,500
Total Revenues	58,768	56,425	55,200	55,500	300	0.54%	55,500	55,500
Wages	122,558	156,414	152,473	164,664	12,191	8.00%	165,534	169,672
Benefits	33,891	42,890	43,723	47,125	3,402	7.78%	47,089	47,976
Total Wages & Benefits	156,449	199,304	196,196	211,789	15,593	7.95%	212,623	217,648
Office Supplies & Equip Mtnce	260	272	-	300	300	- %	300	300
Memberships	399	696	805	805	-	- %	821	837
Professional Development	3,723	7,154	7,000	5,600	-1,400	-20.00%	5,600	5,600
Maintenance Materials & Supplies	371	2,814	1,400	2,900	1,500	107.14%	2,958	3,017
Maintenance Services	-	1,000	1,000	1,000	-	- %	1,000	1,000
Professional Services	-	-	3,100	3,100	-	- %	3,100	3,100
Utilities	661	1,433	900	1,200	300	33.33%	1,200	1,200
Insurance	4,848	4,075	5,000	4,400	-600	-12.00%	4,488	4,578
Other	3,836	1,700	1,700	2,500	800	47.06%	2,500	2,500
Expenditures Before Transfers	170,547	218,448	217,101	233,594	16,493	7.60%	234,590	239,780
Total Expenditures	170,547	218,448	217,101	233,594	16,493	7.60%	234,590	239,780
Net Expenditures	111,779	162,023	161,901	178,094	16,193	10.00%	179,090	184,280



Water and Wastewater Services

Water Services is responsible for delivering clean, reliable and safe water to residences and businesses in Tecumseh. We are proud to deliver potable water that consistently exceeds Ontario's drinking water standards.

Tecumseh's wastewater collection system provides conveyance for the Town's wastewater flows to the outlets in the City of Windsor. Within the Town's local wastewater collection system, there also exist four local sewage pumping stations required to overcome grade limitations.

The water system consists of 215 km of water main; 1,184 hydrants; 2,559 valves, 12 boundary meters, one elevated storage facility with a capacity of 4,540 cubic metres and 2 water filling stations.

The wastewater system consists of 116 km of sanitary sewer pipe; 1,528 manholes; 4 pump stations and 6 metering stations.

The Supervisory Control and Data Acquisition (SCADA) system provides real time data and alarming for water, wastewater and portions of the storm water infrastructure.

The Town has moved to Electronic Radio Transmitters (ERT) on residential meters. Meters equipped with ERTs can be read from a moving vehicle making the work more efficient, reducing errors and allowing staff to attend to issues sooner.

2020 Budget Highlights

Sanitary Sewer System

- Increase of \$40,300, in 'Wages and Benefits' due to the addition of a full-time position of \$30,500 (\$91,500 split between Roadways, Water and Wastewater) as well as contractual increases and the 53rd week.
- Increase of \$128,200 in 'User Charges Allocated to Capital', which represents funds transferred to reserve accounts to support capital projects.
- Increase of \$14,000 in 'Contract Services' largely due to sanitary treatment costs.

- Decrease of \$25,000 in ‘Grants and Donations’ for the Backwater Valve and Downspout Disconnection subsidy program as applications have decreased.

Waterworks System

- Increase of \$148,000 in ‘User Charges’ revenue due to changes to rates. The 2020 budget proposes a deviation from the Town’s 2015 Water and Wastewater Rate Study recommendations; increasing the water consumption rate by 3% as opposed to by 1% to address significant cost increases to bulk water supply, detailed in Watermain and Services.
- Increase of \$86,600 in ‘Wages and Benefits’ due to the addition of a full-time position of \$30,500 (\$91,500 split between Roadways, Water and Wastewater) as well as contractual increases and the 53rd week.
- Decrease of \$50,000 in ‘Professional Services’ specifically for the 2019 mediation/arbitration process for the Windsor Utilities Commission bulk water purchase agreement.
- Increase of \$30,500 in ‘Maintenance Service’ to be more in line with historical expenditures as well as an increase in repairs on an aging vehicle fleet.

2020 Program Objectives

- Prepare a cost recovery By-law for the 8th Concession Sanitary Service Area in 2020. (SP#2: Sustainable Infrastructure)
- Finalize the Water and Wastewater Master Plan Update. (SP#1: Smart Growth)
- Continuation of the installation of local sewers in the Oldcastle Hamlet Settlement Area. (SP#1: Smart Growth)
- Continuation of the Sanitary Sewer Rehabilitation Program (Inflow and Infiltration removal). (SP#2: Sustainable Infrastructure)

Looking Ahead

- Annual maintenance and repair work of the sanitary pump stations and metering stations.
- Subsidies for homeowners flood protection to continue with promotion of ways to protect basements from flooding provided quarterly.
- Sanitary trunk sewer extensions to developable lands as Secondary Plans evolve and new development proposals come forward.

Staffing Resources

Permanent FTE	2019 Budget	2020 Budget	2021 Outlook	2022 Outlook
Full-Time FTE	12.00	12.66	12.66	12.66
Part-Time FTE	0.62	0.62	0.62	0.62
Total FTE	12.62	13.28	13.28	13.28
Net Change	-	0.66	-	-

Staffing complement includes:

0.66 Director Public Works and Environmental Services

0.66 Manager Engineering Services

1.00 Manager Water and Wastewater

0.66 Full-Time Project Technician

1.67 Full-Time Clerical

8.00 Full-Time Licensed Water Operators

0.62 Seasonal Labourer (1 Physical Employee)

**Town of Tecumseh
2020 Draft 2 Budget
Sanitary Sewer System 4100**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	4,428,917	4,502,325	4,749,000	4,909,000	160,000	3.37%	5,069,000	5,292,000
User Charges Allocated to Capital	1,861,206	2,210,644	2,326,499	2,454,672	128,173	-5.51%	2,541,011	2,684,622
Net User Charges Available for Operating	2,567,711	2,291,681	2,422,501	2,454,328	31,827	1.31%	2,527,989	2,607,378
Revenues Before Transfers	2,567,711	2,291,681	2,422,501	2,454,328	31,827	1.31%	2,527,989	2,607,378
Total Revenues	2,567,711	2,291,681	2,422,501	2,454,328	31,827	1.31%	2,527,989	2,607,378
Wages	153,226	154,503	163,434	192,934	29,500	18.05%	194,062	198,914
Benefits	46,095	39,207	47,542	58,339	10,797	22.71%	58,308	59,388
Total Wages & Benefits	199,321	193,710	210,976	251,273	40,297	19.10%	252,370	258,302
Office Supplies & Equip Mtnce	3,981	5,701	6,000	6,000	-	- %	6,120	6,242
Memberships	-27	100	200	200	-	- %	204	208
Professional Development	117	200	2,500	3,000	500	20.00%	3,000	3,000
Maintenance Materials & Supplies	36,228	28,319	27,000	28,000	1,000	3.70%	28,560	29,131
Maintenance Services	84,066	110,342	111,500	111,500	-	- %	113,730	116,005
Contract Services	1,453,023	1,522,015	1,549,700	1,564,130	14,430	0.93%	1,627,320	1,691,320
Professional Services	371	5,000	10,000	10,000	-	- %	10,000	10,000
Utilities	21,646	26,408	33,000	30,000	-3,000	-9.09%	30,600	31,212
Insurance	33,419	31,071	34,500	33,000	-1,500	-4.35%	33,660	34,333
Grants & Donations	102,130	39,399	100,000	75,000	-25,000	-25.00%	75,000	75,000
Other	66,091	46,309	47,150	47,150	-	- %	47,150	47,150
Financial Expense	23,800	131	4,200	4,200	-	- %	4,200	4,200
Expenditures Before Transfers	2,024,166	2,008,703	2,136,726	2,163,453	26,727	1.25%	2,231,914	2,306,103
Transfers to Reserves	543,545	282,980	285,775	290,875	5,100	1.78%	296,075	301,275
Total Expenditures	2,567,711	2,291,681	2,422,501	2,454,328	31,827	1.31%	2,527,989	2,607,378
Net Expenditures	-	-	-	-	-	- %	-	-

**Town of Tecumseh
2020 Draft 2 Budget
Waterworks System**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	50,370	-	-	-	-	- %	-	-
User Charges	5,061,318	5,078,727	5,340,500	5,488,500	148,000	2.77%	5,642,500	5,791,500
User Charges Allocated to Capital	1,831,470	1,710,424	1,840,085	1,925,133	85,048	-4.62%	2,023,258	2,096,059
Net User Charges Available for Operating	3,229,848	3,368,303	3,500,415	3,563,367	62,952	1.80%	3,619,242	3,695,441
Other Income	18,775	19,050	19,050	19,400	350	1.84%	19,400	19,400
Revenues Before Transfers	3,298,993	3,387,353	3,519,465	3,582,767	63,302	1.80%	3,638,642	3,714,841
Transfers from Reserves	157,451	-	-	-	-	- %	-	-
Total Revenues	3,456,444	3,387,353	3,519,465	3,582,767	63,302	1.80%	3,638,642	3,714,841
Wages	853,085	853,681	866,486	923,641	57,155	6.60%	928,872	952,094
Benefits	262,658	254,946	274,250	303,706	29,456	10.74%	303,347	308,602
Total Wages & Benefits	1,115,743	1,108,627	1,140,735	1,227,347	86,612	7.59%	1,232,219	1,260,696
Office Supplies & Equip Mtnce	40,268	24,056	34,130	34,130	-	- %	34,724	35,329
Memberships	145	861	1,900	1,900	-	- %	1,938	1,977
Professional Development	18,025	18,635	23,000	25,000	2,000	8.70%	25,000	25,000
Maintenance Materials & Supplies	103,333	100,149	103,500	106,900	3,400	3.29%	109,038	111,218
Purchases for Resale	1,523,698	1,451,794	1,550,000	1,548,000	-2,000	-0.13%	1,585,001	1,624,001
Maintenance Services	117,856	128,773	103,500	134,000	30,500	29.47%	138,570	137,777
Contract Services	136,865	108,626	106,200	103,790	-2,410	-2.27%	103,790	103,790
Professional Services	58,037	90,871	76,700	26,700	-50,000	-65.19%	26,700	26,700
Utilities	40,221	40,461	48,350	48,750	400	0.83%	49,572	50,410
Insurance	41,013	30,104	42,300	32,000	-10,300	-24.35%	32,640	33,293
Other	8,849	7,032	7,750	7,750	-	- %	7,750	7,750
Financial Expense	2,391	2,360	6,400	6,400	-	- %	6,400	6,400
Expenditures Before Transfers	3,206,444	3,112,353	3,244,465	3,302,667	58,202	1.79%	3,353,342	3,424,341
Transfers to Reserves	250,000	275,000	275,000	280,100	5,100	1.85%	285,300	290,500
Total Expenditures	3,456,444	3,387,353	3,519,465	3,582,767	63,302	1.80%	3,638,642	3,714,841
Net Expenditures	-	-	-	-	-	-	-	-



Parks and Recreation Department

The Parks and Recreation Department manages the following work: maintenance of Town buildings / facilities; planning and maintenance of parks; recreation programming and activities; supervision, concessions and programming at the Arena; supervision and programming at the Pool; annual special events; community event coordination; marketing and promotions for recreational programs and events; administer funding programs for low-income families; and support for the Essex County Library operation in Tecumseh.

The Parks and Recreation Department is committed to providing affordable, healthy lifestyle opportunities for individuals, families, businesses in our community that enhance the quality of life and livability for today and tomorrow.

2020 Budget Highlights

Parks

- Increase of \$5,000 in 'Maintenance Services' for tree trimming and removal due to annual increased storm damage.
- Increase of \$10,000 in 'Contracts' for goose control at Lakewood park.

Maintenance

- One time 'Miscellaneous Service' increase of \$10,000 to participate in ERCA Energy Management Plan.

Parks Buildings

- Increase of \$2,500 in 'Maintenance Services' to allow for additional washroom & maintenance service.

Arena

- One-time increase of \$8,000 in 'Maintenance Services' for 2020 and 2021 to rebuild compressors (two each year).
- Increase of \$111,500 in 'Wages and Benefits'. The Sportsplex Fundraising Coordinator has been added to the budget and additional hours have been allocated to the part-time clerks in order to increase summer service levels (\$85,000). The balance is for contractual increases, benefits adjustments and the 53rd pay period.

Pool

- Increase of \$9,000 in 'User Charges' for increased program revenues.

Corn Festival

- Increase of \$6,500 in 'Other' to continue to support and grow the car show (\$4,000), parade (\$1,500) and pageant (\$1,000).
- Increase of \$3,000 in 'Maintenance Services' to meet prior two year's actuals for grounds maintenance.
- Increase of \$6,500 in 'Contract Services' for OPP policing costs.

2020 Program Objectives

- Continue to manage approved Capital Projects and implement the Parks and Recreation Master Plan. (SP#2: Sustainable Infrastructure)
- Examine potential opportunities for new programs and activities. (SP#3: Community Health and Wellness)
- Construct new splash pad at McAuliffe Park. (SP#2: Sustainable Infrastructure)
- Tender Multi-Use Sportsplex with goal to start project late fall. (SP#3: Community Health and Wellness)
- Finalize the updated Parks and Recreation Master Plan Document inclusive of a new Trails section. (SP#3: Community Health and Wellness)
- Work with local school boards to add additional soccer field facilities to the Town's current inventory. (SP#5: Good Governance)

- Develop a plan working with the Essex County Library administration to upgrade our Library facility. (SP#3: Community Health and Wellness)
- Design and construct a new artificial infield at McAuliffe Field to accommodate for the loss of Hebert Field. (SP#2: Sustainable Infrastructure)
- Update the Municipal Alcohol Risk Management Policy. (SP#3: Community Health and Wellness)

Looking Ahead

- Outlook for 2021 and beyond includes the development of a detailed Asset Management plan for all Town facilities and buildings
- Accessibility audits for all Town facilities to ensure compliance with AODA regulations will continue
- Update to the Town Memorial Tree program
- Implementation of the Parks Recreation and Trails Master Plan
- The Multi-Use Sportsplex will move forward based on grant information from Provincial and Federal governments and availability of municipal funds
- Design and construct a multi-court pickle ball facility
- One additional community splash pads will be constructed in 2021

Staffing Resources

Permanent FTE	2019 Budget	2019 Budget	2020 Outlook	2021 Outlook
Full-Time FTE	15.00	16.00	16.00	15.00
Part-Time FTE	21.23	22.33	22.07	22.07
Total FTE	36.23	38.33	38.07	37.07
Net Change	-	+2.10	-.26	-

Staffing complement includes:

Full Time

- 1.00 Director Parks and Recreation
- 3.00 Managers Facilities, Parks, Recreation Programs
- 1.00 Full-Time Maintenance Labourer
- 1.00 FT Recreation Program and Events Supervisor
- 1.00 Parks Leader
- 3.00 Parks Labourers
- 1.00 Full-Time Clerical
- 1.00 Fund Raiser Coordinator
- 4.00 Full-Time Facility Attendants (4 Physical Employees)

Part-time:

- 1.50 Part-Time Clerical (2 Physical Employees)
- 3.77 Seasonal Labourers (5 Physical Employees)
- 7.28 Student Labourers (16 Physical Employees)
- 2.50 Part-Time Facility Attendants (6 Physical Employees)
- 0.72 Student Intern
- 1.08 Concession Staff (6 Physical Employees)
- 0.70 Pool Coordinators (2 Physical Employees)
- 2.78 Lifeguards (18 Physical Employees)
- 0.46 Camp Coordinators (1 Physical Employee)
- 0.17 Camp Coordinator Associate (1 Physical Employee)
- 1.03 Camp Counselors (7 Physical Employees)
- 0.34 Festival & Events Assistant

**Town of Tecumseh
2020 Draft 2 Budget
Parks 7100**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	20,160	16,000	5,000	5,000	-	- %	5,000	5,000
User Charges	70,147	64,076	64,500	63,500	-1,000	-1.55%	63,500	63,500
Net User Charges Available for Operating	70,147	64,076	64,500	63,500	-1,000	-1.55%	63,500	63,500
Revenues Before Transfers	90,307	80,076	69,500	68,500	-1,000	-1.44%	68,500	68,500
Total Revenues	90,307	80,076	69,500	68,500	-1,000	-1.44%	68,500	68,500
Wages	729,077	753,711	800,878	831,989	31,111	3.88%	844,464	865,576
Benefits	182,362	184,246	208,068	211,863	3,795	1.82%	213,006	216,916
Total Wages & Benefits	911,439	937,957	1,008,946	1,043,852	34,906	3.46%	1,057,470	1,082,492
Office Supplies & Equip Mtnce	731	993	900	900	-	- %	900	900
Memberships	1,765	1,996	1,806	1,806	-	- %	1,842	1,879
Professional Development	8,336	9,096	8,100	8,100	-	- %	8,100	8,100
Maintenance Materials & Supplies	169,802	174,034	162,980	163,980	1,000	0.61%	167,220	170,524
Maintenance Services	75,812	99,350	91,600	97,600	6,000	6.55%	102,990	103,387
Contract Services	6,450	3,932	7,100	23,600	16,500	232.39%	23,600	23,600
Utilities	60,068	50,105	59,260	70,600	11,340	19.14%	71,942	73,311
Insurance	33,953	28,471	35,000	26,600	-8,400	-24.00%	27,132	27,675
Other	41,178	44,292	45,350	35,350	-10,000	-22.05%	35,350	35,350
Financial Expense	-	-	-	-	-	- %	-	-
Expenditures Before Transfers	1,309,534	1,350,226	1,421,042	1,472,388	51,346	3.61%	1,496,546	1,527,218
Transfers to Reserves	13,300	10,100	8,500	8,500	-	- %	8,500	8,500
Total Expenditures	1,322,834	1,360,326	1,429,542	1,480,888	51,346	3.59%	1,505,046	1,535,718
Net Expenditures	1,232,527	1,280,250	1,360,042	1,412,388	52,346	3.85%	1,436,546	1,467,218

**Town of Tecumseh
2020 Draft 2 Budget
Parks Buildings 7110**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	17,653	15,999	15,350	16,000	650	4.23%	16,000	16,000
Net User Charges Available for Operating	17,653	15,999	15,350	16,000	650	4.23%	16,000	16,000
Revenues Before Transfers	17,653	15,999	15,350	16,000	650	4.23%	16,000	16,000
Total Revenues	17,653	15,999	15,350	16,000	650	4.23%	16,000	16,000
Wages	30,545	37,158	46,859	47,254	395	0.84%	48,435	49,646
Benefits	4,163	5,267	5,652	5,528	-124	-2.19%	5,639	5,751
Total Wages & Benefits	34,708	42,425	52,511	52,782	271	0.52%	54,074	55,397
Maintenance Materials & Supplies	2,511	3,468	4,200	5,200	1,000	23.81%	5,304	5,410
Maintenance Services	3,401	5,500	5,500	8,000	2,500	45.45%	8,160	8,323
Utilities	8,042	8,874	9,500	9,700	200	2.11%	9,874	10,051
Insurance	2,409	1,615	2,500	1,800	-700	-28.00%	1,836	1,873
Expenditures Before Transfers	51,071	61,882	74,211	77,482	3,271	4.41%	79,248	81,054
Total Expenditures	51,071	61,882	74,211	77,482	3,271	4.41%	79,248	81,054
Net Expenditures	33,418	45,883	58,861	61,482	2,621	4.45%	63,248	65,054

**Town of Tecumseh
2020 Draft 2 Budget
Maintenance 1210**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	1,320	-	-	-	-	- %	-	-
Net User Charges Available for Operating	1,320	-	-	-	-	- %	-	-
Revenues Before Transfers	1,320	-	-	-	-	- %	-	-
Total Revenues	1,320	-	-	-	-	- %	-	-
Wages	116,505	118,189	118,189	122,774	4,585	3.88%	123,423	126,509
Benefits	38,270	38,582	39,759	39,901	142	0.36%	39,834	40,549
Total Wages & Benefits	154,775	156,771	157,948	162,675	4,727	2.99%	163,257	167,058
Maintenance Materials & Supplies	3,650	4,241	3,600	3,700	100	2.78%	3,774	3,849
Maintenance Services	2,518	1,000	1,000	1,000	-	- %	1,000	1,000
Utilities	522	540	500	600	100	20.00%	600	600
Other	14,688	8,859	10,500	20,500	10,000	95.24%	10,500	10,500
Expenditures Before Transfers	176,153	171,411	173,548	188,475	14,927	8.60%	179,131	183,007
Total Expenditures	176,153	171,411	173,548	188,475	14,927	8.60%	179,131	183,007
Net Expenditures	174,833	171,411	173,548	188,475	14,927	8.60%	179,131	183,007

**Town of Tecumseh
2020 Draft 2 Budget
Library 7600**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Maintenance Materials & Supplies	31	1,000	1,000	1,000	-	- %	1,020	1,040
Maintenance Services	4,212	1,650	1,650	1,650	-	- %	1,683	1,717
Insurance	5,347	3,550	5,600	3,800	-1,800	-32.14%	3,876	3,954
Expenditures Before Transfers	9,590	6,200	8,250	6,450	-1,800	-21.82%	6,579	6,711
Total Expenditures	9,590	6,200	8,250	6,450	-1,800	-21.82%	6,579	6,711
Net Expenditures	9,590	6,200	8,250	6,450	-1,800	-21.82%	6,579	6,711

**Town of Tecumseh
2020 Draft 2 Budget
Cultural Other 7701**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	1,800	3,600	3,600	3,600	-	- %	3,600	3,600
Net User Charges Available for Operating	1,800	3,600	3,600	3,600	-	- %	3,600	3,600
Revenues Before Transfers	1,800	3,600	3,600	3,600	-	- %	3,600	3,600
Total Revenues	1,800	3,600	3,600	3,600	-	- %	3,600	3,600
Maintenance Materials & Supplies	15	-	-	-	-	- %	-	-
Maintenance Services	611	2,500	2,500	2,500	-	- %	2,550	2,601
Utilities	2,389	2,842	3,100	3,100	-	- %	3,162	3,225
Expenditures Before Transfers	3,015	5,342	5,600	5,600	-	- %	5,712	5,826
Total Expenditures	3,015	5,342	5,600	5,600	-	- %	5,712	5,826
Net Expenditures	1,215	1,742	2,000	2,000	-	- %	2,112	2,226

**Town of Tecumseh
2020 Draft 2 Budget
Arena 7500**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	2,100	-	-	-	-	- %	-	-
User Charges	929,881	918,261	918,000	918,500	500	0.05%	918,500	918,500
Net User Charges Available for Operating	929,881	918,261	918,000	918,500	500	0.05%	918,500	918,500
Other Income	8,000	6,500	8,000	6,500	-1,500	-18.75%	6,500	6,500
Revenues Before Transfers	939,981	924,761	926,000	925,000	-1,000	-0.11%	925,000	925,000
Transfers from Reserves	-	-	-	84,502	84,502	- %	76,502	76,502
Total Revenues	939,981	924,761	926,000	1,009,502	83,502	9.02%	1,001,502	1,001,502
Wages	643,688	707,023	707,023	810,429	103,406	14.63%	816,804	767,980
Benefits	198,509	209,234	216,995	225,088	8,093	3.73%	225,175	221,797
Total Wages & Benefits	842,197	916,257	924,018	1,035,517	111,499	12.07%	1,041,979	989,777
Office Supplies & Equip Mtnce	12,928	13,700	13,900	13,900	-	- %	14,060	14,223
Memberships	2,467	3,800	3,800	3,900	100	2.63%	3,978	4,748
Professional Development	3,599	5,647	8,500	8,500	-	- %	8,500	8,500
Maintenance Materials & Supplies	43,033	40,093	43,400	46,300	2,900	6.68%	47,216	48,151
Maintenance Services	72,661	65,899	68,200	76,200	8,000	11.73%	77,470	70,765
Contract Services	1,487	1,671	1,350	1,740	390	28.89%	1,740	1,740
Vehicle & Equipment Leases	-	720	720	720	-	- %	720	720
Utilities	262,812	268,418	279,800	284,000	4,200	1.50%	289,624	295,361
Insurance	44,884	29,860	46,300	31,700	-14,600	-31.53%	32,334	32,981
Other	19,717	21,703	21,850	21,850	-	- %	21,850	21,850
Financial Expense	13,399	15,487	15,500	15,500	-	- %	15,500	15,500
Expenditures Before Transfers	1,319,184	1,383,255	1,427,338	1,539,827	112,489	7.88%	1,554,971	1,504,316
Transfers to Reserves	45,259	45,664	38,000	41,000	3,000	7.89%	41,000	41,000
Total Expenditures	1,364,443	1,428,919	1,465,338	1,580,827	115,489	7.88%	1,595,971	1,545,316
Net Expenditures	424,462	504,158	539,338	571,325	31,987	5.93%	594,469	543,814

**Town of Tecumseh
2020 Draft 2 Budget
Concessions 7503**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	74,703	80,311	80,000	80,000	-	- %	80,000	80,000
Net User Charges Available for Operating	74,703	80,311	80,000	80,000	-	- %	80,000	80,000
Revenues Before Transfers	74,703	80,311	80,000	80,000	-	- %	80,000	80,000
Total Revenues	74,703	80,311	80,000	80,000	-	- %	80,000	80,000
Wages	36,880	37,426	35,100	35,798	698	1.99%	36,693	37,610
Benefits	3,615	3,643	3,305	3,237	-68	-2.06%	3,302	3,368
Total Wages & Benefits	40,495	41,069	38,405	39,035	630	1.64%	39,995	40,978
Maintenance Materials & Supplies	491	500	500	500	-	- %	510	520
Purchases for Resale	38,103	36,405	40,000	40,000	-	- %	40,000	40,000
Maintenance Services	2,376	1,700	1,700	1,700	-	- %	1,734	1,768
Other	1,154	500	500	500	-	- %	500	500
Financial Expense	34	303	-	-	-	- %	-	-
Expenditures Before Transfers	82,653	80,477	81,105	81,735	630	0.78%	82,739	83,766
Total Expenditures	82,653	80,477	81,105	81,735	630	0.78%	82,739	83,766
Net Expenditures	7,950	166	1,105	1,735	630	57.01%	2,739	3,766

**Town of Tecumseh
2020 Draft 2 Budget
Pool 7550**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	33,600	8,820	15,000	15,000	-	- %	15,000	15,000
User Charges	133,093	137,128	130,500	139,500	9,000	6.90%	132,500	132,500
Net User Charges Available for Operating	133,093	137,128	130,500	139,500	9,000	6.90%	132,500	132,500
Revenues Before Transfers	166,693	145,948	145,500	154,500	9,000	6.19%	147,500	147,500
Total Revenues	166,693	145,948	145,500	154,500	9,000	6.19%	147,500	147,500
Wages	146,172	154,341	143,659	157,356	13,697	9.53%	149,495	153,232
Benefits	19,829	21,645	20,798	22,069	1,271	6.11%	21,066	21,477
Total Wages & Benefits	166,001	175,986	164,457	179,425	14,968	9.10%	170,561	174,709
Office Supplies & Equip Mtnce	2,998	2,737	3,875	3,375	-500	-12.90%	3,425	3,476
Memberships	243	246	350	350	-	- %	357	364
Professional Development	1,927	1,500	2,500	2,500	-	- %	2,500	2,500
Maintenance Materials & Supplies	24,218	24,418	23,250	25,250	2,000	8.60%	24,900	25,052
Maintenance Services	5,011	11,656	9,000	9,000	-	- %	9,180	9,364
Professional Services	1,562	1,908	2,000	2,000	-	- %	2,000	2,000
Utilities	18,185	25,557	25,000	25,400	400	1.60%	25,880	26,370
Insurance	10,265	6,840	10,600	7,300	-3,300	-31.13%	7,446	7,595
Other	6,632	6,496	7,100	7,100	-	- %	7,100	7,100
Expenditures Before Transfers	237,042	257,344	248,132	261,700	13,568	5.47%	253,349	258,530
Total Expenditures	237,042	257,344	248,132	261,700	13,568	5.47%	253,349	258,530
Net Expenditures	70,349	111,396	102,632	107,200	4,568	4.45%	105,849	111,030

**Town of Tecumseh
2020 Draft 2 Budget
Recreation Programs 7501**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	8,400	9,260	6,500	6,500	-	- %	6,500	6,500
User Charges	98,859	96,451	93,900	104,400	10,500	11.18%	84,400	84,400
Net User Charges Available for Operating	98,859	96,451	93,900	104,400	10,500	11.18%	84,400	84,400
Revenues Before Transfers	107,259	105,711	100,400	110,900	10,500	10.46%	90,900	90,900
Total Revenues	107,259	105,711	100,400	110,900	10,500	10.46%	90,900	90,900
Wages	126,047	136,132	137,234	154,012	16,778	12.23%	151,657	155,448
Benefits	32,347	32,445	35,197	37,073	1,876	5.33%	36,664	37,339
Total Wages & Benefits	158,394	168,577	172,431	191,085	18,654	10.82%	188,321	192,787
Office Supplies & Equip Mtnce	1,991	3,425	2,500	3,700	1,200	48.00%	3,770	3,841
Professional Development	235	834	1,000	1,000	-	- %	1,000	1,000
Maintenance Materials & Supplies	8,066	2,520	4,400	4,900	500	11.36%	4,998	5,098
Contract Services	1,902	2,474	2,500	3,100	600	24.00%	2,500	2,500
Professional Services	5,301	5,436	6,000	6,800	800	13.33%	5,200	5,200
Utilities	301	600	600	600	-	- %	600	600
Other	7,716	9,215	8,500	10,300	1,800	21.18%	8,700	8,700
Expenditures Before Transfers	183,906	193,081	197,931	221,485	23,554	11.90%	215,089	219,726
Total Expenditures	183,906	193,081	197,931	221,485	23,554	11.90%	215,089	219,726
Net Expenditures	76,647	87,370	97,531	110,585	13,054	13.38%	124,189	128,826

**Town of Tecumseh
2020 Draft 2 Budget
Christmas in Tecumseh 7720**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	10,252	5,550	5,500	7,000	1,500	27.27%	7,000	7,000
Net User Charges Available for Operating	10,252	5,550	5,500	7,000	1,500	27.27%	7,000	7,000
Revenues Before Transfers	10,252	5,550	5,500	7,000	1,500	27.27%	7,000	7,000
Total Revenues	10,252	5,550	5,500	7,000	1,500	27.27%	7,000	7,000
Maintenance Materials & Supplies	1,038	400	400	1,600	1,200	300.00%	1,600	1,600
Contract Services	11,139	15,000	15,000	17,400	2,400	16.00%	17,400	17,400
Other	5,880	7,800	7,800	8,000	200	2.56%	8,000	8,000
Expenditures Before Transfers	18,057	23,200	23,200	27,000	3,800	16.38%	27,000	27,000
Total Expenditures	18,057	23,200	23,200	27,000	3,800	16.38%	27,000	27,000
Net Expenditures	7,805	17,650	17,700	20,000	2,300	12.99%	20,000	20,000

**Town of Tecumseh
2020 Draft 2 Budget
Special Events 7790**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	3,828	3,420	2,000	2,800	800	40.00%	2,800	2,800
Net User Charges Available for Operating	3,828	3,420	2,000	2,800	800	40.00%	2,800	2,800
Revenues Before Transfers	3,828	3,420	2,000	2,800	800	40.00%	2,800	2,800
Total Revenues	3,828	3,420	2,000	2,800	800	40.00%	2,800	2,800
Wages	1,034	673	-	3,465	3,465	- %	3,552	3,641
Benefits	137	81	-	403	403	- %	411	419
Total Wages & Benefits	1,171	754	-	3,868	3,868	- %	3,963	4,060
Maintenance Materials & Supplies	18,229	18,651	20,000	22,800	2,800	14.00%	22,800	22,800
Other	4,599	2,867	4,000	5,000	1,000	25.00%	5,000	5,000
Expenditures Before Transfers	23,999	22,272	24,000	31,668	7,668	31.95%	31,763	31,860
Total Expenditures	23,999	22,272	24,000	31,668	7,668	31.95%	31,763	31,860
Net Expenditures	20,171	18,852	22,000	28,868	6,868	31.22%	28,963	29,060

**Town of Tecumseh
2020 Draft 2 Budget
Corn Festival 7710**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	92,348	109,416	112,500	112,500	-	- %	112,500	112,500
Net User Charges Available for Operating	92,348	109,416	112,500	112,500	-	- %	112,500	112,500
Revenues Before Transfers	92,348	109,416	112,500	112,500	-	- %	112,500	112,500
Total Revenues	92,348	109,416	112,500	112,500	-	- %	112,500	112,500
Wages	6,394	6,225	7,654	21,874	14,220	185.79%	22,421	22,982
Benefits	1,184	763	909	2,537	1,628	179.10%	2,589	2,641
Total Wages & Benefits	7,578	6,988	8,563	24,411	15,848	185.08%	25,010	25,623
Office Supplies & Equip Mtnce	7	83	600	600	-	- %	600	600
Memberships	275	-	525	525	-	- %	536	547
Professional Development	2,200	1,439	1,500	1,500	-	- %	1,500	1,500
Maintenance Materials & Supplies	43,912	42,886	44,900	44,900	-	- %	45,728	46,572
Maintenance Services	25,656	28,750	26,000	29,000	3,000	11.54%	29,000	29,000
Contract Services	2,348	2,247	2,500	9,000	6,500	260.00%	9,000	9,000
Utilities	52	-	100	100	-	- %	100	100
Other	52,948	65,052	64,000	70,500	6,500	10.16%	70,500	70,500
Expenditures Before Transfers	134,976	147,445	148,688	180,536	31,848	21.42%	181,974	183,442
Total Expenditures	134,976	147,445	148,688	180,536	31,848	21.42%	181,974	183,442
Net Expenditures	42,628	38,029	36,188	68,036	31,848	88.01%	69,474	70,942



Planning and Building Services

Planning and Building Services is a multi-disciplinary team of Planners, Building Officials, By-Law Enforcement Officers, and support staff responsible for providing land use planning advice; developing and implementing land use policies, regulations and approvals; reviewing and making recommendations on new development proposals; enforcing the Ontario Building Code and various Municipal By-laws; and overseeing the Town's public transit system. The Planning and Building Services Department participates in the County-Wide Active Transportation System (CWATS) Implementation Committee and Inter-Municipal Planning Consultation Committee.

2020 Budget Highlights

Building

Net Surplus of \$33,300 in Building Services due to \$50,000 increase in permit revenue.

By-law

Increase of \$28,100 in Net Expenditures largely due to reallocation of staff time (part of adjustments across all areas in Planning and Building Services).

Increase of \$700 in 'Other' for clothing as implementing a more formalized uniform

Increase of \$1,800 in 'Professional Development' for staff to attend MLEA conference.

Transit

Increase of \$5,000 in 'User Charges' for bus fare revenue as a result of a \$0.25 increase in single fare rate and \$5.00 increase in monthly fare rate.

Increase of \$12,700 in 'Contract Services' for inflationary increase and fuel cost adjustment clause in Transit service agreement with First Student.

Ontario Grant of \$86,657 is included as a Revenue; reflects reversal of \$75,000 grant for bus purchase.

Planning and Zoning

Net increase of \$15,000 to 'Professional Services' for two studies; funded through reserves. The one-time cost of \$40,000 for the Development Charge study was reversed as the study was completed. For 2020, an additional \$25,000 is required to implement Bill 108, requiring the removal of 'soft service charges' from 'Development Charge By-law' and to introduce a new 'Community Benefit Charge' for the same services. A one-time increase of \$30,000 for professional services regarding Oldcastle Development Lands has been proposed.

2020 Program Objectives

Implement necessary actions to facilitate development in the Manning Road Secondary Plan Area.

After public input and Council adoption, oversee approval by County (Approval Authority) of New Official Plan.

Finalize Tecumseh Hamlet Secondary Plan document and incorporate into New Official Plan by way of amendment. Integrate the following related studies: Upper Little River Watershed Master Drainage and Stormwater Master Plan and Tecumseh Hamlet Traffic Study.

Initiate the 'Oldcastle Hamlet Special Planning Study for Future Development Lands' in the latter part of 2020. It is projected to be completed in 2021, with the findings incorporated into the New Official Plan by way of amendment.

Work with Public Works to complete the design of the Tecumseh Road Main Street Streetscape Master Plan/Detailed Design.

Continue to promote financial incentive programs under the Tecumseh Road Community Improvement Plan.

Looking Ahead

Future budgets may be impacted by "next steps" in Tecumseh Hamlet Secondary Plan Area in light of lessons learned from Manning Road Secondary Plan decisions.

First Student Canada Transit 5-year contract expires end of 2020, with option to extend for another 5-year term or a portion thereof.

Have discussions with Transit Windsor where deemed appropriate regarding ways to optimize integration of services for cross-boundary transit riders.

Potential for Town implementing Parking By-law Enforcement service in 2021 as transfer from current OPP service provider; potential impact on staffing level.

Additional staff may be required in future years depending on Planning and Building Services functions responding to review and permitting pressures.

Staffing Resources

Permanent FTE	2019 Budget	2020 Proposed	2021 Outlook	2022 Outlook
Full-Time FTE	8.00	8.00	8.00	8.00
Total FTE	8.00	8.00	8.00	8.00
Net Change	-	-	-	-

Staffing complement includes:

- 1.00 Director Planning and Building Services
- 1.00 Manager Building Services/CBO
- 1.00 Manager Planning Services
- 1.00 Full-Time Building Officer
- 1.00 By-law Enforcement/Development Officer
- 1.00 Junior Planner
- 2.00 Full-Time Clerical

**Town of Tecumseh
2020 Draft 2 Budget
Building 2600**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	5,748	5,533	5,000	5,000	-	- %	5,000	5,000
Net User Charges Available for Operating	5,748	5,533	5,000	5,000	-	- %	5,000	5,000
Licences and Permits	380,033	278,374	334,800	384,800	50,000	14.93%	384,800	304,800
Revenues Before Transfers	385,781	283,907	339,800	389,800	50,000	14.71%	389,800	309,800
Transfers from Reserves	42,711	10,354	10,265	-	-10,265	-100.00%	-	-
Total Revenues	428,492	294,261	350,065	389,800	39,735	11.35%	389,800	309,800
Wages	226,167	222,061	239,912	231,393	-8,519	-3.55%	232,656	238,472
Benefits	87,502	83,000	90,286	91,398	1,112	1.23%	91,326	92,741
Total Wages & Benefits	313,669	305,061	330,198	322,791	-7,407	-2.24%	323,982	331,213
Office Supplies & Equip Mtnce	3,327	3,156	3,500	3,800	300	8.57%	3,640	3,681
Memberships	1,005	961	1,050	1,050	-	- %	1,071	1,092
Professional Development	1,925	3,262	4,700	5,500	800	17.02%	4,700	4,700
Maintenance Materials & Supplies	3,329	2,912	4,150	6,550	2,400	57.83%	6,680	6,812
Maintenance Services	477	475	1,000	1,000	-	- %	1,000	1,000
Professional Services	-	994	3,500	3,500	-	- %	3,500	3,500
Utilities	848	1,000	1,000	1,000	-	- %	1,000	1,000
Insurance	11,463	8,681	11,900	9,300	-2,600	-21.85%	9,486	9,676
Grants & Donations	42,711	-	-	-	-	- %	-	-
Other	984	1,070	1,000	2,000	1,000	100.00%	2,000	2,000
Expenditures Before Transfers	379,738	327,572	361,998	356,491	-5,507	-1.52%	357,059	364,674
Total Expenditures	379,738	327,572	361,998	356,491	-5,507	-1.52%	357,059	364,674
Net Expenditures	-48,754	33,311	11,933	-33,309	-45,242	-379.13%	-32,741	54,874

**Town of Tecumseh
2020 Draft 2 Budget
Bylaw 2610**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	5,158	15,533	-	6,250	6,250	- %	6,250	6,250
Net User Charges Available for Operating	5,158	15,533	-	6,250	6,250	- %	6,250	6,250
Fines	-	-	-	-	-	- %	5,000	5,000
Revenues Before Transfers	5,158	15,533	-	6,250	6,250	- %	11,250	11,250
Transfers from Reserves	-	-	4,150	-	-4,150	-100.00%	-	-
Total Revenues	5,158	15,533	4,150	6,250	2,100	50.60%	11,250	11,250
Wages	111,906	112,560	118,040	139,319	21,279	18.03%	140,118	143,621
Benefits	34,282	32,234	36,487	44,787	8,300	22.75%	44,774	45,575
Total Wages & Benefits	146,188	144,794	154,527	184,106	29,579	19.14%	184,892	189,196
Office Supplies & Equip Mtnc	-	165	150	150	-	- %	150	150
Memberships	224	375	375	100	-275	-73.33%	102	104
Professional Development	-	-	100	1,900	1,800	1,800.00%	1,900	1,900
Maintenance Materials & Supplies	591	636	800	800	-	- %	816	832
Maintenance Services	773	17,989	500	500	-	- %	500	500
Professional Services	16,447	9,616	10,000	10,000	-	- %	10,000	10,000
Utilities	240	412	300	400	100	33.33%	400	400
Insurance	7,642	5,787	7,900	6,200	-1,700	-21.52%	6,324	6,450
Other	979	856	500	1,200	700	140.00%	21,200	21,200
Expenditures Before Transfers	173,084	180,630	175,152	205,356	30,204	17.24%	226,284	230,732
Total Expenditures	173,084	180,630	175,152	205,356	30,204	17.24%	226,284	230,732
Net Expenditures	167,926	165,097	171,002	199,106	28,104	16.43%	215,034	219,482

**Town of Tecumseh
2020 Draft 2 Budget
Transit 3300**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
Grants	92,679	161,657	161,657	86,657	-75,000	-46.39%	86,657	86,657
User Charges	24,865	27,461	31,000	36,000	5,000	16.13%	36,000	36,000
Net User Charges Available for Operating	24,865	27,461	31,000	36,000	5,000	16.13%	36,000	36,000
Revenues Before Transfers	117,544	189,118	192,657	122,657	-70,000	-36.33%	122,657	122,657
Transfers from Reserves	83,415	80,440	88,000	88,000	-	- %	88,000	88,000
Total Revenues	200,959	269,558	280,657	210,657	-70,000	-24.94%	210,657	210,657
Wages	30,617	31,228	31,229	35,414	4,185	13.40%	35,609	36,499
Benefits	9,981	9,992	10,289	11,462	1,173	11.40%	11,444	11,649
Total Wages & Benefits	40,598	41,220	41,518	46,876	5,358	12.91%	47,053	48,148
Office Supplies & Equip Mtnce	653	1,102	2,100	2,500	400	19.05%	2,540	2,581
Maintenance Materials & Supplies	-	500	1,500	500	-1,000	-66.67%	500	500
Maintenance Services	9,002	2,500	5,000	5,000	-	- %	5,000	5,000
Contract Services	218,539	217,200	217,200	229,900	12,700	5.85%	229,900	229,900
Utilities	-	-	850	850	-	- %	850	850
Insurance	12,120	8,908	12,500	9,500	-3,000	-24.00%	9,690	9,884
Other	2,152	637	2,500	2,500	-	- %	2,500	2,500
Expenditures Before Transfers	283,064	272,067	283,168	297,626	14,458	5.11%	298,033	299,363
Transfers to Reserves	11,415	81,640	81,640	11,800	-69,840	-85.55%	11,970	12,140
Total Expenditures	294,479	353,707	364,808	309,426	-55,382	-15.18%	310,003	311,503
Net Expenditures	93,520	84,149	84,151	98,769	14,618	17.37%	99,346	100,846

**Town of Tecumseh
2020 Draft 2 Budget
Planning & Zoning 8100**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	26,984	26,191	25,000	25,000	-	- %	25,000	25,000
Net User Charges Available for Operating	26,984	26,191	25,000	25,000	-	- %	25,000	25,000
Revenues Before Transfers	26,984	26,191	25,000	25,000	-	- %	25,000	25,000
Transfers from Reserves	212,199	56,604	103,050	115,000	11,950	11.60%	27,500	-
Total Revenues	239,183	82,795	128,050	140,000	11,950	9.33%	52,500	25,000
Wages	264,519	255,901	271,309	251,775	-19,534	-7.20%	253,084	259,411
Benefits	87,155	80,690	90,388	82,932	-7,456	-8.25%	82,793	84,234
Total Wages & Benefits	351,674	336,591	361,697	334,707	-26,990	-7.46%	335,877	343,645
Office Supplies & Equip Mtnce	3,807	3,526	4,100	4,100	-	- %	4,100	4,100
Memberships	2,118	2,150	2,285	2,285	-	- %	2,331	2,378
Professional Development	5,177	6,100	6,100	6,100	-	- %	6,100	6,100
Professional Services	25,534	65,686	98,000	114,000	16,000	16.33%	33,000	3,000
Utilities	1,170	1,600	1,600	1,600	-	- %	1,600	1,600
Grants & Donations	319,923	61,907	125,000	125,000	-	- %	175,000	175,000
Other	906	5,979	8,000	8,000	-	- %	1,500	1,500
Expenditures Before Transfers	710,309	483,539	606,782	595,792	-10,990	-1.81%	559,508	537,323
Transfers to Reserves	-	63,093	-	-	-	- %	-	-
Total Expenditures	710,309	546,632	606,782	595,792	-10,990	-1.81%	559,508	537,323
Net Expenditures	471,126	463,837	478,732	455,792	-22,940	-4.79%	507,008	512,323

**Town of Tecumseh
2020 Draft 2 Budget
Committee of Adjustment 8110**

	2018 Actuals	2019 Forecast	2019 Budget	2020 Budget	\$ Change	% Change	2021 Forecast	2022 Forecast
User Charges	24,125	25,775	25,000	25,000	-	- %	25,000	25,000
Net User Charges Available for Operating	24,125	25,775	25,000	25,000	-	- %	25,000	25,000
Revenues Before Transfers	24,125	25,775	25,000	25,000	-	- %	25,000	25,000
Total Revenues	24,125	25,775	25,000	25,000	-	- %	25,000	25,000
Wages	58,229	61,145	65,245	67,092	1,847	2.83%	67,807	69,502
Benefits	22,716	23,086	24,216	23,490	-726	-3.00%	23,478	23,796
Total Wages & Benefits	80,945	84,231	89,461	90,582	1,121	1.25%	91,285	93,298
Office Supplies & Equip Mtnce	-	51	150	150	-	- %	150	150
Memberships	910	1,050	900	1,200	300	33.33%	1,224	1,248
Professional Development	8,594	7,748	12,300	12,300	-	- %	12,300	12,300
Professional Services	-	-	4,500	4,500	-	- %	4,500	4,500
Other	119	-	-	150	150	- %	150	150
Expenditures Before Transfers	90,568	93,080	107,311	108,882	1,571	1.46%	109,609	111,646
Total Expenditures	90,568	93,080	107,311	108,882	1,571	1.46%	109,609	111,646
Net Expenditures	66,443	67,305	82,311	83,882	1,571	1.91%	84,609	86,646



2020 Lifecycle Budget

Definition of Capital

A project or an acquisition must meet the following requirements to be considered a Capital Expenditure:

- Useful life longer than one year
- Cost equal or greater than \$5,000
- Meets strategic priorities and fiscal policies

Capital Planning

The following master plans and studies drive the Town's capital planning program:

- **Asset Management Plan (AMP)** is a long-range, holistic planning tool for the care of existing and new infrastructure. It takes into consideration strategic priorities, expected levels of service, risk, maintenance strategies, integration and funding. It is a capital works planning tool to assist decision-making with respect to infrastructure investments and is a component of a Long-Term Financial Plan. The Town's AMP 2.0 was adopted by Council on May 8, 2018.
- **Road and Bridge and Culvert Needs Studies** provide information on construction needs and cost estimates. The studies identify critical deficiencies and list structures in order of a priority rating with respect to reconstruction and/or upgrades. The Road Needs Study is normally updated every five years, with the next update anticipated in 2024. The Bridge and Culvert Needs Study (for spans greater than 3-metres) is normally updated every two years, with the next update scheduled for 2020. These studies are used as a tool for support of the Town's Asset Management and Lifecycle Plans and in the preparation of Capital Work Plans.
- A **Bridge Signage and Roadside Safety Review** was completed in 2015. As part of the review, potential roadside safety deficiencies were identified, along with potential and preferred solutions at each bridge structure using Ministry of Transportation Ontario (MTO) guidelines. Field reviews were used to document existing conditions and potential hazards. Clear zone widths and guide rail warrants were evaluated according to the MTO Roadside safety Manual (1993). The majority

of the recommended works consist of the addition or extension of Steel Beam Guide Rails (SBGR) and Steel Beam Energy Attenuating Terminals (SBEAT). The probable cost of construction estimates for the roadside safety improvements were also developed. The review is used in the preparation of Capital Work Plans.

- **A Culvert Need Study** (for spans less than 3-metres) was completed in 2016. The purpose of the Culvert Needs Study was to identify all of the existing culverts with spans less than three metres, conduct a condition assessment, and prepare a comprehensive plan for improving and maintaining these structures for the next ten-year period. There are a total of seventy-one existing culverts with a span less than three metres that were inspected in accordance with the latest version of the Ontario Structure Inspection Manual (OSIM) published by the Ministry of Transportation of Ontario (MTO). The assessment is used in the preparation of Capital Work Plans.
- **A Development Charge (DC) Study** was completed in 2019 pursuant to the requirements of the Development Charges Act, 1997. The DC Study details capital service needs that will arise due to future residential and non-residential growth and imposes a charge against new development to cover the cost of those future capital services. A new, updated DC By-law must be prepared every five years. Accordingly, the next update will take place in 2024.
- **A Community Benefits Charge (CBC) Study** will be undertaken in 2020 in order to satisfy the requirements of Bill 108. The study will have the effect of incorporating municipal soft service costs resulting from future residential and non-residential growth that are currently imbedded in the Town's DC Background Study and By-law and incorporate them into a new CBC Study and By-law. Accordingly, a revision to the current **DC Background Study** and By-law to remove soft service charges will be completed at the same time.
- The Town **Official Plan** is a statutory document which sets out the land use policy directions for long-term growth and development in the municipality. Twelve Discussion Papers issued over the past number of years were put out for public review in late 2016, following which a draft new Official Plan continued to be prepared throughout 2018 and 2019. It is projected to be tabled in late 2019. This will be followed by public, agency and Council review and subsequent adoption.
- **A Fire Master Plan** was completed in 2008 which addressed the Fire Department's service delivery model. This report included discussion on the capital requirements necessary to support recommended service improvements.
- The **Water and Wastewater Rate Study** addresses operating costs, identifies all current and future water systems capital needs and reviews potential methods of cost recovery. A full Water and Wastewater Rate Study was completed by in-house staff in the fall of 2015 and is due for an update in 2020.
- **A Water and Wastewater Master Plan Update** was initiated in 2016, and is anticipated to be completed late 2019. Since the completion of the 2008 Water and Wastewater Master Plan Update, further planning studies and discussion papers related to

the preparation of a new Official Plan have been completed. In order to ensure that the Town implements the most cost effective infrastructure servicing strategies required to support new growth and maintain a high level of service into the future, an update to the current Master Plan is being planned in accordance with the Class Environmental Assessment (EA) process for water and wastewater projects. The purpose of the Master Plan Update is to re-examine water and wastewater infrastructure timing and costing requirements for the existing settlement areas in the Town of Tecumseh.

- **A Pump and Metering Station Condition Assessment** was completed in 2016. The purpose of the report was to identify immediate required repairs and to develop a recommended program for expected repairs and maintenance over a ten year period.
- **A Traffic Signal Infrastructure Assessment** was completed in 2015. The condition assessment was conducted for all traffic signal infrastructures owned and maintained by the Town, including 11 intersections and one mid-block cross walk. The assessment was used as the basis for identifying the recommended priority, scope and cost for related infrastructure improvements, which could be utilized by the Town to develop a long-term, comprehensive maintenance and capital replacement strategy for traffic signal infrastructure.
- The **(Tecumseh) Storm Drainage Master Plan** was completed in 2019. The purpose of this study was to address the impacts of surface flooding on the mainly urbanized residential areas of the Town located along the northern and eastern limits. This included the assessment of storm pump stations, gravity outfalls and their respective service areas minor and major system discharging to Lake St. Clair and Pike Creek. The recommended surface flooding solutions outlined within the study totaled \$107 million.
- The **(Oldcastle Hamlet) Storm Drainage Master Plan** was initiated in 2018 and is anticipated to be completed in early 2020. The stormwater infrastructure network located within the Oldcastle Hamlet area is comprised of a combination of roadside ditches, Municipal Drains, storm sewers, swales/sub-drains, as well as County and Provincial storm infrastructure. There are three distinct watershed areas within the Oldcastle Hamlet which include Little River, Turkey Creek, and River Canard. This study will focus on an analysis of the stormwater infrastructure within these watersheds and will set the framework for how stormwater is addressed for new and re-developments.
- The **Drinking Water Quality Management Standard (DWQMS) Financial Plan** was updated in-house in 2019 for the purpose of forecasting capital requirements and ensuring sustainability of the system. This is required in order to apply for and renew a Municipal Drinking Water License as per the Safe Water Drinking Act (O. Reg 453/07). License renewal occurs every five years.
- The current **DWQMS Operational Plan** (Version 9) was updated and presented to Council on February 26, 2019. As mandated by the MOECC, the next Annual DWQMS Operational Plan Report will be presented to Council in February or March 2020.

- The **Manning Road Secondary Plan Area, Area-Specific DC (MRSPA)** By-law was adopted in 2015 and was appealed to the OMB, which issued a decision in mid-2017 having the effect of quashing the By-law for technical reasons. Discussions with the majority property owners and various agencies have continued through 2018 and into 2019 with an attempt to arrive at a consensus regarding the means by which orderly development can proceed in this area. To date consensus has not been achieved. The Town continues to evaluate alternative strategies to facilitate and support the commencement of development
- The **Parks and Recreation Master Plan** (Master Plan) was completed in 2010. The plan, developed with input by Council, residents, community agencies and volunteer sport groups, identifies park development and outdoor and indoor recreation facilities needs for the next twenty years. This plan was augmented by a Lakewood Park South Master Plan (LPSMP) process that was completed in 2013. The LPSMP identified the elements, and where they should go, for development of the park. Discussion concerning funding and long term implementation can be found under New Infrastructure Funding later in this section.

One of the Master Plan recommendations was that the Master Plan be subject to a major review after five years to evaluate whether the long-term perspective of the Master Plan remained relevant and the need to determine if new emerging trends support the redevelopment of the plan in whole, or in part. A comprehensive review of the Parks and Recreation Master Plan is underway and will be completed in 2020. In addition, the Lakewood Master Plan, Fair Play Woods, and the Trail Master Plan will now all be consolidated into one plan.

- The **Transportation Master Plan** was completed in early 2017. The goal is to develop a multi-modal, sustainable transportation system that provides improved mobility and transportation choices for Town residents.
- The **Tecumseh Road Mainstreet Community Improvement Plan (CIP)** was adopted by Council on January 12, 2016. It sets forth a cohesive vision for this area by establishing design guidelines, identifying redevelopment opportunities and various implementation schemes including financial incentives for a range of private-property initiatives. The CIP also contemplates the completion of a **Streetscape Plan and Final Design (Streetscape Plan)**, which will direct the future construction of public capital infrastructure projects in the road allowances of Tecumseh and Lesperance Roads in the CIP area. The Town retained the services of Dillon Consulting Limited and Dialog to assist in the completion of the Streetscape Plan. A detail design for Phase 1 is anticipated to be completed in 2020. The Streetscape Plan will establish hard landscape elements and design specifications, sidewalk improvements and the introduction of curb extensions, street furnishing, soft landscaping elements and design specifications.
- The **Tecumseh Hamlet Secondary Plan** is a planning process that provides a strategic opportunity for creating a long-term vision for greenfield sites in the Hamlet based on the principles of complete community planning with strong urban design. The Plan will address the integration of existing and new development, land use distribution and related infrastructure

requirements. A draft plan was presented to Council; however final revisions are being made as a result of the completion of the City of Windsor's Banwell Road Municipal Class EA and final adjustments to the Upper Little River Stormwater Management Study. Adoption is anticipated by way of an amendment to the Town's New Official Plan. An Area-Specific DC Study had been contemplated in order to properly fund the necessary infrastructure and ensure that each development in the area pays its fair share. Engineering work was previously commenced to support this approach. However, the impact of the OMB decision regarding the MRSPA Area-Specific Development Charge By-law has caused a reconsideration of the preferred method to achieve the desired result for the coordinated and equitably funded installation of infrastructure needed to support development in the Tecumseh Hamlet Secondary Plan Area. As solutions are arrived at and implemented in the MRSPA, a preferred approach (Area-Specific DC vs. alternative approaches) for the Tecumseh Hamlet Secondary Plan will be evaluated.

- The **Oldcastle Hamlet Special Planning Study for Future Development Lands** is a planning process that will determine the preferred land uses for lands currently designated "Hamlet Development", which is a form of "future development" designation in the Official Plan. The study will include a rigorous and thorough public consultation component that engages with a range of stakeholders. Adoption of the preferred land use designations and associated policies is anticipated by way of an amendment to the Town's New Official Plan.
- The **County Wide Active Transportation Study (CWATS)** is a comprehensive strategy to promote and increase awareness regarding active transportation within the County of Essex as well as guide the construction of new active transportation facilities. The study proposes a set of policies and a detailed network on both local and county roads that facilitate both recreational and utilitarian transportation as well as increased connectivity and partnerships among the local municipalities. The Town's estimated share of costs over the 20 year planning horizon is \$1,600,000 which equates to \$80,000 per year. Discussion concerning funding can be found under New Infrastructure Funding. The County, with participation from lower-tier municipalities, is currently undergoing an update to CWATS, with an anticipated completion in 2020.
- The **County Road Rationalization Study** is a comprehensive study toward developing a transparent, rational and equitable framework for updating the existing County Road network. The study has three phases: Phase 1 – Define the Transportation Network; Phase 2 – Examine Recommendations/Jurisdictional Impacts; and Phase 3 – Implementation Action Plan. The Study is currently in Phase 1, and upon Phase 1 completion, the County will be providing an update to County Council. There is a potential for roads to be uploaded or downloaded upon completion of this study, which would have impacts across multiple sectors such as: CWATS, roads, storm drainage, municipal drains, bridges and culverts, and operations (i.e. road patrol, shoulder and ditch maintenance, winter control, etc.). Further updates will be brought before Council as the Study progresses through its various phases.

Recommendations arising out of these documents are factored into program development and future budgetary considerations.

Definition of Lifecycle

Lifecycle encompasses the Town's plan to provide funding for expenditure items that are cyclical in nature. The Lifecycle Plan (LC) consists of identifying:

- Categories to be included in the LC
- Net annual requirement for each category
- Whether the Town will borrow to meet the net annual requirement
- The length of time required to achieve full funding of the net annual requirement

Category Classifications are:

- Replace Existing Capital Assets – funds provided for replacing existing infrastructure with no provisions for new/expanded services
- Replace Existing Capital Assets and Provision for New Assets – funds provided for replacing existing infrastructure with provision for new/expanded services
- Operating Cyclical Expenditures – funds accumulate over a period of time to offset costs that occur on a periodic basis, such as elections, or for smoothing costs that fluctuate, up or down, on an annual basis
- Other – funds are provided for special purposes including Strategic Issues which allows for funding projects that are expected to occur infrequently and New Issues which provides funding for new issues that arise

The LC provides the Town with the ability and resources to respond to capital infrastructure replacement needs, ensures prudent capital asset management and provides flexibility for new issues.

Lifecycle Budget Highlights

2020 Lifecycle Budget highlights include:

- Expenditures of \$74.6 million (excluding debt)
- Major projects anticipated:

- Multi-Use Sportsplex \$54.0 million
- Town Hall Expansion \$3.0 million
- Tecumseh Road Sanitary Sewer \$2.9 million
- MRSPA Pond Design and Construction \$2.7 million
- Hwy #3/Walker Road Watermain Replacement \$2.2 million
- Asphaltting \$1.3 million
- Scully and St. Mark's Storm Pump Stations (Engineering in 2020) \$0.8 million
- Drain construction and maintenance \$1.0 million
- Debt payments of \$2.1 million
- Grant revenue of \$41.3 million, \$39.5 million of which is pending approval from senior levels of government with respect to the Town's application submitted to the Investing in Canada Infrastructure Program (ICIP) Culture and Recreation Stream Grant, that if successful, will enable construction of the Multi-use Sportsplex
- Revenue from gas tax of \$1.1 million (dedicated to support the Lifecycle allocation)

Lifecycle Notes

As part of the 2005 budget, the Town adopted a lifecycle plan for a variety of infrastructure and operating expenditure categories. The 2014 budget year marked the completion of the original 10-year plan. Major components of the lifecycle plan for 2020 forward are:

- Annual net requirement is \$7.80 million
- Gas tax revenues remain allocated on an 80/20 split with the County. The Town revenue from the gas tax decreased by \$75,000 in 2019 as a result of a province wide reallocation of funds based on updated census data
- The \$7.80 million is funded by gas tax revenue \$1.13 million, taxation \$6.55 million and \$0.12 million from rates
- Annual Debt payments of \$1.5 million supporting the LC program are funded from taxation. Debt payments start to expire beginning in 2026

Although most Lifecycle categories are well-funded and generally require periodic inflationary increases, recently completed studies, including the (Tecumseh) Storm Drainage Master Plan and the Culvert Need Study highlighted areas that may require significant costly remedies. Studies to be completed during 2020, including the (Oldcastle Hamlet) Storm Drainage Master Plan and the Parks and Recreation Master Plan are likely to show cost increases as well. In addition, the Drain LC is under considerable pressure as a result of the increase in drain activity continuing over the next number of years.

The short-term plan is to include a \$200,000 increase to the overall annual Lifecycle allocation in 2020 and the outlook years to begin to address these needs.

2020 BUDGET - Annual Allocation

Lifecycle Category	Notes	2020	2019	Change
Arenas	1)	150,000	140,000	10,000
Bridges and culverts	2)	410,000	390,000	20,000
Buildings	3)	205,000	190,000	15,000
Community trails		50,000	50,000	0
Drains		100,000	100,000	0
Election		16,000	16,000	0
Fire apparatus		194,000	194,000	0
Fire equipment		45,000	45,000	0
Fleet	4)	544,000	536,000	8,000
ITS infrastructures	5)	148,000	128,000	20,000
New lifecycle issues		100,000	100,000	0
Outdoor pool	6)	60,000	55,000	5,000
Park development and Play equipment	7)	365,000	355,000	10,000
Reforestation		30,000	30,000	0
Roads		4,160,000	4,160,000	0
Sidewalks		74,000	74,000	0
Storm sewers	8)	1,002,700	902,700	100,000
Strategic issues - one time		50,000	50,000	0

Lifecycle Category	Notes	2020	2019	Change
Transit		100,000	100,000	0
Total		7,803,700	7,615,700	188,000

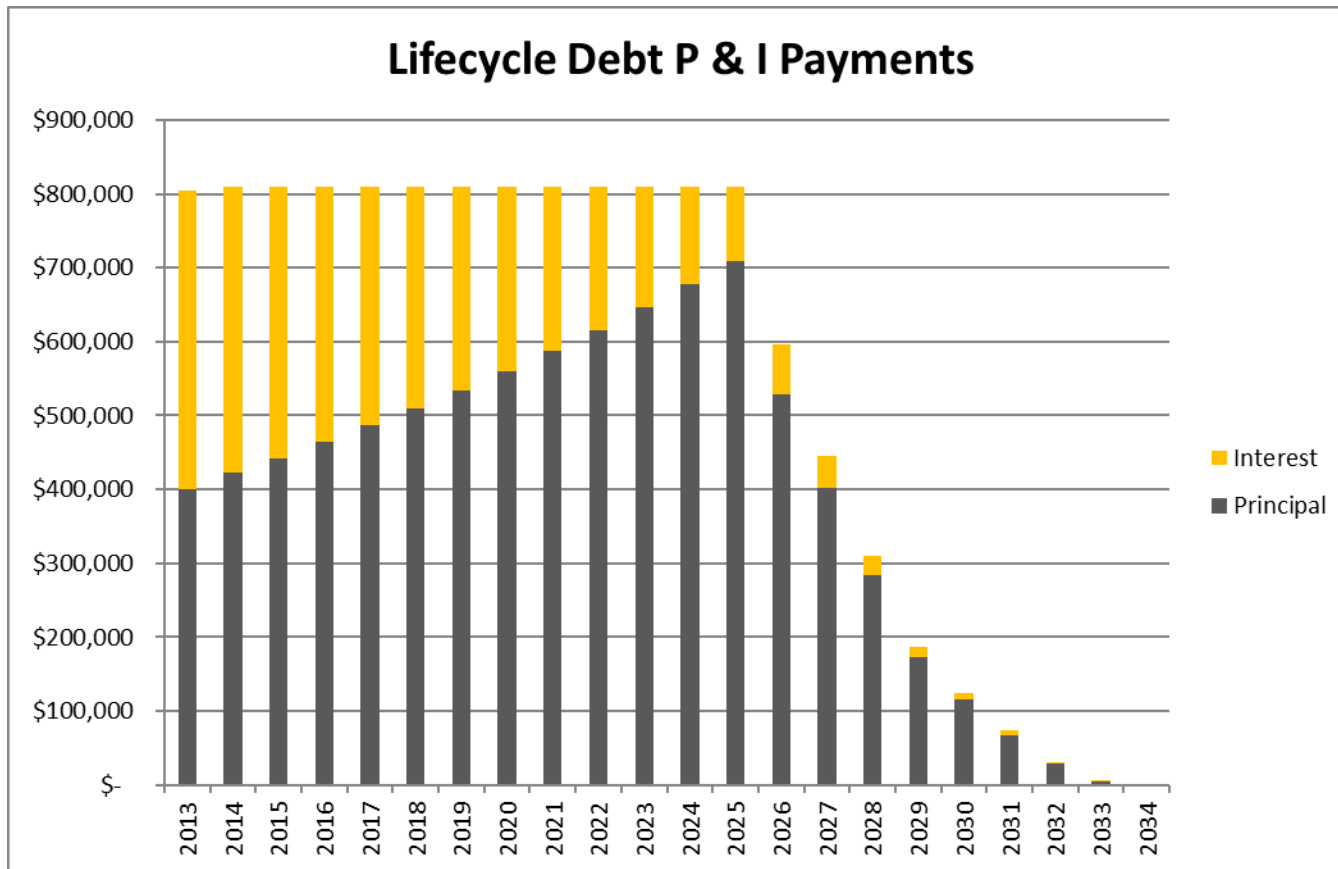
Notes

1. Increase to Arena allocation of \$10,000 to address increasing costs of aging refrigeration components.
2. The Bridges and Culverts category was one of the two asset categories identified in the 2018 AMP update that were less than 50% funded. Significant bridge projects are expected in 2022 that, if incurred as planned, will put the reserve in a deficit position. An increase of \$20,000 is proposed for 2020.
3. Town Hall Expansion to be completed in 2020 necessitates an increase to the Building category of \$15,000.
4. 2019 Fleet increased by \$5,000 for addition of vehicle for Facilities Manager and \$3,000 for addition of boat/trailer for Fire flood rescue.
5. Inflationary increases for replacement IT infrastructure and identification of assets omitted from lifecycle categories (LED signs and generators).
6. Aging pool equipment and increased replacement costs require increase of \$5,000 to the Pool category.
7. Increasing Parks amenities including additional splash pad in 2020 requires additional \$10,000 for 2020.
8. Storm sewers category was the second asset category identified in the 2018 AMP update that is less than 50% funded. The recently completed (Tecumseh) Storm Drainage Master Plan suggest this category requires significant increases. An increase of \$100,000 for 2020 is considered a start.

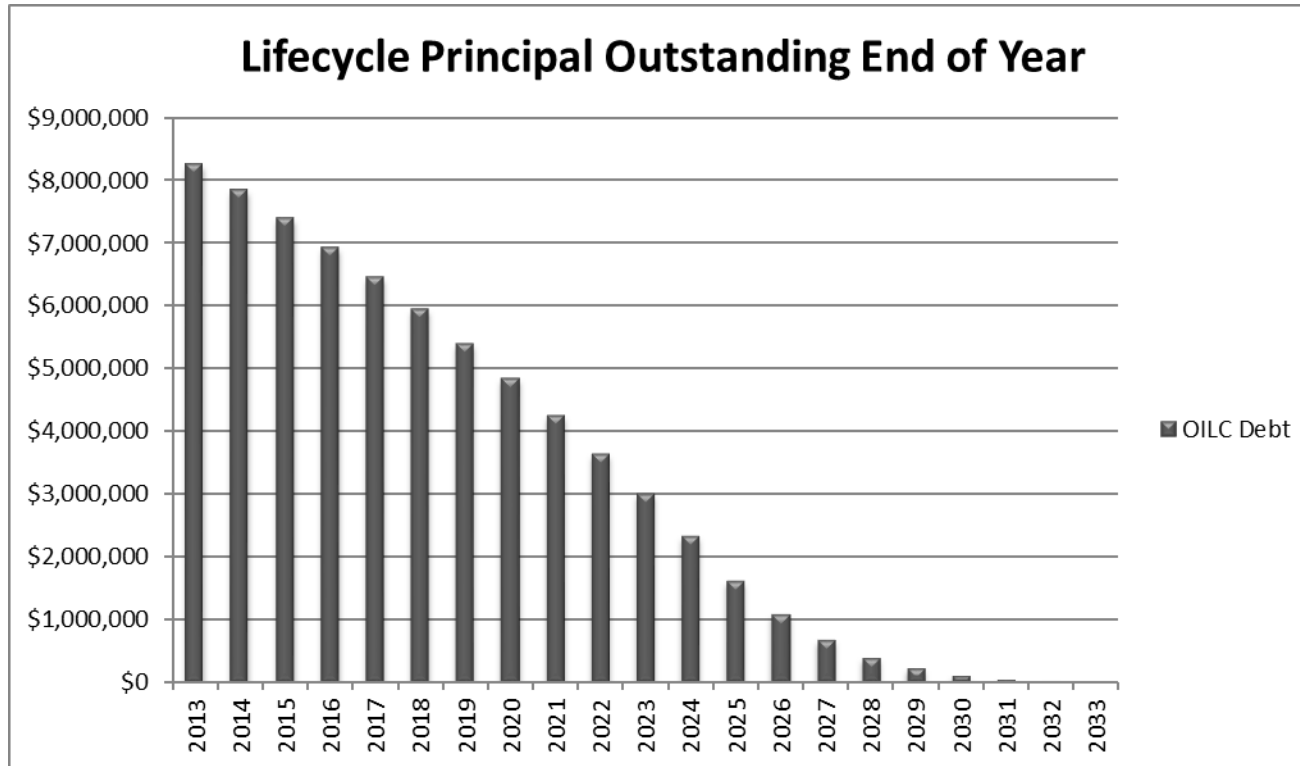
Prioritization of capital investments should be reviewed periodically to ensure capital forecasts remain accurate and that planned investments are being responsive to community needs. Occasionally, opportunities exist whereby revised priorities allow for options and solutions to be considered to address new challenges in the short-term, which will mitigate long-term issues and result in sound business practices and decisions.

Having a Lifecycle Plan provides the Town with the ability and resources to respond to capital infrastructure needs and ensure prudent capital asset management.

Implementation of the LC plan included borrowing to fully fund road and bridges requirements. This chart shows the annual principal and interest payments required for lifecycle debt (excluding water, sanitary and recreation). The payments top out at \$823,000.



This chart highlights the total debt principal outstanding in any one year. The maximum principal outstanding was in 2011 at a balance of \$8.6 million. Total funds borrowed over the program are just under \$10.4 million whereas the original plan in 2005 contemplated borrowing \$11.5 million.



New Infrastructure Funding

A quick review of new infrastructure items on the horizon includes the following:

- 1) The 2019 Development Charges Study (DC Study) highlighted expected growth-related new infrastructure costs of \$36 million to be incurred over the duration of the By-law (five years). Development Charges were to recover \$27 million, thus leaving **\$9 million to be borne by the general tax levy**. Contributing towards a New Infrastructure reserve early will ease upcoming levy requirements.
- 2) The County Wide Active Transportation System (CWATS) is a county wide master plan that guides the County and the lower-tier municipalities in the development of an integrated and coordinated transportation network dedicated to pedestrian and bicycle traffic. The plan looked at a 20-year planning horizon and identified the Town of Tecumseh's share of projects costs as \$1.6 million or \$80,000 annually for 20 years. Recent actual costs incurred for construction indicates the original cost estimates were low. The County, with participation from lower-tier municipalities, is currently undergoing an update to CWATS, with an anticipated completion in 2020. Note that a Trail Master Plan is being formulated to take a more detailed look at costs and funding models.
- 3) There has been an emphasis placed on enhancing trails and pathways in the Town. These facilities have been identified within the Town's Transportation Master Plan (2017), and will be further detailed within the Parks and Recreation Master Plan which is anticipated to be completed in 2020. Currently trails and pathways constructed within the right-of-way are managed by PWES and funded through the Infrastructure Reserve Fund. The Parks and Recreation Master Plan will identify a total estimated cost for trails and pathways located within parkland, and will recommend an annual allocation required to implement the park's infrastructure.
- 4) The Parks Master Plan identified a number of improvements classified as High, Medium and Low Priority. Total funding required of all recommendations would exceed \$7 million. Over 20 and 40 year horizons this would amount to \$350,000 and \$175,000 per year respectively. Note that a review of the 2010 Parks Master Plan is being undertaken, with completion expected in 2020, which will include a review of funding models.
- 5) Community Improvement Plan implementation project is ongoing. In 2015 Council approved the establishment of a CIP reserve for the purpose of managing CIP funding. The 2020 budget includes an annual grant allocation of \$125,000. The original CIP Study suggests the annual allocation should be \$417,000.
- 6) Town Hall renovations will commence in 2019 and be completed in 2020. The 7,000 sq. ft. addition, at a cost of \$3.15 million, is to be funded with \$1.2 million coming from the Tax Rate Stabilization Reserve and \$1.95 million coming from the Infrastructure Reserve.

- 7) The CIP Streetscape Plan was approved by Council in principal. The approved Plan carries a price tag in excess of \$30 million. Administration is currently overseeing engineering design of the Plan as well as options for phasing in construction. Detailed design for Phase 1 is to be completed by mid-2020. It is expected that updated financial impacts will be provided as the project progresses.
- 8) The Multi-Use Sportsplex, at an estimated capital cost of \$54,005,000, was approved by Council authorizing administration to proceed with an application to the Investing in Canada Infrastructure Program, Culture and Recreation Stream grant. Council Report PRS-2019-09 outlined the financial implications of the project. For capital planning purposes, the following has been authorized:
- 73% grant funding
 - 27% combined through Municipal reserves, debt financing, proceeds from fundraising

Architectural services were awarded to CS&P Architects. Costs are estimated at \$2,831,310 or 5.9% of the estimated \$50 million construction cost. Detailed design is to be completed in 2019 at a cost of \$400,000 plus non recoverable HST. The remaining \$2,431,310 plus non recoverable HST is to cover construction drawings, tender documents, project management and close out.

It is anticipated that successful Canada/Ontario Infrastructure grant funding will be announced in the 1st quarter of 2020. If so, construction could potentially begin late 2020/early 2021. The cost of this phase is estimated at \$23,260,000, which includes an allowance of \$250,000 for project management.

Assuming the Town's debt financing occurs in 2020, annual debt payments should commence the following year. **Note that \$550,000 of the annual New Infrastructure Levy (NIL) has been allocated to service Multi-Use Sportsplex debt.**

Administration has identified that the NIL target level of \$1.75 million is probably not sufficient to fully fund all new infrastructure items on the horizon or any new infrastructure items that will be added in the future. The 2020 budget proposes an increase in the New Infrastructure Levy (NIL) of \$200,000 in 2020 and \$200,000 in each of 2021 to 2024 to reach an annual target amount of \$2,350,000 (allocation of \$550,000 to fund the Sportsplex project; \$1.8 million to fund other new infrastructure).

The Infrastructure Reserve has a projected 2020 year-end balance of only \$5.5 million which doesn't go very far in funding the projects currently under consideration. Other sources, such as Grants and Debt, will need to be obtained to move major projects such as the CIP Streetscape Plan and Multi-Use Sportsplex forward in the near term.

Capital Projects

For budget purposes, we have included committed projects as well as estimates of what typically would be spent on capital projects. **Actual approval of specific projects will come back to Council prior to proceeding with any project.**

The following highlights some of the significant capital investment and initiatives included in the 2020 Lifecycle Budget:

Recurring projects:

- **Tar and Chip, Asphaltting, and Crack Sealing** – \$1.3 million has been allocated for the asphaltting of roads.

Significant/Non-Recurring projects:

- **Bridge and Culvert Works (Structures with Spans > 3.0m)** – The 2016 Bridge and Culvert Needs Study (Structures with Spans > 3.0m) had identified three structures to be rehabilitated within a 1-5 year time frame. Rehabilitation of the Merrick Creek at 8th Concession Bridge was initiated in 2019 and will be completed in 2020 at an estimated \$310,000.
- **Culvert Works (Structures with Spans < 3.0m)** – The 2016 Culvert Needs Study (Structures with Spans < 3.0m) had identified two structures to be replaced immediately; 10 structures to be rehabilitated or replaced within a 1-5 year timeframe; and three structures to be rehabilitated or replaced within a 6-10 year timeframe. The recommended works for 2020 consist of completing the engineering design of Culverts numbered 42, 53 and 54 at a cost of \$0.18 million.
- **Manning Road Improvements Phase 2** – The engineering and utility relocations were completed in 2018 and 2019. The estimated cost for the drain diversion, storm sewer and watermain improvements is \$6.5 million with construction projected to commence in 2021.
- **Sylvestre Drive Sanitary Sewer Extension** – This project proposes the Environmental Assessment to be completed in 2019 and engineering to be completed in 2019 and 2020, with construction commencing in 2021. The estimated cost, including sanitary, road and storm works is \$1.9 million with \$0.8 million being recovered from property owners as a sanitary connection charge.

- **County Road 46/Webster Drive/Laval Easement Sanitary Sewer Extension** – This project proposes engineering to be completed in 2019/2020 and construction commencing in 2021. The estimated costs, including sanitary, water, road and storm works is \$5.2 million with an estimated \$1.7 million being recovered from property owners as a sanitary connection charge.
- **Delduca Drive Sanitary Sewer Extension** – This project proposes engineering to be completed in 2019/2020, with construction commencing in 2021. The estimated cost, including sanitary, road and storm works is \$3.1 million with an estimated \$1.0 million being recovered from property owners as a sanitary connection charge.
- **Scully and St. Mark's Storm Pump Stations** – This project proposes engineering to be completed in 2020/2021, with future construction most likely contingent on grant funding opportunities. The estimated cost, including storm pump stations, trunk storm sewers and road is \$16.6 million.
- **(Oldcastle Hamlet) Storm Drainage Master Plan** – The stormwater infrastructure network located within the Oldcastle Hamlet area is comprised of a combination of roadside ditches, Municipal Drains, storm sewers, swales/sub-drains, as well as County and Provincial storm infrastructure. There are three distinct watershed areas within the Oldcastle Hamlet which include Little River, Turkey Creek, and River Canard. This study will focus on an analysis of the stormwater infrastructure within these watersheds and will set the framework for how stormwater is addressed for new and re-developments. This study is proposed to commence in 2018 and be completed in early 2020. The estimated cost for this study is \$0.45 million.
- **Highway No. 3 / County Road 11 Watermain Replacement** – The engineering for this project was completed in 2019 with construction proposed 2020. The work consists of replacement of existing ductile iron water main and improved connections and extensions to the existing main. The estimated cost for the 2020 construction works is \$2.3 million.
- **Tecumseh Road Community Improvement Project (CIP) Streetscape Plan and Detail Design** – The Tecumseh Road Main Street area represents the historical commercial core of the former Town of Tecumseh settlement area. It comprises an approximate 1.2 kilometer corridor centered on Tecumseh Road, from its border with the City of Windsor to the west to its intersection with the Via Rail crossing to the east. The **Streetscape Plan and Final Design (Streetscape Plan)** will direct the future construction of public capital infrastructure projects in road allowances of Tecumseh and Lesperance Roads in the CIP area. The Town retained the services of Dillon Consulting Limited and Dialog to assist in the completion of the Streetscape Plan. A detail design for Phase 1 is to be completed by mid-2020. The Streetscape Plan will establish hard landscape elements and design specifications, sidewalk improvements and the introduction of curb extensions, street furnishing, soft landscaping elements and design specifications.
- **Tecumseh Road Sanitary Sewer** – The Function Servicing study completed for the Tecumseh Road Community Improvement Project had identified the need for the sanitary sewer on Tecumseh Road to be replaced to facilitate the full intensification and redevelopment within this area. Due to recent development proposals within the area, it is anticipated the sewer will need

to be upgraded in 2020 to continue to permit development proposals. The engineering for this project was completed in 2019 with construction proposed for 2020, total project cost estimated at \$3.1 million.

- **Lanoue Street Improvements** – The Town is expediting this project in order to coordinate with the planned improvements to the Manning Road/Lanoue Street intersection and the Lanoue Street extension which are being triggered by development pressures within the Town of Lakeshore. It is proposed to complete the engineering in 2020, with construction to follow in the subsequent year. Total project estimate for this project is \$1.7 million.
- **Lesperance Road/VIA Rail Improvements** – This project proposes to complete the engineering in 2020, with construction commencing in 2021 in order to adhere to the timelines provided by Transport Canada & VIA Rail to address the gradient deficiencies on the north side of the rail. The estimated cost for the engineering is \$0.19 million.
- **Shoreline Management Plan** – This study was contained within the Town’s Flood Mitigation Strategy that was adopted by Council in 2018. This study will undertake modelling of Lake St. Clair, identify low and vulnerable areas along Lake St. Clair and Pike Creek, identify flood risks under different circumstances and recommend solutions to mitigate those risks. The estimated costs for this study is \$0.35 million.

The summary of proposed projects includes a certain amount of grant funding from Federal and Provincial governments. Two major factors allowing the Town to access these grants include the current practice of having **projects engineered and ready to go** on short notice and the fact our lifecycle funding program allows us to provide the Town’s share of funding required. **The 2020 budget continues to enhance the Town’s financial strength with the New Infrastructure Funding Levy.**

OCIF

The Ontario Community Infrastructure Fund (OCIF) is a relatively new grant that has an Application Based Component and a Formula Based Component. Both grants are multi-year programs that were scheduled to end March 31, 2027. **The provincial government advised municipalities in 2019 that OCIF grant funding for 2020 going forward has not been confirmed.** The Town has currently banked its 2018 and 2019 allocations to be used towards future Storm sewer projects. OCIF is dedicated to 1) the development and implementation of asset management plans and 2) the renewal, rehabilitation and replacement of core infrastructure assets or capital construction of new core infrastructure that addresses an existing health or safety issue.

Eligible core infrastructure categories include:

- 1) Water:
 - a) Treatment
 - b) Distribution/Transmission
- 2) Wastewater:
 - a) Treatment and disposal
 - b) Sanitary sewer systems
 - c) Storm sewer systems (urban and rural)
- 3) Roads:
 - a) Paved
 - b) Unpaved
 - c) Bus-only lanes
 - d) Street lighting when part of a road project
 - e) Sidewalks and/or cycling lanes located along an existing road
- 4) Bridges and Culverts:
 - a) Sidewalks and/or cycling lanes located along an existing road

The Application Component is based on a competitive process. The Town has submitted applications with no success.

The Formula Component provides a fixed annual amount which for 2017 was \$494,000 and increased to \$700,000 for 2018 and \$1,077,000 in 2019. Funding can be accumulated from year to year but must be spent within five funding years of the year the funds were allocated.

Based on eligible core infrastructure categories and the relative funding the Town has available for each category, Administration is recommending funds be saved for the short term and consideration be given to using the funds to address storm sewer requirements arising from the (Tecumseh) Storm Drainage and (Oldcastle Hamlet) Storm Drainage Master Plans.

Debt

The Town has, since 2005, adopted an aggressive strategy to use 10-year debt for financing long-term capital requirements for sanitary and water purposes to ready the Town for development when circumstances dictate. Over this period the Town has issued \$12.2 million and \$2.0 million for sanitary and water purposes respectively.

At the same time the Town embarked on a Lifecycle program in order to ensure funding for replacement of existing infrastructure was in place. As part of the program, the Town agreed to borrow 20-year debt for road and bridge requirements to provide full funding of these two categories. Borrowing has totaled \$10.4 million. No further debt issuance is expected.

In addition, 25-year debt was issued in December 2011 to fund the Lakewood Park North and South property acquisitions in the amount of \$11.2 million.

In 2012, the Town completed sewage works to service parts of the North Talbot Road Sanitary Sewer Area. As part of the program it was agreed that property owners could repay their share of the connection charge over a five-year period, or over ten years in hardship cases. To date the Town has borrowed \$1.5 million. The amount of borrowing required for future projects will not be known until after the project is complete. **The Town is recovering these funds from the property owners as a charge on the tax roll.**

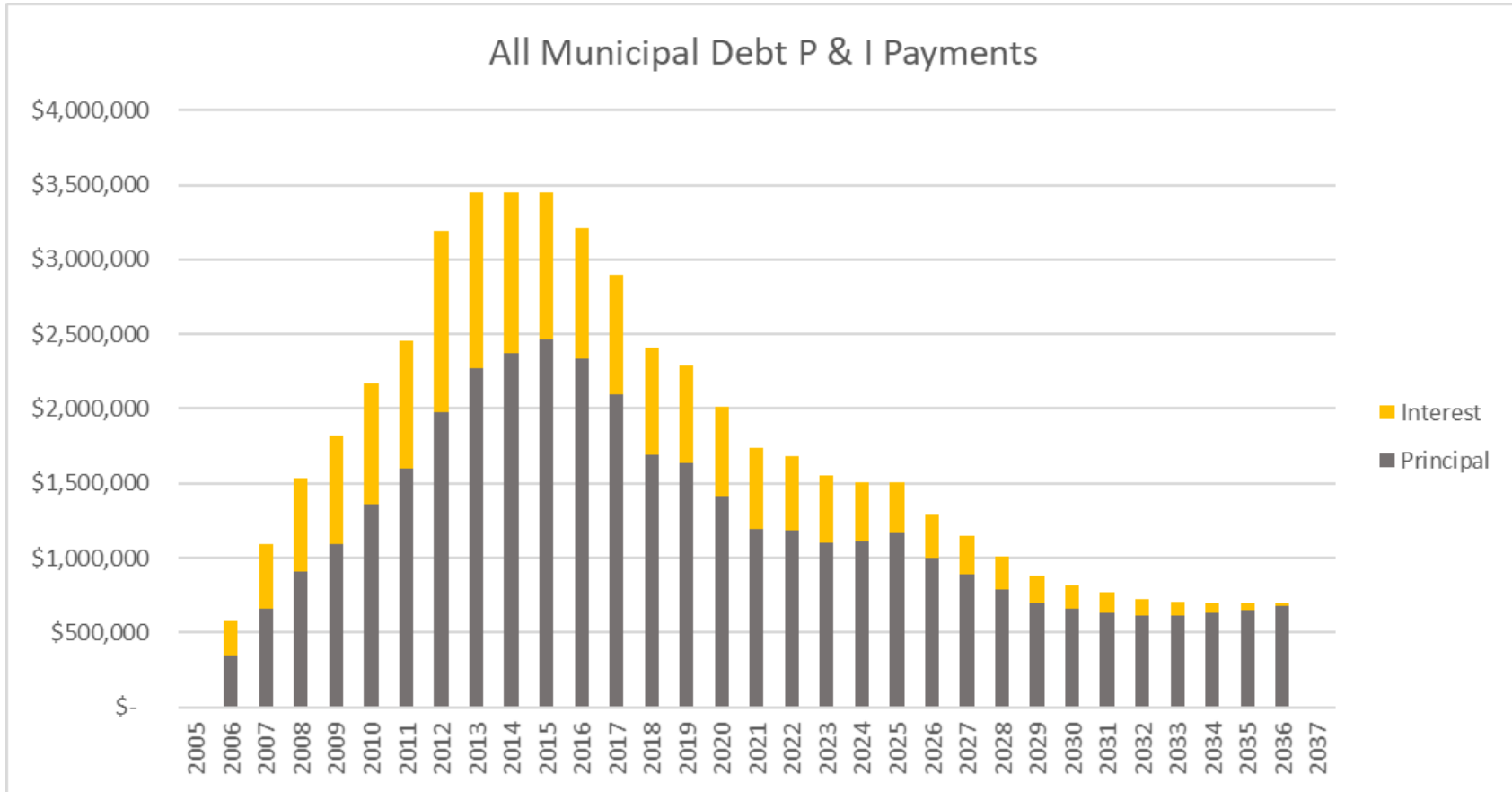
The Town is in the process of finalizing the program and cost recovery By-law for servicing the 8th Concession Road Sanitary Sewer Outlet area. The Town's share of the total cost of the program is estimated to be \$27.0 million over a 30-year period. Almost \$9.8 million was constructed between 2009 and 2012 utilizing grants under the Infrastructure Stimulus Fund (ISF). The nature of this project is that the Town has to make a substantial upfront investment in infrastructure with landowner recoveries occurring as connections are made. In order to fund this initial investment the Town will need to borrow an as yet undetermined amount of funds.

Outstanding debt balances and principal and interest payments expected, for selected years, are outlined in the table below.

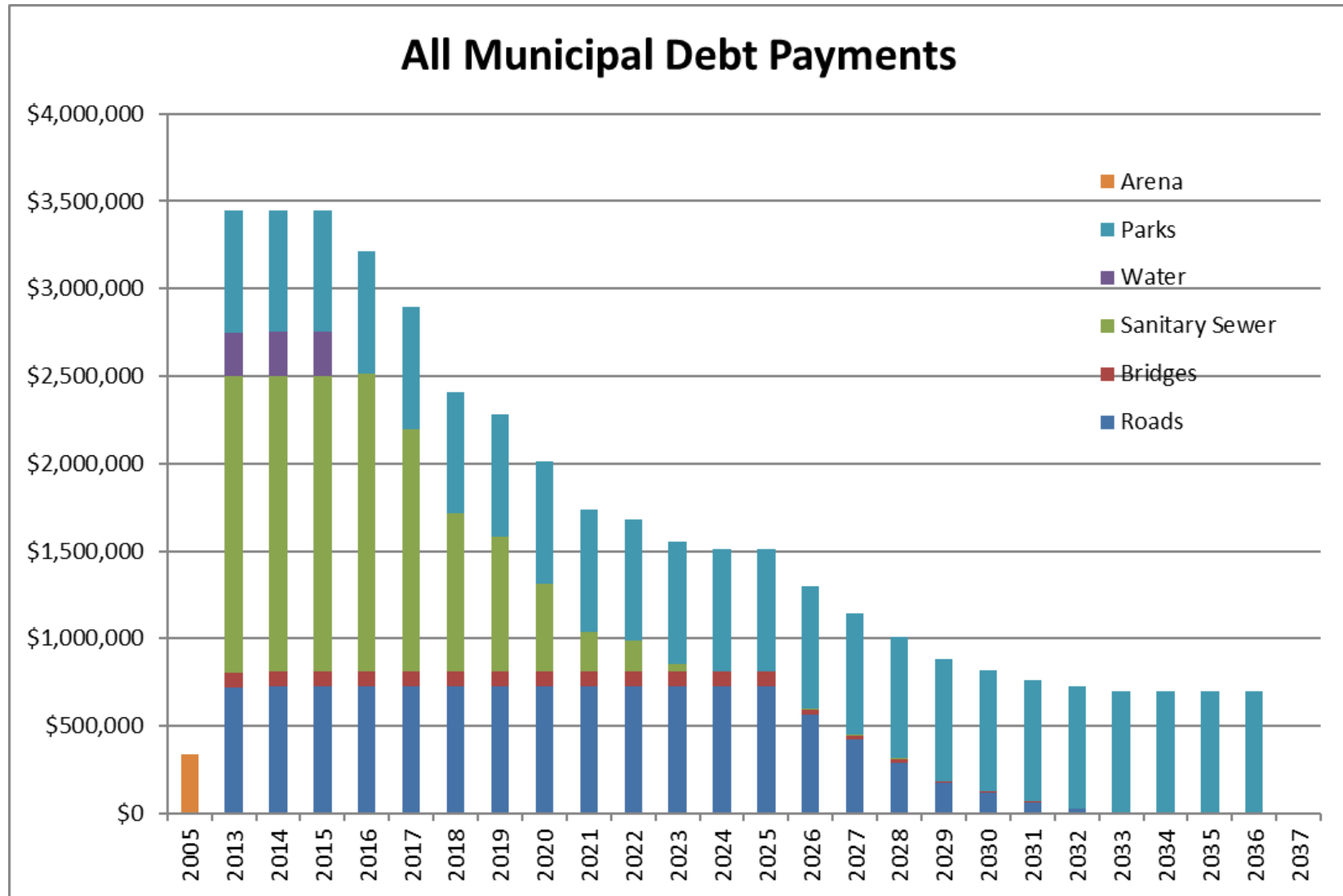
	2004	2018	2019	2020	2032
Debt	\$1,633,734	\$17,007,000	\$16,387,000	\$15,021,000	\$3,180,000
Principal and Interest	\$570,593	\$2,400,000	\$2,237,000	\$2,102,000	\$725,000

The remaining debt outstanding in 2032 is the balance remaining on the purchase of a portion of the Lakewood Golf Course which will be paid off in 2036.

This chart shows the annual principal and interest payments required for all municipal debt.



The chart below shows annual debt payments by service area.



The need for these levels of debt has arisen due to a number of factors including:

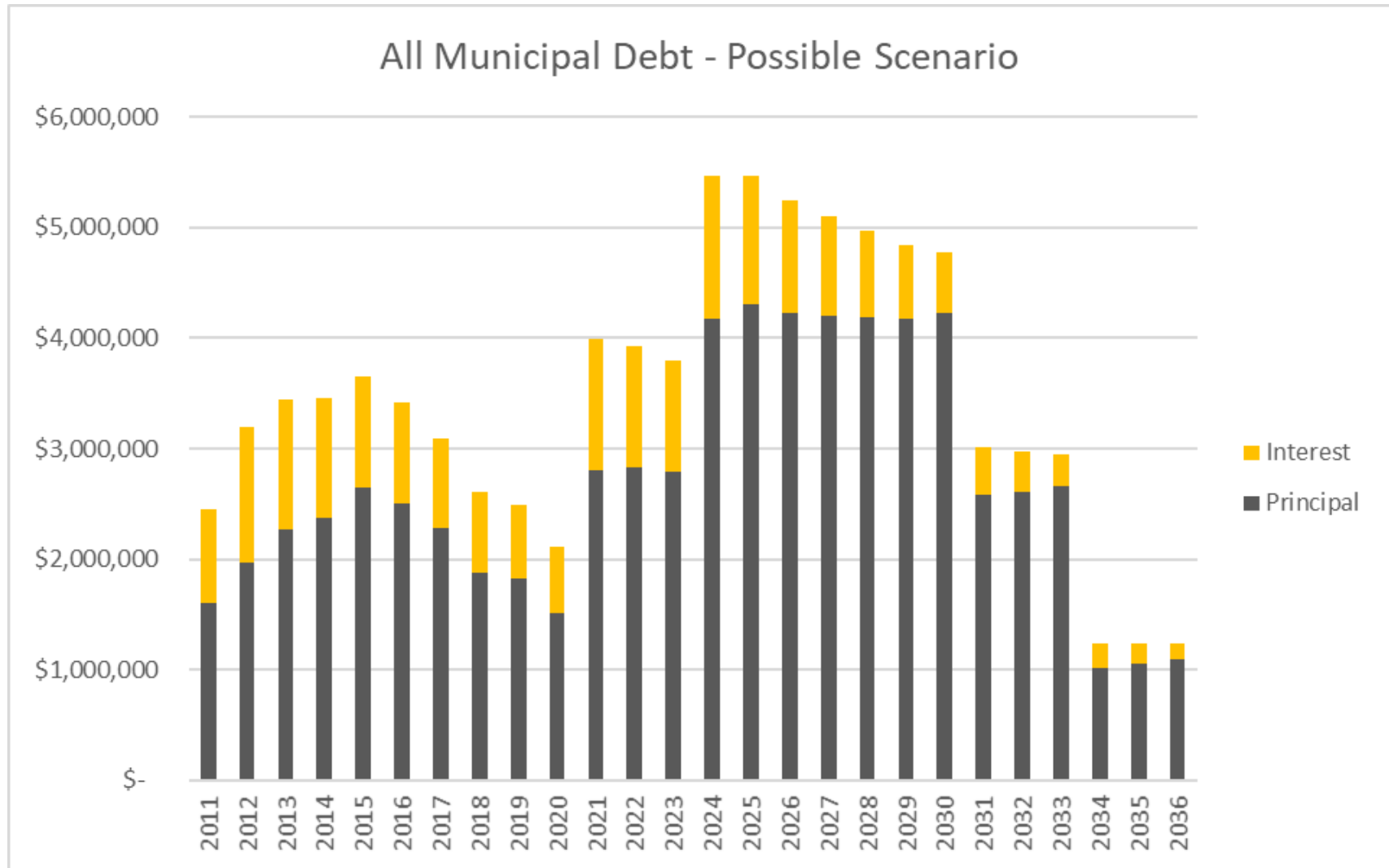
- Little development over the last 10 plus years
- Reduction in long term sustainable grant funding from the Provincial and Federal levels
- Unexpected opportunities being available to acquire parkland property, and
- Requirement to invest in sanitary sewer capacity to accommodate growth

The Town's Debt to Reserves Ratio has ranged from 0.43 to 0.86 over the course of the past five years (2018 – 43%). The general benchmark for this ratio is 1.00. A measure of 0.43 or 43% suggests that the Town is not over-leveraged.

Additional debt expected over the next few years will generally be related to infrastructure improvements required for sanitary sewer purposes in the North Talbot Road Sanitary Sewer Area and then in the 8th Concession Road Sanitary Sewer Area. The (Tecumseh) Storm Drainage Master Plan identifies capital projects in excess of \$100 million, including the Scully & St. Mark's Storm Pump Station project identified in Public Works 5-year capital plan in excess of \$15 million. With a current annual allocation to Lifecycle Storm Reserve of approximately \$1 million, it is likely that debt will be necessary in the coming years. The 2015 Water/Wastewater Rate Study contemplates little debt being required. The 2016-2019 update to the Water/Wastewater Master Plan will review this issue.

The Town has approved, in principal, the Tecumseh Road Main Street CIP Streetscape Plan as well as the Multi-Use Sportsplex Feasibility Study and Business Plan. Both of these plans, if fully implemented, are in excess of \$32 million and \$54 million (\$16 million net of potential senior government grants) respectively. Implementation of either or both of these plans is likely to require some debt to enable the projects to move ahead in the near term. Funding considerations are more fully discussed in the Capital Projects section.

The chart below presents a possible scenario where debt is issued for the Multi-Use Sportsplex, MRSPA Stormwater Pond and Scully and St. Mark's storm pump station in years 2020, 2021 and 2023 respectively.



Annual Repayment Limit

The annual repayment limit is a Ministry formula which limits the amount of debt repayment a Municipality can commit to without requiring OMB approval. The limit is based on a maximum of 25% of municipal (own purposes) revenues based on the Financial Information Return and as adjusted by the Treasurer. The Town's current ratio of Net Debt Charges to Own Purposes Revenue is 6.3% (2018 FIR). The limit as of November 1, 2019 is \$6,750,000. The following table illustrates the potential debt that could be issued within the ARL.

Term	Interest Rate	Principal
5	2.31%	\$40,000,000
10	2.53%	\$75,000,000
20	2.81%	\$130,000,000
30	2.91%	\$170,000,000

It is important to be aware that as our ARL decreases, our ability to fund additional projects is impaired and our cost of debt may increase.

Operating Impacts by Functional Area

General Government

A total budget of \$498,000 has been allocated for Information and Communications capital initiatives. Generally speaking, the impact to operations is minimal. Computer replacements, network upgrades, video surveillance and AV systems hardware, and street photo purchases have no impact. Some of the more noteworthy items are as follows:

- Financial software is due for replacement at an estimated cost of \$200,000. Impact to operating would be related to salaries in the year of implementation.
- Municipal modernization and efficiency initiatives, supported by the provincial Municipal Modernization and Efficiency grant program, including Online tax inquiry, Electronic signatures, Council meeting webcasting among other initiatives will be implemented. Impact to operating costs will be an increase to annual software fees of about \$25,000.

- Cityworks will replace Cartegraph, saving \$13,000 in annual maintenance costs.
- Arena Sound System may have an annual \$900 impact to operations if a second year option is exercised.

Protection to Persons and Property

Fire

The annual allocation of \$32,000 for the replacement of Firefighter PPE has no bearing on operating costs.

The garage floor refurbishment of \$8,000 at Fire Hall Number 1 has no impact to operating as well.

Transportation Services

Rehabilitation or replacement of existing transportation infrastructure generally has no operating impact. Annual operating costs (as of 2006) for additional lane kilometers of road are approximately \$7,400 for Public Works and \$760 for Winter Control.

Roads

An amount of \$1,300,000 has been allocated for the annual asphaltting program. There is no direct operating budget impact as this budget is for the paving of existing roads.

On January 12, 2016, Council adopted the Tecumseh Road Main Street Community Improvement Plan (CIP) in accordance with Section 28(2) of the Planning Act. The CIP applies to an area that represents the historical commercial core of the Town, encompasses 96 acres and approximately 115 properties with a mix of commercial and residential along with many tracks of underutilized land. The tentative phasing and associated project costs are broken up into the five following phases:

- Phase 1: \$15.0 million - Tecumseh Road (St. Anne's to VIA) and Lesperance (St. Denis to Arbour)
- Phase 2: \$8.5 million - Tecumseh Road (St. Anne's to Shawnee)
- Phase 3: \$2.0 million - Tecumseh Road (Shawnee to Southfield)
- Phase 4: \$2.6 million - Tecumseh/Southfield intersection
- Phase 5: \$2.2 million - Lesperance (McNorton to St. Denis)

The continued design in 2020 for the Tecumseh Road CIP project Phase 1 is largely for design of the Road component. There is no operating impact at this point. There is no construction date scheduled as per the current PWES Five Year Capital Works Plan. Further analysis as to the operating impact of this project is warranted.

Budget allocation for engineering of Lanoue Street has no immediate operating budget impact. The Traffic Signal Controllers Upgrade will improve operational efficiencies amongst the Town's and County's traffic signal infrastructure.

The following projects and studies are in the design phase and would not have any impact on operations:

- Scully and St Mark's Storm pump station project
- County Road 46, Webster, and Laval Sanitary Sewer project
- Delduca Drive Sanitary Sewer project
- Tecumseh Road Sanitary Sewer project
- Sylvestre Drive Sanitary Sewer project
- Lesperance Road/VIA Rail Improvements
-

Servicing of existing debt has been provided for in the base budget. No additional debt is planned for Roads for 2020.

Bridges

The budget allocation of \$0.18 million for the engineering design of Culvert Structures 42, 53 and 54 have no operating budget impact as the capital works involve the construction for the rehabilitation of existing culverts .

The 2020 Bridge and Culvert Needs Study would not have any immediate impact on operations.

Servicing of existing debt has been provided for in the base budget. No additional debt is planned for Bridges for 2020.

Sidewalk

An amount of \$69,000 has been allocated for the annual sidewalk program. There is no direct operating budget impact as this budget is for the repair/replacement of existing sidewalk segments.

A new trail is proposed for Riverside Drive from Lesperance Road to Manning Road. The trail will be 2.4m wide with a length of approximately 2.4km. The trail will be included in the network of roads to be cleared of snow as required. The work is to be undertaken by existing staff with a minimum impact on gasoline and salt.

Environmental Services

Storm Sewer

The following projects and studies are in the design phase and would not have any impact on operations:

- Scully and St Mark's Storm pump station project

- County Road 46, Webster, and Laval Sanitary Sewer project
- Delduca Drive Sanitary Sewer project
- Sylvestre Drive Sanitary Sewer project
- Lesperance Road/VIA Rail Improvements
- Oldcastle Storm Drainage Master Plan
- Shoreline Management Plan

The storm sewer improvements as part of Manning Road Phase 2 will likely reduce the impacts on operations as it involves the enclosure of an open drain within an urban setting.

There is no direct operating impact of the (Tecumseh) Storm Drainage or (Oldcastle Hamlet) Storm Drainage Master Plans and the Pump Station Emergency Response.

Sanitary Sewers

The following projects and studies are in the design phase and would not have any impact on operations:

- Scully and St Mark's Storm pump station project
- Sanitary Sewer Model Update and Analysis
- County Road 46, Webster, and Laval Sanitary Sewer project
- Delduca Drive Sanitary Sewer project
- Sylvestre Drive Sanitary Sewer project
- Tecumseh Road Sanitary Sewer project

Water

The 2020 budget contains the construction of water main replacement on Hwy. 3/Walker Road, which replaces existing water mains with no operating impact.

The following projects and studies are in the design phase and would not have any impact on operations:

- County Road 46, Webster, and Laval Sanitary Sewer project

Recreation and Culture

Parks

The 2020 budget contains an allocation of \$210,000 to replace the play equipment at Optimist, Dorset, Dresden and Buster Reaume Parks; there is no direct impact on operations.

A splash pad is proposed for McAuliffe Park at a cost of \$270,000. An increase to volumes of park users is expected and may generate further demand for additional washroom and change room space. Annual operational impact is expected to be \$12,000 depending on the number of users. Costs include hydro, water and maintenance allocations.

The Parks and Recreation Master Plan has been budgeted at \$83,500 with no impact to operations.

There has been \$30,000 budgeted for Tree Planting in 2020. The majority of trees are planted by Town staff, requiring approximately 6 days for 3 staff at a total of 144 labour hours. Equipment needs include a truck, trailer, and one tractor. The estimated operating impact is \$5,040 for labour with some associated fuel and equipment maintenance costs. The tree planting program is a normal ongoing project and is included in the Parks budget allocation.

An allocation of \$60,000 is included in the 2020 budget to undertake architectural concept drawings for the Lacasse Grandstands with no immediate impact to operations.

The Parks fleet budget includes a tractor, trailers, aerator, and mowers which are replacements of existing assets with no operational impact.

Other budgeted line items for Parks generally include the replacement of existing facility components or are maintenance in nature with no operating impact.

Arena

A building environmental control system at a budgeted cost of \$45,000 is proposed for 2020. This system allows the temperature to be programmed for various zones based on usage. As per the Town's Energy Audit, there is an estimated reduction of 25% in energy usage anticipated with use of this system. This amounts to 21,500 m³ natural gas at an estimated annual savings of \$5,500 and 81,800 kWh hydro at an estimated annual savings of \$11,000. Savings will be reflected in future budget years based on actual experience.

Replacement of Rink A Brine and Chiller equipment that have reached their life expectancy is planned for 2020. The new equipment is more efficient and will require less energy to operate, as well as lowering maintenance costs.

A Multi-Use Sportsplex has been approved in principal for addition to the existing arena. An ICIP Grant application will be submitted and notification of successful applicants will be provided in April 2020. There are no operating impacts at this stage of the project.

Ice Resurfacing Machine is scheduled for replacement. There will be some operational efficiencies with the new ice leveling equipment on the machine.

Other budgeted line items for the Arena generally include the replacement of existing facility components or are maintenance in nature with no operating impact.

The Arena/Maintenance fleet budget includes a new pick-up truck which is an addition to our existing fleet assets. The addition will increase insurance, vehicle maintenance and fuel costs of about \$2,500 annually.

Pool

Budgeted line items for the pool generally include replacement pumps and 1 boiler and are maintenance in nature with no operating impact.

The tot pool is proposed for pressure washing and painting which are maintenance in nature with no operating impact.

Planning and Development

Drains

The Town of Tecumseh is responsible for the repair, maintenance and/or improvements to the municipal drainage systems located within the Town boundaries on behalf of the community of affected landowners involved. All costs to repair or improve municipal drainage systems are assessed to the affected upstream landowners who benefit from the drains.

Issues

1. Sanitary Sewer and Water Revenues

Volumes continue to decline on a per household basis which has caused some funding concerns on the revenue side of budget forecasts. A detailed analysis of the full impact is recommended for 2020 to determine if an update is required to the Water Wastewater Rate study.

2. Funding Major Capital Projects – CIP and Sportsplex

The approval in principal of two major projects has highlighted budget issues with respect to funding new projects. Main Street CIP Streetscape and Multi-Use Sportsplex projects are multi-million dollar projects for which the Town has insufficient funding included in the budget. If Council wishes to do these projects in the near-term then debt is most likely the only way they will proceed. The 2018 budget took the initial steps to identify funding for Sportsplex debt payments, however additional allocations will be required if grants are not achieved. No funding has currently been identified for the Main Street CIP Streetscape project.

3. Funding of Storm Infrastructure

The (Tecumseh) Storm Drainage Master Plan was completed in 2019. The 2D Modelling and resulting recommendations to address surface flooding and improve the level of service for the storm infrastructure was estimated at \$107 million. Design and construction of the MRSPA Stormwater Pond is proposed for 2020. As this is development related, costs will ultimately be borne by developers, however the Town will likely advance the funding for this project from reserves that are already depleted.

The current allocation to the Storm Sewer Reserves (2019 - \$902,700) is intended for the replacement of the existing assets and not meant for 'level of service improvements'. An increase of \$100,000 is proposed for the Lifecycle Storm Sewer Reserves within the 2020 budget, however it is intended that the 'level of service improvements' may be funded from the New Infrastructure Reserve in the interim. This approach may find storm infrastructure projects competing for funding with other Council initiatives such as the Multi-Use Sportsplex and the Main Street CIP Streetscape project. Administration has, and will continue to apply to upper levels of government funding for the storm infrastructure projects. As part of the 2020 PWES Capital Works Plan, Administration will commission a study to develop a funding strategy through the use of Storm Rates. It is anticipated the study will be completed by mid-2020 and could be implemented as part of the 2021 budget.

2020 BUDGET - Lifecycle Summary

	Tax & Revenues	Annual Requirement	Deficiency
Lifecycle - Replace Existing Capital Assets			
Arenas	150,000	150,000	-
Bridges and culverts	410,000	410,000	-
Buildings	205,000	205,000	-
Drains	100,000	100,000	-
Fire apparatus	194,000	194,000	-
Fire equipment	45,000	45,000	-
Fleet	544,000	544,000	-
ITS infrastructures	148,000	148,000	-
Outdoor pool	60,000	60,000	-
Roads	4,160,000	4,160,000	-
Sidewalks	74,000	74,000	-
Storm sewers	1,002,700	1,002,700	-
	<u>7,092,700</u>	<u>7,092,700</u>	-
Lifecycle - Replace Existing Capital and Provision for New Assets			
Park development & play equipment	365,000	365,000	-
Reforestation	30,000	30,000	-
Community trails	50,000	50,000	-
	<u>445,000</u>	<u>445,000</u>	-
Lifecycle - Operating Cyclical Expenditures			
Election	16,000	16,000	-
Transit	100,000	100,000	-
	<u>116,000</u>	<u>116,000</u>	-
Lifecycle - Other			
New lifecycle issues	100,000	100,000	-
Strategic issues - one time	50,000	50,000	-
	<u>150,000</u>	<u>150,000</u>	-
Lifecycle Total	<u>7,803,700</u>	<u>7,803,700</u>	-
Debt payments	<u>1,505,800</u>		
Miscellaneous			
Small equipment	150,000		
Rehabilitation/Renewal	-		
New Infrastructure Levy	1,550,000		
	<u>1,700,000</u>		
Total	<u>11,009,500</u>		
Reconciliation			
	2020	2019	2018
Lifecycle - prior year	8,024,000	7,924,000	7,809,000
Lifecycle - increase	338,000	100,000	120,000
ITS reduction re Agenda Manager			(5,000)
	<u>8,362,000</u>	<u>8,024,000</u>	<u>7,924,000</u>
New Infrastructure Levy - prior year	1,350,000	1,200,000	1,100,000
New Infrastructure Levy - increase	200,000	150,000	100,000
	<u>1,550,000</u>	<u>1,350,000</u>	<u>1,200,000</u>
	<u>9,912,000</u>	<u>9,374,000</u>	<u>9,124,000</u>
Water/Sanitary rates	120,000	120,000	120,000
Share of gas tax	1,127,500	1,127,500	1,148,500
OCIF Grant	-	1,077,000	700,000
Total	<u>11,159,500</u>	<u>11,698,500</u>	<u>11,092,500</u>

Town of Tecumseh
Proposed 2020 Lifecycle Budget

Unfinanced Capital Dec. 31/19Est	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/20
	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt	From Taxation/Rates	

Tax-Supported
General Government
Lifecycle

Arena		150,000				-					150,000	150,000	-
Bridges		410,000				-					410,000	410,000	-
Buildings		205,000				-					205,000	205,000	-
Community Trails		50,000				-					50,000	50,000	-
Drains		100,000				-					100,000	100,000	-
Elections		16,000				-					16,000	16,000	-
Fire Apparatus		194,000				-					194,000	194,000	-
Fire Equipment		45,000				-					45,000	45,000	-
Fleet		424,000				-					424,000	424,000	-
ITS		148,000				-					148,000	148,000	-
New issues		100,000				-					100,000	100,000	-
Outdoor Pool		60,000				-					60,000	60,000	-
Park Development		365,000				-					365,000	365,000	-
Reforestation		30,000				-					30,000	30,000	-
Roads		4,160,000	1,127,500			1,127,500					3,032,500	4,160,000	-
Sidewalks		74,000				-					74,000	74,000	-
Storm Sewers		1,002,700				-					1,002,700	1,002,700	-
Strategic Issues - one time		50,000				-					50,000	50,000	-
Transit		100,000				-					100,000	100,000	-
Total Lifecycle	-	-	7,683,700	1,127,500	-	-	1,127,500	-	-	-	6,556,200	7,683,700	-

Administration

ICS - Computer Replacements		15,000				-		15,000	15,000			15,000	-
ICS - Network Upgrades		5,000				-		5,000	5,000			5,000	-
ICS - Video Surveillance (2 sites)		6,000				-		6,000	6,000			6,000	-
ICS - AV Systems		5,000				-		5,000	5,000			5,000	-
ICS - Misc. Software		3,000				-		3,000	3,000			3,000	-
ICS - Virtual Server Upgrades		60,000				-		60,000	60,000			60,000	-
ICS - Fire Department Software		20,000				-		20,000	20,000			20,000	-
ICS - Financial Software		200,000				-		200,000	200,000			200,000	-
ICS - Data Backup Solution		15,000				-		15,000	15,000			15,000	-
ICS - FMW Web Capital Module		10,000				-		10,000	10,000			10,000	-
ICS - MMF - ConsignO		-	2,000	2,000		2,000						2,000	-
ICS - MMF - Online Tax Inquiry		7,000		7,000		7,000						7,000	-
ICS - MMF - Council meeting webcasting		31,075	18,925	50,000		50,000						50,000	-
ICS - MMF - Corporate Dashboard Reporting		55,000		55,000		55,000						55,000	-
ICS - MMF - Community Engagement		14,000		14,000		14,000						14,000	-
ICS - MMF - Cityworks Work Order Management		20,000		20,000		20,000						20,000	-
ICS - MMF - Mobile Technology		20,000		20,000		20,000						20,000	-
ICS - MMF - Online Permit Payment		2,000		2,000		2,000						2,000	-
ICS - MMF - Public Wifi		10,000		10,000		10,000						10,000	-
Citizen Satisfaction Survey - MMF		15,000		15,000		15,000						15,000	-
Community LED signs - MMF		130,000		130,000		130,000						130,000	-
Organizational Review - MMF		45,000		45,000		45,000						45,000	-
Town Hall Expansion - MMF		220,000		220,000		220,000						220,000	-
Town Hall Expansion - CFWD		3,020,000						3,020,000	3,020,000			3,020,000	-
Small Equipment		150,000									150,000	150,000	-
New Infrastructure funding enhancement			1,550,000								1,550,000	1,550,000	-
Total Administration	-	4,078,075	1,570,925	590,000	-	590,000	-	3,359,000	3,359,000	-	1,700,000	5,649,000	-
Total General Government	-	4,078,075	9,254,625	1,717,500	-	1,717,500	-	3,359,000	3,359,000	-	8,256,200	13,332,700	-

Town of Tecumseh
Proposed 2020 Lifecycle Budget

Unfinanced Capital Dec. 31/19Est	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/20		
	Expenditures	Transfer to Reserve/ Reserve Fund		Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Protection To Persons & Property														
Fire														
Swiss Phone Pagers (4)	3,000						-		3,000	3,000		-	3,000	-
Firefighter Helmets (5)	4,000						-		4,000	4,000		-	4,000	-
Bunker Gear (8 sets)	20,800						-		20,800	20,800		-	20,800	-
Leather Boots (4)	5,000						-		5,000	5,000		-	5,000	-
Fire Hall #2 Alarm Panel Replacement	2,500						-		2,500	2,500		-	2,500	-
Concrete Pad Station 1	20,000						-		20,000	20,000		-	20,000	-
2500 Crew Cab - Ford 250 (Squad 2)	50,000						-		50,000	50,000		-	50,000	-
Total Fire	105,300								105,300	105,300			105,300	
Building Dept.														
GMC Pick-up Sierra	25,000						-		25,000	25,000		-	25,000	-
Total Building	25,000								25,000	25,000			25,000	
Total Protection To Persons & Property	130,300								130,300	130,300			130,300	
Transportation Services														
Roads														
Paving	1,300,000						-		1,300,000	1,300,000		-	1,300,000	-
Traffic Signal Controller Upgrade (w/ County)	150,000						-		150,000	150,000		-	150,000	-
CR42/43 Const. including 12th&Banwell Watermains	22,450						-		22,450	22,450		-	22,450	-
Tecumseh Hamlet SPA EA FSR	30,250						-		30,250	30,250		-	30,250	-
Tecumseh Signage Project	16,000						-		16,000	16,000		-	16,000	-
Lesperance/VIA Rail Improvements	155,000						-		155,000	155,000		-	155,000	-
Tecumseh Road CIP - Phase 1	350,000						-		350,000	350,000		-	350,000	-
Tecumseh Road CIP - Phase 2	50,000						-		50,000	50,000		-	50,000	-
Manning Road/ETLD Drain Relocation - Phase 2	6,500						-		6,500	6,500		-	6,500	-
Manning Road Reconstruction - Phase 3	45,500						-		45,500	45,500		-	45,500	-
Scully & St Mark's Storm PS/Riverside Drive	26,100						-		26,100	26,100		-	26,100	-
Lanoue Street Improvements	363,300						-		363,300	363,300		-	363,300	-
Tecumseh Road Sanitary Sewer	672,600						-		672,600	672,600		-	672,600	-
PW Yard North Improvements <i>cfwd</i>	30,000						-		30,000	30,000		-	30,000	-
Dodge 3500 Dump Body	65,000						-		65,000	65,000		-	65,000	-
International (single axle pre wet w/wing)	230,000						-		230,000	230,000		-	230,000	-
Speed Control Devices - MMF	10,000			10,000			10,000					-	10,000	-
Total Road Construction	3,522,700			10,000			10,000		3,512,700	3,512,700			3,522,700	
Debt payment - re 2005 debt	159,500						-					159,500	159,500	-
Debt payment - re 2006 debt	144,700						-					144,700	144,700	-
Debt payment - re 2007 debt	128,900						-					128,900	128,900	-
Debt payment - re 2008 debt	116,300						-					116,300	116,300	-
Debt payment - re 2009 debt	59,500						-					59,500	59,500	-
Debt payment - re 2010 debt	49,400						-					49,400	49,400	-
Debt payment - re 2011 debt	38,900						-					38,900	38,900	-
Debt payment - re 2012 debt	22,300						-					22,300	22,300	-
Debt payment - re 2013 debt	4,900						-					4,900	4,900	-
Total Road Debt	724,400											724,400	724,400	
Total Road Construction & Debt	4,247,100			10,000			10,000		3,512,700	3,512,700			4,247,100	
Bridges														
Bridge & Culvert Needs Study (>3m span)	39,000						-		39,000	39,000		-	39,000	-
Merrick Creek @ 8th (1013) <i>cfwd</i>	310,000						-		310,000	310,000		-	310,000	-
Total Bridge Construction	349,000								349,000	349,000			349,000	
Debt payment - re 2005 debt	54,000						-					54,000	54,000	-
Debt payment - re 2006 debt	5,800						-					5,800	5,800	-
Debt payment - re 2007 debt	7,300						-					7,300	7,300	-
Debt payment - re 2008 debt	6,700						-					6,700	6,700	-
Debt payment - re 2009 debt	3,600						-					3,600	3,600	-
Debt payment - re 2010 debt	3,100						-					3,100	3,100	-
Debt payment - re 2011 debt	2,400						-					2,400	2,400	-
Debt payment - re 2012 debt	1,600						-					1,600	1,600	-
Debt payment - re 2013 debt	400						-					400	400	-
Total Bridge Debt	84,900											84,900	84,900	
Total Bridge Construction & Debt	433,900								349,000	349,000			433,900	

Town of Tecumseh
Proposed 2020 Lifecycle Budget

	Uses of Funds					Sources of Funds							Unfinanced Capital Dec. 31/20	
	Unfinanced Capital Dec. 31/19Est	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt	From Taxation/Rates		Revenues
Sidewalk														
Sidewalk Repair Program		69,000					-		69,000	69,000		-	69,000	-
Riverside Drive Trail (Lesperance to Manning)		150,000					-		150,000	150,000		-	150,000	-
Tecumseh Road Path (Arlington to DM Eagle)		100,000					-		100,000	100,000		-	100,000	-
CR42 / CR19 Roundabout (Sidewalks)		19,000					-		19,000	19,000		-	19,000	-
CR42: Lesperance to CR19 (Sidewalks)		29,000					-		29,000	29,000		-	29,000	-
CWATS: CR42 / CR19 Roundabout (Bike Lanes)		2,000					-		2,000	2,000		-	2,000	-
CWATS: CR42: Lesperance to CR19 (Bike Lanes)		3,000					-		3,000	3,000		-	3,000	-
Total Sidewalk/Railway Crossing	-	372,000	-	-	-	-	-	-	372,000	372,000	-	-	372,000	-
Total Transportation Services	-	5,053,000	-	-	-	-	-	-	4,233,700	4,233,700	-	809,300	5,053,000	-
Environmental Services														
Storm Sewer														
Manning Road/ETLD Drain Relocation - Phase 2		11,000					-		11,000	11,000		-	11,000	-
Manning Road Reconstruction Phase 3		2,500					-		2,500	2,500		-	2,500	-
Lesperance/VIA Rail Improvements		31,000					-		31,000	31,000		-	31,000	-
Manhole Restoration Program		25,000					-		25,000	25,000		-	25,000	-
Tecumseh Hamlet SPA EA FSR		219,250					-		219,250	219,250		-	219,250	-
CR46/Webster/Laval Sanitary Sewer Extension		75,000					-		75,000	75,000		-	75,000	-
Scully & St Mark's Storm PS/Riverside Drive		440,000					-		440,000	440,000		-	440,000	-
MRSPA Pond Design and Construction		2,740,000					-		2,740,000	2,740,000		-	2,740,000	-
Delduca Drive Sanitary Sewer (LRPCP)		75,000					-		75,000	75,000		-	75,000	-
Shoreline Management Plan		350,000					-		350,000	350,000		-	350,000	-
Stormwater Rate Study		45,000					-		45,000	45,000		-	45,000	-
Total Storm Sewer	-	4,013,750	-	-	-	-	-	-	4,013,750	4,013,750	-	-	4,013,750	-
Total Environmental Services	-	4,013,750	-	-	-	-	-	-	4,013,750	4,013,750	-	-	4,013,750	-
Recreation and Culture														
Parks														
Various - Park Bench and Garbage can replacement		15,000					-		15,000	15,000		-	15,000	-
Sports Field Top Dressing Overseeding		15,000					-		15,000	15,000		-	15,000	-
Tree Planting		30,000					-		30,000	30,000		-	30,000	-
Annual Project Allocations TBD		35,000					-		35,000	35,000		-	35,000	-
In Ground Garbage Containers		20,000					-		20,000	20,000		-	20,000	-
Install Manufactured Wood Chips Under Play Sets		20,000					-		20,000	20,000		-	20,000	-
Splash Pad - McAuliffe Park		270,000					-		270,000	270,000		-	270,000	-
Optimist Park - Playset Replacement - <i>cfwd</i>		100,000					-		100,000	100,000		-	100,000	-
Dorset Dresden - Playset Replacement		70,000					-		70,000	70,000		-	70,000	-
Buster Reaume - Playset Replacement		40,000					-		40,000	40,000		-	40,000	-
Baseball Infield Clay Topdressing		25,000					-		25,000	25,000		-	25,000	-
Lacasse Baseball Cement Pads for Bleachers - <i>cfwd</i>		12,000					-		12,000	12,000		-	12,000	-
Lacasse Baseball Replacement Bleachers		10,000					-		10,000	10,000		-	10,000	-
McAuliffe Park - Bleacher Replacements		15,000					-		15,000	15,000		-	15,000	-
St Mary's Park - Irrigation for Infield		8,000					-		8,000	8,000		-	8,000	-
Carling Park Pavilion Replacement		45,000					-		45,000	45,000		-	45,000	-
St Mary's Pavilion Roof Replacement		10,000					-		10,000	10,000		-	10,000	-
St. Clair Beach Community Centre		12,000					-		12,000	12,000		-	12,000	-
McAuliffe Washroom Project - <i>cfwd</i>		9,000					-		9,000	9,000		-	9,000	-
Lacasse Grandstand Architect Concept Drawings		60,000					-		60,000	60,000		-	60,000	-
Lakewood Park Pier deck replacement		50,000					-		50,000	50,000		-	50,000	-
Mower - Large Area Rotary - <i>cfwd</i>		80,000					-		80,000	80,000		-	80,000	-
Kubota B3030 HSDC Tractor		35,000					-		35,000	35,000		-	35,000	-
Trailer Landscape 20' hard side		6,000					-		6,000	6,000		-	6,000	-
Tilt Trailer 20'		7,500					-		7,500	7,500		-	7,500	-
Kubota ZD1211 Mower		14,000					-		14,000	14,000		-	14,000	-
Kubota ZD1211 Mower		14,000					-		14,000	14,000		-	14,000	-
Kubota ZD331 Mower		14,000					-		14,000	14,000		-	14,000	-
Kubota ZD1211 Mower		15,000					-		15,000	15,000		-	15,000	-
Aerway Aerator		10,000					-		10,000	10,000		-	10,000	-
Total Parks Construction	-	1,066,500	-	-	-	-	-	-	1,066,500	1,066,500	-	-	1,066,500	-
Lakewood Park - debt payment		696,500					-					696,500	696,500	-
Total Parks Construction & Debt	-	1,763,000	-	-	-	-	-	-	1,066,500	1,066,500	-	696,500	1,763,000	-

Town of Tecumseh
Proposed 2020 Lifecycle Budget

	Unfinanced Capital Dec. 31/19Est	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/20	
		Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt	From Taxation/Rates		Revenues
Arena														
Spectator Protective Netting <i>cfwd</i>		18,000							18,000	18,000			18,000	-
Environmental Control System - <i>cfwd</i>		45,000							45,000	45,000			45,000	-
Zamboni - <i>cfwd</i>		110,000							110,000	110,000			110,000	-
Rink A Replacement Brine Pump and Chiller		200,000							200,000	200,000			200,000	-
2 Replacement HVAC Units		28,000							28,000	28,000			28,000	-
Upstairs Kitchen Wall Replacement		10,000							10,000	10,000			10,000	-
Sportsplex		54,050,000		39,456,500		4,000,000	43,456,500		1,000,000	1,000,000	9,593,500		54,050,000	-
Arena Dressing Room HVAC Repair		6,000							6,000	6,000			6,000	-
Pick-up Truck Facility Mgr (NEW)		30,000							30,000	30,000			30,000	-
Total Arena	-	54,497,000	-	39,456,500	-	4,000,000	43,456,500	-	1,447,000	1,447,000	9,593,500	-	54,497,000	-
Pool														
Replacement Pool Pumps		10,000							10,000	10,000			10,000	-
Refurbish Tot Pool Coating		23,000							23,000	23,000			23,000	-
Replacement Lap Pool Boiler		17,000							17,000	17,000			17,000	-
Total Pool		50,000	-	-	-	-	-	-	50,000	50,000	-	-	50,000	-
Other Recreational														
Total Other Recreational	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recreation	-	56,310,000	-	39,456,500	-	4,000,000	43,456,500	-	2,563,500	2,563,500	9,593,500	696,500	56,310,000	-
Cultural Services														
Library														
2 HVAC Units Replacement		20,000							20,000	20,000			20,000	-
Total Library	-	-	-	-	-	-	-	-	-	-	-	-	20,000	-
Total Cultural Services	-	20,000	-	-	-	-	-	-	-	20,000	-	-	20,000	-
Planning & Development														
Planning														
Total Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture & Reforestation (Drains)														
Summarized (approx. 50 drains)	2,461,626	900,000		100,000		700,000	800,000		100,000	100,000			900,000	2,461,626
Manning Road/ETLD Drain Relocation - Phase 2 (Drains)		30,000							30,000	30,000			30,000	-
Drain improvement deposits	(19,600)													(19,600)
Total Drains	2,442,026	930,000	-	100,000	-	700,000	800,000	-	130,000	130,000	-	-	930,000	2,442,026
Total Planning & Development	2,442,026	930,000	-	100,000	-	700,000	800,000	-	130,000	130,000	-	-	930,000	2,442,026
Total Tax Supported	2,442,026	70,535,125	9,254,625	41,284,000	-	4,700,000	45,984,000	-	14,430,250	14,450,250	9,593,500	9,762,000	79,789,750	2,442,026
Rate-Supported														
Sanitary Sewers														
Manhole Restoration Program		25,000							25,000	25,000			25,000	-
Tecumseh Hamlet SPA EA FSR		30,250							30,250	30,250			30,250	-
Scully & St Mark's Storm PS/Riverside Drive		12,350							12,350	12,350			12,350	-
CR42/43 Const. including 12th & Banwell watermain		44,900							44,900	44,900			44,900	-
Tecumseh Road Sanitary Sewer		2,245,100							2,245,100	2,245,100			2,245,100	-
Sanitary Sewer Model Update		45,000							45,000	45,000			45,000	-
Total Sanitary Sewer Construction	-	2,402,600	-	-	-	-	-	-	2,402,600	2,402,600	-	-	2,402,600	-
Sanitary Sewers			1,969,672								1,969,672		1,969,672	-
Facilities			400,000								400,000		400,000	-
Fleet			60,000								60,000		60,000	-
Rate Stabilization			25,000								25,000		25,000	-
Total Lifecycle/Capital	-	-	2,454,672	-	-	-	-	-	-	-	2,454,672	-	2,454,672	-
Debt payment - re 2010 debt		258,600							258,600	258,600			258,600	-
Debt payment - re 2012 debt		57,600							57,600	57,600			57,600	-
Debt payment - re 2012 debt NTR/Halford		22,800				22,800	22,800						22,800	-
Debt payment - re 2015 debt NTR Brendan/Binder		14,200				14,200	14,200						14,200	-
Debt payment - re 2016 debt NTR Burke/Outer/Morro		56,000				56,000	56,000						56,000	-
Debt payment - re 2017 debt NTR Dumouchelle Outer		41,900				41,900	41,900						41,900	-
Debt payment - re 2018 debt NTR Pulleyblank/Crowder/Moro		21,300				21,300	21,300						21,300	-
Debt payment - re 2018 debt NTR Rossi		34,000				34,000	34,000						34,000	-
Debt payment re internal borrowing Lakewood pump		100,000						100,000		100,000			100,000	-
Total Sanitary Sewer Debt	-	606,400	-	-	-	190,200	190,200	416,200	-	416,200	-	-	606,400	-
Total Sanitary Sewers	-	3,009,000	2,454,672	-	-	190,200	190,200	2,818,800	-	2,818,800	-	2,454,672	5,463,672	-

Town of Tecumseh
Proposed 2020 Lifecycle Budget

	Uses of Funds			Sources of Funds								Unfinanced Capital Dec. 31/20		
	Unfinanced Capital Dec. 31/19Est	Expenditures	Transfer to Reserve/ Reserve Fund	Grants	Sale of Property	Owners/ Other Munic.	Total Other Revenues	Reserve Funds	Reserves	Total Reserve & Reserve Funds	Long Term Debt		From Taxation/Rates	Revenues
Water														
Manning Road/ETLD Drain Relocation - Phase 2		6,000					-	6,000		6,000			6,000	-
Hwy#3/Walker Rd Watermain Replacement		2,182,100					-	2,182,100		2,182,100			2,182,100	-
Tecumseh Hamlet SPA EA FSR		30,250					-	30,250		30,250			30,250	-
CR42/43 Const. incl. 12th & Banwell mains		758,600					-	758,600		758,600			758,600	-
Environmental Building Upgrade		15,000					-	15,000		15,000			15,000	-
Environmental Bldg Ventilation System		22,000					-	22,000		22,000			22,000	-
Oasis Payment Solution - MMF		20,000		20,000			20,000			-			20,000	-
GMC Sierra Ext Cab Service Truck		50,000					-	50,000		50,000			50,000	-
John Deere 310D Backhoe		110,000					-	110,000		110,000			110,000	-
Total Water Construction	-	3,193,950	-	20,000	-	-	20,000	3,173,950	-	3,173,950	-	-	3,193,950	-
Water Surplus			1,706,133				-			-	1,706,133		1,706,133	-
Facilities			129,000				-			-	129,000		129,000	-
Fleet			60,000				-			-	60,000		60,000	-
Rate Stabilization			30,000				-			-	30,000		30,000	-
Total Lifecycle/Capital	-	-	1,925,133	-	-	-	-	-	-	-	-	1,925,133	1,925,133	-
Total Water	-	3,193,950	1,925,133	20,000	-	-	20,000	3,173,950	-	3,173,950	-	1,925,133	5,119,083	-
Total Rate Supported	-	6,202,950	4,379,805	20,000	-	190,200	210,200	5,992,750	-	5,992,750	-	4,379,805	10,582,755	-
Total Tax and Rate Supported	2,442,026	76,738,075	13,634,430	41,304,000	-	4,890,200	46,194,200	5,992,750	14,430,250	20,443,000	9,593,500	14,141,805	90,372,505	2,442,026

Construction/Equipment	74,625,875	Transfer Payments =	41,304,000	{ 40,176,500 Grants 1,127,500 Gas tax Other Municipalities Donations 4,890,200 Property Owners 46,194,200 Contributed Assets
Debt	2,112,200			
	76,738,075			

Reserves

Glossary

Reserve: A reserve is an allocation of accumulated net revenues. Reserves can be established for any predetermined purpose and applied for that purpose at the discretion of Council.

Reserve Fund: A reserve fund is established to account for assets that have been segregated for a specific purpose, either voluntarily or because of legal or contractual reasons.

Discretionary Reserve Fund: These are established whenever Council wishes to earmark funds to finance a future project for which it has the authority to spend money. A municipality may, by by-law, provide that the money raised for a reserve fund be applied to another purpose.

Obligatory Reserve Fund: These must be created whenever a statute requires revenues received for special purposes to be segregated from the general revenues of the municipality.

2020 Budget Estimated Balances

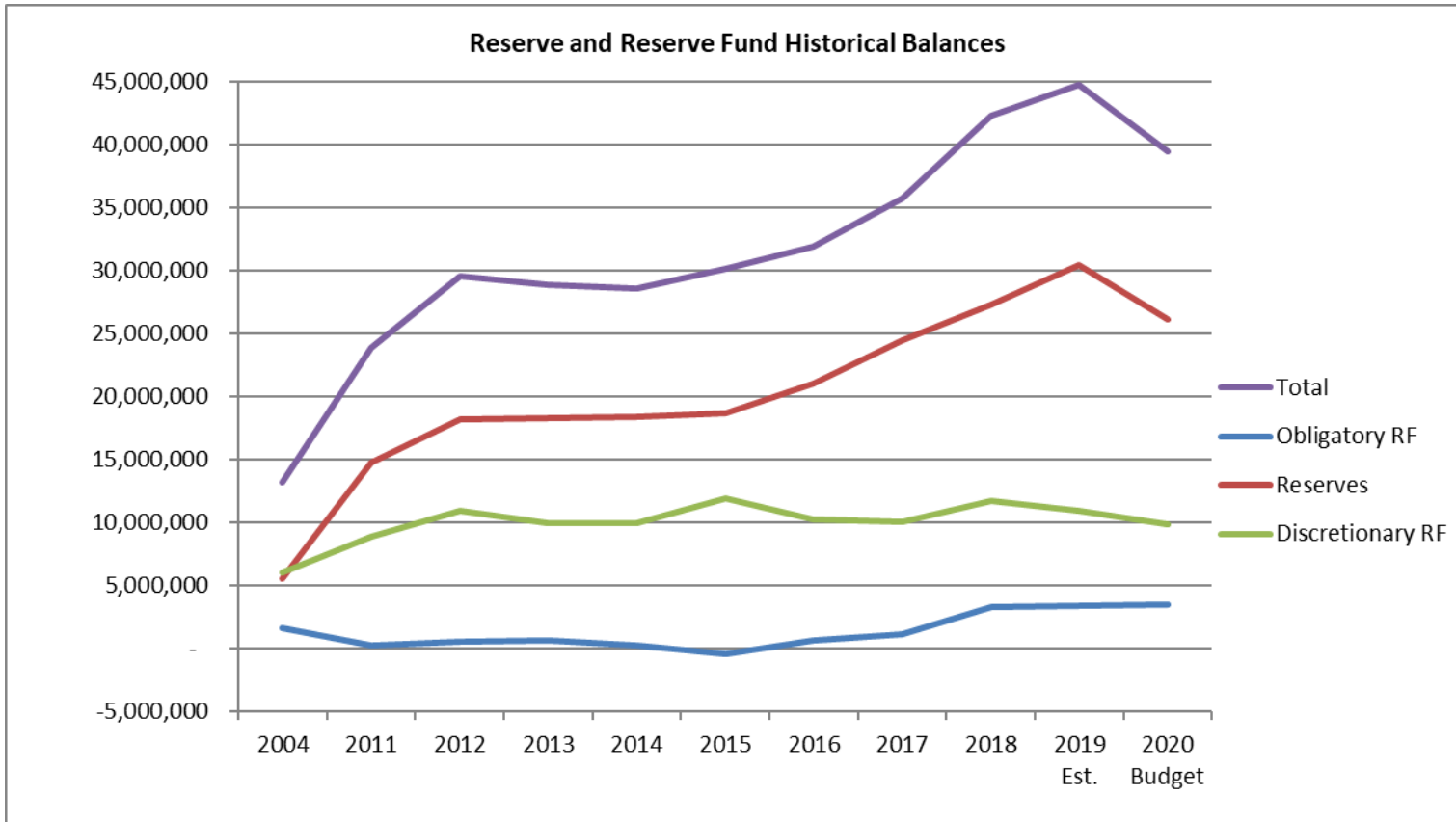
Funding included in budget estimates are based on normal annual projected works and pre-approved projects. As per policy, any allocation of new funds for specific projects will be first brought before Council for approval.

Budgeted reserve and reserve fund (reserves) balances at the end of 2020 are projected to be \$38.5M, which compares to \$44.7M for 2019 (estimate), \$42.3M for 2018 and \$35.7M for 2017.

Major balances, in millions of dollars, projected to December 31, 2020 are:

• Lifecycle (LC)	\$	15.0
• Water	\$	10.8
• Infrastructure	\$	5.5
• Tax Rate Stabilization	\$	3.1
• Storm OCIF	\$	1.9
• Post-Retirement Benefits	\$	1.8
• Development Charges	\$	0.9
• Sanitary Sewer	\$	(2.8)
• Balance	\$	<u>2.3</u>
	\$	38.5

The following chart shows a ten-year history of reserve and reserve fund year-end balances by Reserves, Discretionary Reserve Funds and Obligatory Reserve Funds. In addition, 2004 has been included to show a comparison to the year prior to implementation of the Lifecycle Plan in 2005.



2020 Budget Highlights

The budget anticipates funding \$21.3M for operating and capital purposes in 2020. Major items include:

Items Requiring Funding	Amount Funded From Reserves
Stormwater management, pond design & pump station engineering	\$4.0M
Road construction & resurfacing	\$ 3.3M
Town Hall expansion	\$ 3.0M
Watermain replacement	\$ 3.0M
Sanitary sewer replacement	\$ 2.3M
Sportsplex	\$ 1.0M
Fleet	\$ 0.9M
Parks development	\$ 0.8M

Administration has targeted a Tax Rate Stabilization reserve balance of 15% of the municipal tax levy, or approximately \$3.6M. The 2020 budgeted reserve balance is estimated to be \$3.1M. Contributions to the reserve are made annually from bank interest and dividend income over base budget amounts. (Base budgets are used for those sources of revenue that are subject to significant fluctuation due to factors outside the Town's control).

Should the Tax Rate Stabilization reserve balance target be reached, any additional bank interest and dividend income contributions will be allocated to the Infrastructure reserve.

In 2020 transfers out of the Tax Rate Stabilization reserve include an estimated \$470k to Operating for: expenses related to ongoing legal matters (\$150,000), expenditure smoothing for 53 pay periods in 2020 (\$143,000), potential storm sewer related costs to address high lake levels (\$100,000), and for various one-time operating expenditures (\$77,000), and \$1.07M to Capital towards the Town Hall Expansion project (RCM-47/19).

The 2015 budget implemented a special New Infrastructure Levy (NIL). The NIL is contributed to the Infrastructure (Capital) reserve to partially address funding shortfalls required for constructing new and/or enhanced infrastructure. The initial annual target was set at \$1.3M, however, in light of the expected construction of the Sportsplex and recently updated 2019 DC Background Study, the target level for the NIL has increased to \$2.35M. The

current NIL is \$1.35M with an additional \$200k being budgeted in 2020, \$200k in 2021 and \$200k in 2022. The target will be reached by 2024 if the increases proceed at this level.

Challenges

Development Charge Reserve Funds: Development Charge (DC) funds have historically been the main category making up Obligatory Reserve Fund (RF) balances. For those projects where available DC funds are insufficient to fund projects, temporary funding has been provided from other reserves. As DC revenue is received, funds are transferred to reduce the unfinanced DC balances. Unfinanced balances, as reported in Financial Services Report FS-2019-06 “2018 Development Charge Reserve Fund Statement”, are:

Unfinanced Balance	Amount
Roads	\$ 1,106,000
Wastewater	\$ 11,780,000
Watermain	\$ 968,000
Recreation – Outdoor	\$ 898,000
Studies	\$ 862,000
Total	\$ 15,614,000

As can be seen above, Wastewater has a significant deficit; this has typically been funded by the Sanitary Sewers RF. The Sanitary Sewers RF is also currently in a deficit position, and thus insufficient to fund the 2019 and 2020 debt costs. Deficits are expected to worsen in 2020 due to the capital works program and slow progressing development. The recently completed 2019 Development Charge Study increased the Wastewater component of the town-wide development charge by 4%, partly due to growing debt obligations. The calculated DC rate charge is based on a population increase of 1,770 residents and 1,350 households by 2029 (an average of 135 household additions per year). For reference purposes, the current Town population is unchanged from 2011 with household additions of 490 during that eight-year period (an average of 61 household additions per year).

Bridges and Culverts LC Reserve: in 2016, the Town undertook its first Culvert Needs Study (Structures with Spans < 3.0 m) to assess the condition of the culverts and prepare a plan for the maintenance of these structures. The study detailed a program for “Immediate,” “1-5 Year” and “6-10 Year” requirements totalling \$5.9M in capital costs. This was the first time that the culvert inventory has formally been evaluated, and as such there was a fair amount of catch-up remedial work required.

In addition, a Bridge Needs Study (Structures with Spans > 3.0 m) was completed in 2016. The study recommended a budget allocation of \$952k to address the improvement needs of bridges within five years.

Recommendations from these two studies have been incorporated in the Town’s Five-Year Capital Works Plan and the longer-term Asset Management Plan. The capital works required for culverts < 3.0 m have put pressure on the reserve. The Bridges and Culverts LC reserve is expected to be in a deficit position by the end of 2022.

Administration will consider options to offset the deficit including reallocating funds from the Roads LC, debt, grants, increasing the annual LC allocation and spanning out the capital works over a longer period of time where possible.

Storm Sewers LC Reserve: The Storm Sewer Lifecycle Reserve is expected to be in a deficit position of \$2.6M by the end of 2020. This is mainly due to the funding of the Stormwater Master Plan and Rossi Drive project in 2018, the Oldcastle Storm Drainage Master Plan in 2019 and proposed 2020 projects including the Scully & St. Mark’s Storm Pump Station engineering, stormwater pond design costs for the MRSPA development area and a Shoreline Management Plan.

A major contributor to the deficit is that the Town has significantly enhanced storm infrastructure with funding coming from the Storm Sewer LC whereas a portion of the funds should really come from the Infrastructure reserve (for new and/or enhanced assets). Examples include improvements to the Brighton and Manning Road pump stations along with certain road projects in the St. Clair Beach and Oldcastle areas where the storm system was enhanced. Up until now, deficits have been managed using grants and additional funding provided by the Road LC. A Stormwater Rate Study is proposed for 2020, the results of which may provide a long-term solution for stormwater management funding.

The Scully & St. Mark’s Storm Pump Station and Riverside Drive Storm Sewers projects have been identified in the five-year capital works plan. The project cost of \$14.7M would put the reserve in a significant deficit position. The 2020 capital budget includes \$440k for engineering as it was felt that there would be benefit to having the project in a “shovel ready” state in the event of grant availability. Construction timing is contingent on the final recommendations of the Master Plan, the availability of funding and Council approval.

The Master Plans will detail future capital requirements and assist in determining the proper annual allocation for the replacement of existing storm sewers and an allocation for new/enhanced storm sewer infrastructure.

Sanitary Sewers Reserve Fund: the Sanitary Sewers RF continues to be in deficit position, estimated at \$5.1M by the end of 2020. Lack of sustained growth has meant that the Town has had to fund infrastructure for longer than originally anticipated. This is expected to continue for a number of years and will worsen as the 8th Concession Road sanitary service area build out continues. The Town prepays these works and recovers costs over time. Furthermore, declining water usage has placed an additional strain on fund requirements.

Administration will consider debt financing in order to address the cash flow issues facing the sanitary sewer system. The Water and Wastewater Rate Study is due to be updated in 2020, but in the meantime consideration will be given to a reallocation of water and wastewater rates and/or a transfer from the Watermains RF to the Sanitary Sewer RF.

Town of Tecumseh
Summary of Reserves and Reserve Funds
Proposed 2020 Budget

The schedules below provide information about amounts that are available to offset future revenue requirements and amounts that have been set aside to finance future expenditures.

	Actual Balance 12/31/18	Projected Balance 12/31/19	Estimated Net Activity 2020	Projected Balance 12/31/20
Reserves	27,325,909	30,453,516	(5,302,354)	25,151,162
Discretionary Reserve Funds	11,697,784	10,914,969	(1,080,635)	9,834,334
Obligatory Reserve Funds	3,276,641	3,333,443	152,300	3,485,743
TOTAL	42,300,334	44,701,928	(6,230,689)	38,471,239

The following schedules provide detailed information on Reserves, Obligatory Reserve Funds and Discretionary Reserve Funds.

Reserves	Purpose	Source of Funding	Actual Balance 12/31/18	Projected Balance 12/31/19	Estimated Net Activity 2020	Projected Balance 12/31/20
Lifecycle *	Long-term funding for Lifecycle costs	Budget allocation and proceeds from disposal of assets	16,539,160	17,645,530	(2,613,225)	15,032,305
Tax Rate Stabilization	Smoothing tax rate impacts due to unusual/unexpected requirements	Budget allocations of excess interest and dividend income above base levels	4,780,614	4,188,114	(1,059,152)	3,128,962
Infrastructure (Capital)	Long-term funding for capital projects	Budget allocation and proceeds from disposal of assets	4,411,903	7,143,424	(1,629,977)	5,513,447
Sick/Vacation Pay	Fund payout of sick leave and vacation pay on retirement	Contribution from operating surplus	693,037	662,037	-	662,037
Community Improvement Plan	Encourage development in the downtown	Budget allocation	164,615	78,831	-	78,831
West St. Louis Pump	2nd pump for West St. Louis development area	Developer contributions	284,345	284,345	-	284,345
Working Capital	Reorganization costs and special project carry forward costs	Special project surplus funds	216,300	216,300	-	216,300
Insurance	Offset possible future rate increases or establishing self insurance reserve	Administration department budget provision	211,000	211,000	-	211,000
General Purpose	Art work and environment protection	Budget allocation	17,435	16,435	-	16,435
Fire Education & Awareness	Special publication education and promotion	Firefighter fundraising events	7,500	7,500	-	7,500
Total			27,325,909	30,453,516	(5,302,354)	25,151,162

*Lifecycle reserves include individual reserves for the following categories: Arenas; Bridges & Culverts; Buildings; Community Trails; Drains; Elections; Fire Apparatus; Fire SCBA; Fleet; Information Technology New Lifecycle Issues; Outdoor Pool; Park Development; Reforestation; Roads; Sidewalks; Storm Sewers; One Time Strategic Issues; Transit

Town of Tecumseh
Summary of Reserves and Reserve Funds
Proposed 2020 Budget

Discretionary Reserve Funds	Purpose	Source of Funding	Actual Balance 12/31/18	Projected Balance 12/31/19	Estimated Net Activity 2020	Projected Balance 12/31/20
Water	Capital purchases, fleet replacement and Lifecycle	Annual budget transfer. Based on rate study	10,798,572	11,579,138	(771,762)	10,807,376
Post Retirement Benefits	Partial funding post retirement benefits	Annual budget transfer	1,729,008	1,773,198	53,200	1,826,398
Sanitary Sewer	Capital purchases	Annual budget transfer. Based on rate study	(829,796)	(2,437,366)	(362,073)	(2,799,439)
Total			11,697,784	10,914,969	(1,080,635)	9,834,334

Obligatory Reserve Funds	Purpose	Source of Funding	Actual Balance 12/31/18	Projected Balance 12/31/19	Estimated Net Activity 2020	Projected Balance 12/31/20
Development Charges	Growth-related capital requirements for water, sewer, police, fire, studies, recreation	Developer contributions	800,797	871,889	70,400	942,289
Parkland Development	Park improvements and expansions	Developer contributions	553,077	652,963	27,600	680,563
Gas Tax	Environmentally sustainable infrastructure	Federal/Provincial gas tax contribution	1,212,618	-	-	-
Storm OCIF	Infrastructure needs of small communities	Ontario Community Infrastructure Fund	710,149	1,808,592	54,300	1,862,892
Total			3,276,641	3,333,443	152,300	3,485,743

Town of Tecumseh
Tabled 2020 Reserve and Reserve Fund Budget

RESERVES	Est. Balance @ Dec 31/19	Transfer (To) From Other Reserve	From Current Operations	From Capital Operations	From Developers	Interest Earned	2020 Revenues	To Current	To Capital	2020 Expenditures	Balance @ Dec 31/20
General Reserves											
Sick/Vacation Pay	662,037						0			0	662,037
Working Fund	216,300						0			0	216,300
Tax Rate Stabilization	3,794,594		480,500				480,500	469,652	1,070,000	1,539,652	2,735,442
Health ASO	363,320						0			0	363,320
Meeting Investigator	30,200						0			0	30,200
Fire Education and awareness	7,500						0			0	7,500
Insurance	211,000						0			0	211,000
Infrastructure (NIL)	7,143,424	91,100		1,570,925			1,570,925	139,002	3,153,000	3,292,002	5,513,447
Community Improvement Plan	78,831						0			0	78,831
Cada Complex Art Work	16,435						0			0	16,435
West St. Louis Pump	284,345						0			0	284,345
General Reserves	12,807,986	91,100	480,500	1,570,925	0	0	2,051,425	608,654	4,223,000	4,831,654	10,118,857
Lifecycle Reserves											
Arenas	1,134,803		41,000	150,000			191,000		307,000	307,000	1,018,803
Bridges and culverts	152,486			410,000			410,000		349,000	349,000	213,486
Buildings	832,798			205,000			205,000		63,500	63,500	974,298
Community trails	245,000			50,000			50,000			0	295,000
Drains	165,410			100,000			100,000		130,000	130,000	135,410
Elections	14,500			16,000			16,000	2,125		2,125	28,375
Fire Apparatus	976,158			194,000			194,000			0	1,170,158
Fire Equipment	239,561			45,000			45,000		32,800	32,800	251,761
Fleet	1,031,188			544,000			544,000		865,500	865,500	709,688
Information Technology	401,332			148,000			148,000		339,000	339,000	210,332
New lifecycle issues	748,814			100,000			100,000			0	848,814
Outdoor Pool	265,688			60,000			60,000		50,000	50,000	275,688
Park development	1,098,073	44,600		365,000			365,000		820,000	820,000	687,673
Reforestation	141,486			30,000			30,000		30,000	30,000	141,486
Roads	8,922,592		10,000	4,160,000			4,170,000	28,150	3,317,700	3,345,850	9,746,742
Sidewalks	323,947			74,000			74,000		69,000	69,000	328,947
Storm sewers	397,453			1,002,700			1,002,700		4,013,750	4,013,750	(2,613,597)
One Time Strategic Issues	183,117			50,000			50,000	7,000		7,000	226,117
Transit	371,124			100,000			100,000	88,000		88,000	383,124
Lifecycle Reserves	17,645,530	44,600	51,000	7,803,700	0	0	7,854,700	125,275	10,387,250	10,512,525	15,032,305
Grand Total Reserves	30,453,516	135,700	531,500	9,374,625	0	0	9,906,125	733,929	14,610,250	15,344,179	25,151,162

Town of Tecumseh
Tabled 2020 Reserve and Reserve Fund Budget

RESERVE FUNDS	Est. Balance @ Dec 31/19	Transfer (To) From Other Reserve	From Current Operations	From Capital Operations	From Developers	Interest Earned	2020 Revenues	To Current	To Capital Projects	2020 Expenditures	Balance @ Dec 31/20
Discretionary Reserve Funds											
Water	3,734,865	57,900		1,706,133		112,000	1,818,133	28,145	2,976,950	3,005,095	2,605,803
Water - Facilities	7,630,950			129,000		228,900	357,900		37,000	37,000	7,951,850
Water rate stabilization	213,322			30,000		6,400	36,400			0	249,722
Sanitary Sewers	(4,305,250)	163,300		1,969,672		(129,200)	1,840,472	28,145	2,818,800	2,846,945	(5,148,423)
Sanitary Sewer - Facilities	1,799,462			400,000		54,000	454,000			0	2,253,462
Sanitary Sewer - Rate Stabilization	68,421			25,000		2,100	27,100			0	95,521
Post retirement benefits	1,773,198					53,200	53,200			0	1,826,398
Discretionary Reserve Funds	10,914,969	221,200	0	4,259,805	0	327,400	4,587,205	56,290	5,832,750	5,889,040	9,834,334
Obligatory Reserve Funds											
Studies	(46,704)				26,300	(1,400)	24,900	52,500		52,500	(74,304)
Fire	293,570				13,500	8,800	22,300			0	315,870
Police	53,760				5,700	1,600	7,300			0	61,060
Roads	0	(91,100)			91,100	0	91,100			0	0
Wastewater	0	(163,300)			163,300	0	163,300			0	0
Water	0	(57,900)			57,900	0	57,900			0	0
Library	79,750				4,500	2,400	6,900			0	86,650
Outdoor Recreation	0	(44,600)			44,600	0	44,600			0	0
Indoor Recreation	491,512				46,800	14,700	61,500			0	553,012
Development Charges	871,889	(356,900)	0	0	453,700	26,100	479,800	52,500	0	52,500	942,289
Gas Tax	0					0	0			0	0
Parkland	652,963				8,000	19,600	27,600			0	680,563
Storm Sewer - (OCIF)	1,808,592					54,300	54,300			0	1,862,892
Total Obligatory Reserve Funds	3,333,443	(356,900)	0	0	461,700	100,000	561,700	52,500	0	52,500	3,485,743
Grand Total Reserve Funds	14,248,412	(135,700)	0	4,259,805	461,700	427,400	5,148,905	108,790	5,832,750	5,941,540	13,320,077
Grand Total Reserve & Reserve Funds	44,701,928	0	531,500	13,634,430	461,700	427,400	15,055,030	842,719	20,443,000	21,285,719	38,471,239

2020 Business Plan and Budget Supplementary Budget Information





About Tecumseh

Tecumseh is one of the Windsor-Essex region's best-kept secrets. With a population of just under 24,000, Tecumseh provides community living with big city access and opportunities. Since 2011, the Town has been working to implement policies and procedures that follow a strategic plan for the municipality. We want to ensure the Town is an even better place to live, work and invest through a shared vision.

The Town is located in the northwest corner of Essex County on the south shoreline of Lake St. Clair and has a combination of both urban and rural characteristics.

Our residents agree with our approach. For the last six years, Tecumseh has received a 98% or higher citizen satisfaction rating. Four out of five respondents believe Tecumseh is heading in the right direction. Yet we believe there is still room for improvement and we continue to demonstrate leadership by promoting good governance and community engagement—our people are what makes us great.

With successful industrial and business sectors, a commitment to sustainable, planned development, and a wealth of cultural and recreational opportunities, Tecumseh offers a vibrant destination to visit or to call home.

Council and Administration believe in a healthy, liveable approach to the community through planning as well as supporting our staff. The Town is an eight-time recipient of the Gord Smith Healthy Workplace and Bike Friendly Workplace awarded by the Windsor-Essex Health Unit.

The Town radiates small-town charm, natural beauty and cultural vitality while providing all the advantages of an economically diverse and well-serviced urban community.

While a majority of Tecumseh's 94.7 square kilometres of land area continues to be used for agricultural production, three distinct and separate areas contain the community features typical of an urban area, including residential, recreational, institutional, commercial and industrial development.

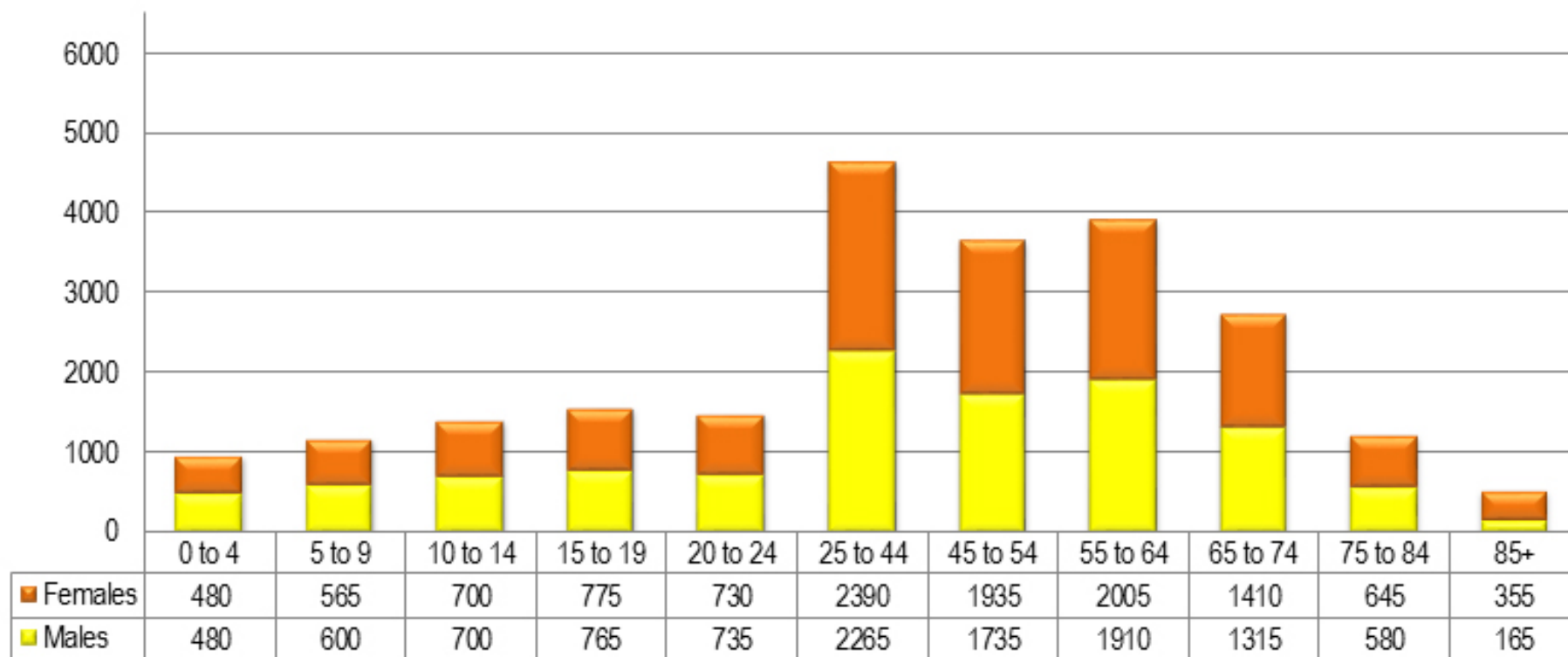
The Town offers a number of events with a distinct local flavour. Key among those is the Tecumseh Corn Festival which has been officially ranked as a Top 100 festival by Ontario.

Tecumseh was the first local community to introduce a transit system that connects to the City of Windsor, bringing riders into the City of Windsor to connect to the broader city transportation system.

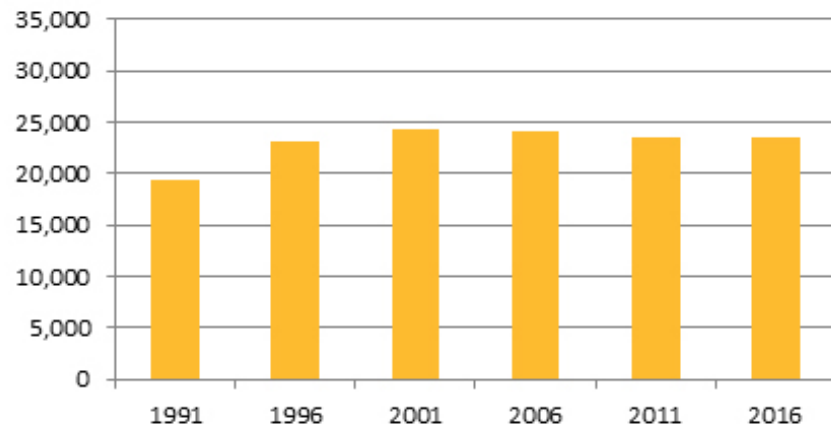
The majority of the urbanized area of Tecumseh is serviced by active transportation infrastructure in the form of sidewalks, bike lanes and/or multi-purpose trails. The goal of the Town is to ensure that transportation choices for all residents are available or planned. Tecumseh is working with the County of Essex as part of the County Wide Active Transportation System to add and improve connections to trails and cycling infrastructure including more than \$200,000 in trail construction in the last two years.

Tecumseh Demographics & Statistics

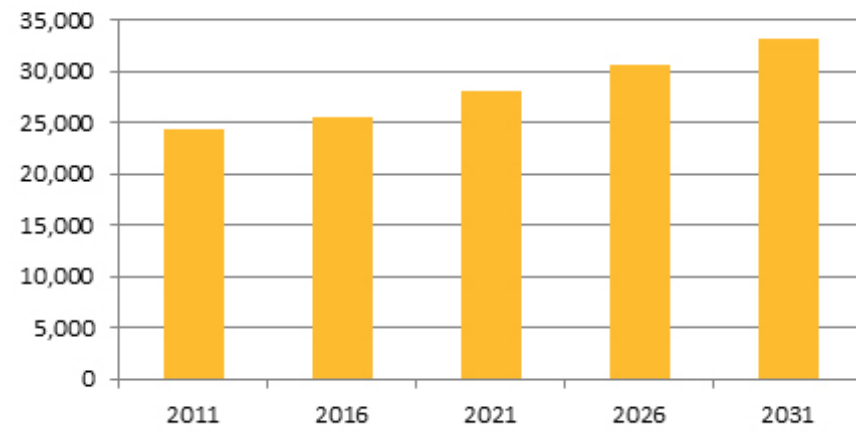
Population – 2016 Census



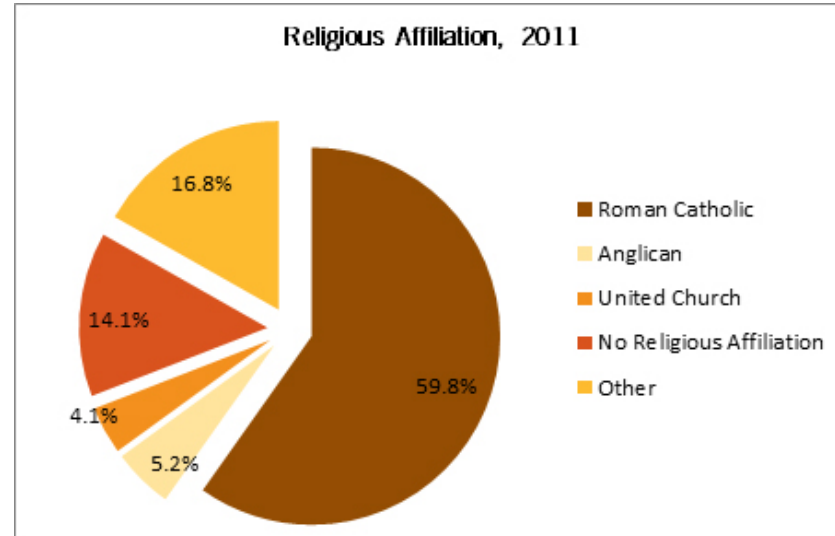
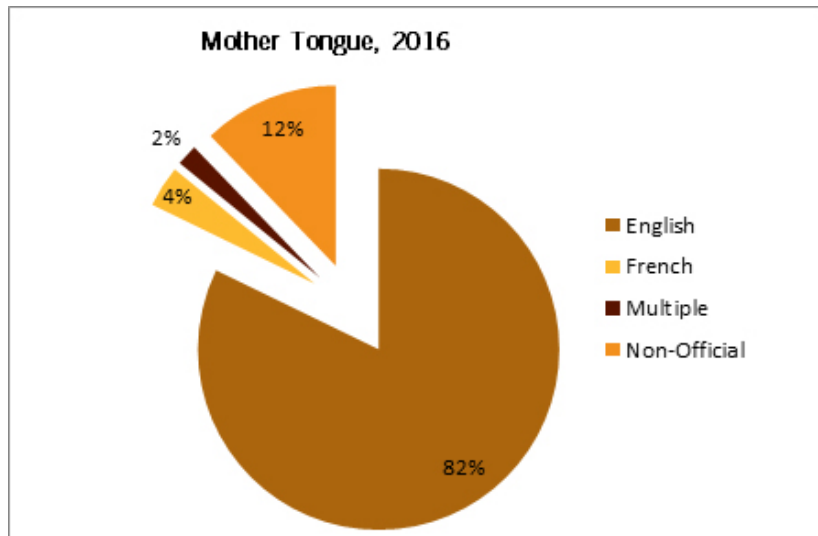
Population Growth: 1991-2016



Population Projections: 2011-2031

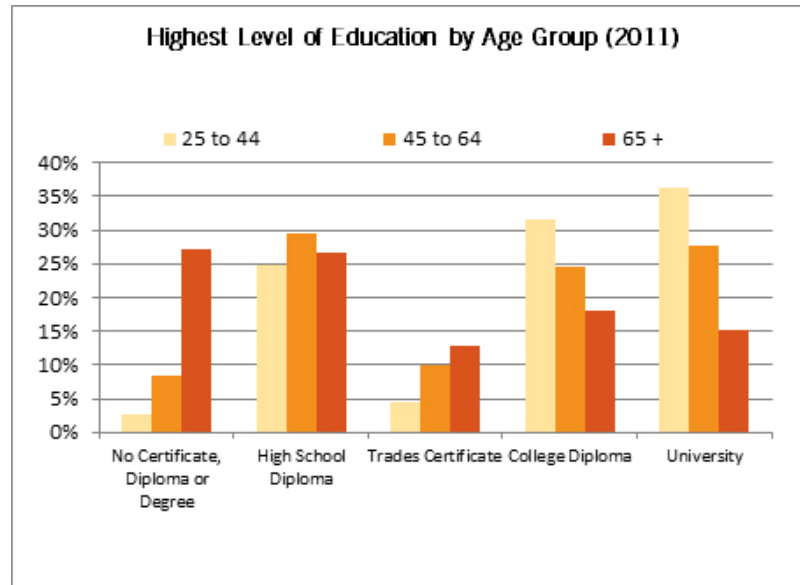
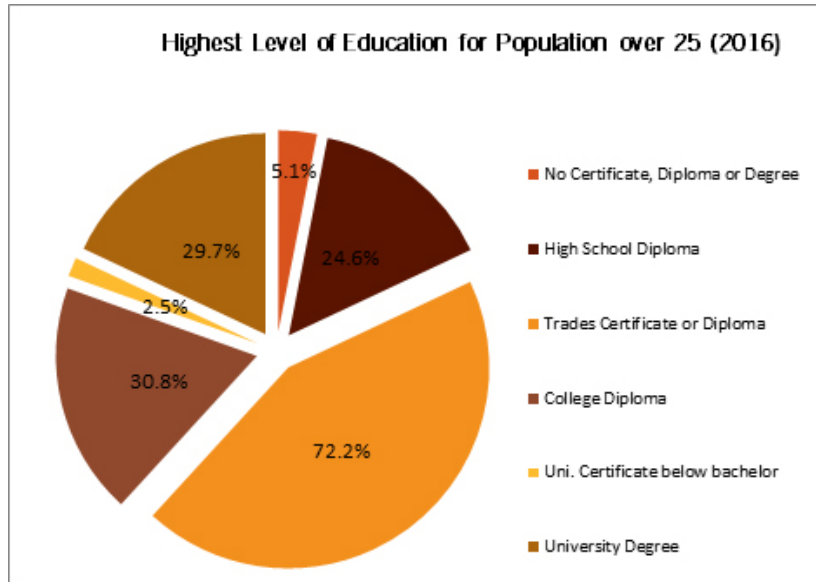


Language & Religion



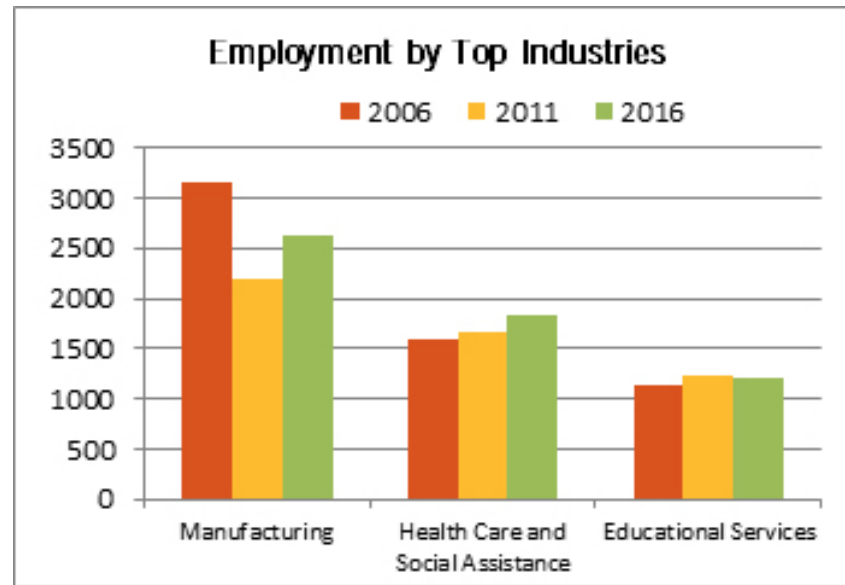
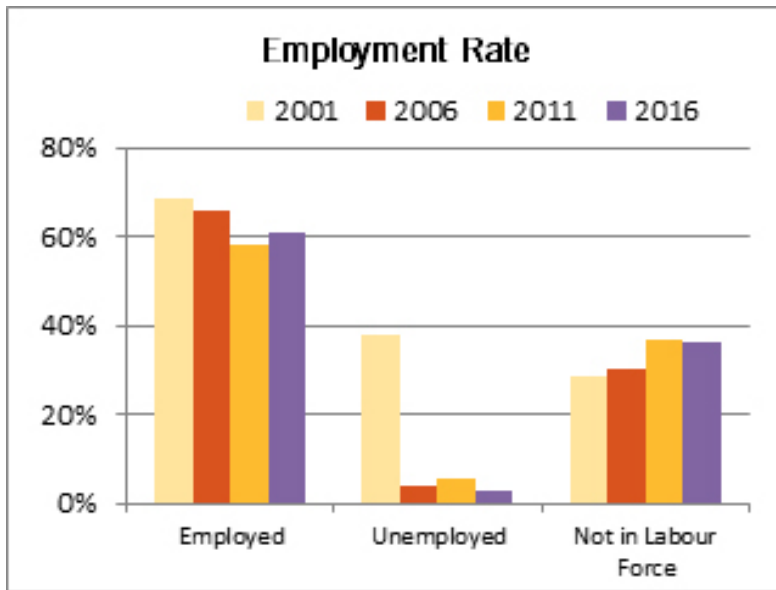
Statistics Canada, Community Profile, Census 2016; National Household Survey, Focus on Geography Series, 2011 (Tecumseh)

Education

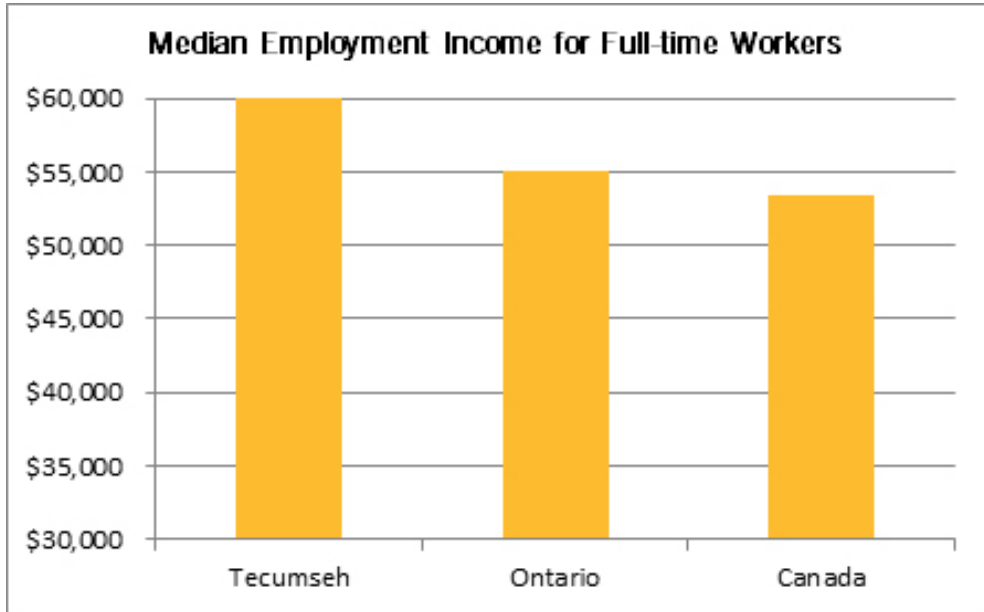
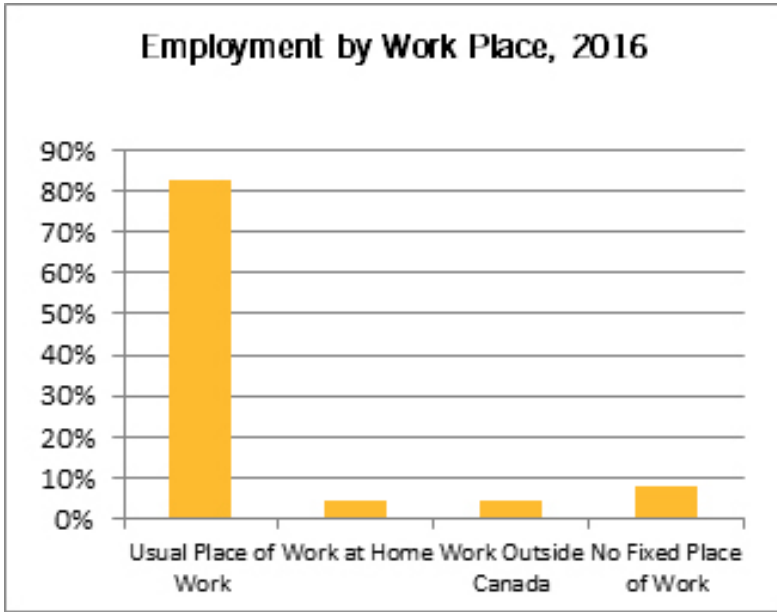


Statistics Canada, Community Profile, Census 2016; National Household Survey, Focus on Geography Series, 2011 (Tecumseh)

Labour / Employment

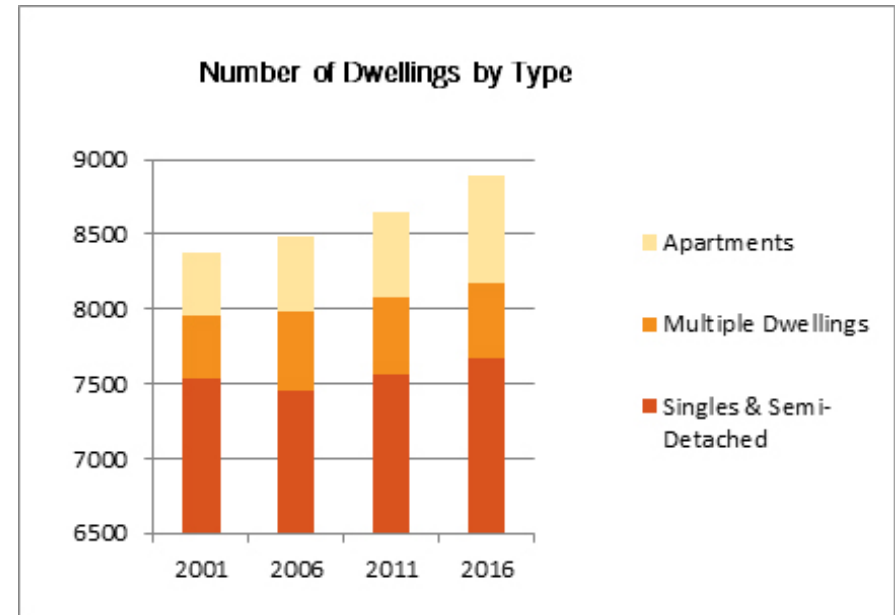
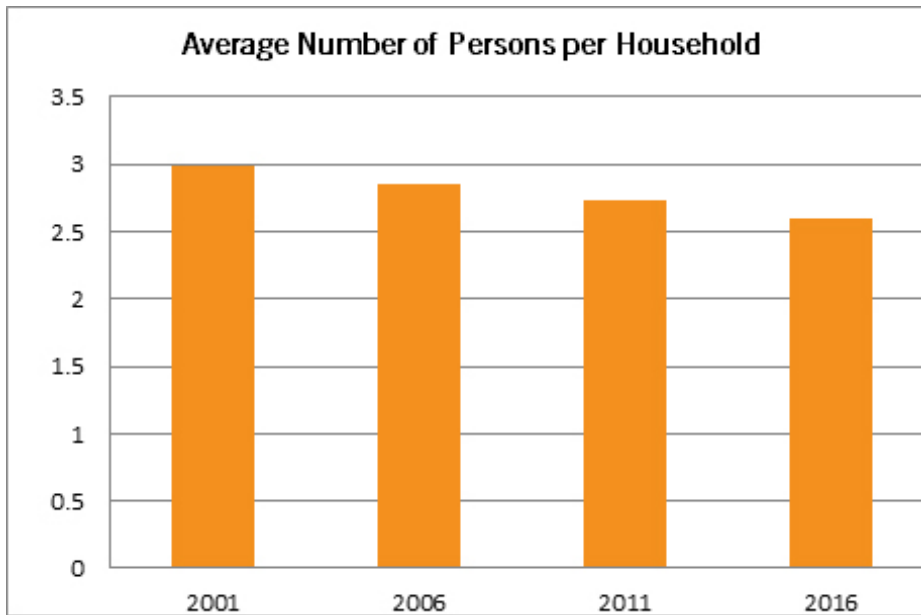


Statistics Canada, Community Highlights for Tecumseh, 2001; Statistics Canada, Community Profile, Census 2016; National Household Survey, Focus on Geography Series, 2011 (Tecumseh)



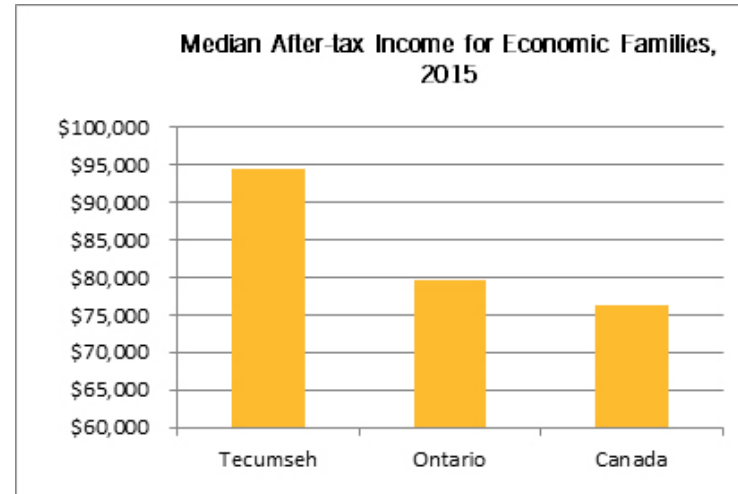
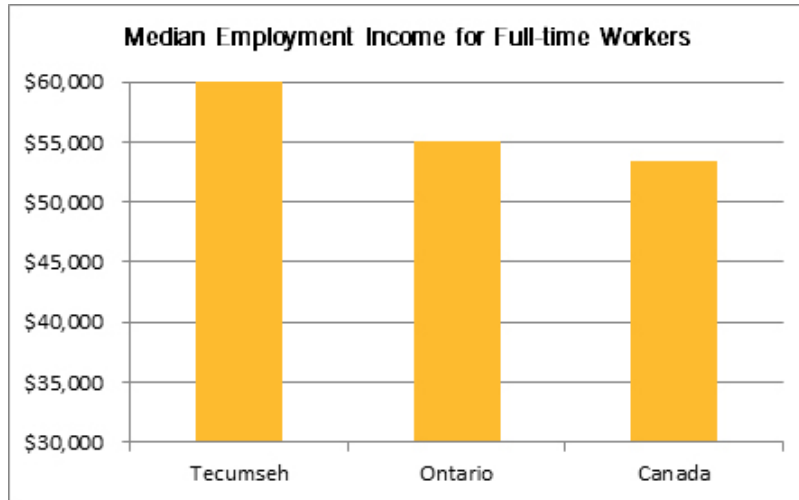
National Household Survey, Focus on Geography Series, 2011 (Tecumseh), Statistics Canada, Community Profile, Census 2016

Households

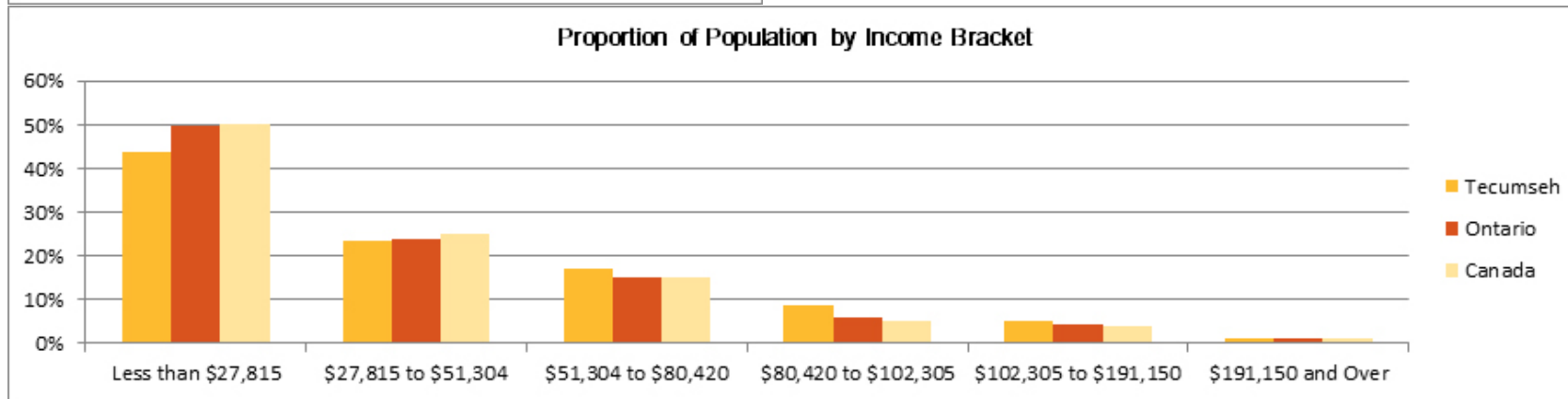


Statistics Canada, Community Profile, Census 2016; Watson & Associates Economists Ltd., 2014

Income



National Household Survey, Focus on Geography Series, 2011 (Tecumseh); Citizens for Public Justice, Income, Wealth and Inequality



National Household Survey, Focus on Geography Series, 2011 (Tecumseh)

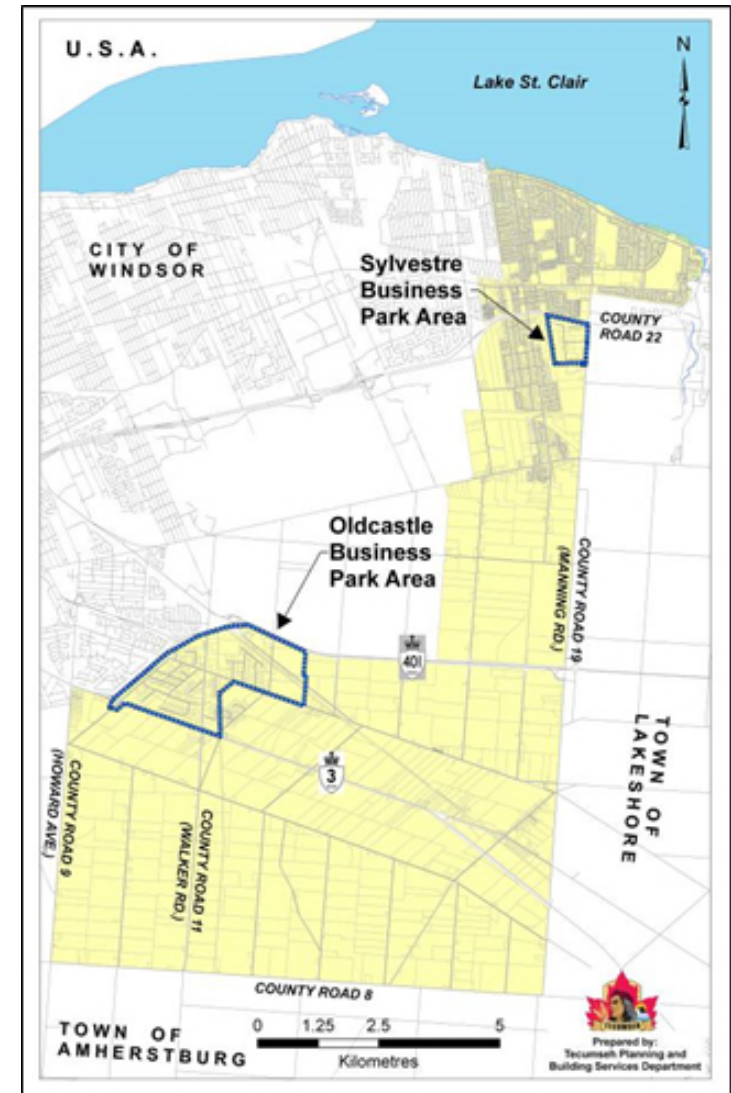
Top Employers

Tecumseh has two significant employment areas—the Oldcastle and Sylvestre Business Parks. The Oldcastle Business Park is a major regional employment centre located in the southwest portion of the Town adjacent to the City of Windsor with access to Highways 401 and 3. The Sylvestre Business Park is located southwest of County Road 22 and County Road 19 in the northerly settlement area of the Town.

(Chart taken from Windsor Essex Economic Development Corporation’s Employer Database)

Top 10 Employers in Tecumseh in 2012

No.	Employer	Full Time Employees
1.	A. P. Plasman	900
2.	Active Burgess Mould & Design	250
3.	Lakeside Plastics	200
4.	Bonduelle North America	191
5.	Build-A-Mold	180
6.	Omega Tool	180
7.	Talhin/T Corporation	180
8.	Tregakiss	150
9.	Prestressed Systems Inc.	150
10.	Manor Tool and Die Ltd.	131



Rates and Charges

2019 Tax Rates				
	Municipal	County	Education	Total
Residential	0.0075225	0.00482987	0.00161000	0.01369212
Multi-Residential	0.01418105	0.00944433	0.00161000	0.02523538
Farmland	0.00181306	0.00120747	0.00040250	0.00342303
Commercial	0.00784725	0.00522613	0.01290000	0.02597338
Shopping Centre	0.00784725	0.00522613	0.01290000	0.02597338
Office Building	0.00844162	0.00562197	0.01030000	0.02436359
Industrial	0.01408750	0.00938202	0.01290000	0.03636952
Large Industrial	0.01948027	0.01297351	0.01290000	0.04535378

2019 Business Utility Rates	
Water Rate / cubic metre	\$1.1893
Wastewater Rate / cubic metre	\$1.2336
Electricity Distribution Rate <50kW	\$0.0143/kWh
Electricity Distribution Rate >50kW	\$2.6175/kWh
Electricity Monthly Fixed Charge <50kW	\$37.22
Electricity Monthly Fixed Charge >50kW	\$235.83



2019 Development Charges

	Residential					Non-Residential
	Single-Detached & Semi-Detached Dwellings	Apartments (2+ Bedrooms)	Apartments (Bachelor & 1 Bedroom)	Multiple Dwellings	Special Care Dwellings / Senior's Homes	Per ft ² of Gross Floor Area
Total Municipal Wide (Urban & Rural) Development Charge	\$12,901	\$7,194	\$5,682	\$8,406	\$4,749	\$6.36
Additional Charge Affecting Urban Service Area (see following map)	\$4,571	\$2,549	\$1,848	\$2,733	\$1,545	\$0.36
TOTAL	\$17,472	\$9,743	\$7,530	\$11,139	\$6,294	\$6.72

Recreation - 2019

Parks	40
Dog Owner Parks	1
Parks Area	147 hectares
Length of Trails / Pathways	30 km
Length of Sidewalks	62.5 km
Golf Courses	2
Soccer Fields	19
Baseball Diamonds	17
Basketball Courts	11
Tennis Courts	9
Hockey Rinks	2
Swimming Pools	1
Pickleball Courts	3

Community / Culture - 2019

Municipal Libraries	1
Municipal Community Centres	3
Retirement Homes / Nursing Homes	3
Museums	1

Education – 2019

Elementary Schools	9
Secondary Schools	2
Private Schools	2
Colleges (within 1 hour drive)	8
Universities (within 1 hour drive)	3

Public Transportation (Tecumseh Transit Service) - 2019

Hours of Operation	Mon. – Sat. (6 a.m. – 6 p.m.)
Service Area Population	14,099
Transit Route Length	30 km
2018 Total Annual Ridership	26,760
2018 Average Daily Ridership	88 passengers per day

Municipal Services - 2019

Total Sanitary Infrastructure	127 km
Total Stormwater Infrastructure	142 km
Total Watermain Infrastructure	225 km
Total Municipal Roadways	180 km
Total County Roadways	72 km
Total Provincial Roadways	41 km

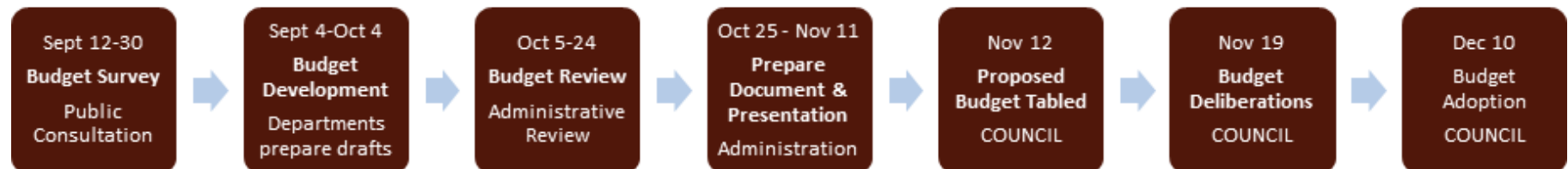


Budget Process

Timelines

The 2020 Operating, Lifecycle and Reserve Budget process began in September 2019 with the goal of tabling the 2020 Operating, Lifecycle and Reserve Budgets in November 2019 and potential adoption at the December 10, 2019 Regular Council Meeting. Strategic Priorities are set by Council at the beginning of their four-year term and reviewed annually for update. The new Council was elected in the fall 2018 and met to discuss the 2019-2022 Strategic Priorities in February 2019.

The planned budget timeline, including scheduled dates for council deliberation is illustrated below.



Planned Budget Timeline

Budget deliberations are to occur at a Special Council Meeting on November 19 with potential adoption on December 10, 2019. Once the budget is set, no further amendments would be anticipated. However, there is a policy in place should amendments be required. Refer to the Financial Policies and Goals section of the budget document for details.

Public Input

Notice of Council's intention to adopt budgets is generally advertised on the Town's website and published in local paper(s).

Public input on the budget is encouraged. Regular Council Meetings are open to the community for those that wish to be present for Council deliberations. Residents may present opinions at Regular Council Meetings by requesting to appear before Council as a delegation. Alternately, Mayor and Council contact information is listed on the Town website for those that wish to call or email and/or residents can provide input via the Town's Budget Survey.

Comments by residents are noted and considered throughout the budget process.

Budget Development – 2020 Challenges

Council and Administration have emphasized the importance of long-term planning and have incorporated that philosophy within the operating budget process by including two forecast years. Although the budget process seeks only to adopt a budget for 2020, it is critical to acknowledge the anticipated budget demands of the forecasted budget years when making current budget year decisions.

Department Requested Budget

An overall increase of \$1,114,000 to the Operating Net Expenditures was requested for 2020, an increase of 4.35% net of growth.

Of this amount, \$338,000 was for increases to the following Lifecycle allocations:

- Lifecycle – Arena – Increase allocation by \$10,000 to address aging building components.
- Lifecycle – Bridges and Culverts – \$50,000 increase reflective of capital needs identified in the bridge and culvert assessments.
- Lifecycle – Buildings – Increase allocation by \$15,000 for the Town Hall expansion.
- Lifecycle – Community Trails - \$10,000 increase requested, to be reviewed upon completion of the Trails Master Plan.
- Lifecycle – Fleet – Additions to the complement require an annual allocation increase of \$8,000 (\$5,000 for the Facilities vehicle and \$3,000 for the Emergency Measures boat/trailer)
- Lifecycle – ITS Infrastructures – Increase allocation by \$20,000 to factor in updated costs and assets not previously included in the allocation (signs, generators, and other hardware and software items).

- Lifecycle – Outdoor Pool - \$5,000 increase to address aging pool equipment.
- Lifecycle – Parks/Playground Equipment – Annual allocation increase of \$20,000 is requested at this time, with a target annual allocation of \$500,000 required to fund new assets and replacement of existing assets.
- Lifecycle – Storm – Increase allocation by \$200,000 in response to the Storm Drainage Master Plan.

The Town initiated the New Infrastructure Levy (NIL) during the 2015 budget with a targeted annual allocation of \$1,300,000. The annual allocation was based on seven known new capital expenditures on the horizon at the time, including:

- Growth related infrastructure costs identified in the DC Study update
- CWATS integrated and coordinated active transportation network
- Enhanced Trails and Pathways
- Parks improvements identified in the Parks Master Plan
- A provision for CIP streetscape improvements
- Town Hall expansion
- Capital costs stemming from the Fire Master Plan

Since the initiation of the NIL in 2015 additional new capital projects have been approved in principle including the Multi-Use Sportsplex (\$54 million) and the Tecumseh Main Street CIP Streetscape project (\$30 million+).

The 2020 budget proposes an increase in the New Infrastructure Levy (NIL) of \$200,000 in 2020 and each year thereafter until the revised annual target amount of \$2,350,000 is reached in 2025. Note that \$550,000 of the NIL has been earmarked for the Multi-Use Sportsplex.

Additionally, staffing enhancement requests total \$215,200 (or \$138,200 net of transfer from reserve) which are outlined as follows:

- ICS – Add one co-op summer student to assist with Town Hall expansion and other ongoing ICS initiatives such as cyber security projects, inventory control, wi-fi setup and testing.
- Fire – Add two volunteer firefighters, increasing the volunteer pool to improve availability of volunteers during day time calls.
- Fire – Requesting three month overlap for the Fire Prevention Officer position to provide training prior to retirement.

- Public Works and Environmental Services – Add one Project Technician to support Engineering Services with traffic warrant requests and assist with capital projects and strategic planning.
- Arena – Add one Sportsplex Fundraising Coordinator; wages and benefits offset by NIL so no net impact.
- Arena – Add 120 hours to each part-time position to provide for extended hours for program registration during the summer months.
- Corn Festival and Special Events – Add one seasonal, part-time Festival and Events Assistant to provide support for the Corn Festival and other community events.
- Pool – Add hours to the base for the Coordinator and Lifeguards to accommodate the anticipated programs and registered participants. Additional one-time hours requested for an extra week of programming (10 weeks between last day of school and Labour Day in 2020, typically only 9).
- Day Camp – Add hours to the base to better match resources to program requirements. Additional one-time hours requested for the extra week of summer.

Other salary and benefits increases totaling \$79,300 include negotiated wage increases less reversals of one-time retirement payouts less the correction to Council remuneration (budgeted too high in 2019 re: the offset to the elimination of the one-third non-taxable allowance).

The most significant budget pressures for 2020 and corresponding tax rate impacts identified in the Requested Budget included:

Description	Amount	Impact
Lifecycle	\$338,000	1.45%
New Infrastructure Levy (NIL)	\$200,000	0.86%
Grant Revenue decline	\$135,000	0.58%
Salaries and Benefits – Service level	\$215,200	0.92%
Transfer from NIL to offset Fundraising Coordinator	\$(77,000)	(0.33)%
Salaries and Benefits – 53rd week \$143,000	\$143,000	0.61%
Transfer from Reserve to offset 53 rd pay period	\$(143,000)	(0.61)%
Salaries and Benefits – Other (contractual increases less reversal of one-time retirement payouts less adj. to Council re: 1/3 tax)	\$79,300	0.34%
OPP Policing contract – Inflation	\$71,000	0.30%
Other miscellaneous	\$152,500	0.65%
Sub-total	\$1,114,000	4.78%
Growth	\$(100,000)	(0.43)%
Total	\$1,014,000	4.35%

Proposed Budget

During Senior Management review sessions, Administration was able to reduce the increase by \$252,200 or 1.08%. The result is a budget calling for a proposed municipal levy increase of \$861,800 or 3.27% net of \$100,000 in assessment growth.

The more significant changes to the requested budget are:

Description	Amount	Impact
Lifecycle	\$(150,000)	(0.64)%
Transfer from Reserves	\$(51,000)	(0.22)%
Grant Revenue	\$(38,000)	(0.16)%
Various other miscellaneous adjustments	\$(13,200)	(0.06)%
Total	\$(252,200)	(1.08)%

The reduction to the requested Lifecycle allocation is detailed as follows:

- Lifecycle – Bridges and Culverts – Increase to be phased in; reduced from \$50,000 to \$20,000.
- Lifecycle – Community Trails – \$10,000 increase eliminated, to be reviewed upon completion of the Trails Master Plan.
- Lifecycle – Parks/Playground Equipment – Increase to be phased in; reduced from \$20,000 to \$10,000.
- Lifecycle – Storm – Increase to be phased in; reduced from \$200,000 to \$100,000.

Transfer from Reserve was increased by \$51,000, helping offset the following one-time budget increases:

- Human Resources – \$28,000 for Professional Fees.
- Street Lighting - \$15,000 for increased Maintenance Service costs resulting from the installation of the fibre network.
- Arena - \$8,000 for Building Maintenance due to the required overhaul of two refrigeration compressors.

Grant Revenue increased to reflect the Rural Economic Development (\$20,000) and Community Safety and Policing (\$18,000) grants.

Table 1 illustrates the proposed municipal levy increase for 2020 with forecast increases for years 2021 to 2024. This multiple year forecasting has assisted in the municipality's long range financial planning and strategic priority development.

Table 1 - LC 10-Year Program complete - New Infrastructure Levy initiated

Projected Tax Levy Impacts

Budget Drivers	2020					
	2019	Proposed	2021	2022	2023	2024
Base Department Operations (excl Pay/Ben)	1.19%	-0.38%	0.77%	0.88%	0.78%	0.76%
Service Level Enhancements	0.55%	1.19%	0.17%	-0.31%	0.00%	0.00%
Payroll/Benefits	1.19%	0.92%	0.64%	0.64%	0.66%	0.64%
Police Services	0.41%	0.31%	0.29%	0.28%	0.31%	0.34%
Sub-total - Operating	3.33%	2.03%	1.87%	1.49%	1.75%	1.74%
Lifecycle	0.45%	0.81%	0.83%	0.80%	0.78%	0.75%
New Infrastructure Levy	0.67%	0.86%	0.83%	0.80%	0.78%	0.75%
Sub-total - Capital	1.12%	1.66%	1.65%	1.60%	1.55%	1.50%
Total	4.45%	3.70%	3.53%	3.09%	3.30%	3.24%
Assessment (Growth)/Loss	-1.75%	-0.43%	-0.41%	-0.60%	-0.58%	-0.56%
Total w/ Growth factor	2.70%	3.27%	3.11%	2.49%	2.72%	2.67%

Lifecycle funding allows for the replacement of existing long-term assets. New Infrastructure Levy allocations set aside funds for new capital asset additions.

Table 2 compares the 2020 Proposed Budget and future levy forecast to the previous three years' Approved Budgets and future levy forecasts.

Table 2 - Comparative levy forecasts

Actual levy increases (bold and shaded in green) with projected levy increases from the 2015 to 2019 budgets

	2017	2018	2019	2020	2021	2022	2023	2024
2015 Municipal Budget and projected future levy increases	1.04%	1.10%	1.08%	N/A	N/A	N/A	N/A	N/A
2016 Municipal Budget and projected future levy increases	0.21%	0.75%	1.96%	2.03%	N/A	N/A	N/A	N/A
2017 Municipal Budget and projected future levy increases	2.69%	3.10%	2.50%	3.06%	2.84%	N/A	N/A	N/A
2018 Municipal Budget and projected future levy increases	N/A	2.14%	2.63%	3.01%	2.61%	2.21%	N/A	N/A
2019 Municipal Budget and projected future levy increases	N/A	N/A	2.70%	3.14%	2.29%	2.10%	1.66%	N/A
2020 Proposed Municipal Budget and projected future levy increases	N/A	N/A	N/A	3.27%	2.70%	2.30%	1.96%	1.96%



Preparation of Financial Information

Preparation of Financial Statements

The Public Sector Accounting Board (PSAB) Handbook Sections PS1200 and PS3150 require that financial statements, including budgeted amounts on the statements, are presented using the full accrual basis.

Tecumseh is in full compliance with the requirements set forth by the PSAB of the Chartered Professional Accountants Canada (CPA) regarding presentation of financial statements.

Basis of Accounting

Accounting is done on a full accrual basis. This means that revenues are recognized/recorded when earned and expenses are recognized when incurred and measurable as a result of receipt of goods or services.

Basis of Budgeting

The Town's budgeting process starts with the modified accrual basis to determine the tax levy and user fees required to meet the priorities and objectives of the Town. This means that revenues are recognized when measurable and available and expenditures are recognized when the liability is incurred. The modified accrual basis does not take into account expenses such as amortization, post-employment benefits and solid waste landfill closure and post-closure expenses.

PSAB requires the budgeted amounts on the financial statements to be presented on a full accrual basis. To bridge this gap, Financial Services staff completes a series of accounting adjustments to convert the budgeted amounts from modified accrual to full accrual.

Asset Management Plan

The Town's investment in tangible capital assets is significant, with the current replacement cost of infrastructure totaling hundreds of millions of dollars. This underscores the need for long-term financial planning for the eventual replacement of these assets. Tecumseh's initial Asset Management Plan was completed in 2013. An update was adopted by Council on May 8, 2018 (RCM-157/18).

Financial Information Return (FIR)

The Ministry of Municipal Affairs is responsible for establishing requirements for municipal accounting, financial reporting, municipal auditing and other matters related to the financial health of municipalities as set out in Section 3 of the *Municipal Affairs Act*. Section 294(1) of the *Municipal Act* specifically states that each municipality will annually report on its financial affairs, accounts and transactions. This takes the form of the annual Financial Information Return (FIR).

Purpose of the FIR - Information reported in the Financial Information Return is extracted and stored in the Municipal Analysis and Retrieval System (MARS) database. The data is available to ministries, municipalities, other local government agencies and municipal associations for the following purposes:

- Developing provincial fiscal policy
- Developing municipal finance policy
- Monitoring local sector performance
- Examining the financial status of municipalities
- Municipal debt limit reports
- Forecasting and budgeting
- Local economic profiles and information on local services and service levels for use by industry
- Financial and statistical data requests
- Municipal management tool/comparative tool.



Fiscal Policy

Town of Tecumseh by-laws, policies and long-standing practices formulate the overall fiscal policy of the Town. The major components of the fiscal policy are as follows:

Annual Budget Development (Policy 19-2002)

The budget outlines the business plans for the operating and support service departments' delivery of programs and services. It links the Town's strategic priorities with business plans, budget allocations, performance indicators and measures. Achievement of the target outcomes becomes the focal point for program and service delivery, performance measurement, monitoring and reporting. The proposed budget is balanced with revenues equaling expenses for the year and is tabled before Council for review and adoption.

Council shall adopt a budget for each year that meets all the requirements of the Municipal Act.

Asset Management (Policy 82 through 82.5-2014, Policy 95-2019)

In June 2011, the Provincial government released a long-term infrastructure plan called "Building Together". To receive provincial funding, a municipality must show that the project for which grant funding is sought is included in a detailed Asset Management Plan (AMP). The Ministry of Infrastructure released "Building Together – Guide for Municipal Asset Management Plans" (Guide) to assist municipalities with AMPs. In accordance with the Guide, policy 82, 82.1, 82.2, 82.3, 82.4 and 82.5 provide direction on data verification and condition assessment for roads, bridges, storm sewer, water distribution system and sanitary sewer collection system.

The Town's initial AMP was adopted by Council in 2013 (RCM-457/13). The first update was completed in 2018 and approved by Council on May 8, 2018 (RCM-157/18).

The Province announced authority for the regulation of AMPs with the *Infrastructure for Jobs and Prosperity Act 2015*. Subsequently, *O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure* set out the details. The first milestone was the development of a formal asset management policy by July 1, 2019. *O. Reg. 588/17* specifies content requirements. The Town's formal policy was approved by Council on June 25, 2019 (RCM-177/19). The purpose of the policy is to establish consistent standards and guidelines for the management of Town assets applying sound technical, social and economic principles that consider present and future needs of users, and the service expected from the assets.

Debt Management (Long-standing practice)

Since 2005, the Town has adopted an aggressive strategy to use long-term debt for financing sanitary and water long term capital requirements in order to ready the Town for development when circumstances dictate. At the same time, the Town embarked on a Lifecycle plan to fund the replacement of existing infrastructure assets. Part of the plan involved borrowing for roads and bridges in order to provide full funding for these two categories. Long-term debt is only issued to fund large capital projects.

The debt program is actively managed to preserve the financial integrity and flexibility of the Town. Debt does not exceed the Annual Repayment Limit set by Ministry of Municipal Affairs and Housing. The issuance of long-term debt is approved by Council through by-law.

Development Charges By-law (By-law 2019-63)

Development charges are a means of recovering the net cost of capital expenditures attributable to growth, within the limits permitted by law. By-law 2019-63 provides guidance on the collection and payment of development charges in accordance with the Development Charges Act, 1997. This replaces the original By-law 2014-68.

Investment Policy (Policy 87-2016)

The Town strives for the optimum utilization of its cash resources within statutory limitations and the basic need to protect and preserve capital, while maintaining solvency and liquidity to meet ongoing financial requirements. The purpose of the policy is to govern the prudent management of the Town's surplus funds and investment portfolio. This applies to all of the Town's surplus cash, reserve and reserve funds, sinking funds, deposits and other cash resources.

Lifecycle Program (Long-standing practice)

Council approved a Lifecycle program as part of the 2005 budget process. The plan contemplated annual tax increases of 2.9% for the 2005 to 2014 tax years in order to fulfill full funding requirements. Funds raised through taxation for lifecycle purposes are segregated into lifecycle reserves. The plan provides the Town with the ability and resources to respond to capital infrastructure replacement needs and ensures prudent capital asset management. The annual allocation must be adjusted to reflect new or deleted assets and to reflect changes in estimated replacement costs.

Operating Budget Implementation and Reporting (Policy 21-2002)

A system of reviewing actual and forecast results to budgeted amounts has been established to ensure budgetary control. Budget variance analysis and reporting is completed for the periods ending March, June, August and December. Noteworthy budget line item variances and overall departmental variances as defined in the policy are reported to Council.

Post Budget Adjustments (Policy 22-2002)

Any post budget adjustment is to be approved by motion of Council. Budget adjustments refer to any change that requires expenditure not originally contemplated in the budget or any restrictions on the budget subsequently imposed by Council.

Purchasing By-law (By-law 2017-63)

The Purchasing By-law provides a system for the procurement of goods and services for the Town. It includes the Purchasing Policy which outlines responsibilities and authorities and details the various purchasing standards sanctioned for the procurement of goods and services at all monetary levels. This by-law replaces the original By-law 2006-03.

Surplus/Deficit Management (Long-standing practice)

An annual surplus represents one-time funding that cannot be relied upon on an ongoing basis. As such, an annual surplus should be allocated to a stabilization, contingency or infrastructure reserve which is used to fund one-time items.

Conversely, an annual deficit is usually the result of unexpected one-time items, and as such should be funded from a stabilization, contingency or infrastructure reserve.

The Director Financial Services makes recommendations regarding the management of a surplus or deficit. Council approves transfers to/from reserves.

Tangible Capital Asset Accounting (Policy 83-2014)

Canada's accounting standard-setting body, the Chartered Professional Accountants Canada (CPA), through its Public Sector Accounting Board (PSAB), establishes reporting requirements for municipalities. Current PSAB reporting requirements dictate that Canadian municipalities must account for and report Tangible Capital Assets (TCAs) on their financial statements. This mandatory reporting of assets has been in effect since 2009, and applies to both newly acquired assets and existing assets.

Capital asset accounting is necessary in order to determine the values that appear on the financial statements. Capital asset accounting involves the recording, tracking and reporting of the Town's assets. A TCA inventory is maintained so that original historical costs are recorded and accumulated depreciation from year of acquisition can be calculated. A summary of this data, along with yearly depreciation, is shown on the Town's financial statements.

The Town of Tecumseh employs the necessary and appropriate controls required for the recording and reporting of TCAs. The Town successfully met the 2009 PSAB reporting requirements and has been in compliance since.



Financial Key Performance Indicators

While financial statements offer a wealth of information, review can be technical and time-consuming. Financial ratio analysis is an efficient and effective way to review an organization's financial performance and health.

For the Town of Tecumseh, the following measures have been reviewed and analyzed:

- Financial Position
- Operating Surplus/Deficit
- Asset Consumption
- Reserves
- Debt
- Taxes Receivable

Taken together, these measures give a good picture of the Town's overall financial health at a particular point in time. Trends in these measures can be used to identify areas of financial strength or weakness.

Municipal benchmark data: Financial ratio analysis in the private sector usually involves comparison to competitor and industry benchmark data. Industry benchmarks for municipalities are difficult to find, so for this analysis, comparisons were made to ratios of other Ontario municipalities. Comparison is made to the average for Essex County municipalities and to the average of Western Ontario municipalities. Note that Essex County averages exclude Windsor and Pelee Island.

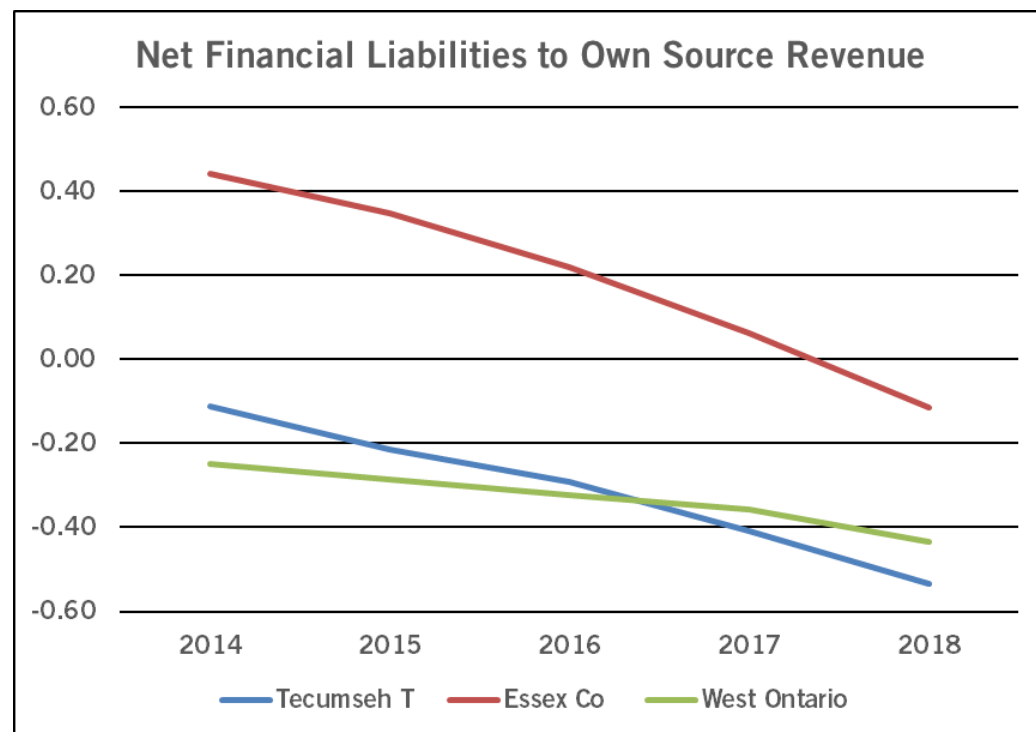
This review was effective and thorough enough to provide insight as to concerns that should be addressed in the near term and suggest overall areas of strength or weakness.

Financial Position

Net Financial Liabilities to Own Source Revenues Ratio

Net Financial Liabilities is net financial debt less net financial assets, not including tangible capital assets. Own Source Revenues are generated by the municipality and do not include items such as grants, donations and development charges.

The Net Financial Liabilities ratio is calculated by dividing the Net Financial Liabilities by Own Source Revenues. This measure indicates whether Own Source Revenues are sufficient to cover the financial liabilities of the Town. It is a more comprehensive measure than Net Debt as it includes Accounts Payable, Employee Future Benefits Payable and Other Current Liabilities. There is no industry benchmark ratio, so it is up to each municipality to determine its own target based on future needs.



Tecumseh	2014	2015	2016	2017	2018
Net Financial Liabilities	\$ (3,885,105)	\$(7,466,874)	\$(10,204,963)	\$(14,992,818)	\$(20,445,120)
Own Source Revenue	\$34,788,849	\$34,786,368	\$ 34,921,055	\$ 36,573,784	\$ 38,320,840
Ratio	(0.11)	(0.21)	(0.29)	(0.41)	(0.53)

(Source: Midas, FIR schedules 53 9910 01 and 81 2610 01)

Analysis

The average of Western Ontario municipalities is negative, meaning financial assets are greater than financial liabilities. The Town's ratio reached negative valuation in 2012 which continues through to 2018. In 2018, greater cash balances, an increased investment in government business enterprise and lower debt contributed to a further decrease. The Essex County average has historically been greater than zero, but has been consistently trending downwards. In 2018, the Essex County average has dipped below zero, meaning financial assets exceed financial liabilities. This likely can be attributed to the reduction in use of debt and/or grant funding to fund infrastructure renewal requirements, or the "municipal infrastructure deficit".

This ratio should be reviewed in conjunction with other ratios to determine if it is a concern.

For instance, generally speaking, a negative ratio would be considered better than a positive ratio, being that financial assets are greater than financial liabilities; however, a negative ratio combined with a poor Asset Consumption ratio could suggest that net financial liabilities are benefitting from a neglect of capital assets. Conversely, a positive ratio, or net debt might not necessarily be concerning if capital asset condition is very good.

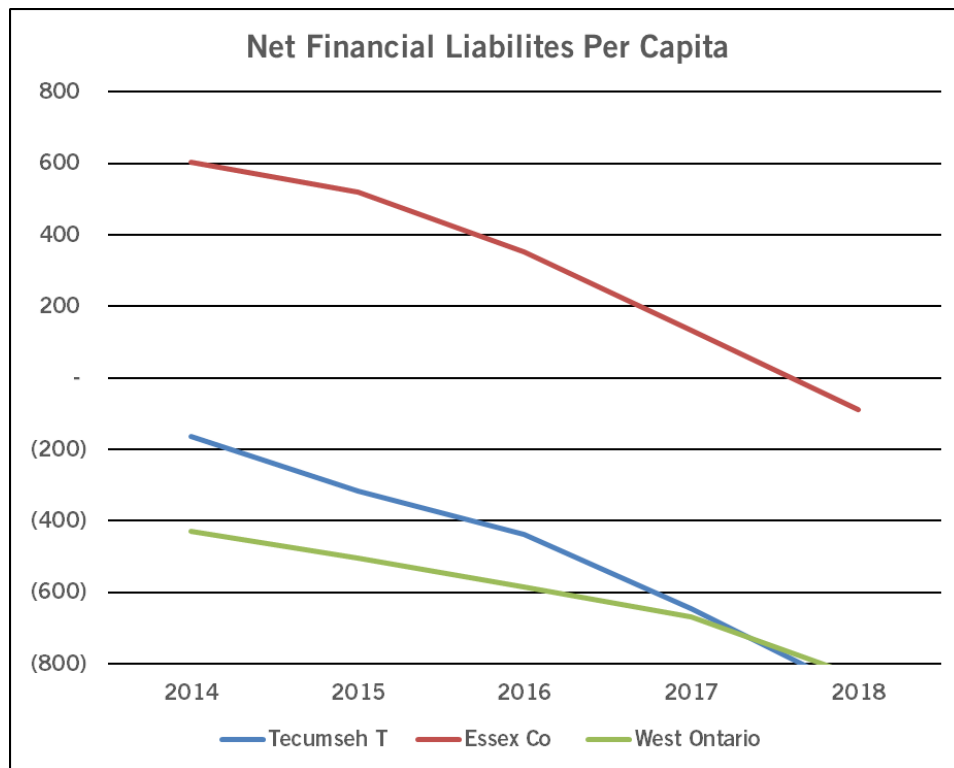
Recommendation

Having a negative ratio for this measure is preferred and will generally provide the municipality with greater financial flexibility, better borrowing and investing rates. However, it would be considered normal for this ratio to fluctuate over time between positive and negative. A consistently positive ratio may suggest that revenues are not sufficient, particularly if the positive ratio is large. This may ultimately lead to significant increases in taxes and/or erosion of municipal assets and services.

This ratio includes Employee Future Benefits Payable and Landfill Post Closure Liability, which are partially funded. Yearly allocations to reserves for these liabilities are warranted and necessary. The Town suspended annual allocations to these reserves in the 2011 budget due to general tax levy pressures and has yet to resume annual allocations. An allocation of \$300,000 was made in 2015 using 2014 surplus funds. Recommencing allocations to these reserves should be considered in future budgets.

Net Financial Liabilities per Capita Ratio

Net Financial Liabilities are divided by the population to derive the Net Financial Liabilities Per Capita ratio. A positive ratio indicates that financial debt is greater than financial assets. A negative ratio indicates financial assets are greater than financial debt.



Tecumseh	2014	2015	2016	2017	2018
Net Financial Liabilities	\$(3,885,105)	\$(7,466,874)	\$(10,204,963)	\$(14,992,818)	\$(20,445,120)
Population	23,610	23,610	23,229	23,229	23,229
Ratio	\$ (165)	\$ (316)	\$ (439)	\$ (645)	\$ (880)

(Source: Midas, FIR schedules 70 9945 01 and 02 0041 01)

Analysis

The chart to the right shows that the Town's net financial liabilities have declined steadily over the five-year period, reaching \$(880) per resident by 2018, therefore representing greater financial assets than financial liabilities.

The Town's Net Financial Liabilities Per Capita ratio has improved to a level more favorable than the Essex County average and similar to the West Ontario average.

Recommendation

As noted previously, this ratio should be analyzed in conjunction with other ratios and provisions should be made to address unfunded liabilities.

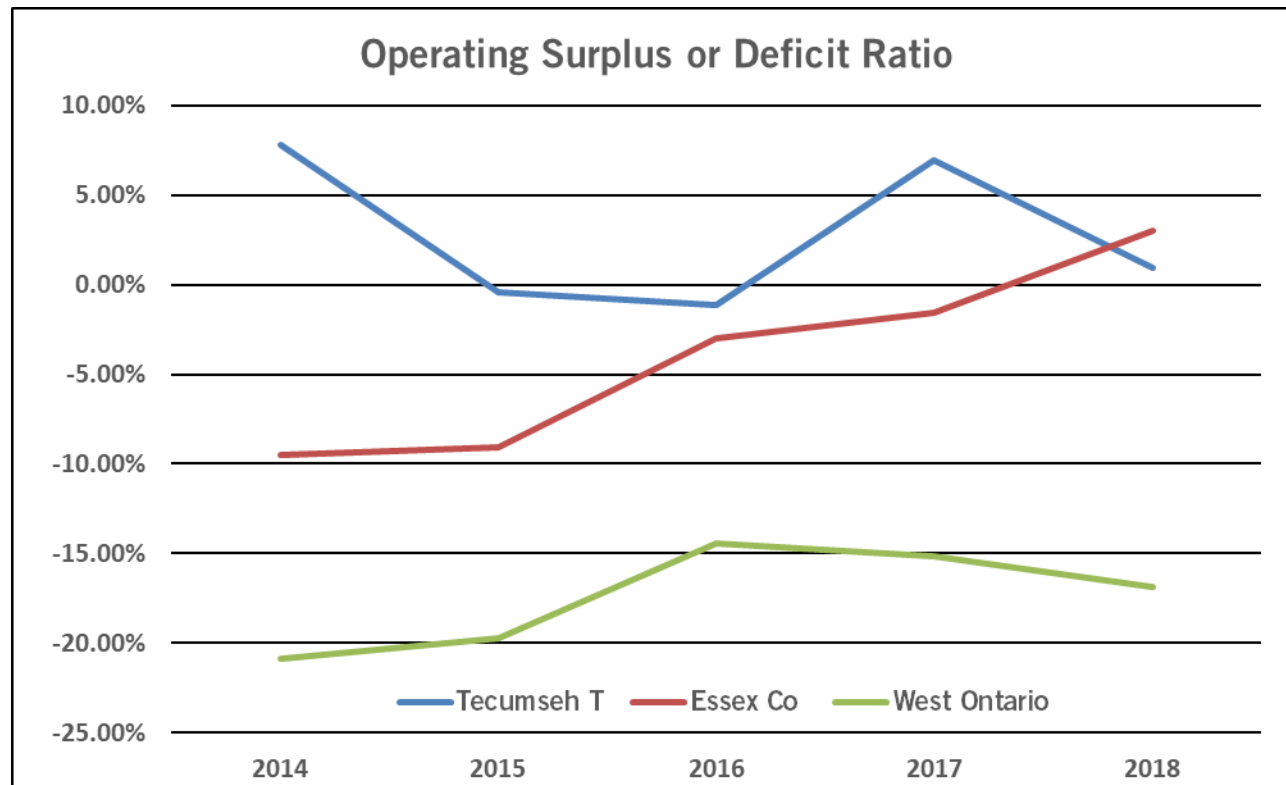
Operating Surplus/(Deficit)

An Operating Surplus occurs when Operating Revenues are greater than Operating Expenses. An Operating Deficit occurs when expenses are greater.

Operating Surplus/(Deficit) Ratio

The Operating Surplus Ratio is calculated by dividing the Operating Surplus/(Deficit) by Own Source Revenues. As stated earlier, Own Source Revenues are generated by the municipality and do not include items such as grants, donations and development

charges. Own Source Revenues should cover a municipality's expenses including amortization of assets in order to ensure sustainability.



Tecumseh	2014	2015	2016	2017	2018
Operating Surplus/(Deficit)	\$ 2,710,370	\$ (133,380)	\$ (385,678)	\$ 2,550,636	\$ 360,092
Own Source Revenue	\$ 34,788,849	\$ 34,786,368	\$ 34,921,055	\$ 36,573,784	\$ 38,320,840
Ratio	7.79%	-0.38%	-1.10%	6.97%	0.94%

(Source: Midas, FIR schedules 81 2610 01 and 40 9910 07)

Analysis

The Town has achieved operating surpluses in three of the last five years, with a significant surplus being achieved in 2014 and 2017. The 2014 surplus benefitted from a large reduction to Town policing costs following the implementation of the OPP New Billing Model. Other factors contributing to the large surplus were greater than anticipated Supplementary tax revenue and Building Permit revenue. The 2017 surplus benefitted from greater than anticipated Supplementary tax revenue and Building Permit revenue along with significant cost reductions to street lighting (LED conversion), OPP policing costs (continued phase-in of the new billing model), Tax Write-offs (reduced assessment appeals) and Salaries (through position vacancies).

Although the Town had deficits in two of the last five years, the results are better than both the Western Ontario average and the local average. In the five years illustrated, the percentage is small, either positive or negative, which is preferred. A large negative percentage would be the worst result, indicating a large deficit in relation to own source revenues.

Recommendation

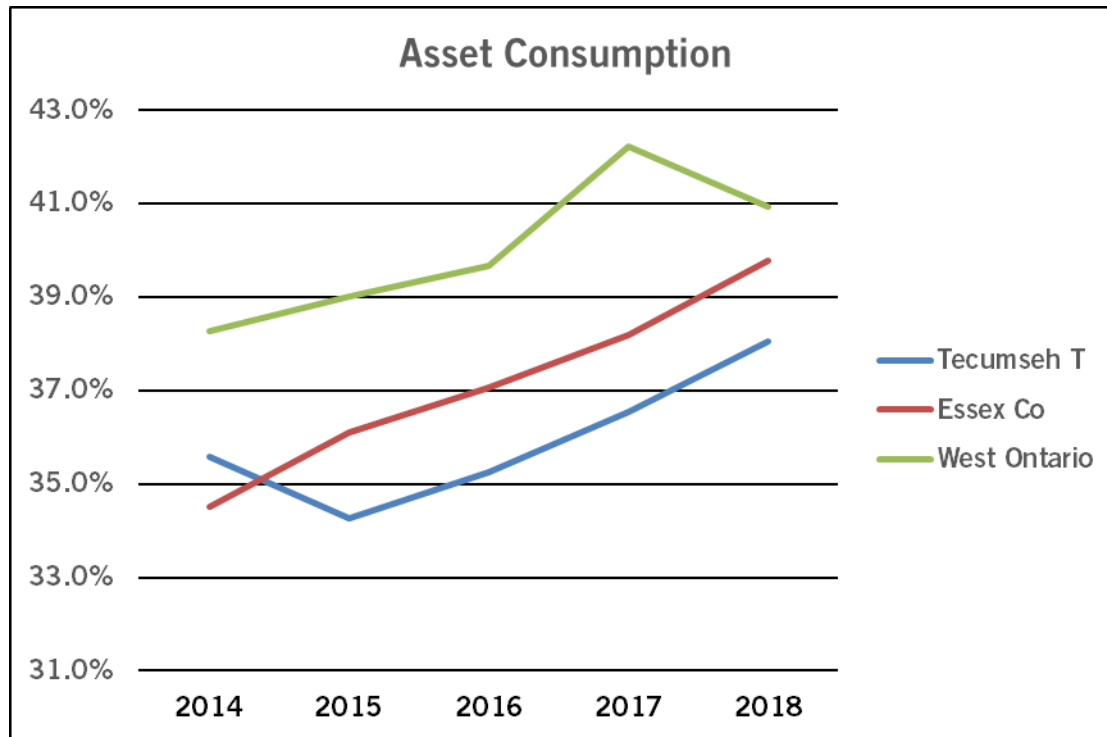
The Town should strive to cover costs with own source revenues and reduce reliance on funding from other levels of government. Break-even results or better should be targeted. Courses of action to increase revenues should be explored.

Asset Consumption

Asset Consumption represents the extent that the assets have been “used up” in terms of their estimated useful lives. Note that this is an accounting measure and does not reflect the actual physical condition of the assets.

Asset Consumption Ratio

The Asset Consumption Ratio is Accumulated Amortization expressed as a percentage of the Historical Cost of all assets. The higher the ratio, the higher the replacement need.



Tecumseh	2014	2015	2016	2017	2018
Accumulated Amortization	\$110,419,446	\$114,335,787	\$119,978,872	\$ 126,394,344	\$ 132,815,872
Historical Cost	\$310,467,896	\$333,589,150	\$340,359,632	\$ 345,934,432	\$ 348,995,328
Ratio	35.6%	34.3%	35.3%	36.5%	38.1%

(Source: Midas, FIR schedules 51 9910 10 and 51 9910 06)

Analysis

The Town's Asset Consumption Ratio has ranged from 34 percent to 38 percent over the past five years. This means that as a group, one third of the Town's assets have been "used up". An increasing trend may suggest that more asset replacements are forthcoming in the near future.

The Town's assets, overall, are "newer" than the Western Ontario average and similar to the County average.

This measure should be used in conjunction with engineering studies to determine the true asset condition and with the Town's Asset Management Plan to better project replacement/refurbishment needs.

Recommendation

The Town's Asset Consumption Ratio should be monitored to ensure that it does not continue to increase. It should also be used in conjunction with engineering studies to more accurately establish asset condition and replacement needs. This ratio can also be used to highlight specific areas that should be the focus of engineering studies.

Due to the significance of the Town's investment in Tangible Capital Assets, lifecycle contributions should be reviewed regularly to ensure adequacy. This analysis is conducted within the Town's Asset Management Plan.

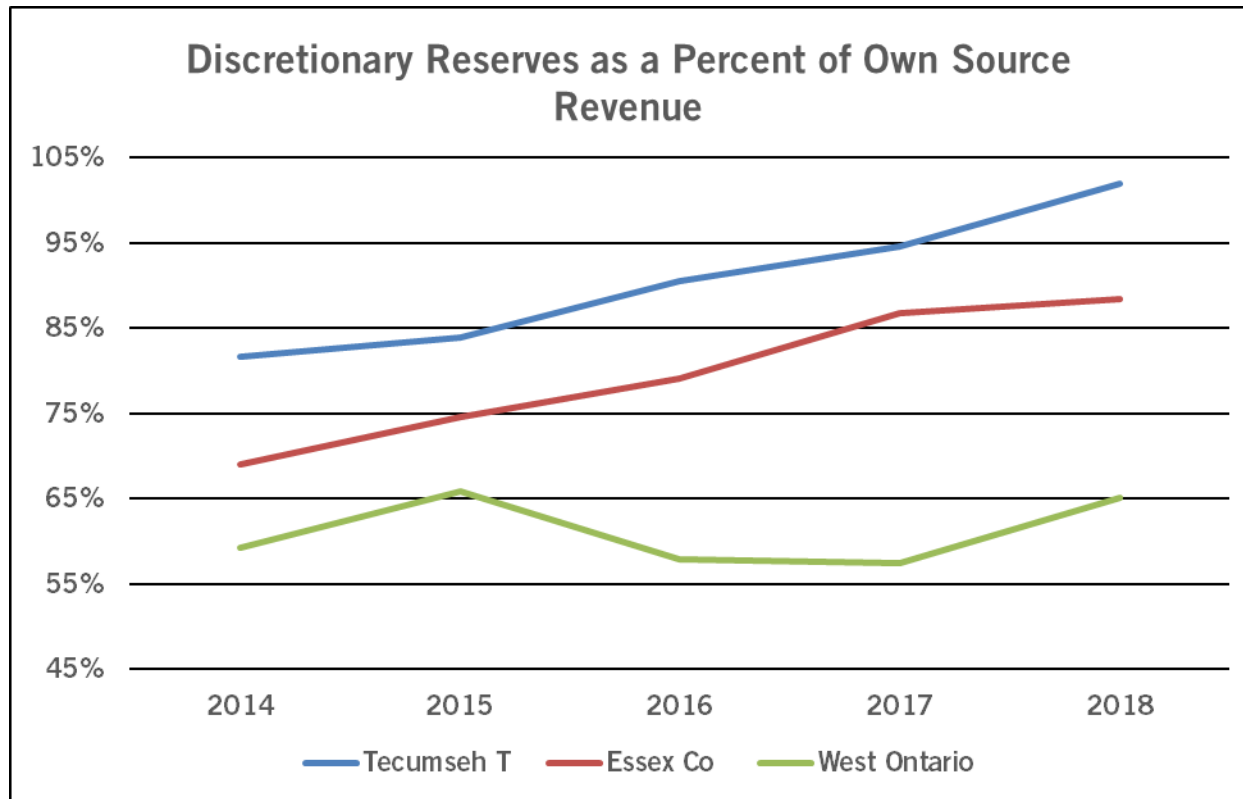
The 2020 budget proposes an increase to the Lifecycle allocation of \$188,000 to provide funds for future replacement of recent asset additions.

Reserves

Reserves offer liquidity and allow a municipality to be flexible in addressing operating and capital requirements

Discretionary Reserves as a Percent of Own Source Revenues Ratio

The ratio is calculated by dividing Discretionary Reserves by Own Source Revenues. Discretionary Reserves includes all reserves other than obligatory reserve funds, which have been segregated due to statutory requirements.



Tecumseh	2014	2015	2016	2017	2018
Discretionary Reserves	\$28,403,989	\$29,193,299	\$31,642,699	\$34,619,851	\$39,092,906
Own Source Revenue	\$34,788,849	\$34,786,368	\$34,921,055	\$36,573,784	\$38,320,840
Ratio	81.65%	83.92%	90.61%	94.66%	102.01%

(Source: Midas, FIR schedules 60 9930 02, 60 9930 03 and 81 2610 01)

Analysis

The Town's Discretionary Reserves as a Percent of Own Source Revenues ratio has been relatively stable the past five years, ranging from 82 percent to 95 percent. Discretionary Reserves increased in 2018 due to the transfer of the prior year surplus to the Tax Rate Stabilization Reserve (net increase of \$947,000), the New Infrastructure Levy contribution of \$1,200,000, and an increase of \$741,000 in the Lifecycle Reserves.

The Town's Discretionary Reserves as a Percent of Own Source Revenues ratio is well above the Western Ontario average and better than the Essex County average. Better than average reserves can likely be attributed to the Town's lifecycle program started in 2005. In contrast, many municipalities in the province are not or have just recently started planning for infrastructure replacement needs.

Recommendation

While it is reassuring that the Town's reserves are above average, it does not mean that the reserves are adequate. For example, lifecycle reserves do not provide for new infrastructure requirements due to growth.

In determining the ideal level of reserves, several factors should be taken into account, such as:

- Replacement requirements of existing infrastructure
- New infrastructure requirements
- Debt and reserve policies
- Expenditure/service levels
- Economic climate

A thorough review of the reserves and development of a policy is essential for long-term sustainability.

The 2015 budget implemented a special New Infrastructure Levy (NIL). The NIL is contributed to the Infrastructure (Capital) reserve to partially address funding shortfalls required for constructing new infrastructure. The initial target was set at \$1.3M, however, in light of the expected construction of the Sportsplex the target level for the NIL has increased to \$2.35M. The current NIL is \$1.35M with an additional \$200k being budgeted in 2021, \$200k in 2022 and \$200k in 2023. The target will be

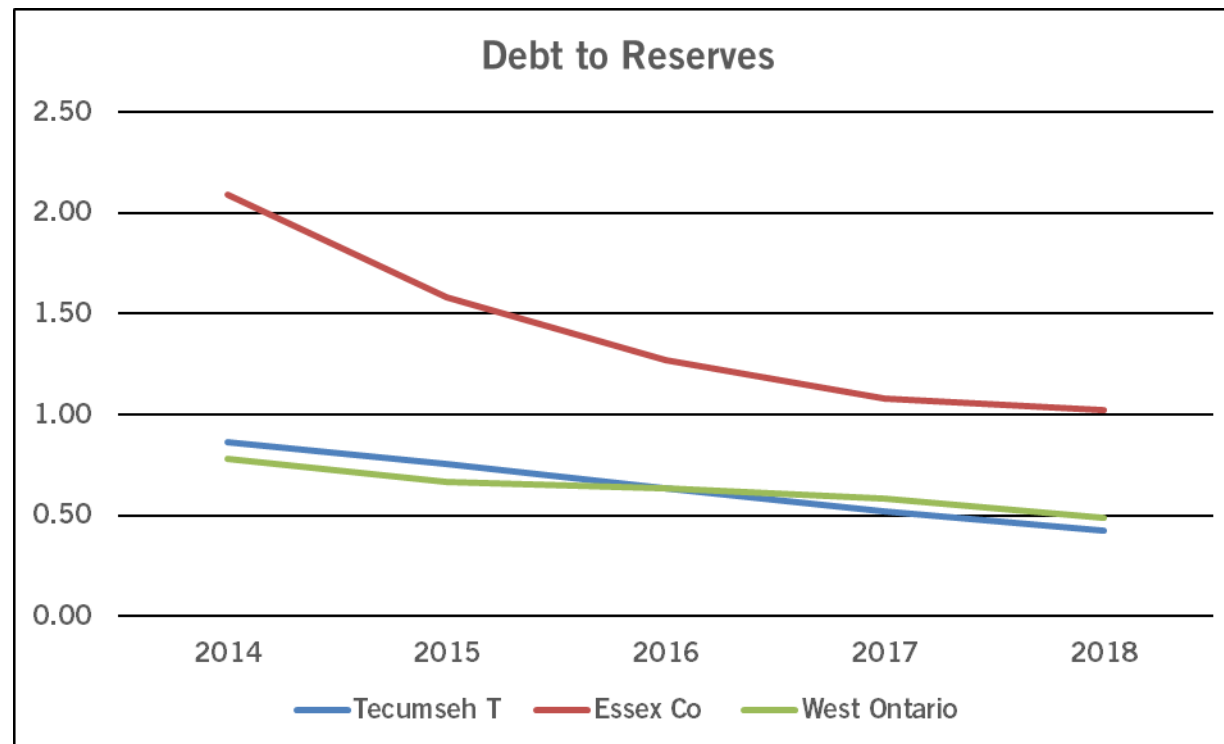
reached by 2024 if the increases proceed as planned. Note that \$550,000 of the NIL has been allocated to fund the Sportsplex project.

Debt

An Annual Repayment Limit set by the Ministry of Municipal Affairs and Housing limits the amount of debt repayment a Municipality can commit without receiving OMB approval. The limit is based on a maximum of 25 percent of Own Source Revenues based on the Financial Information Return adjusted for committed debt. The Town's current ratio is 6.3% (2018).

Debt to Reserves Ratio

This ratio expresses total municipal Debt as a percentage of Discretionary Reserves. As previously noted, Discretionary Reserves includes all reserves other than obligatory reserve funds, which have been segregated due to statutory requirements.



Tecumseh	2014	2015	2016	2017	2018
Debt	\$24,468,031	\$ 22,057,556	\$ 19,985,707	\$ 18,075,444	\$ 16,655,631
Discretionary Reserves	\$28,403,989	\$ 29,193,299	\$ 31,642,699	\$ 34,619,848	\$ 39,092,904
Ratio	0.86	0.76	0.63	0.52	0.43

(Source: Midas, FIR schedules 74 9910 01 and 70 6420 01)

Analysis

The Town adopted an aggressive debt strategy in 2005 which involved the issuance of debt to finance long term capital requirements for sanitary and water purposes to ready the Town for development when circumstances dictate. In addition, as part of the Lifecycle program, the Town began borrowing for roads and bridges to provide full funding for these two categories. Total corporate debt outstanding peaked in 2011 and has gradually decreased since.

A Debt to Reserve ratio of 1.0 is considered prudent.¹ The 2013 to 2018 ratios are at or below 1.0.

The Town's debt does not exceed the Annual Repayment Limit set by Ministry of Municipal Affairs and Housing and is similar to the Western Ontario average. The Essex County average was considerably higher for a period, however has improved significantly the past few years and is approaching a ratio of 1.0.

Recommendation

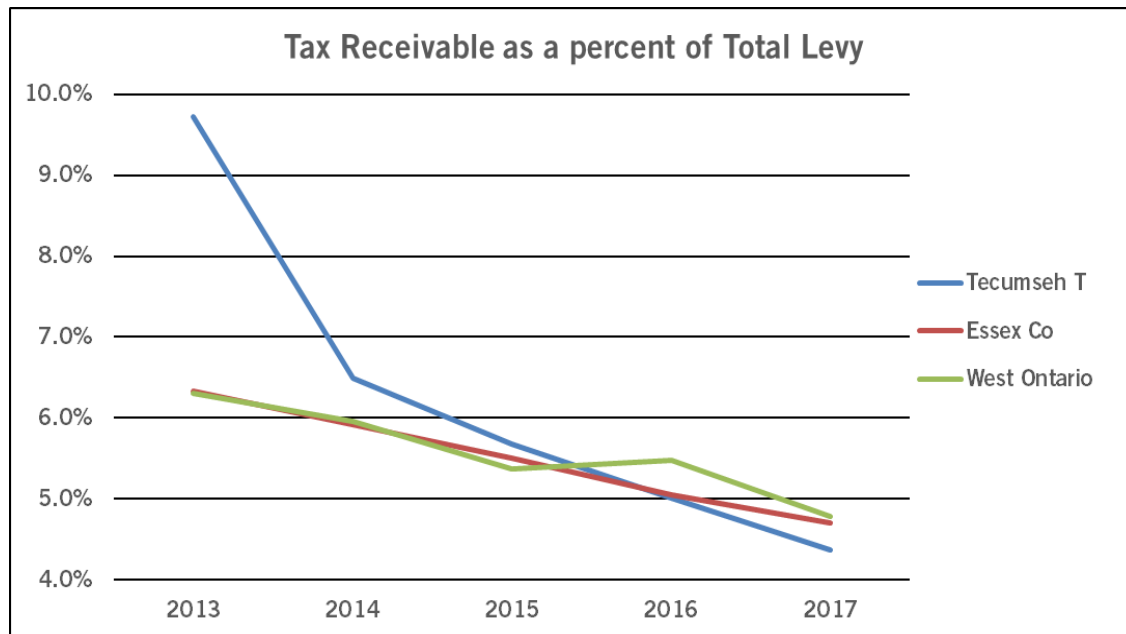
Development of a formal debt policy is crucial. Consideration should be given to a Pay as You Go program as an alternative in-part to the use of debt.

¹ Municipal Study – 2011, BMA Consulting Inc., 2011, p. 5.

Taxes Receivable

Total uncollected property taxes as a percentage of total tax levies is one of several measures used to evaluate the economic health of a municipality. An increasing percentage over time may indicate an overall decline in the municipality's economic health.

Taxes Receivable as a Percent of Tax Levies Ratio



Tecumseh	2014	2015	2016	2017	2018
Taxes Receivable	\$ 2,871,352	\$ 2,523,788	\$ 2,260,071	\$ 2,043,548	\$ 2,202,683
Total Levy	\$44,256,249	\$44,418,196	\$ 45,098,535	\$46,730,200	\$ 48,860,232
Ratio	6.49%	5.68%	5.01%	4.37%	4.51%

(Source: Midas, FIR schedules 72 0290 09 and 26 9199 03)

Analysis

Taxes Receivable as a Percent of Tax Levies had been trending upwards in the region from 2007-2010, which was a direct reflection of the economic climate. The percentages for Western Ontario and Essex County decreased to more normal levels by 2012, whereas Tecumseh's percentage continued to increase. A significant reduction to the Town's receivable was achieved during 2014 to bring Tecumseh's ratio in line with that of Western Ontario and Essex County.

Tecumseh's statistics can be skewed more than our comparators during economic downturns as the Town has a greater concentration of Industrial properties.

Recommendation

The Town has worked closely with several properties that are in arrears in an attempt to avoid tax registration and potentially tax sale, including establishing payment plans. This exercise extends the timeframe for properties in arrears to become current and thus, results in an increase to total taxes receivable outstanding.

Close attention must continue to be paid to properties in arrears, applying tax registrations where necessary.



Municipal Performance Measurement Program

The Municipal Performance Measurement Program (MPMP) Report was a Provincial program requiring all Ontario municipalities to measure and report to the Province and taxpayers on the efficiency and effectiveness measures of their service delivery performance. These were calculated on various schedules included in the Financial Information Return (FIR). This program was discontinued in 2014 and reporting requirements to the Province are no longer in place.

The program was changed based primarily on the following two factors:

- The need to streamline municipal report requirements. Only data demonstrated to be important to evidence-based decision making, and that is not available elsewhere using the same methodology, is collected.
- The need to improve the level of completeness and accessibility of the data. Focusing on pertinent data points and not having schedules repopulated simplifies the collection process and better addresses data inconsistencies.

FIR schedule 80D: statistical data will be provided to collect data needed to develop an established set of standardized performance measures. The province has made available public reporting templates and continues to provide multiyear reports for the MPMP measures based on data reported by municipalities.

The Town of Tecumseh believes in the following criteria excerpted, in part, from the former MPMP program; namely that services measured should meet the following criteria:

- Reflect major expenditure areas for municipalities
- Reflect high interest and value to the public
- Have data that is relatively easy to collect
- Fall under municipal responsibility

The goal of a measurement reporting program should be to assist municipalities to be efficient and deliver value for local services. Other reasons for its importance to municipalities include:

- Measurement helps improve performance
- Performance measurement strengthens accountability
- Performance measurement stimulates productivity and creativity

The Town is beginning with a pared down version of prior years' measures with the anticipation that a more fulsome set of measures will be developed over the next couple of years.

Comments

The following tables contain 2018 measures with comparative values for 2017 where measures have been consistently calculated.

Notable efficiency and/or effectiveness differences for 2018 include:

- Building – The operating costs for building permit and inspection services per \$1,000 of construction activity increased by \$6.17, or 40%, due to a 20% decrease in construction value year-over-year.
- Public Works – The operating costs for paved roads per lane kilometer have increased from \$7,415 to \$9,048 in 2018 largely due to an increase in contract services related to asphaltting compared to prior year.
- Wastewater – Costs per kilometer of wastewater main were higher in 2018 largely due to \$1.7M of expenditures recorded re: Sanitary Sewer Rehabilitation - Inflow & Infiltration Removal project.
- Stormwater – Operating costs have increased due to \$375k of additional expenditures re: Tecumseh Storm Drainage Master Plan & Oldcastle Storm Drainage Master Plan.
- Water – Although there were no changes to operations, operating costs for the distribution/transmission of drinking water have increased due to \$350k of additional expenditures to complete the Tecumseh Anode program.
- Parks - Operating costs for parks per person and Operating costs for recreation programs per person increase by 20% year-over-year due to continuing trend of parks/program expansion, including extended hours.

General Government

General Government	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for governance and corporate management as a percentage of total municipal operating costs	Operating costs for governance and corporate management Divided by Total municipal operating costs	\$3,036,900 Divided by \$29,901,596	10.2%	\$2,856,352 Divided by \$25,753,327	11.1%	Decrease of -0.9%

Comment:

- The Town of Tecumseh provides centralized corporate support for services such as payroll, accounting and information technology for all departments and boards. A centralized support model may result in a higher measurement than a decentralized model where more costs are allocated directly to service areas.
- Operating costs for governance and corporate management shows a negligible change year over year.

Fire Services

Fire Services	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for fire services per \$1,000 of property assessment.	Operating costs for fire services Divided by Total property assessment/\$1,000	\$1,515,792 Divided by \$3,026,962	\$0.50	\$1,459,668 Divided by \$2,885,146	\$0.51	No change
Number of residential fire related injuries per 100 persons.	Total number of residential fire related civilian injuries Divided by Total population/1,000	0 Divided by 23.229	0.00	0 Divided by 23.229	0.00	No change
Number of residential fire related fatalities averaged over 5 years per 1,000 persons.	Total number of residential fire related civilian fatalities averaged for 2011 to 2017 Divided by Total population/ 1,000	0 Divided by 23.229	0.000	0 Divided by 23.229	0.000	No change
Number of residential structural fires per 1,000 households	Total number of residential structural fires Divided by Total households/ 1,000	7 Divided by 8.884	.788	3 Divided by 8.884	0.338	Increase of .450

Comment:

- The Tecumseh Fire Service is comprised of 2 salaried, 1 Fire Prevention Officer, 1 clerical administration staff and 40 volunteer firefighters. There was no change to the Fire Services operations in 2018 as reflected in the operating costs measure.
- Tecumseh Fire aggressively promotes fire safety within the community as well as emergency preparedness.

Police Services

Police Services	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for police services per person	Operating costs for police services Divided by Total population	\$3,529,111 Divided by 23.229	\$151.93	\$3,429,486 Divided by 23.229	\$147.64	Increase of 4.29
Violent crime rate per 1,000 persons	Total number of actual incidents of violent crime Divided by Total population/ 1,000	81 Divided by 23.229	3.487	106 Divided by 23.229	4.563	Decrease of 1.076
Property crime rate per 1,000 persons	Total number of actual incidents of property crime Divided by Total population/ 1,000	763 Divided by 23.229	32.847	575 Divided by 23.229	24.754	Increase of 8.093
Total number of actual incidents of other Criminal Code offences (except traffic) per 1,000 persons	Total number of actual incidents of other Criminal Code offences, except traffic Divided by Total population/ 1,000	57 Divided by 23.229	2.454	50 Divided by 23.229	2.152	Increase of 0.302
Total crime rate per 1,000 persons (Criminal Code offences, excluding traffic) per 1,000 persons	Total number of actual incidents of other Criminal Code offences, excluding traffic Divided by Total population/1,000	901 Divided by 23.229	38.788	731 Divided by 23.229	31.469	Increase of 7.318
Youth crime rate per 1,000 youths	Total number of youths cleared by charge or cleared otherwise Divided by Youth population/1,000	19 Divided by 1.765	1.700	3 Divided by 1.765	1.700	Increase of 9.065

Comment:

- Effective 2015, there was a new OPP costing formula for allocating costs to municipal contracts. Contract costs should be reduced approximately \$1.8 million upon full implementation over a five-year period.

Building Permit and Inspection Services

Building Permit and Inspection Services	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for building permit and inspection services per \$1,000 of construction activity	Total costs for building permit and inspection services Divided by Total value of construction activity/\$1,000	\$396,226 Divided by \$18,290	\$21.66	\$351,079 Divided by \$22,669	\$15.49	Increase of \$6.17

Comment:

- Total cost for building permit and inspection services is shown to increase from 2017 to 2018 as a result of a waiving of commercial building permit fees in 2018 which resulted in an expense of \$42,711.
- Total value of construction can vary significantly from year to year depending on permits issued. Construction activity in 2018 was lower than the prior year, resulting in an increase in the measure.

Public Works

Roadways	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for paved (hard top) roads per lane kilometre	Operating costs for paved (hard top) roads Divided by Total paved (hard top) lane kilometres	\$3,483.591 Divided by 385	\$9,048.29	\$2,854,615 Divided by 385	\$7,414.58	Increase of \$1,633.7
Percentage of paved lane kilometres where the condition is rated as good to very good	Number of paved lane kilometres rated good to very good Divided by Total number of paved lane kilometres tested	287 Divided by 385	74.5%	285 Divided by 385	74.0%	Increase of 0.5%

Comment:

- Wages and vehicle maintenance costs for Public Works staff are not separated by type of duty. This would result in a higher operating cost figure compared to municipalities that allocate costs on another basis.
- Pavement condition is rated using a Pavement Condition Index (PCI) such as the Index used by the Ontario Good Roads Association (OGRA) or the Ministry of Transportation's Roads Inventory Management System (RIMS).
- The operating costs for paved roads per lane kilometer have increased to \$9,048 in 2018 largely due to an increased road paving contract from 2018.
- Operating costs for 2018 are more in line with past costs. (2016 - \$8,147)

Bridges & Culverts	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Percentage of bridges and culverts where the condition is rated as good to very good	Number of bridges and culverts where the condition of primary components is rated as good to very good, requiring only maintenance Divided by Total number of bridges and culverts	13 Divided by 18	72.2%	12 Divided by 17	70.6%	Increase of 1.6%

Comment:

- A bridge or culvert is rated as being in good to very good condition if distress to the primary components is minimal, requiring only maintenance. Primary components are the main load carrying components of the structure, including the deck, beams, girders, abutments, foundation etc. These components are assessed every two years.

Winter Control	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for winter maintenance of roadways, excluding sidewalks and parking lots, per lane kilometre maintained in winter	Operating costs for winter maintenance of roadways (excluding sidewalks and parking lots) Divided by Total lane kilometres maintained in winter	\$545,999 Divided by 385	\$1418.18	\$292,729 Divided by 385	\$760.34	Increase of \$657.84

Comment:

- Winter control operating costs include only expenses directly related to winter control services such as wages and benefits for clearing roads, salt purchases, contracts for clearing roads, maintenance to snow vehicles only. No overhead or vehicle maintenance costs or patrol costs are allocated to winter control.
- Operating costs for winter control are directly tied to the amount of snowfall received and the number of winter control events year over year. Fluctuations in operating costs for winter control will be reflective of this.

Transit

Conventional Transit	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for conventional transit per regular service passenger trip	Operating costs for conventional transit Divided by Total number of regular service passenger trips on conventional transit	\$300,365 Divided by 26,760	\$11.22	\$276,149 Divided by 26,236	\$10.53	Increase of \$0.69
Number of conventional transit passenger trips per person in the service area in a year	Total number of regular service passenger trips on conventional transit Divided by Population in service area	26,760 Divided by 14,883	1.80	26,236 Divided by 15,382	1.71	Increase of 0.09

Comment:

- The transit system was implemented in December 2009. There was a minor change to the Transit route in 2018 resulting in a marginal decrease in the service area population.

Wastewater

Wastewater	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for the collection/conveyance of wastewater per kilometre of wastewater main	Costs for wastewater collection/conveyance Divided by Total kilometres of wastewater mains	\$2,793,624 Divided by 111	\$25,167.78	\$1,428,940 Divided by 111	\$12,873.33	Increase of \$12,294.45
Operating costs for the treatment and disposal of wastewater per megalitre	Costs for wastewater treatment and disposal Divided by Total megalitres of wastewater treated	\$1,433,521 Divided by 3,634.459	\$394.42	\$1,377,298 Divided by 3,492.660	\$394.34	Increase of \$0.08
Operating costs for the collection/conveyance, treatment and disposal of wastewater per megalitre (integrated system)	Costs for wastewater collection/conveyance, treatment and disposal Divided by Total megalitres of wastewater treated	\$4,227,145 Divided by 3,634.459	\$1163.07	\$2,806,238 Divided by 3,492.660	\$803.47	Increase of \$359.61
Number of wastewater main backups per 100 kilometres of wastewater main in a year	Total number of backed up wastewater mains Divided by Total kilometres of wastewater mains/100	0 Divided by 1.11	0.00	0 Divided by 1.11	0.00	No change

Comment:

- Sewage is treated by the City of Windsor. There were no changes to operations. Costs per kilometer of wastewater main were higher in 2018 largely due to a significant increase of expenditure recorded re: Sanitary Sewer Rehabilitation – Inflow and Infiltration Removal Program Phases 1 and 2 partly funded through Federal (CWWF) and Provincial (OCIF) grant programs.

Storm

Storm Water	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for urban storm water management (collection, treatment, disposal) per kilometre of drainage system	Costs for urban storm water management Divided by Total km of urban drainage system plus (0.005km X # of catch basins)	\$839,662 Divided by 167.00	\$5,027.92	\$549,938 Divided by 167.00	\$3,293.04	Increase of \$1734.88

Comment:

- Stormwater operating costs have increased due to additional expenditures re: Oldcastle Storm Drainage Master Plan and Lesperance Road P.S. repairs.

Water

Drinking Water	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for the treatment of drinking water per megalitre	Costs for the treatment of drinking water Divided by Total megalitres of drinking water treated	\$1,598,245 Divided by 3,315.74	\$482.02	\$1,407,390 Divided by 3,585.23	\$392.55	Increase of \$89.46
Operating costs for the distribution/transmission of drinking water per kilometre of water distribution pipe	Costs for the distribution/transmission of drinking water Divided by Total kilometres of water distribution/transmission pipe	\$2,291,008 Divided by 226.00	\$10,137.2	\$1,916,122 Divided by 224.00	\$8,554.12	Increase of \$1,583.09
Operating costs for the treatment and distribution/transmission of drinking water per megalitre (integrated system)	Costs for the distribution/transmission of drinking water Divided by Total kilometres of water distribution/transmission pipe	\$3,889,253 Divided by 3,315.74	\$1,172.97	\$3,323,512 Divided by 3,585.23	\$927.00	Increase of \$245.96
Number of watermain breaks per 100 kilometres of water distribution pipe in a year	Number of watermain breaks in a year Divided by Total kilometres of water distribution/transmission pipe/100	16 Divided by 2.26	7.08	11 Divided by 2.24	4.91	Increase of 2.2

Comment:

- Operating costs for the distribution/transmission of drinking water has increased slightly due to a decline in revenue from water purchases.
- The Water Anode program has been effective in reducing watermain breaks. Moderate increase year-over-year in 2018.

Garbage Collection/Disposal

Solid Waste Management	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for garbage collection per household	Costs for garbage collection Divided by Total households	\$636,955 Divided by 8,884.00	\$71.70	\$624,395 Divided by 8,884.00	\$70.28	Increase of \$1.42
Operating costs for garbage disposal per household	Costs for garbage disposal Divided by Total households	\$815,903 Divided by 8,884.00	\$91.84	\$810,561 Divided by 8,884.00	\$91.24	Increase of \$0.60

Comment:

- The contract for solid waste collection is fixed based on the number of households. The Town of Tecumseh reports on a per household basis, versus a per tonne basis, to better reflect the drivers for garbage collection and disposal.
- The municipality pays tipping fees for the landfill which is jointly owned by the County of Essex and City of Windsor.

Parks & Recreation

Parks	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Operating costs for parks per person	Costs for parks Divided by Total population	\$1,711,704 Divided by 23,229	\$73.69	\$1,438,622 Divided by 23,229	\$61.93	Increase of \$11.76
Operating costs for recreation programs per person	Costs for recreation programs Divided by Total population	\$192,904 Divided by 23,229	\$8.30	\$156,989 Divided by 23,229	\$6.76	Increase of \$1.54
Operating costs for recreation facilities per person	Costs for recreation facilities Divided by Total population	\$1,793,056 Divided by 23,229	\$77.19	\$1,680,736 Divided by 23,229	\$72.36	Increase of \$4.84
Total kilometres of trails per 1,000 persons	Total kilometres of trails Divided by Total population/1,000	31 Divided by 23.23	1.33	31 Divided by 23.23	1.33	No change
Square metres of indoor recreation facilities (municipally owned)	Square metres of indoor recreation facilities (municipally owned) Divided by Total population/1,000	8,817 Divided by 23.23	379.6	8,244 Divided by 23.23	354.90	Increase of 24.7
Square metres of outdoor recreation facility space per 1,000 persons (municipally owned)	Square metres of outdoor recreation facility space (municipally owned) Divided by Total population/1,000	24,960 Divided by 23.23	1,074.5	24,960 Divided by 23.23	1,074.5	No change

Comment:

- Costs increasing due to continued parks/program expansion, including extended hours.

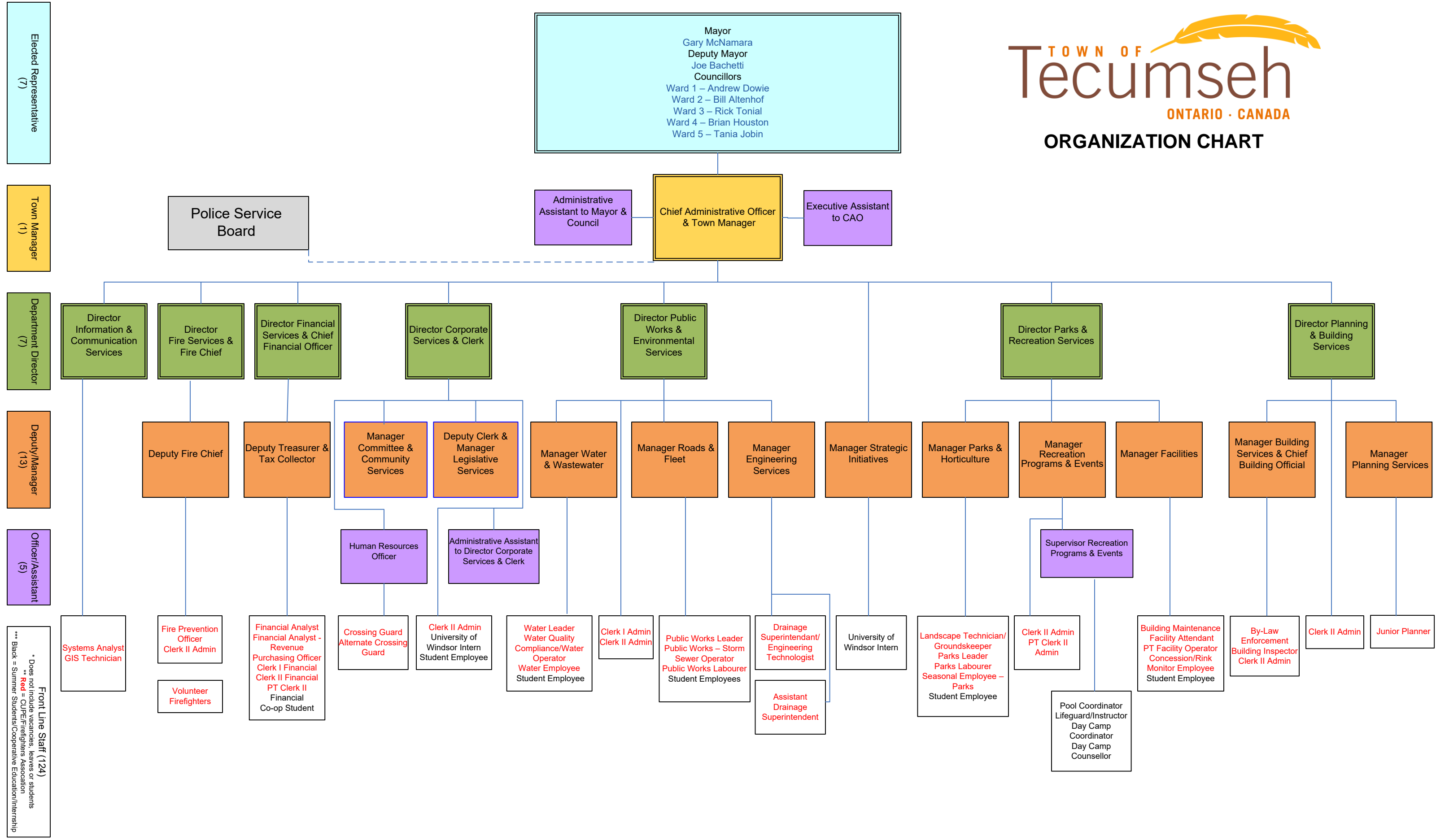
Planning

Land Use Planning	Definition	2018 Data	2018 Results	2017 Data	2017 Results	Year over Year Change
Percentage of new residential units located within settlement areas	Number of new residential units located within settlement areas Divided by Total number of new residential units within the entire municipality	20 Divided by 26	77%	51 Divided by 51	100%	Decrease of 23%

Comment:

- New residential units are primarily located within fully serviced settlement areas as a function of proper planning controls. Six new residential units were constructed outside of settlement areas in 2018 on legally existing registered old lots, thereby resulting in a year over year decrease of 23%. No such residential units were constructed in 2017.

ORGANIZATION CHART



Front Line Staff (124)
 * Does not include vacancies, leaves or students
 ** Red = CUPE/Firefighters Association
 *** Black = Summer Students/Cooperative Education/Internship



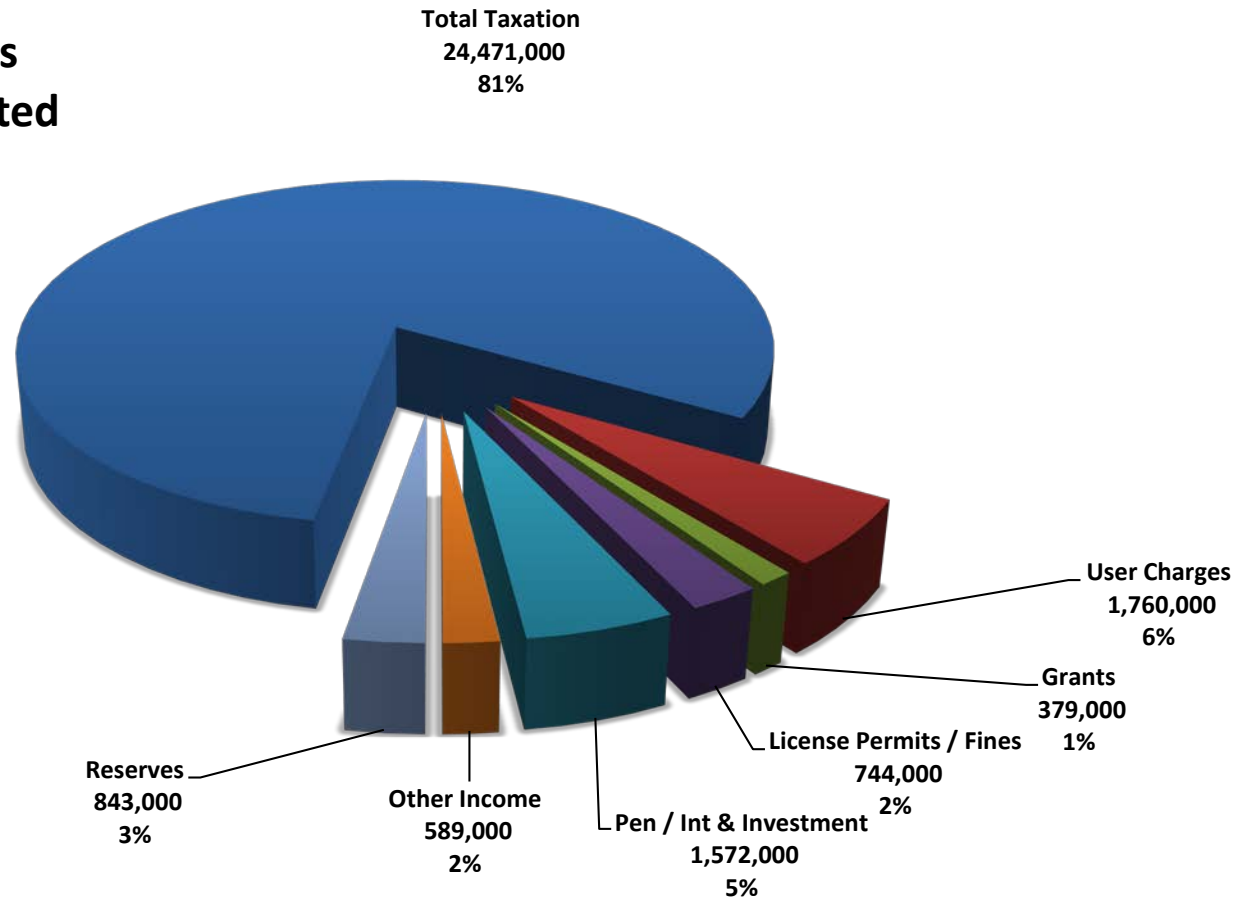
General Operating Budget Overview

Revenues

The 2020 Operating and Lifecycle Budgets, excluding Water and Sanitary, include \$30.4 million in revenues, which is a \$1,088,000 increase or 3.7% over the 2019 Operating and Lifecycle Budgets.

The primary source of revenue for the Operating and Lifecycle Budgets is Taxation, which accounts for 81% of all revenue. Revenue by major category is depicted below.

2020 Revenues Tax Supported



Total Taxation - \$24,471,000

Total Taxation revenue is comprised of general levy taxes, supplementary taxes, right of way taxation, special charges and payments in lieu. General levy taxation accounts for \$24,182,000, or 99% of Total Taxation.

General tax levy revenues increased by \$862,000 or 3.7%. \$100,000 of this increase will be generated from assessment growth. The actual impact to a particular property will vary, as the effect of phasing-in market value assessment changes shifts the tax levy burden both from one class to another and between properties within classes themselves.

County and Education budgets had not been established at the time of budget development. Estimates for County and Education 2020 levies are based on increases/decreases experienced the past few years and are included in the table below to project the estimated total property tax levy on an average property.

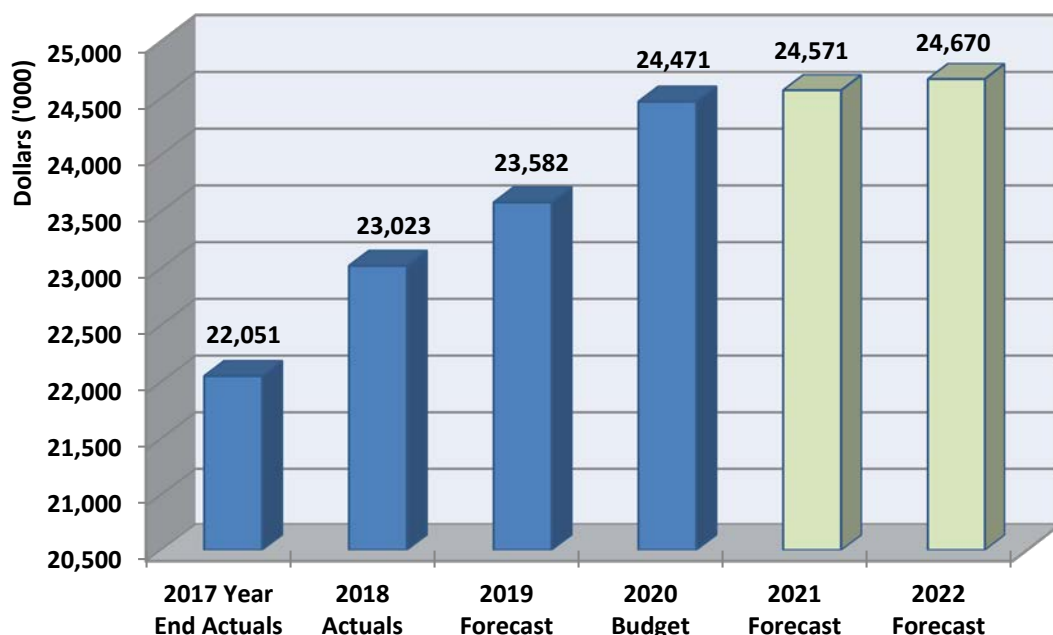
The estimated total tax impact on an “average” Residential home assessed at \$250,000 is summarized as follows:

Levying Authority	2020	2019	\$ Change	% Change
Town	\$1,820	\$1,751	\$69	3.95%
County (Estimate)	\$1,226	\$1,166	\$60	5.07%
Education (Estimate)	\$382	\$388	\$(6)	(1.62)%
Total	\$3,428	\$3,305	\$123	3.69%

Average residential property assessments increased by 14% during the last assessment revaluation (2016 CVA vs. 2012 CVA) based on data provided by MPAC. Average properties can expect annual phased-in assessment increases of 3-4% through the next assessment cycle, i.e. tax years 2017-2020.

An average residential property assessed at \$250,000 for 2020 would have essentially had a 2019 phased-in assessment of \$241,500, assuming an average annual phase-in increase of 3.5%. For comparison purposes, taxes calculated in the table above use a property value of \$250,000 for 2020, which is compared to a value of \$241,500 for 2019.

Total Taxation

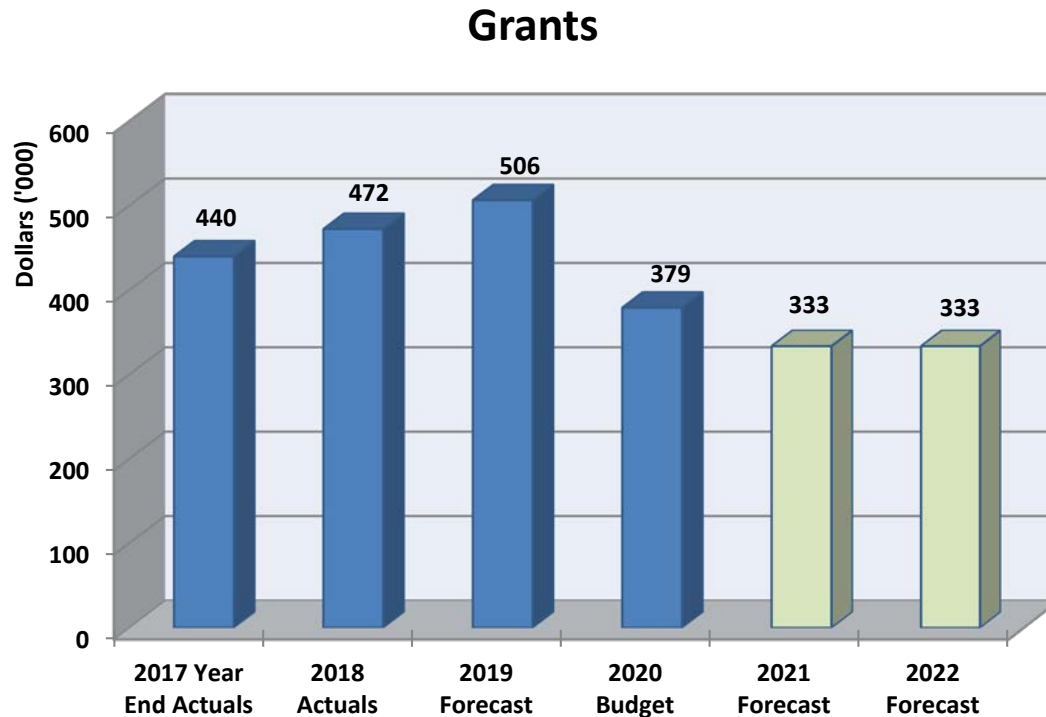


The majority of the increase in 2020 is due to Wages and Benefits increasing by \$438,000, of which \$87,000 results from staffing enhancements, supported by Request for New Staffing Enhancement (RNSE) Forms. Of the remaining \$351,000 increase, approximately \$206,000 can be attributed to negotiated wage/benefit increases and \$145,000 due to the additional payroll cost associated with 53 pay periods in 2020.

Lifecycle/Capital requirements increase \$388,000 including a provision for an increase to the New Infrastructure Levy allocation of \$200,000 and an increase to the Lifecycle allocation of \$188,000. Details of this increase can be found in the Lifecycle section of this document.

Projected Municipal Taxation requirements for 2021 and 2022 call for general levy increases of 3.5% and 3.1% respectively, of which approximately 1.65% for 2021 & 1.60% for 2022 is Lifecycle/Capital related. Some of the increase in the outlook years is expected to be generated from assessment growth, so that increases to the tax levy, net of growth, should be closer to 3.1% and 2.5% for the outlook years.

Grants - \$379,000



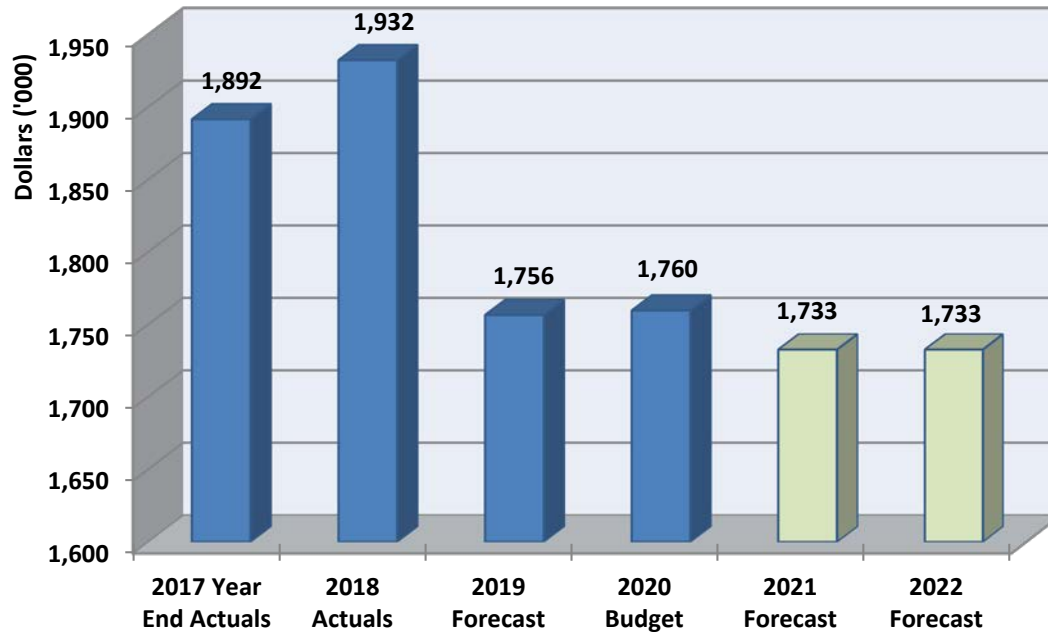
Grants are sources of funding received by the Town primarily from the Province of Ontario.

Ontario Municipal Partnership Fund (OMPF) grant revenue is estimated at \$37,600 in 2020. Tecumseh's share of this grant has generally declined as the program was re-designed so that northern and rural municipalities would gain a greater proportion of the available funding.

Ontario Specific Grants are expected to decrease by \$93,000 primarily due provincial Gas Tax – Transit funding. This grant funding varies from year to year based on actual expenditures incurred in the previous year. The 2020 budget and outlook years was estimated at closer to 2018 budget levels reflective of an anticipated decrease to Gas Tax – Transit funding as expenditures return to normal levels.

User Charges - \$1,760,000

User Charges



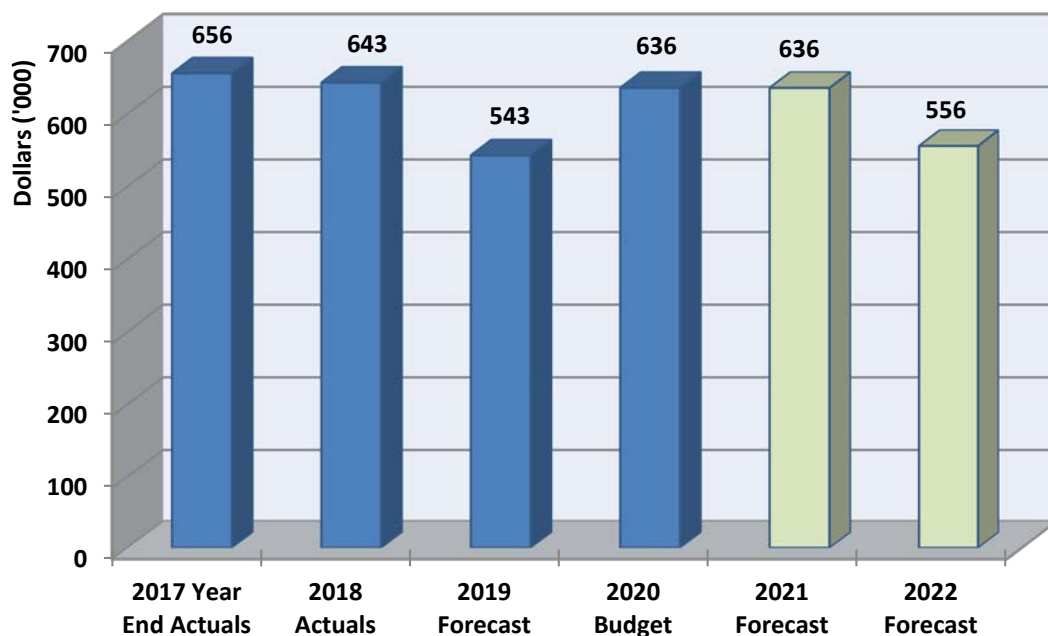
User Charges are fees imposed for a variety of municipal services such as arena ice rental, land lease and pool programs. The three largest generators of User Charges are:

- Arena ice rentals - \$800,000
- Pool swim programs - \$132,500
- Registration Fees - \$112,000

User Charges revenues (excluding Water and Sanitary) are reviewed annually and are generally adjusted by the Consumer Price Index (CPI) at September. The CPI at September 2019 was 2%. Departments will generally increase User Charges by an estimated 2% where market conditions allow. Total User Charges are expected to increase by \$51,000, or 3.00% over 2019 budgeted revenues.

Licenses and Permits - \$636,000

Licences and Permits



The Town generates revenue through the issuance of licenses (dog, taxi and lottery) and permits (building, culvert/driveway). The two largest sources of revenue under this grouping are:

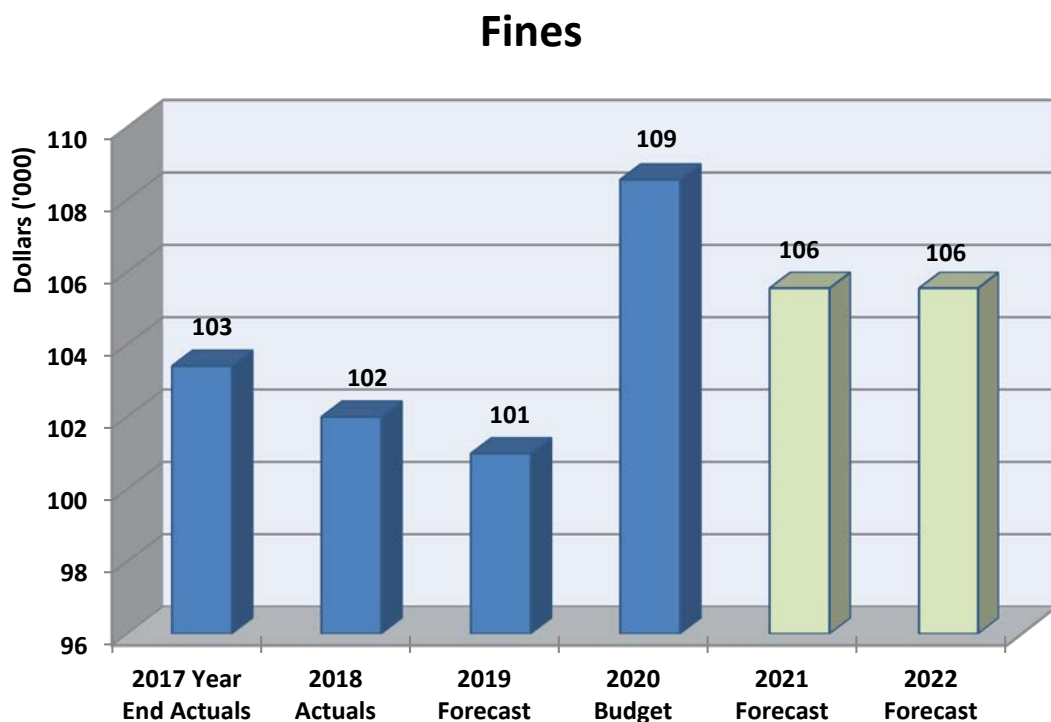
- Building Permits \$380,000

- Lottery Licenses \$185,000

License and Permit revenues are expected to increase from 2019 budget levels by \$52,500 primarily due to higher building permit fees (\$50,000) as a result of the expected commencement of various housing developments.

The forecast years have been slightly reduced to reflect typical development activity.

Fines - \$109,000



The municipality receives revenue for provincial offences, parking and dog fines. Provincial offences are non-criminal charges committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Liquor License Act, Trespass to Property Act or

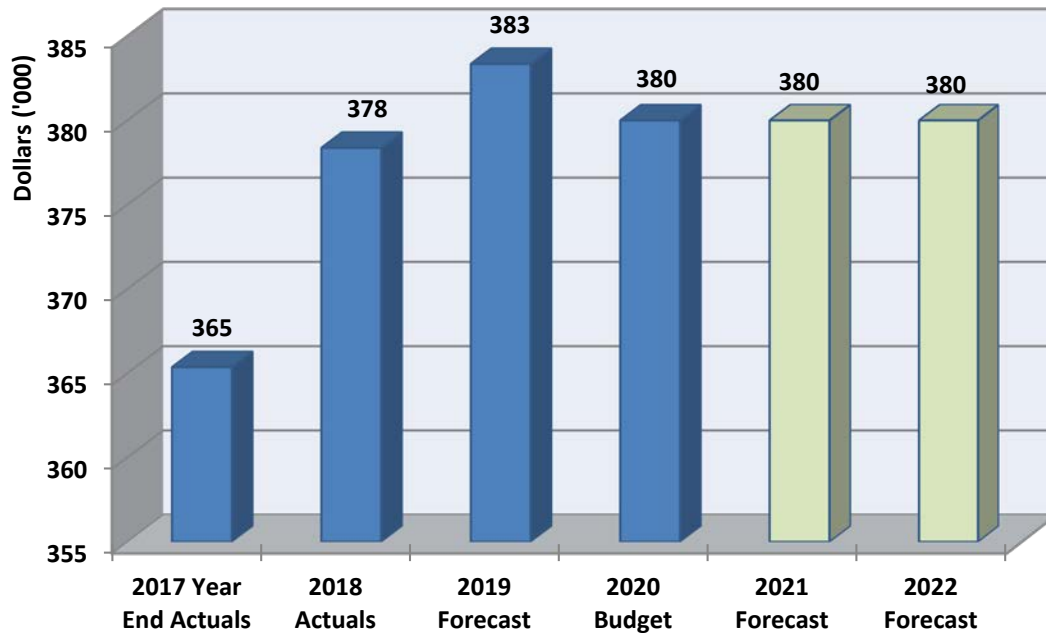
Town By-laws. Provincial offences fines are allocated proportionately based on assessment; the Town's share has been declining marginally over time.

Although parking and dog fines have remained stable, 2019 revenues are forecast slightly below budget due to lower provincial offences fines.

The 2020 budget has been reduced by \$20,000 to reflect decreasing revenues. Budgets for the outlook years are maintained at 2020 base levels.

Penalties and Interest - \$380,000

Penalties and Interest

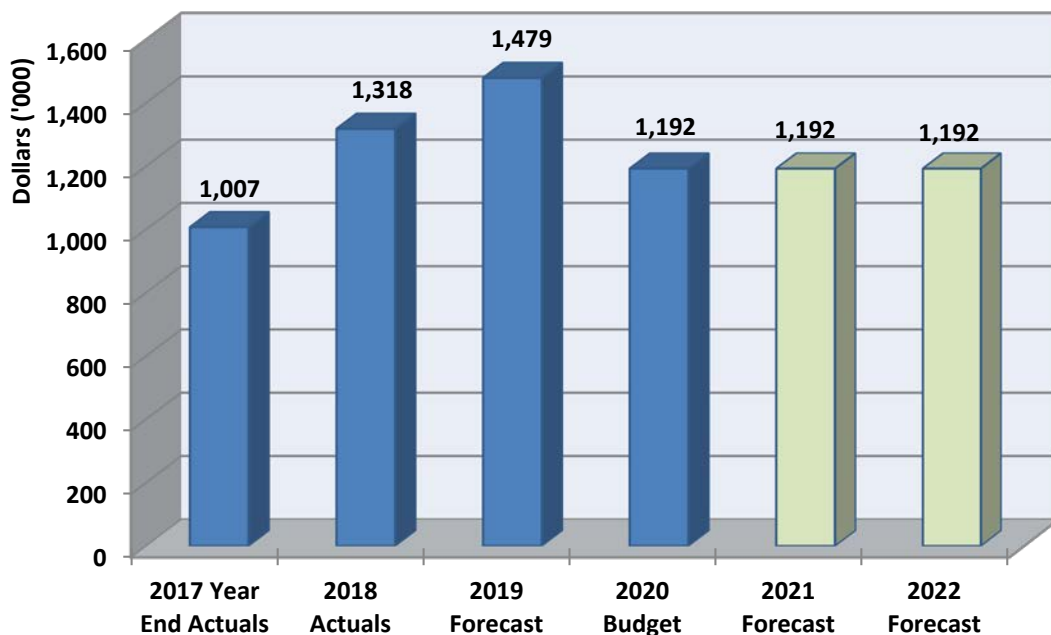


Penalties and Interest are charges for the late payment of property tax bills. The 2020 budget for penalties and interest on outstanding taxes remained consistent with 2019.

Actual penalties and interest charges have remained relatively steady the past few years as Taxes Receivable balances have returned to historical norms following a period of difficult economic times. Forecasted charges for the outlook years are expected to remain at around \$380,000 per year.

Investment Income - \$1,193,000

Investment Income



Investment income summarizes revenues generated through interest and dividends. Bank interest of \$700,000 and Dividends of \$487,000 comprise the majority of the total budgeted amount.

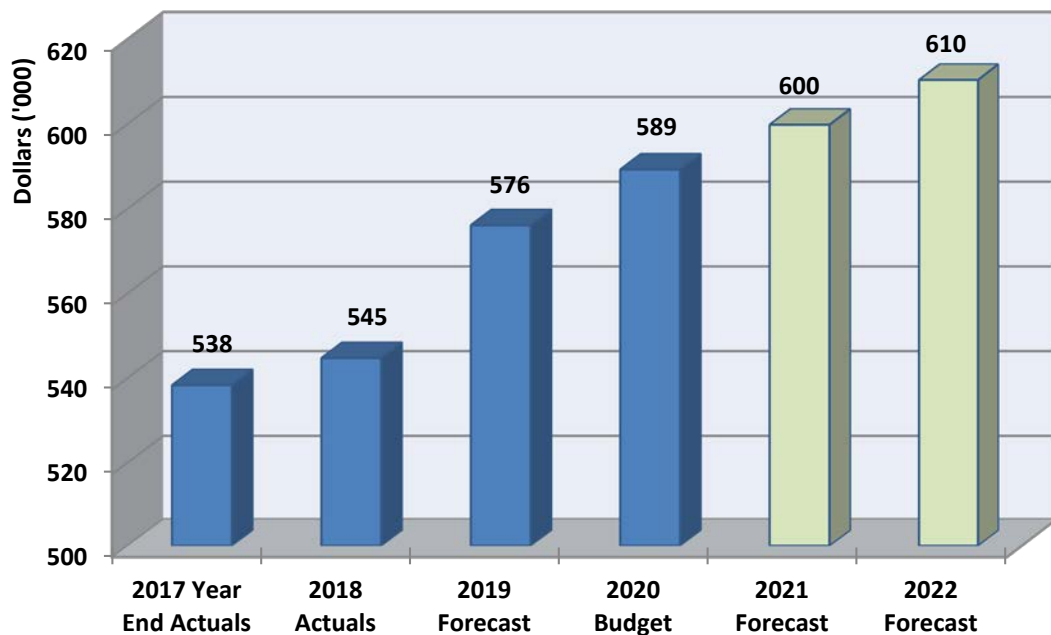
Actual income exceeded budgets in 2016 through 2019 due to greater bank interest income coming from higher rates and bank balances and significant increases to dividend income.

The 2020 budget for bank interest and dividends remains unchanged from 2019.

Amount exceeding base budget, \$457,000 of the category total of \$1,193,000, is to be transferred to reserve for 2020.

Other Income - \$590,000

Other Income



The Other Income category is comprised of royalties and interfunctional charges. Interfunctional - Administration charges comprise 93% of the total budgeted amount.

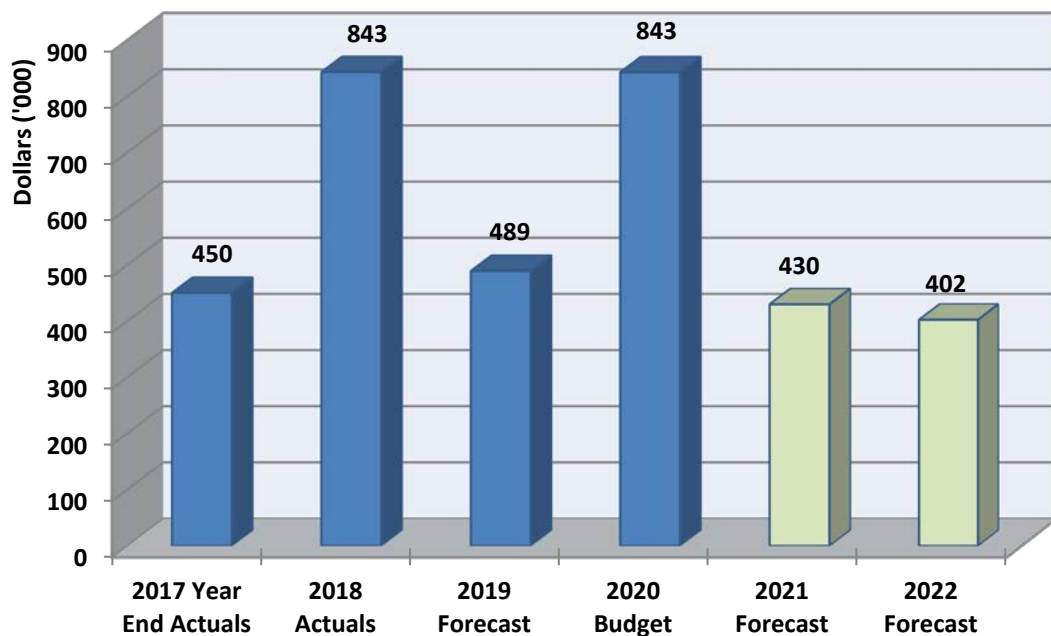
Interfunctional charges include Town General Administrative cost recoveries of \$549,000 that are charged to Sanitary and Water, to the benefit of the general Town budget, as part of the program to have Sanitary and Water services on a full cost recovery basis.

The 2020 budget for interfunctional charges has been increased by 1.5% as a result of inflation for 2020.

Outlook year levels have also been increased by inflation.

Transfers from Reserves - \$843,000

Transfers from Reserves/Reserve Funds



Reserves, which include reserve and reserve fund transfers to the Operating Budget, are \$843,000, which represents an increase of \$252,000, or 43% from 2019 budget levels. 2020 transfers are as follows:

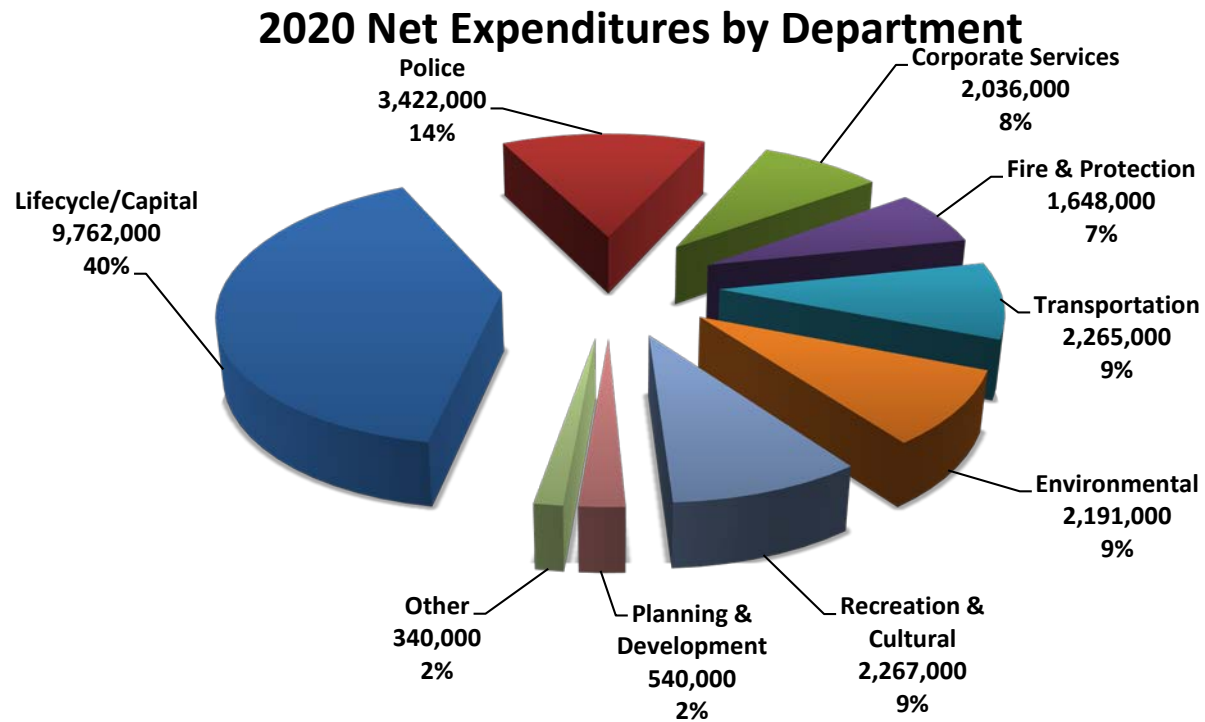
- Reserves - \$532,000
- Lifecycle Reserves - \$202,000
- Reserve Funds - \$109,000

Some of the more significant items/changes include:

- \$150,000 transfer from Reserves – CAO – funding allocation for ongoing legal costs surrounding the Lottery Licensing lawsuit.
- \$143,000 transfer from Reserves – Corporate Shared – access \$143,000 from Tax Rate Stabilization reserve to offset payroll for the additional pay period in 2020.
- \$100,000 transfer from Reserves – Storm Sewer System – one-time costs for flood mitigation.
- \$26,000 transfer from Reserves and \$52,500 transfer from Reserve Funds to offset 2020 Planning studies.
- \$28,100 transfer from Lifecycle and \$56,300 transfer from Reserve Funds – Information Technology - to offset department payroll and benefit costs related to GIS Technician work that is capital related.
- \$88,000 transfer from Lifecycle – New Issues - Transit – to support smoothing net Transit operating costs.
- \$77,000 transfer from Lifecycle – Arena – to offset department payroll and benefit costs related to fundraising activities that are capital related.

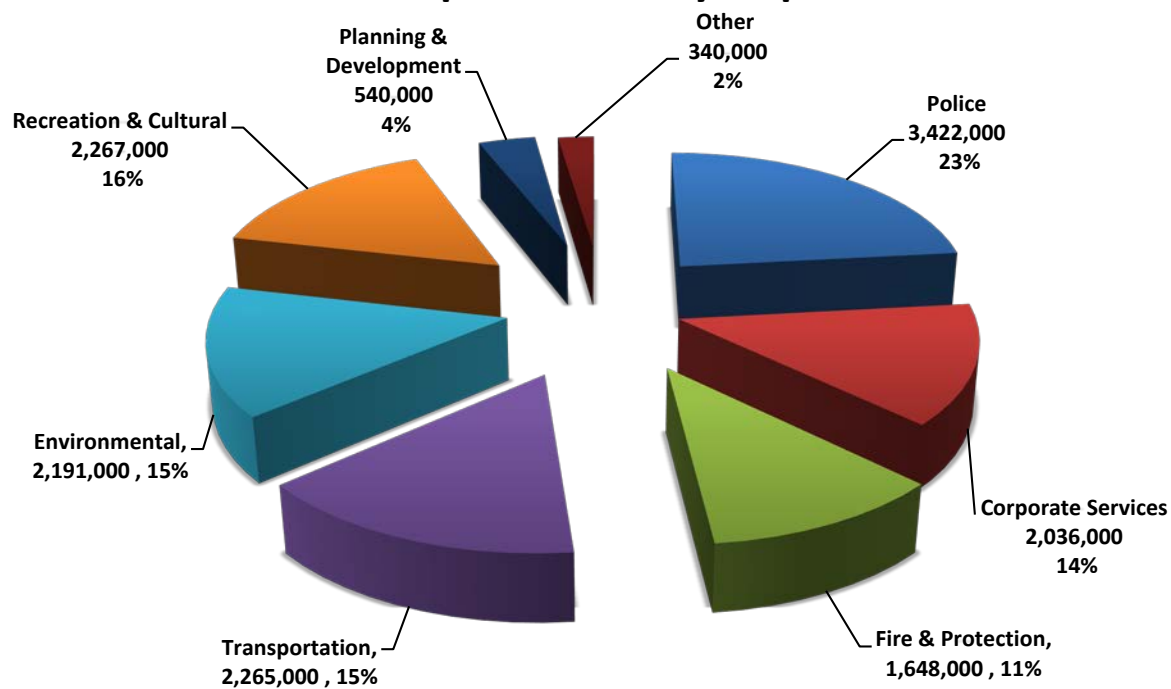
Expenditures

The Operating Budget including allocation to Lifecycle is illustrated below as net expenditure by service category. Net expenditure of a service is the total cost less revenues, such as User Charges, License fees, Permit fees etc. It can be described as the net cost of that service to property taxpayers.



The chart below depicts 2020 Net Expenditure without Lifecycle/Capital allocation.

2020 Net Expenditures by Department

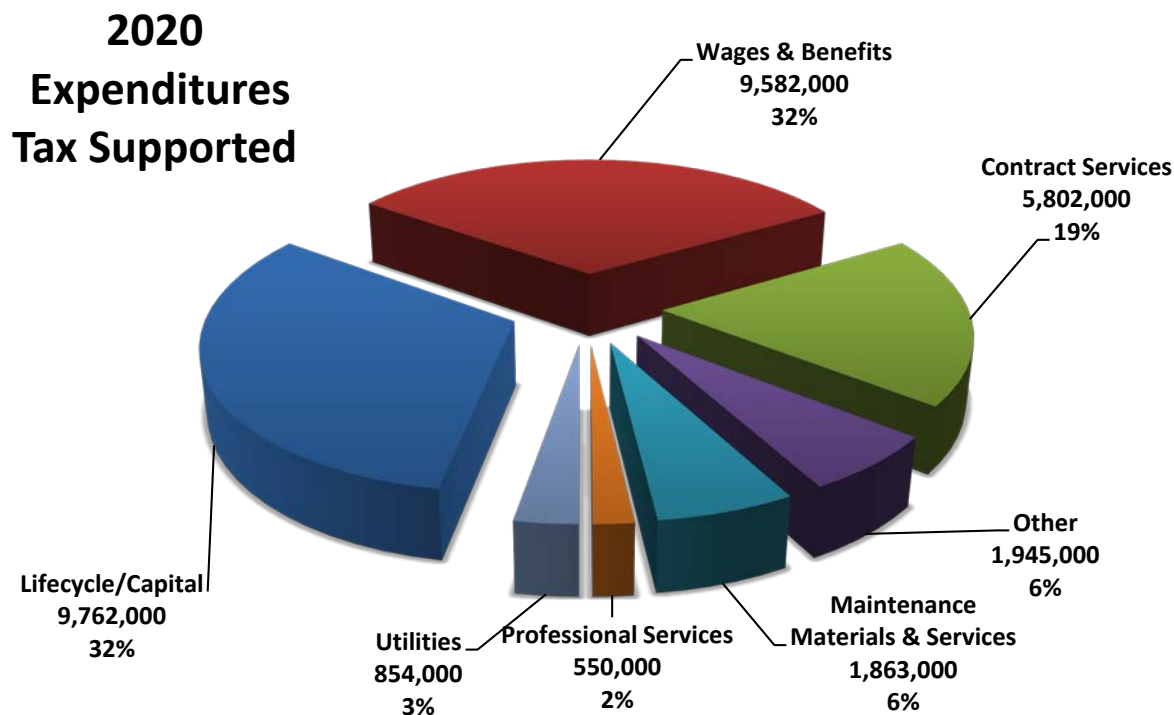


The Lifecycle (LC and NIL) contribution is greater than one third of the Operating Budget at 40%. The Lifecycle contribution is part of a plan adopted by Council in 2005 to address Lifecycle funding requirements. Infrastructure replacement costs of hundreds of millions of dollars identified through the tangible capital asset valuation project underscore the importance of this program.

Policing costs make up the second largest portion of the budget at 14%. The impact of the OPP New Billing Model has been fully phased-in and accordingly, policing costs should remain around 15% of overall net expenditures going forward.

The 2020 Operating and Lifecycle Budgets for Town services, excluding Water and Sanitary, is \$30.4 million, which represents a \$1,088,000 or 3.7% increase from the 2019 Operating and Lifecycle Budgets.

The 2020 Budget by major expenditure type is shown below.



Lifecycle – New Infrastructure Levy and Lifecycle allocations increase a combined \$388,000.

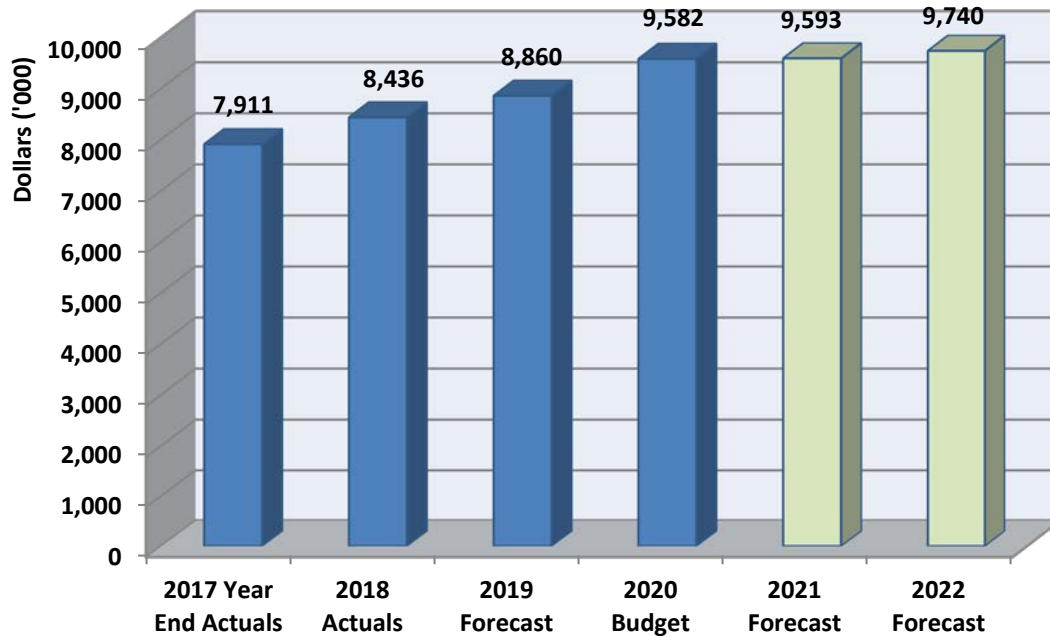
Net Operating expenditures, excluding Lifecycle, increased by \$700,000. Significant factors include:

- Payroll and Benefits - \$438,000 increase – includes service level enhancements, negotiated/contractual wage increases, inflationary adjustments to benefits and the new WSIB rate framework for 2020.

- Contract Services - \$207,000 – of which \$61,000 is for an estimated increase in the OPP contract, \$50,000 related to lake level flood mitigation and \$20,000 due to higher Goose control fees & playset inspection costs.

Wages and Benefits - \$9,582,000

Wages and Benefits

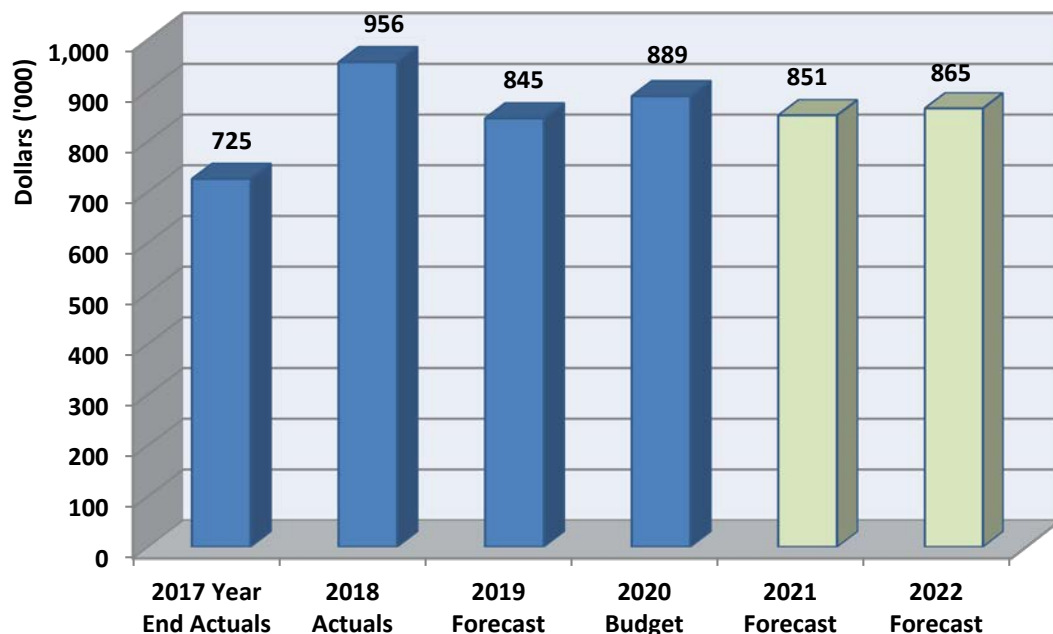


Wages and Benefits are expected to total \$9.58 million (2019 est. - \$9.14 million) or 47% (2019 est. – 47%) of expenditures before transfers. The \$438,000 increase to the budget takes into account service level enhancements, negotiated/contractual wage increases, inflationary adjustments to benefits and the new WSIB rate framework for 2020.

Outlook year projections include placeholders for wage increases as Collective Bargaining Agreements expire in December 2020.

Maintenance Materials and Supplies – \$889,000

Maintenance Materials & Supplies



The Maintenance Materials and Supplies category includes costs such as general materials and supplies, trees, salt, street signs, gas, equipment purchases, building repairs and maintenance purchases. The 2020 budget is 9.3% greater than that of the 2019 budget largely due to increases for general materials and supplies, gasoline and street signs. The largest expenditure categories are:

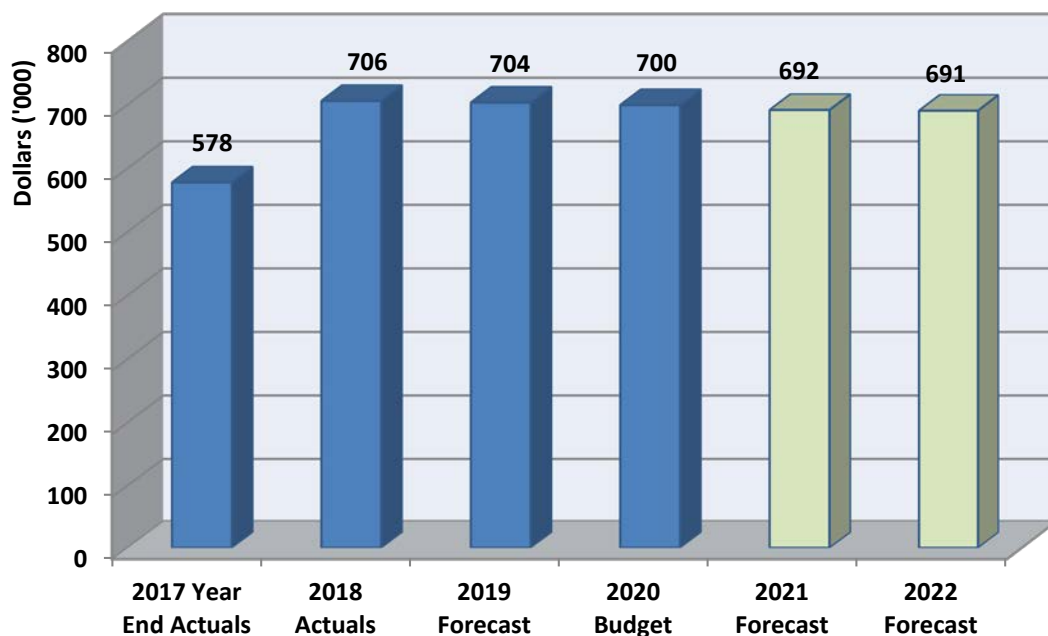
- Materials and supplies - \$52,600
- Salt - \$8,600
- Miscellaneous - \$4,000

2019 expenditures are forecast to be \$32,000 over budget primarily due to \$34,000 increased materials and supplies expenditures attributable to the purchase of sandbag supplies due to flooding.

Inflationary increases have been applied to outlook years assuming stable usage of materials and supplies across all expenditure types.

Maintenance Services - \$700,000

Maintenance Services



This category includes repairs on vehicles and equipment, building and grounds maintenance, tree trimming, and train crossing protection. Major expenditures in this category include:

- Vehicle Parts and Service - \$189,000

- Building Maintenance - \$149,000
- Maintenance Service (Street Lighting/Storm Sewer/Roadways) - \$145,000

The overall category increase is \$38,000 or 9% over the 2019 budget, with the largest dollar increases attributable to:

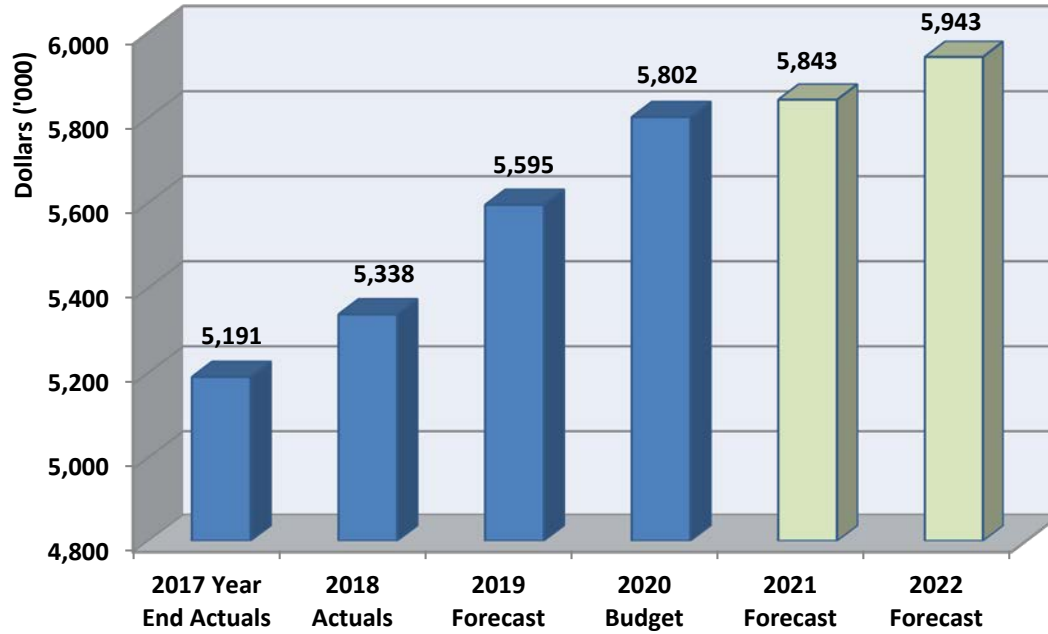
- Building Maintenance - \$18,000 – greater costs across various Town facilities
- Vehicle Parts & Service - \$14,500 – increase in costs as a result of an aging fleet
- Maintenance Service - \$14,000 – increased to reflect maintenance costs for street lighting

Forecast 2019 expenditures are \$62,000 over budget due to variances in Vehicle Parts and Service, Maintenance Services and Building Maintenance.

Outlook year budgets for 2021 and 2022 forecast a modest decrease to 2020 levels attributable to one-time expenditures anticipated in 2020.

Contract Services - \$5,802,000

Contract Services



Major services contracted by the Town include:

- OPP police service - \$3,490,000
- Garbage collection/disposal - \$1,440,000
- Conservation requisition - \$297,000
- Transit - \$229,000

The overall category increase is \$207,000 or 3.7% primarily due to OPP contract services.

The outlook years include an inflationary increase of approximately 2% for the major components in this area.

Professional Services - \$550,000



Professional Services primarily include legal, engineering, planning and audit services, with the largest being:

- Legal fees - \$260,000
- Other fees (planning, strategic, human resource etc.) - \$228,000

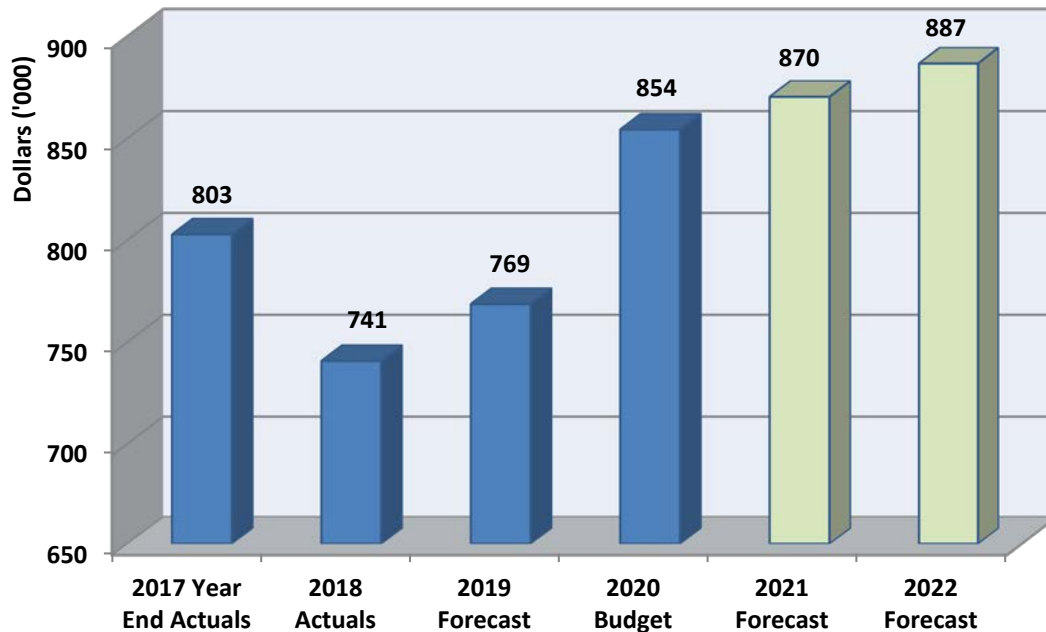
- Engineering fees - \$39,000
- Audit fees - \$23,000

The majority of legal fees are funded through reserves as the majority of costs pertain to specific one-time items. Other professional fees include amounts for economist fees regarding Planning studies, corporate strategic services and health and safety consultant services.

It is expected that Professional Services will decrease in the forecast years with the resolution of outstanding legal issues and the completion of other on-going Planning Department projects and studies.

Utilities - \$854,000

Utilities



The utilities category includes gas, hydro and water, telephone and cell phone expenses. Utilities are expected to increase by \$13,000 or 1.6% over 2019 budget levels in part due to the new carbon tax. Average hydro usage has declined over the years; however this expense may be impacted by the Provincial hydro surcharge which cannot be controlled through any Town initiatives.

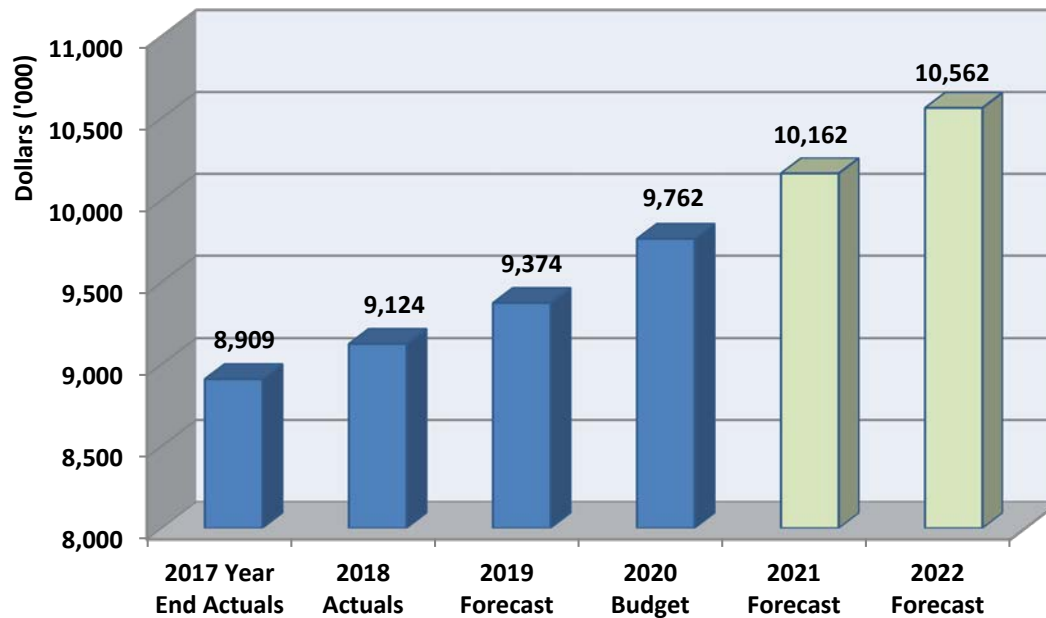
The Town conducts facility walk-through audits on a rotational basis under the Energy Conservation and Demand Management (ECDM) plan for opportunities to reduce energy consumption and greenhouse gas emissions.

Energy audits have been performed on largest energy consumers with many recommendations implemented and the facilities are considered energy efficient.

The greatest opportunity to impact energy costs and greenhouse gas emissions going forward will likely be through the reduction of fuel (gasoline and diesel) consumption.

Transfer to Capital (Lifecycle) - \$9,762,000

Transfer to Capital (Lifecycle/Capital)



Transfer to Capital includes the following items:

- Lifecycle - \$7,834,000
- Lifecycle New Infrastructure - \$1,550,000
- Debt servicing - \$1,505,000
- Gas Tax Grant Funding (Federal grant) - \$(1,127,000)

The Lifecycle amount represents the annual allocation of funds to Lifecycle reserves, which are used as the source of funding for capital replacements. The 2014 budget represented the final year of the Town's ten-year plan of annual increases in order to achieve full-funding of the Lifecycle program based on Lifecycle requirements established in 2005.

The 2020 budget includes an increase to the general Lifecycle reserve of \$188,000 to account for past asset additions, an additional amount to the Lifecycle – Storm to address projected future shortfalls identified in the next five years due to pump station rehabilitation and reconstruction works, and a \$21,000 allocation to address the reduction in Gas Tax funding.

The 2020 budget also proposes an increase in the New Infrastructure Levy (NIL) of \$200,000 in each year from 2020 through 2024 to reach a revised annual target amount of \$2,350,000. The necessity for this consideration is explained in detail in the Lifecycle section, however in brief, addresses the lack of capital funding for new infrastructure absent in the Lifecycle Plan. **Note that \$550,000 of the NIL has been earmarked for the Multi-Use Sportsplex.**

The outlook years also include a Lifecycle increase of \$200,000 in 2021 and \$200,000 in 2022 as placeholders for contributions towards deficient categories such as Storm, Bridges/Culverts, Drains and Parks Development discussed in more detail in the Lifecycle Plan.

2021 and 2022 Outlook

The 2020 Operating, Lifecycle and Reserve Budget is developed with a two-year outlook or forecast years. The forecast years include known revenue and expenditure increases for those two years. The Consumer Price Index for September 2019 was 2%. Inflationary increases of 2% were built into outlook years' revenues and expenditures for select revenue and expenditure types.

The preliminary two-year outlook calls for tax increases of 3.1% in 2021 and 2.5% in 2022.

Some of the notable budget pressures identified for 2021 and 2022 include:

- Transfer to Capital, i.e. contributions to New Infrastructure Levy Reserve and Lifecycle Reserves of \$200,000 and \$200,000 respectively in 2021 & 2022 (1.65% & 1.60% combined)
- Wages and Benefit increases of \$145,000 (net of 53 pay period reversal) or 0.64% (2021); \$147,000 or 0.64% (2022)
- Policing costs expected to increase by \$70,000 in 2021 and \$71,000 in 2021 for OPP contract increases, which represents a 0.29% increase for both years

- Building Permit revenue expected to decrease \$80,000 in 2022 as residential development is expected to gradually decline following the completion of current projects
- There is a strong likelihood that significant funding will be required for rehabilitation and maintenance arising out of the (Tecumseh) and (Oldcastle Hamlet) Storm Drainage Master Plans that are currently being undertaken. Administration has saved 2018 and 2019 OCIF Formula Based Component funding to support storm related works required over the next five years.

The noted outlook year pressures are expected to be offset by additional revenues and/or reduced expenses including:

- Tax Revenue expected to increase by about \$100,000 in 2021 and \$150,000 in 2022 due to assessment growth
- OCIF formula-based grant funding, originally expected to be \$1,077,000 for 2020, has been suspended by the province until further notice.



Water and Wastewater Operating Budget Overview

The population of the Town of Tecumseh is largely serviced by municipal water and wastewater. The Town purchases water from Windsor Utilities Commission(WUC) to service our water customers. The Town owns and operates the distribution system, an elevated storage facility and the metering facilities at the Town boundary. Tecumseh also purchases wastewater treatment through the City of Windsor at its Little River and Lou Romano Plants.

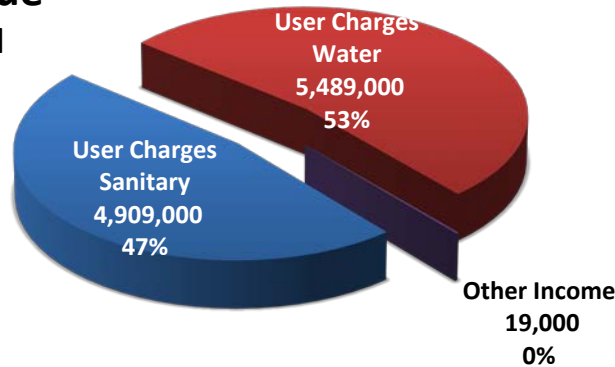
There are currently 9,000 metered customers receiving water services and 8,100 customers receiving wastewater services. Water and wastewater are billed based on a monthly charge and on a volume consumption basis. These charges provide funding for new capital, lifecycle and operating costs.

For transparency, the rate-supported Water and Wastewater Budget is shown separately from the tax-supported General Operating Budget.

Revenues

Revenues for the most part are generated through water and wastewater billings. Water and wastewater rates are reviewed and set on an annual basis.

2020 Revenue Rate Supported



Council adopted the 2015 Water and Wastewater Rate Study (Rate Study) on November 24, 2015. The purpose of the document was to update the water and wastewater rates and charges to ensure a full cost recovery of water and wastewater services and to guide rate setting for the years 2016-2020. The Rate Study noted that the former rate structure had resulted in an unreliable revenue stream. Generally, consumption continues to decrease while a large portion of costs are fixed. The Rate Study recommended increasing the fixed rate revenue in order to secure a larger portion of the revenue stream which is not dependent on volume. Annual increases were estimated at less than 3% for all stakeholders.

During 2018, the Town was advised by WUC that WUC would pursue an increase to the bulk water rate charged to the Town. The bulk water purchase agreement between the Town and WUC allows for rate adjustments, where warranted, at 10-year intervals of the 50-year agreement. Through a mediation process, it was agreed that a rate adjustment of 9% would be applied to the 2017 rate and would be effective January 1, 2017 through to December 31, 2026.

This increase was not anticipated during the preparation of the 2015 Water and Wastewater Rate Study. A financial analysis was subsequently performed and Administration recommends that the increased costs going forward necessitate a deviation from the Rate Study with respect to the metered water consumption charge and that retroactive costs be funded by the Water Rate Stabilization Reserve.

Specifically, the Rate Study recommends a 1% increase to the metered water consumption charge. Administration recommends a 3% increase to the metered water consumption charge for years 2020 and 2021 to cover this increased cost of bulk water supply.

The Town's Water and Wastewater Rate Study is reviewed every five years and is due for review in 2020, following which a rate schedule will be recommended for the next five-year period.

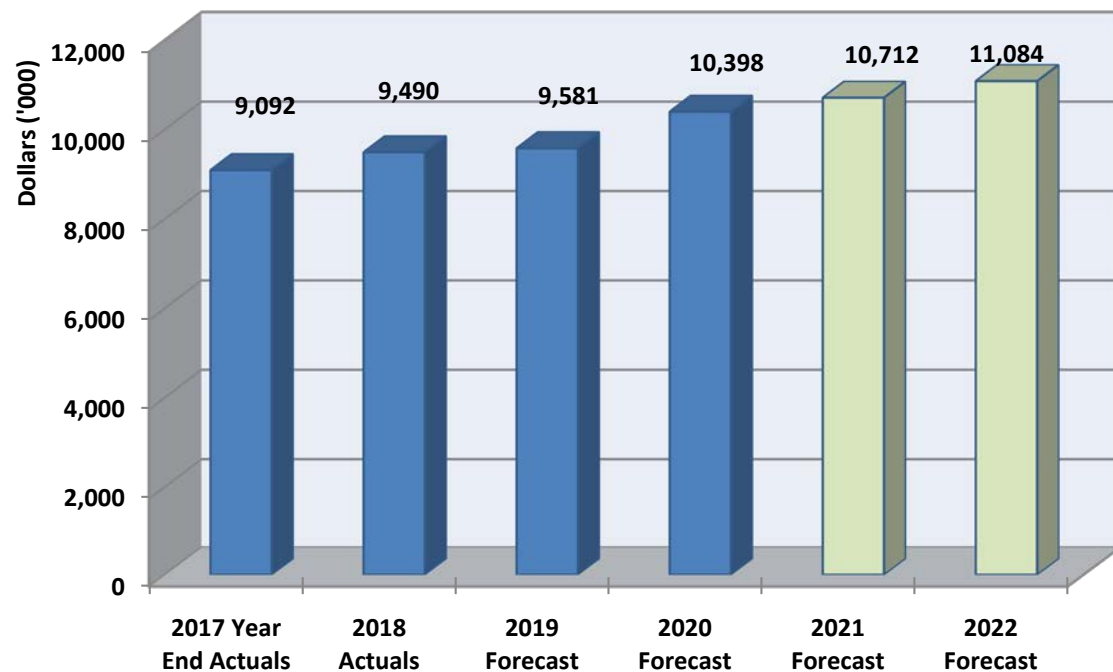
User Charges - \$10,398,000

User charges are revenues generated from the sale of water, sewer charges, hydrant rentals, work orders etc. The most notable budget items under User Charges include:

- Water Sales - \$ 5,489,000
- Sewer Charges - \$ 4,909,000

Based on recommendations included in the Town's 2015 Water and Wastewater Rate Study, the proportionate amount of fixed fees will increase year-over-year so that fixed revenue will make up a greater amount of total sales. In 2015, the water and sewer revenue mix was split 70/30 between variable and fixed fees. This ratio will gradually change to 60/40 by 2024.

User Charges



User Charges are necessary to address funding requirements for new capital, lifecycle and operating costs.

The Rate Study recommends fixed rate increases of 6.0% per annum along with 1.0% and 2.0% annual increases to the water and sanitary variable rates respectively. In 2020, Administration proposes to deviate from the Study with respect to the water variable rate similarly to 2019. This increase to the water variable rate is proposed due to the hike in the bulk water rate charged by WUC as previously discussed.

2019 Year End Forecast of \$9,581,000 is under budget by \$508,500 due to lower consumption. Estimated year end volume is approximately 420,000 m³ less than what was budgeted with lower volumes across all customer types.

Expenditures

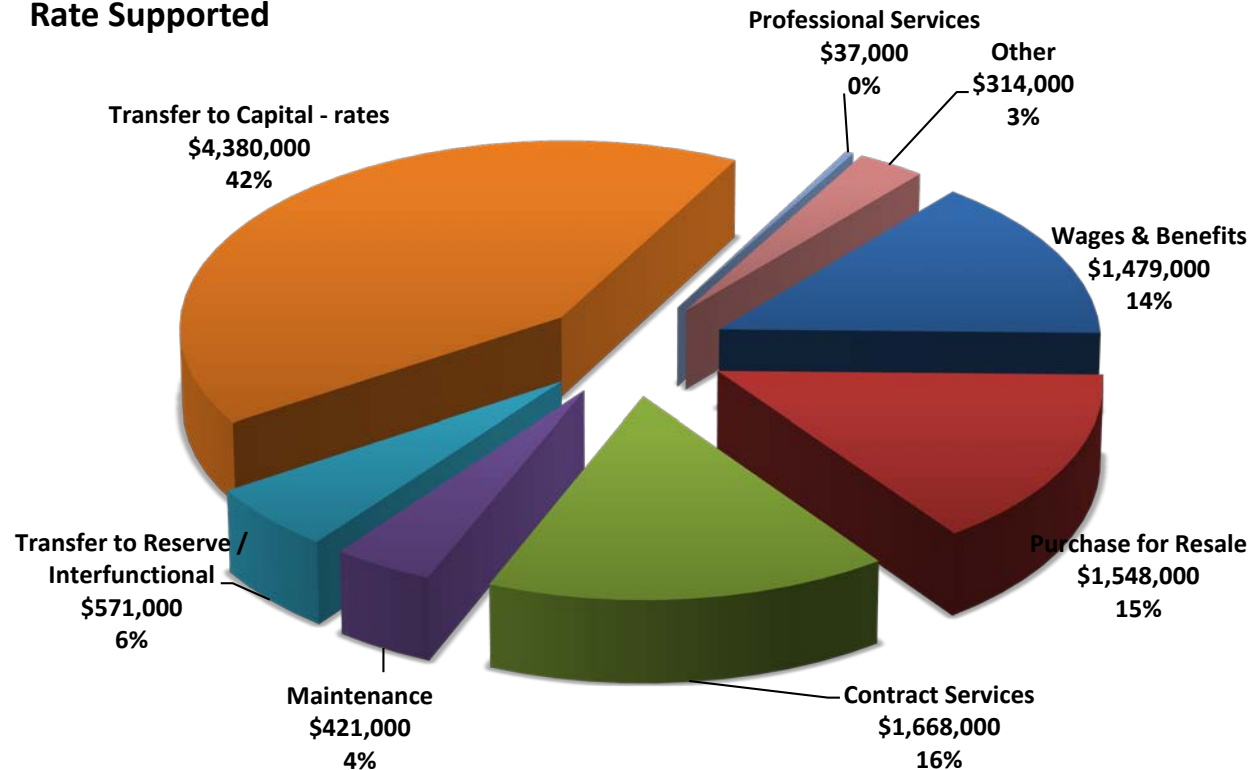
The 2020 Water and Wastewater Operating Budget totals \$10,417,000 (\$5,466,000 before transfers). This marks a \$85,000 increase from the prior year budgeted amount (before transfers).

As shown in the following graph, Transfer to Capital - Rates is the largest budgeted expenditure item. The transfer provides the ability to sustain future rehabilitation, replacement and growth requirements. Transfer to Capital - Rates represents 42% of the total expenditures and is \$213,000 greater than 2019, primarily due to increased water and wastewater fixed fees.

Other significant items are Contract Services for the cost of wastewater treatment; Purchases for Resale for the cost of water purchased from WUC; and Wages and Benefits.

2020 Expenditures

Rate Supported



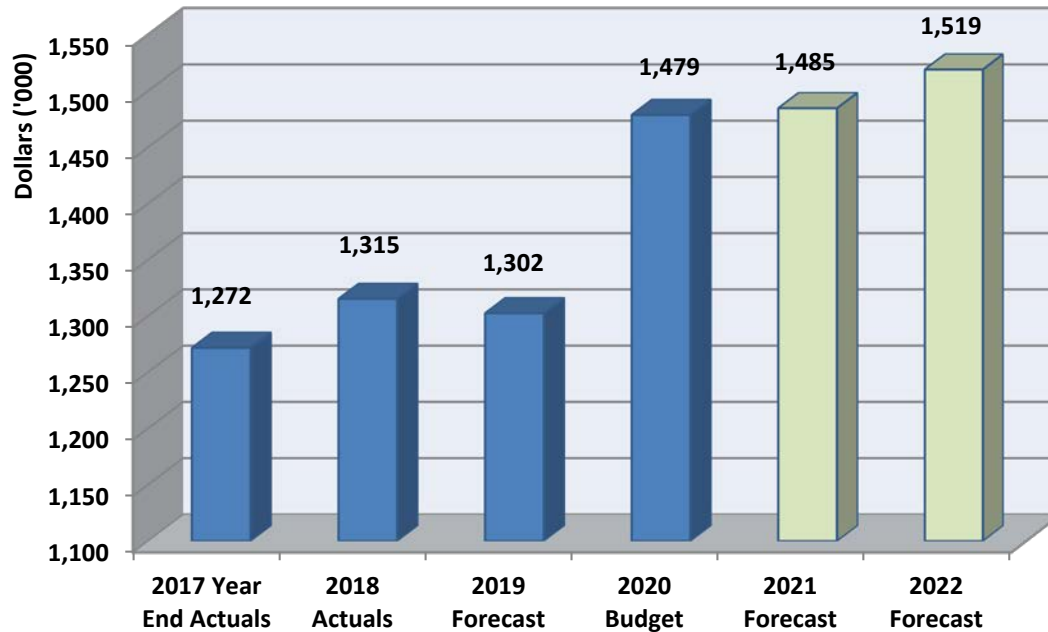
Wages and Benefits - \$ 1,479,000

Wages and Benefits are expected to total \$1.48 million (2019 budget \$1.35 million) or 27% of expenditures before transfers.

Budgeted wages and benefits increased by 9.4% from 2019 primarily due to staffing enhancements, supported by Request for New Staffing Enhancement (RNSE) Forms. Also incorporated in 2020 budget figures are contractual wage increases and changes to benefits rates.

A placeholder for increase to wages and benefits is included in the outlook years as Collective Bargaining Agreements expire in 2020.

Wages and Benefits



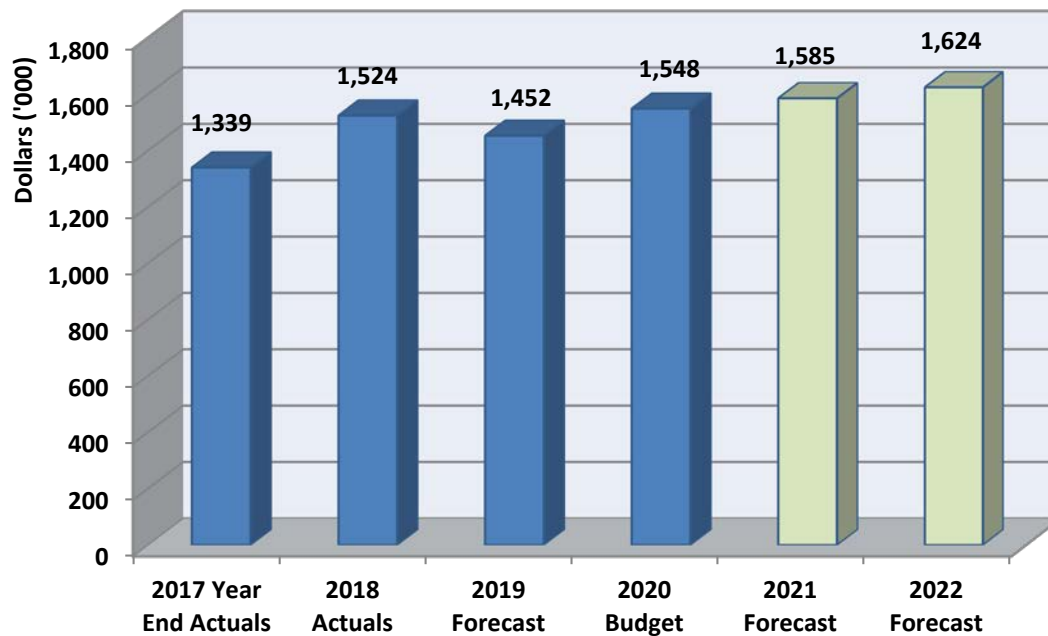
Purchases for Resale - \$1,548,000

Purchases for Resale represent the cost of water purchased from WUC. The budgeted amount for this category remained relatively unchanged from 2019. Volume purchased is expected to increase somewhat as residential growth occurs in 2020; however volume per household is expected to continue to decline.

The outlook years include inflationary increases to purchase rates along with modest consumption increases spurred from residential growth.

2019 Forecast Year End Actuals are expected to be below budget by 7% due to lower than estimate volumes purchased due to decrease in consumption.

Purchases for Resale



Contract Services - \$ 1,386,000

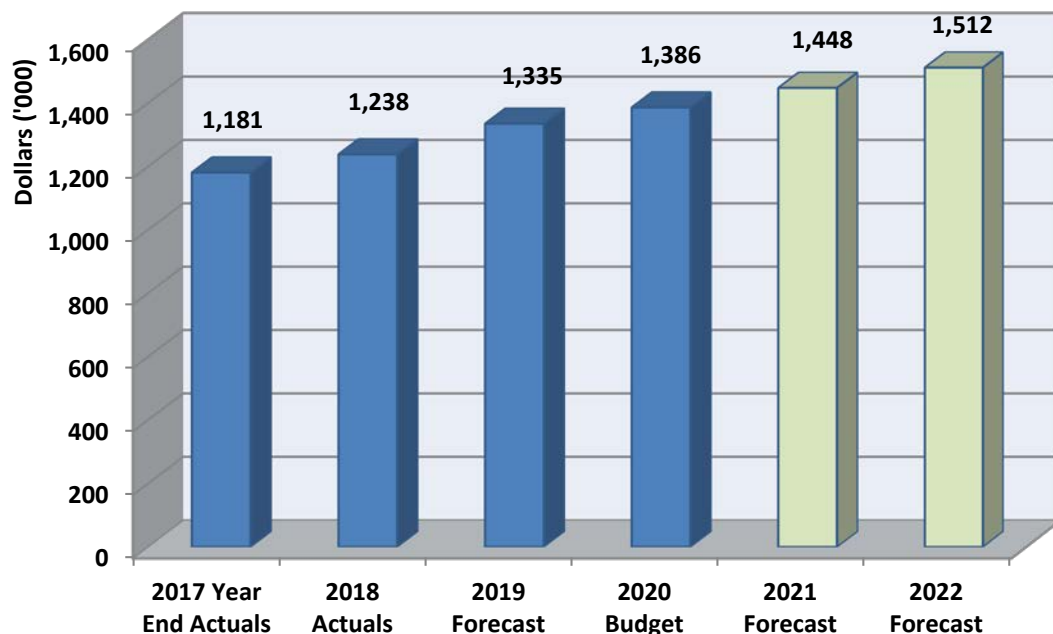
This category covers all services contracted by the Town as related to water and wastewater operations, which includes Sewage Treatment, Sewer Maintenance and Billing and Collection fees.

The overall category budget increased slightly over the prior year budgeted amount. Fees of \$160,000 for billing and collection contracted to Essex Power have remained relatively unchanged from prior year. The current arrangement expires December 2020.

Sanitary treatment costs contracted to the City of Windsor have increased by \$16,000 due to declining volumes, offset by an increase in the rate charged per m³. Early indications suggest the improvements to the Town's wastewater collection system through the Inflow and Infiltration programs implemented during the course of the past several years have been successful in reducing the amount of rainwater entering the system.

The outlook years include increases of approximately 4.5% for 2021 and 4.4% for 2022. This includes estimated inflationary increases to sanitary treatment costs along with marginal increases to volumes treated due to new sanitary sewer connections.

Contract Services



Transfers to Capital - Rates – \$4,380,000

Transfers to Capital – Rates, includes sanitary and water funding for lifecycle purposes of \$2,455,000 and \$1,925,000 respectively.

2019 August variance projects a \$246,000 deficit from water and wastewater operations, which will ultimately reduce the amount transferred to reserves.

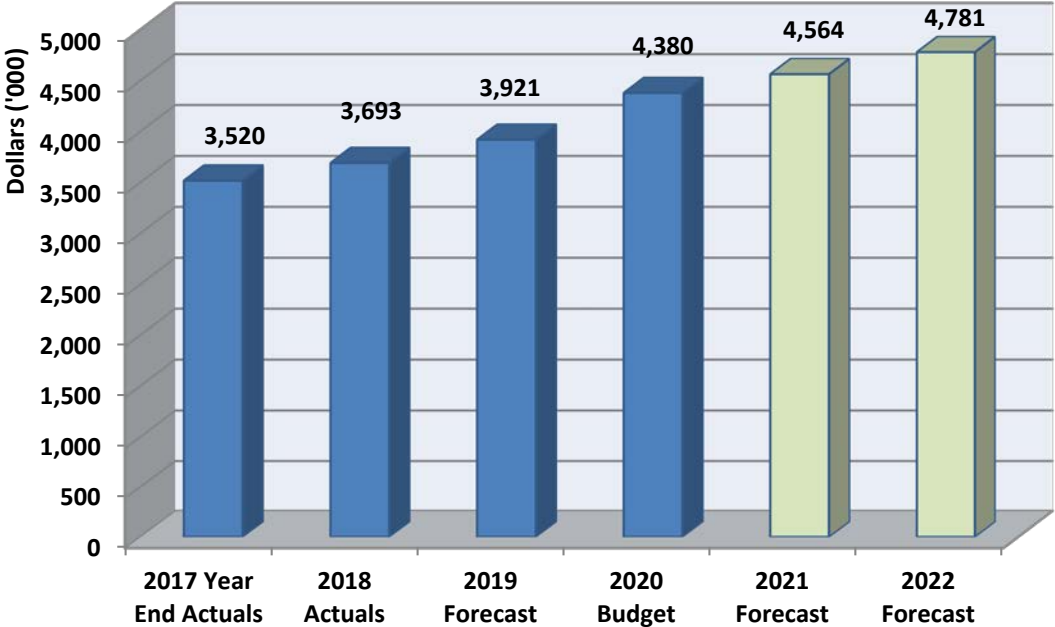
Along with higher costs for bulk water purchases and lower revenues from reduced water consumption volumes, mediation costs also negatively impacted 2019 water results.

Declining participation in the sanitary backwater valve grant program projected for 2019 will help to offset some of the overall deficit.

Transfers to Capital for the forecast years are as per the Rate Study with adjustments made, +/-, to balance the fund. For sanitary, surpluses of \$276,000 and \$287,000 are expected for 2021 and 2022 which increases the Transfer to Capital.

Conversely, deficits of \$238,000 and \$281,000 are expected for Water which results in a lower Transfer to Capital. Higher bulk water purchase costs are the primary cause for this deficit.

Transfer to Capital - Rates



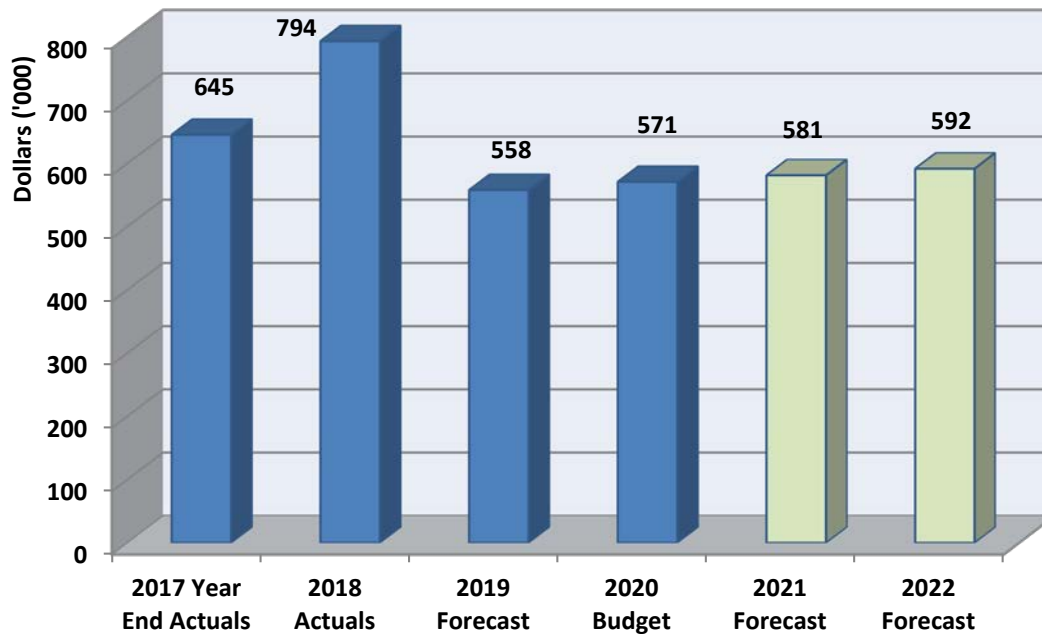
Transfers to Reserves - \$ 571,000

Transfers to Reserves consists of Interfunctional Administrative charges, which are paid to the Town's general tax levy for support services. The amount for administrative support is increased annually by inflation. An inflation factor of 2.0% was used for 2020.

Direct charges, such as Public Works labour hours towards wastewater services and labour hours for One-Call services are based on actual hours worked. 2020 budget amounts have not changed from prior year.

Inflationary increases of 2% have been applied to outlook year amounts.

Transfers to Reserves/Reserve Funds



2021 and 2022 Outlook

Water and wastewater rates are forecast to increase as per the 2015 Rate Study recommendation for 2021 with the exception of the water variable rate, which is recommended to increase by 3% (instead of 1%).

Administration will negotiate a new billing & collection agreement with Essex Power.

Administration will update the Town's Water and Wastewater Rate Study during 2020, which will recommend rates for the next five-year period 2021-2025.

These increases are necessary as the Sanitary Reserve Fund balance is considerably below projected requirements and the bulk water rate adjustment effectively adds \$100,000 to annual operation costs.



2020 Proposed Business Plan & Budget

Presentation to Town Council

November 12, 2019

2020 Proposed Budget

- Overview – Chief Administrative Officer
- Budget – Treasurer & Deputy Treasurer
 - Budget Document
 - Operations
 - General
 - Water & Wastewater
- Lifecycle
- Reserves
- Conclusion
- Q & A



Budget: As a Strategy

The budget is our plan to manage our citizens' money and other funding we receive to deliver services important to our community.

Our goal is to align the budget with the Mission, Vision & Values and 5 Strategic Priorities within the Council-approved Corporate Strategic Plan, 2019-2022:

Mission:

We will work together strategically to accomplish sustainable growth that integrates the principles of health and wellness in everything we do.

Vision:

The Tecumseh of tomorrow will be a community of economic vitality, environmental leadership and a high quality of life for all of our citizens.

Values:

Fiscal responsibility
Service Excellence
Accessibility

Community Involvement
Inclusion & Equitable Treatment
Leadership



Strategic Priorities 2019-2022

Smart Growth

Goal: Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.

Sustainable Infrastructure

Goal: Ensure that the Town of Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision making.

Community Health and Wellness

Goal: Integrate the principles of health and wellness into all of the Town of Tecumseh's plans and priorities.

Continuous Improvement

Goal: Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.

Good Governance

Goal: Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.



Budget Process

Tecumseh's proposed budget is developed by Town staff to deliver the services and programs directed by Council that our community values.

A community survey is conducted to inform the draft budget of citizen priorities.

Once a recommended budget has been set by Town staff, it is presented to Council and made public. A period of review follows.

A special Council meeting is held for budget deliberation with presentations of department business plans. Council considers all aspects of the budget and aims to finalize a budget aligned with the Town's strategic priorities and operational needs.

On Budget Adoption Day, Council is requested to approve the finalized budget.

Town staff drafts
proposed budget

Public survey done to
inform draft budget

Town staff presents recommended
budget & business plans

Town Council deliberates
& adopts budget



2020 Town Budget & Fees
Presentation & Deliberations
Tuesday, Nov. 12, 2019 @ 7 pm
Tuesday, Nov. 19, 2019 @ 5 pm

Council
Chambers

2020 Town Budget & Fees Adoption Day
Tuesday, Dec. 10, 2019 @ 7 pm



Budget: As an Instrument

The Town budget is the basis for determining the amount of taxation levy.

It links Council's priorities and operational needs to the financial resources required to implement Council-approved:

- Departmental business plans and strategic priorities
- Programs and services
- Master plans, Official Plan and studies
- Capital projects

Quarterly variance reports are prepared to monitor progress. The budget is a key instrument of financial management & control.

Annual reporting out on Council's strategic priorities demonstrates progress and alignment with approved budgets.



2020 Budget Internal Forces

- Finding efficiencies:
 - MMF projects – community engagement, organizational review, mobile technology, community LED signs; Council meeting livestreaming
- Town Hall Expansion:
 - Expanded Council Chambers & staff work areas; improved customer service interface; upgraded technology
- Customer Service:
 - Enhancements through updated policies, staff training, new website, improved communications, on-line services, Cityworks for citizen concerns
- Shovel-Ready Projects:
 - Grant outcome for Hub/Sportsplex, development readiness projects, asset management/lifecycle: water, wastewater, roads
- Emergency Preparedness:
 - Flood response policy & action plan; shoreline analysis; storm water management; review Community Emergency Management Plan
- Plans, Studies & Pilots:
 - Community Safety & Wellbeing Plan; New Official Plan; Storm water master plans; Parks & Recreation Master Plan; Community Benefit Charges; Urban Hens
- Operations & Interfaces:
 - Maintaining programs & services; changing community policing rules; staff retirements & recruitments; regional collaboration; project advocacy with Federal & Provincial governments



2020 Budget External Forces

- Municipal Landscape
 - Infrastructure Grant Programs
 - Provincial Reviews & Reforms
 - Climate Change
 - New Federal Government
 - Federal & Provincial Budget Uncertainty
 - Market confidence



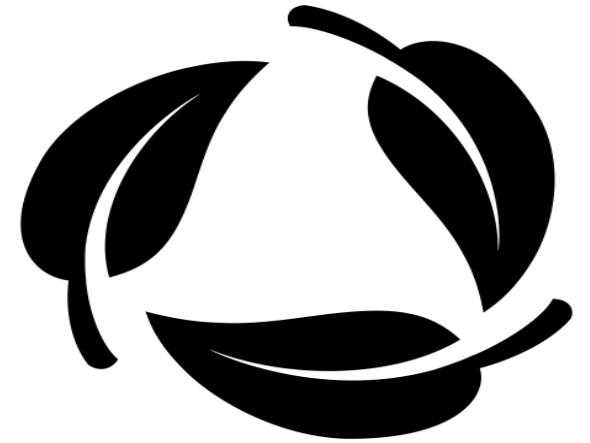
Development Readiness

- Ryegate Condos – commencing 2020
- Skyline Apartments – commencing 2020
- Harbour Club Condos – commencing 2020
- Gateway Towers – commencing 2020
- Del Duca Plan of Sub – commencing 2020



Development in Progress

- Manning Road Secondary Plan Area
- Santarossa Industrial Park
- Tecumseh Hamlet Secondary Plan
- St. Gregory's Surplus Land site Church site
- Lanoue site West of Manning
- Victoria School site
- Bashi site



Budget: Value for Money

- Manage services and service levels efficiently
- Respond to program & service inquiries, concerns
- Risk & issues management
- Customer service
- Optimize technology
- Project management
- Fiscal responsibility
- Transparency & Accountability
- Regional, provincial & national engagement



2020 Proposed Business Plan and Budget



2020 Business Plan and Budget Overview

Electronic Document Overview

1. Transmittal
2. Executive Summary
3. Budget Reconciliation – PSAB Adjustments
4. Recommended New Staffing Enhancements
5. Operating Budget
6. Lifecycle
7. Reserves
8. Supplementary Information
 - Budget Process
 - Revenue and Expenditure Analysis



Council Consideration

- Municipal general tax levy \$24.2 M
- Tax rate increase 0.4% - Levy increase of 3.3% after growth
- Consolidated levy increase ~ 3.1% expected
- \$69 Town increase on \$250K home
- \$123 consolidated increase on \$250K home
- Market Value assessment (2016 CVA)
 - Ontario >23% increase
 - Tecumseh >14% increase
 - Assessment lags Province – should lead to reduced Education burden
 - Assessment growth strong in 2016-2018



Budget Process

- Department budgets formulated
 - **4.8%**
- Administration review
 - **3.3% - Net of growth = 0.4% tax rate increase**
- Table budget with Council **November 12**
- Council Review **November 19**
- Council budget by-law approval **December 10**



2020 Proposed Levy Summary

Budget Drivers	2019	2020	2021	2022	2023	2024
		Proposed				
Base Department Operations (excl Pay/Ben)	1.19%	-0.38%	0.77%	0.88%	0.78%	0.76%
Service Level Enhancements	0.55%	1.19%	0.17%	-0.31%	0.00%	0.00%
Payroll/Benefits	1.19%	0.92%	0.64%	0.64%	0.66%	0.64%
Police Services	0.41%	0.31%	0.29%	0.28%	0.31%	0.34%
Sub-total - Operating	3.33%	2.03%	1.87%	1.49%	1.75%	1.74%
Lifecycle	0.45%	0.81%	0.83%	0.80%	0.78%	0.75%
New Infrastructure Levy	0.67%	0.86%	0.83%	0.80%	0.78%	0.75%
Sub-total - Capital	1.12%	1.66%	1.65%	1.60%	1.55%	1.50%
Total	4.45%	3.70%	3.53%	3.09%	3.30%	3.24%
Assessment (Growth)/Loss	-1.75%	-0.43%	-0.41%	-0.60%	-0.58%	-0.56%
Total w/ Growth factor	2.70%	3.27%	3.11%	2.49%	2.72%	2.67%

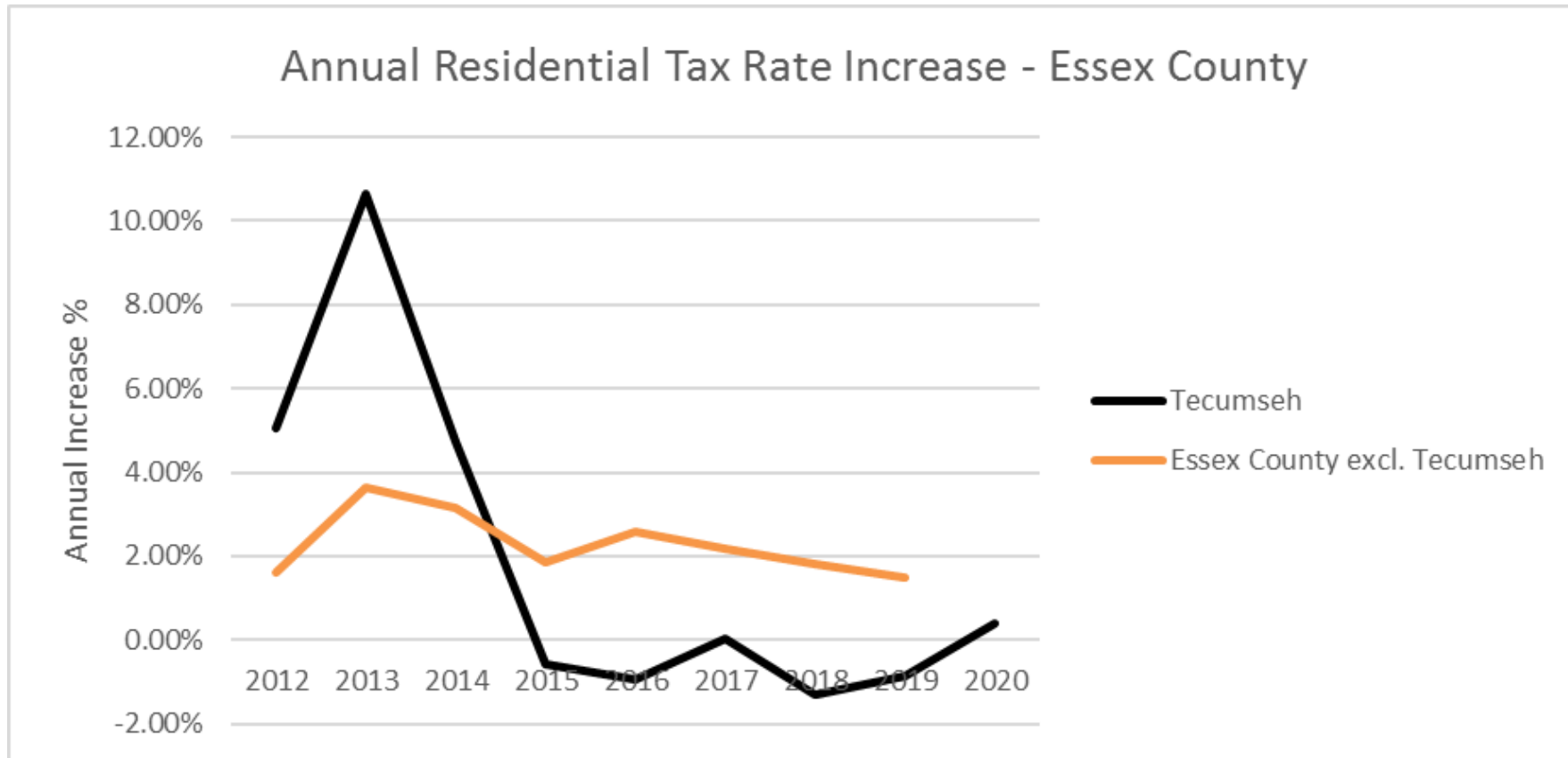


Comparative Levy Forecasts

	2017	2018	2019	2020	2021	2022	2023	2024
2015 Municipal Budget and projected future levy increases	1.04%	1.10%	1.08%	N/A	N/A	N/A	N/A	N/A
2016 Municipal Budget and projected future levy increases	0.21%	0.75%	1.96%	2.03%	N/A	N/A	N/A	N/A
2017 Municipal Budget and projected future levy increases	2.69%	3.10%	2.50%	3.06%	2.84%	N/A	N/A	N/A
2018 Municipal Budget and projected future levy increases	N/A	2.14%	2.63%	3.01%	2.61%	2.21%	N/A	N/A
2019 Municipal Budget and projected future levy increases	N/A	N/A	2.70%	3.14%	2.29%	2.10%	1.66%	N/A
2020 Proposed Municipal Budget and projected future levy increases	N/A	N/A	N/A	3.27%	2.70%	2.30%	1.96%	1.96%



Tax Rate Increase – Essex County



Key Expenditure Impacts

- New Infrastructure Reserve \$ 200,000
- Lifecycle \$ 188,000
- Salaries/Benefits \$ 437,000
 - Service level enhancements \$215,000
 - 53rd pay period \$143,000
 - Balance (negotiated, one-time reversals) \$ 79,000
- Operations \$ 165,000
 - Contracts (Policing/Garbage) \$ 85,000
 - Storm (\$100k from reserves)



Key Expenditure Impacts

Service Level Enhancements

- ICS – one co-op summer student
- Fire – two volunteer firefighters, training overlap due to retirement
- Public Works – one Project Technician
- Arena – one Sportsplex Fundraising Coordinator (funded by reserve)
- Arena – additional hours for part-time clerks
- Corn Festival and Special Events – one seasonal, part-time Assistant
- Pool, Day Camp – additional hours



Key Revenue Impacts

- Assessment Growth \$ 100,000
- Supplementary Taxes \$ (30,000)
- Senior Gov't Grants \$ (92,000)
 - Provincial Gas Tax – Transit \$ (75,000)
- Building Permits \$ 50,000
- Provincial Offences Fines \$ (20,000)

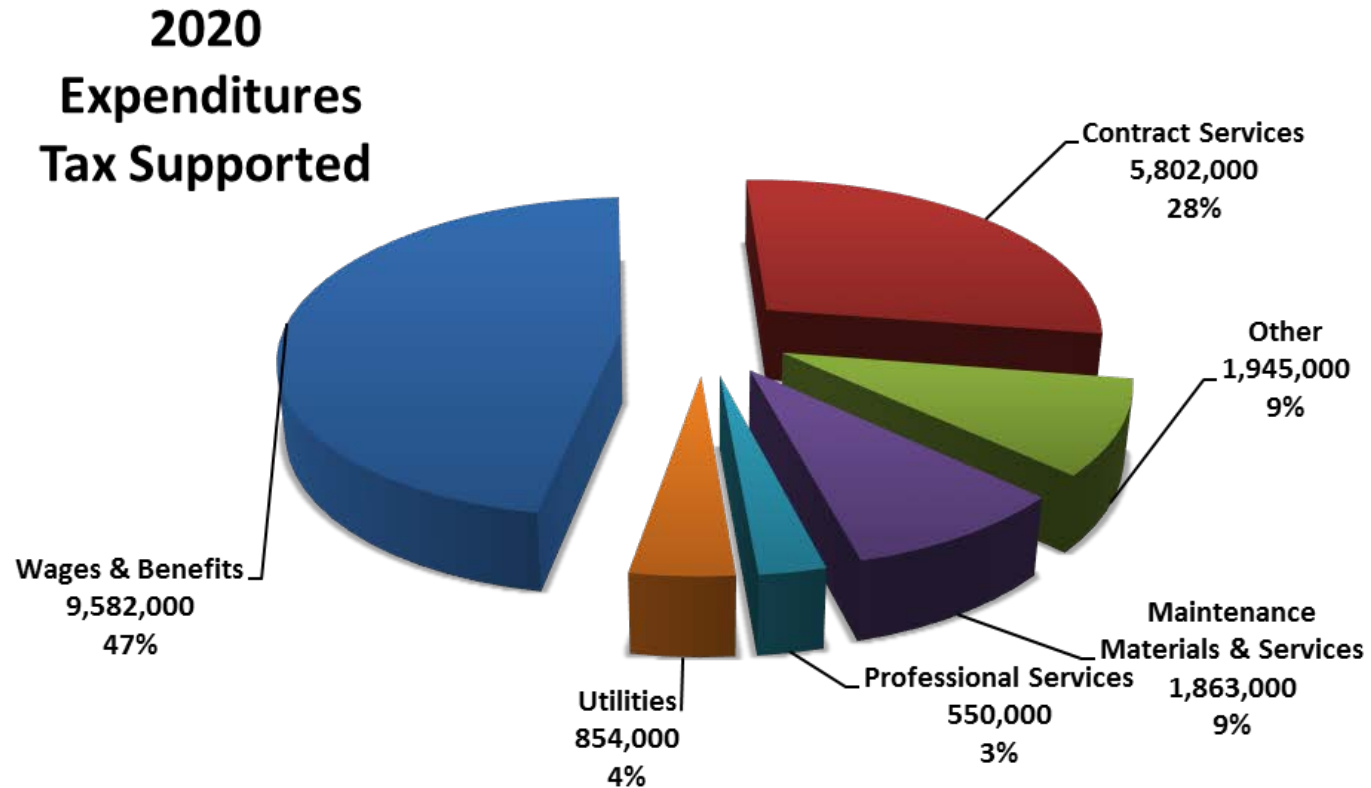


What's Not in the Budget

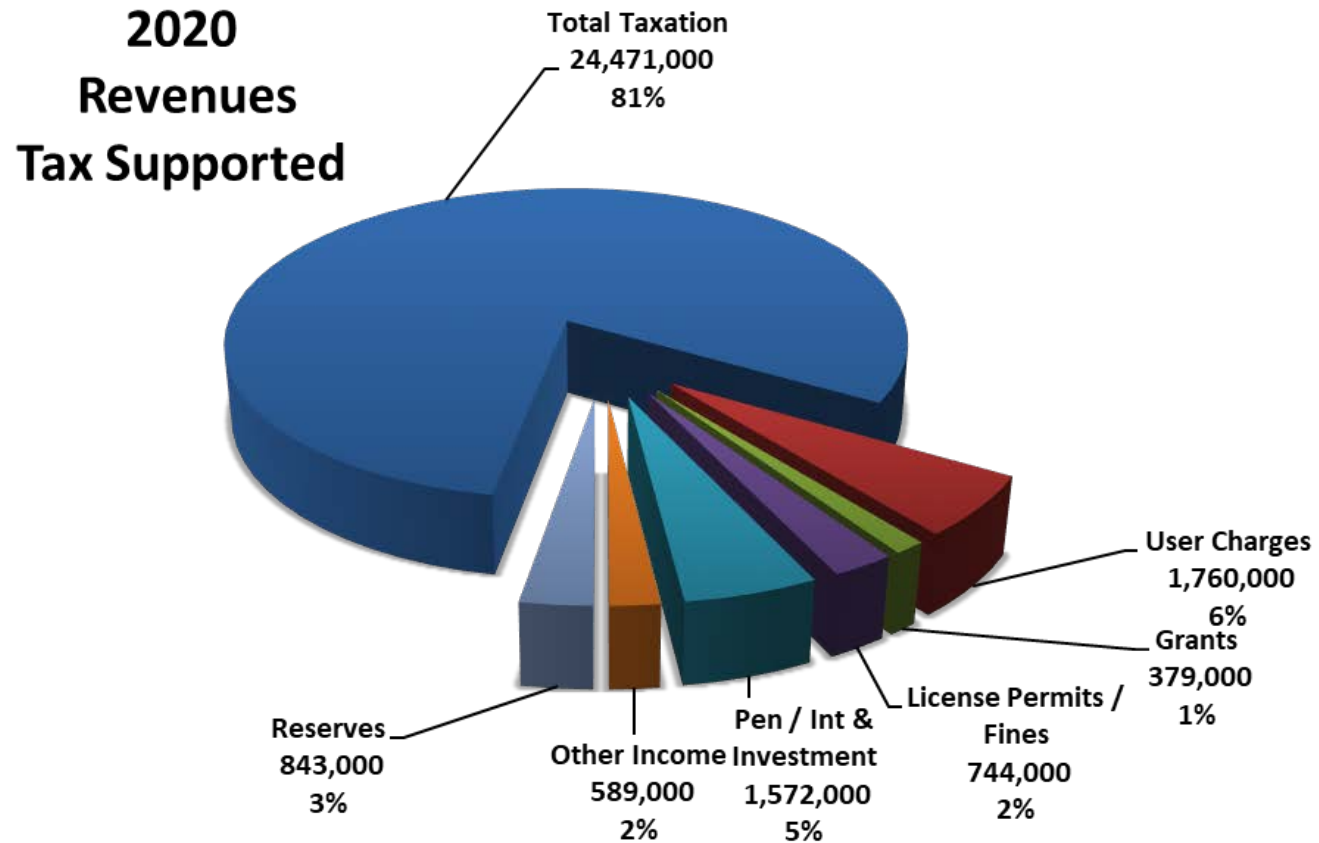
- Lottery License Litigation
 - up to \$7M???
- Storm Drainage Master Plans Implementation
 - ????
- Multi-Use Sportsplex – operating costs
 - Impact to outlook years (2020 budget accommodates debt financing)
 - Early estimate – 2% increase to general levy
 - \$250,000 net operating expenditure
 - \$250,000 annual LC requirement - to be built up over 5 years



...Operating Budget Expenditures



Operating Budget -- Revenues



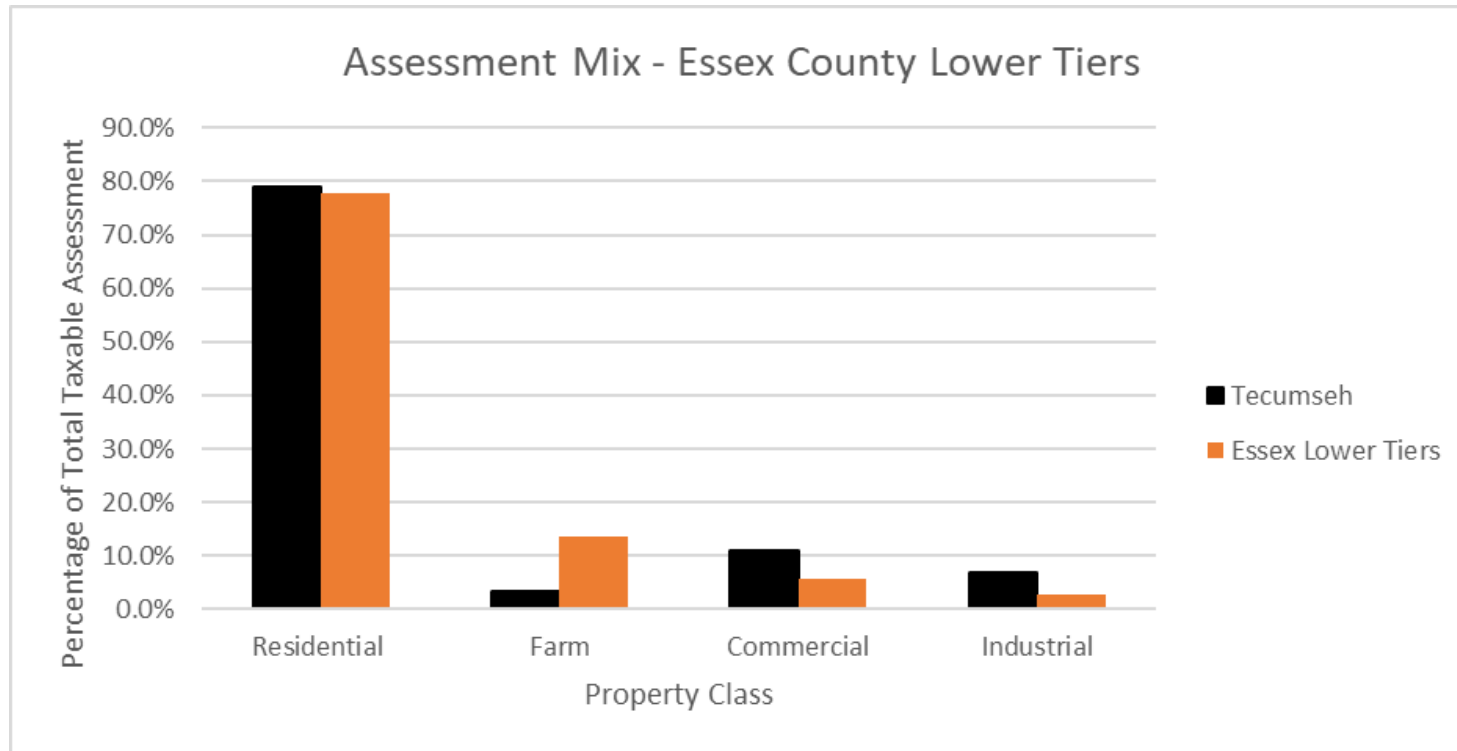
2020 Tax Levy Change -- \$250K Home

Levying Authority	2020 Levy	2019 Levy	Dollar Difference	Percent Difference
Municipal	\$1,820	\$1,751	\$69	3.95%
County	\$1,226	\$1,166	\$60	5.07%
Education	\$383	\$389	\$(6)	(1.62)%
Total	\$3,429	\$3,306	\$123	3.69%

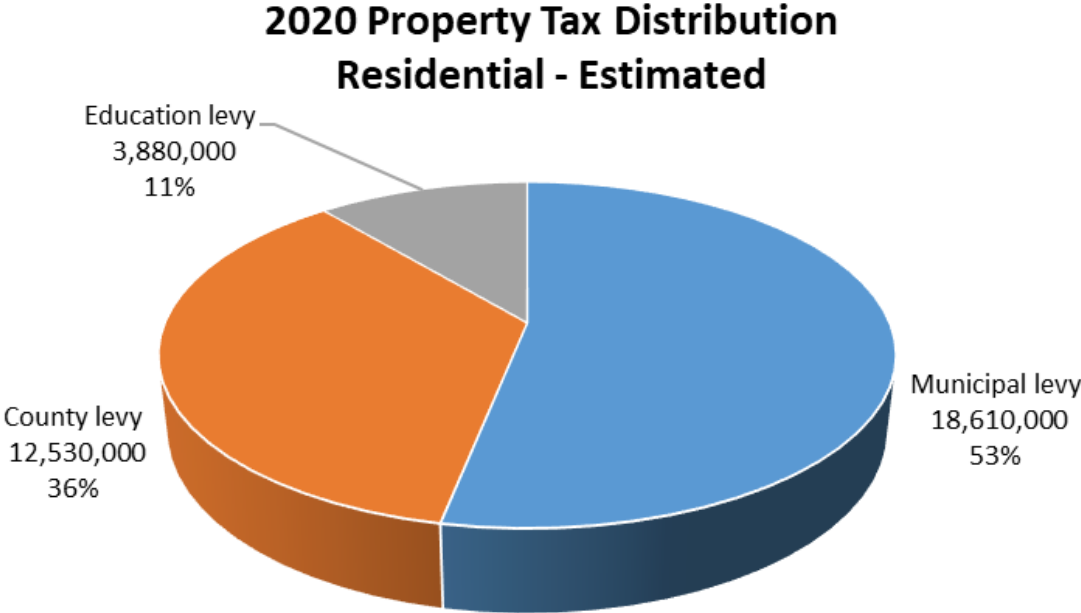
- Assumes “average” Residential property which would experience an estimated Current Value Assessment phase-in increase of 3.5%, i.e. 2019 CVA of \$241,500 becomes 2020 CVA of \$250,000



Assessment Mix

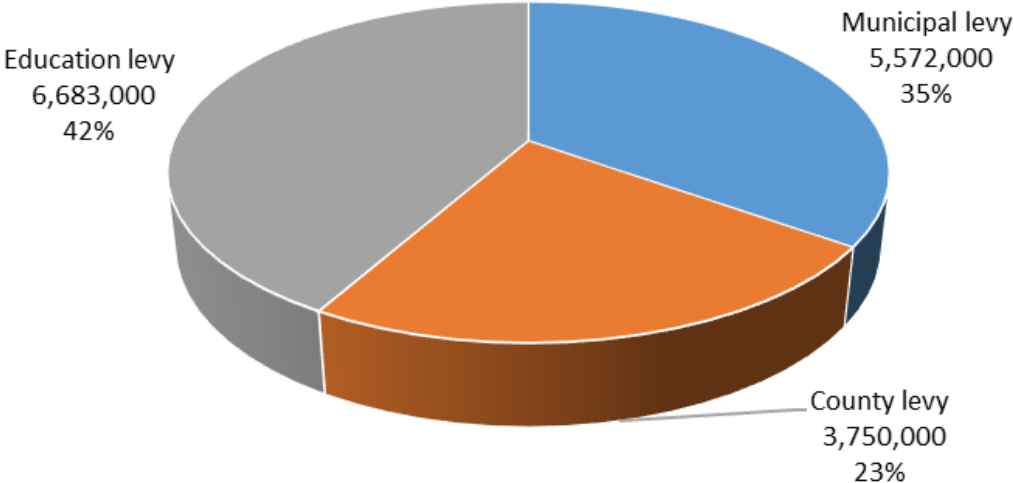


Tax Distribution

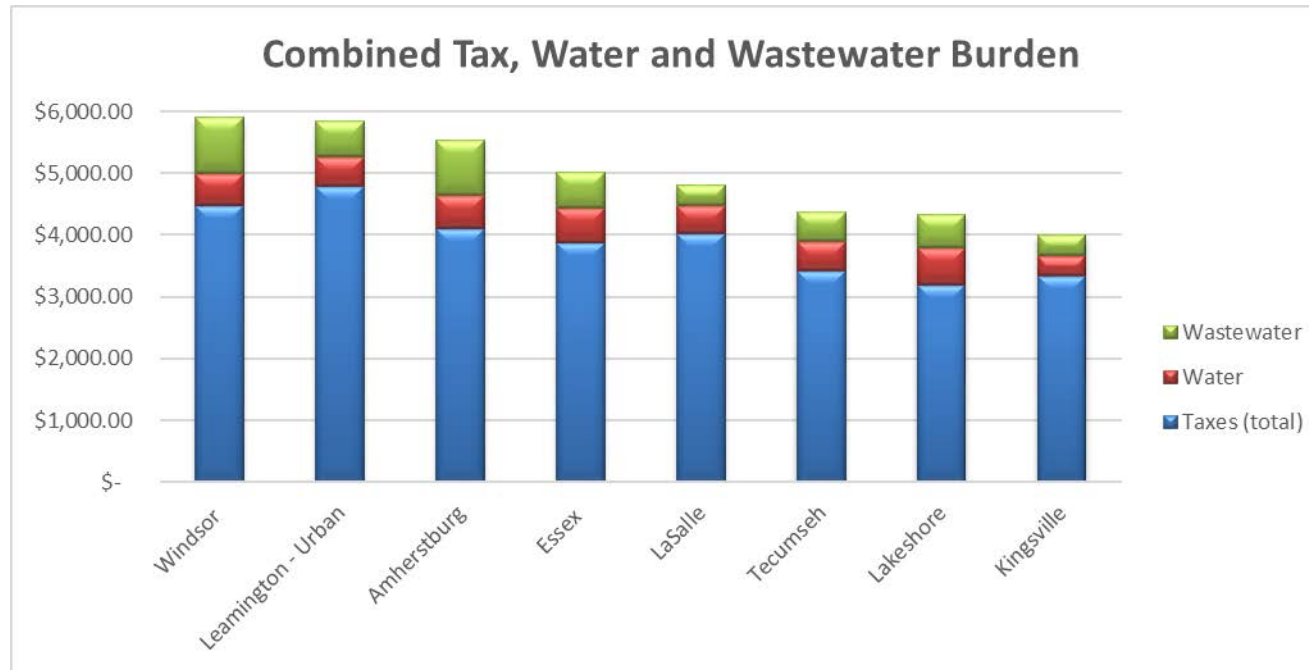


Tax Distribution – Non-Residential

**2020 Property Tax Distribution
Non-residential - Estimated**



2019 Comparative – Essex County



* - Property Taxes calculated based on home with an assessed value of \$250,000. Water and Wastewater Fees based on monthly consumption of 20 cubic meters.



Rate Supported – Water and Wastewater

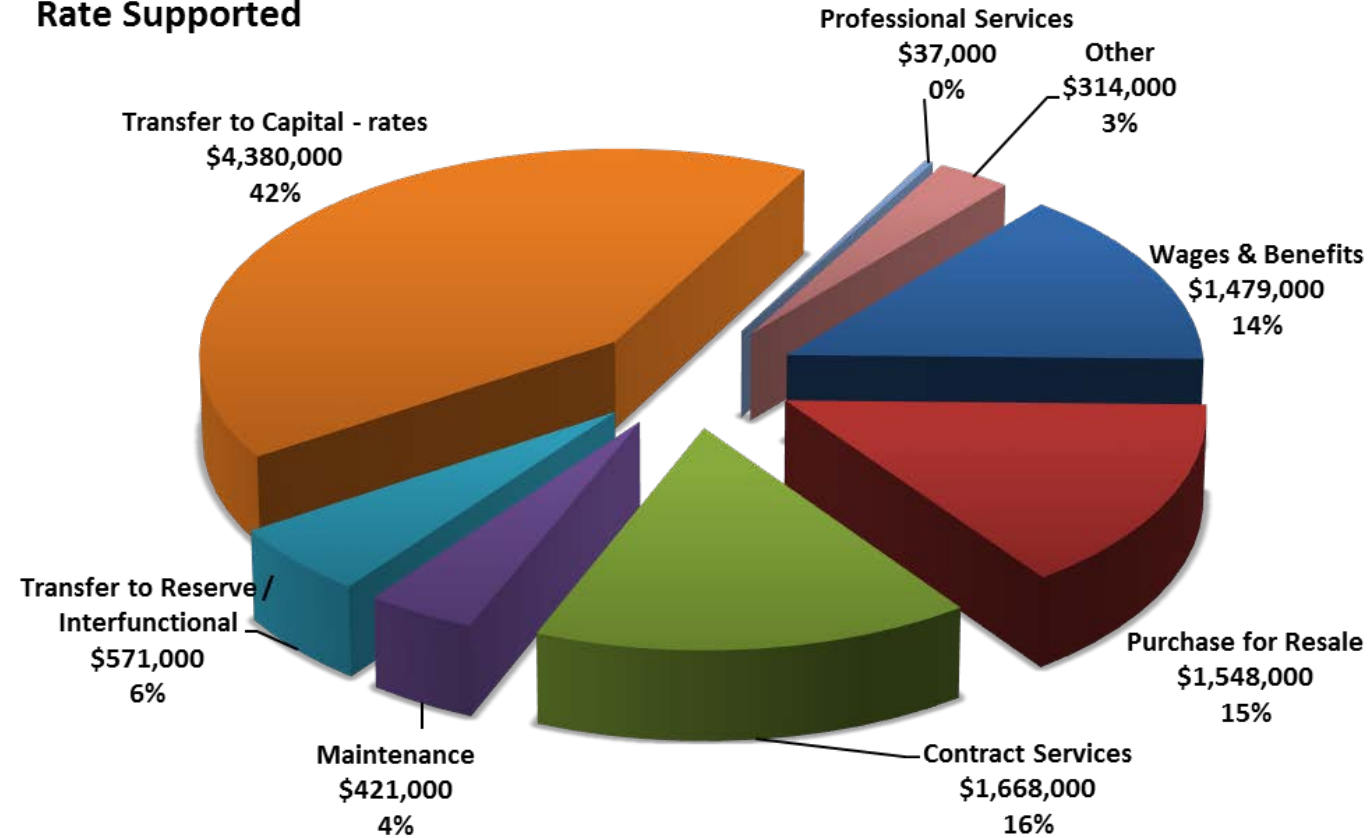
- Full Cost Recovery Rates - 2015 Rate Study (water adjusted for WUC 10 year rate review)
- Rate increase average residential user
 - 2020 \$37 or 3.9% (\$942 to \$979)*
- Rate revenue
 - Wastewater \$4.9M
 - Water \$5.4M
- Annual target capital funding 4.4M

*Based on monthly consumption of 20m³.



Rate Supported Operating Expenditures

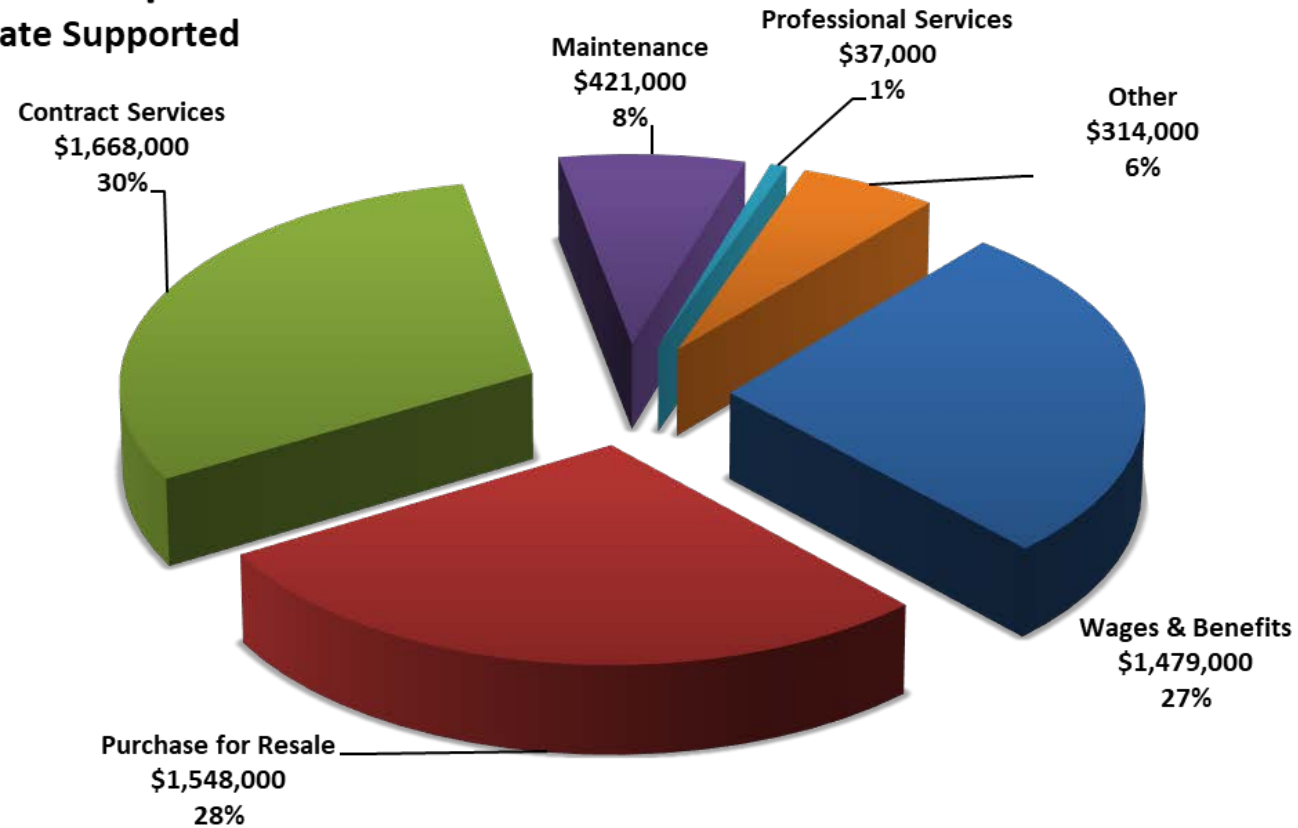
2020 Expenditures Rate Supported



Rate Supported Operating Expenditures

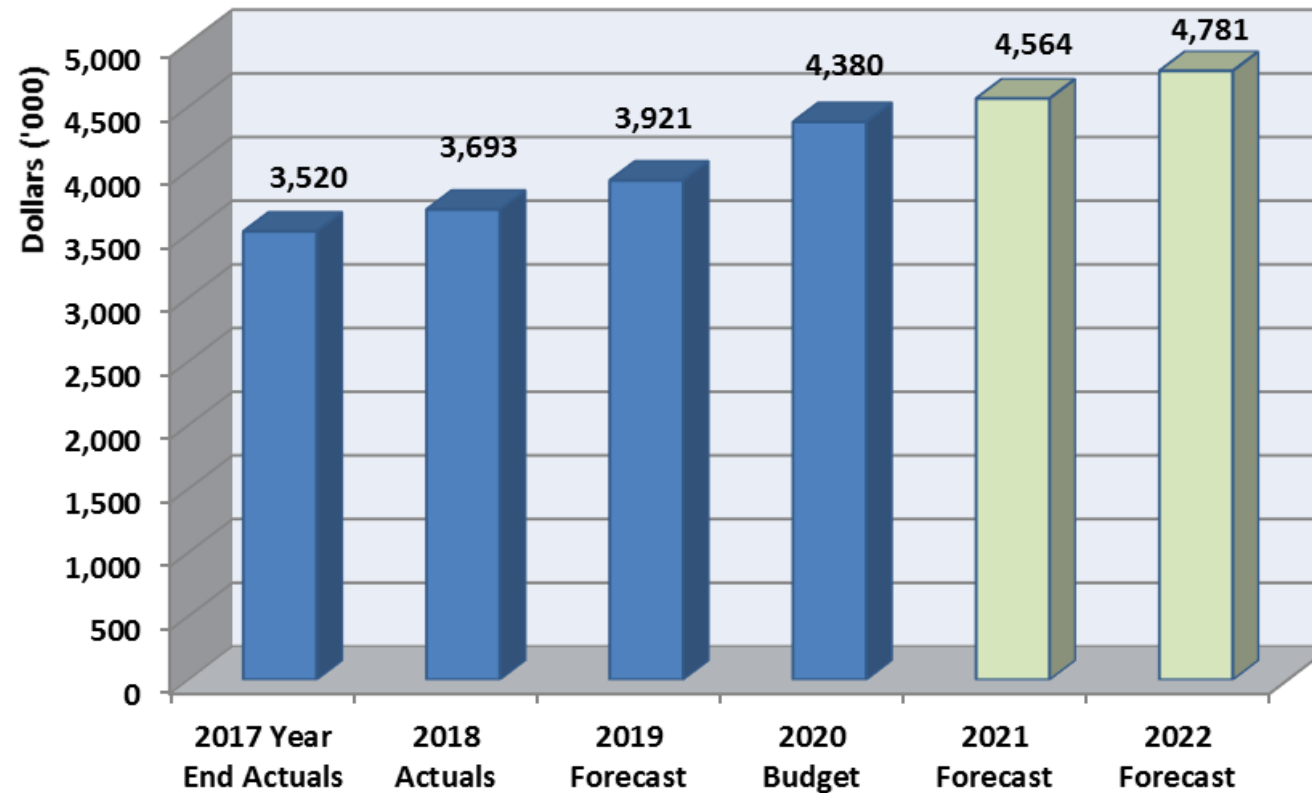
2020 Expenditures

Rate Supported



Rate Supported Transfer to Capital

Transfer to Capital - Rates



Sanitary Sewer – Key Items

- DC Funding shortfall \$7M
- Flood mitigation measures
 - Sanitary sewer rehab, Phases 1 and 2 complete
 - Sanitary sewer model update for 2020
 - These projects aimed at municipal infrastructure – concern with private property I & I
 - Phase 3 postponed - lack of grant funding to assist
 - Subsidy programs
 - Backwater valve installation
 - Foundation drain disconnection
- Water/Wastewater Master Plan update



Sanitary Sewer – Key Items Continued

- 8th Concession sewer area
 - Cost recovery by-law to be created in 2020
 - Debt financing required
 - Next phase County Road 46/Webster/Laval extension \$5.2M
- Tecumseh Road Sanitary Sewer
 - Project advanced to accommodate development opportunities \$3.1M
- County initiated projects
 - Advanced municipal projects, i.e. County Road 42



Water Key Items

- Declining consumption
- Watermain breaks
 - Cast iron & ductile watermain replacement
 - Anode installation program
 - (80% reduction in breaks)
- WUC Bulk Water Supply Agreement
 - Retro 2017
 - Negotiations
- Water/Wastewater Master Plan update



Capital Planning

- Needs studies/condition assessments
- Master Plans
- Capital Plans/Studies
- Asset Management Plan
 - (\$691M estimated replacement cost)
- County Projects/Plans
- Impact to Operating



Asset Management Plan

- AMP 2.0 adopted in 2018
- O. Reg. 588/17 requirements
 - Policy adopted June 2019
 - Plan update for July 2021
- AMP 2.0 Highlights
 - Overall annual funding shortfall of \$2.6M – categories approximately 85% funded
 - Recommended increase to LC of 0.75% per year for the plan's 20-year period
 - NIL target \$1.75M
 - 2019 DC Study Update, Storm Drainage Master Plan – post 2018



Capital Asset Strategy

- Lifecycle Funding
- NIL
- Pay as you go Policy
 - Annual interest on debt payments \$0.7M
 - Interest on \$11.2M Lakewood acquisition debt over 25 years \$6.2M
 - Current debt balance \$15M (\$1M rate supported)
- Grant Funding
 - Impact on priorities
 - Stable source of revenue?
 - ICIP streams
- Projects shovel ready for possible grant funding

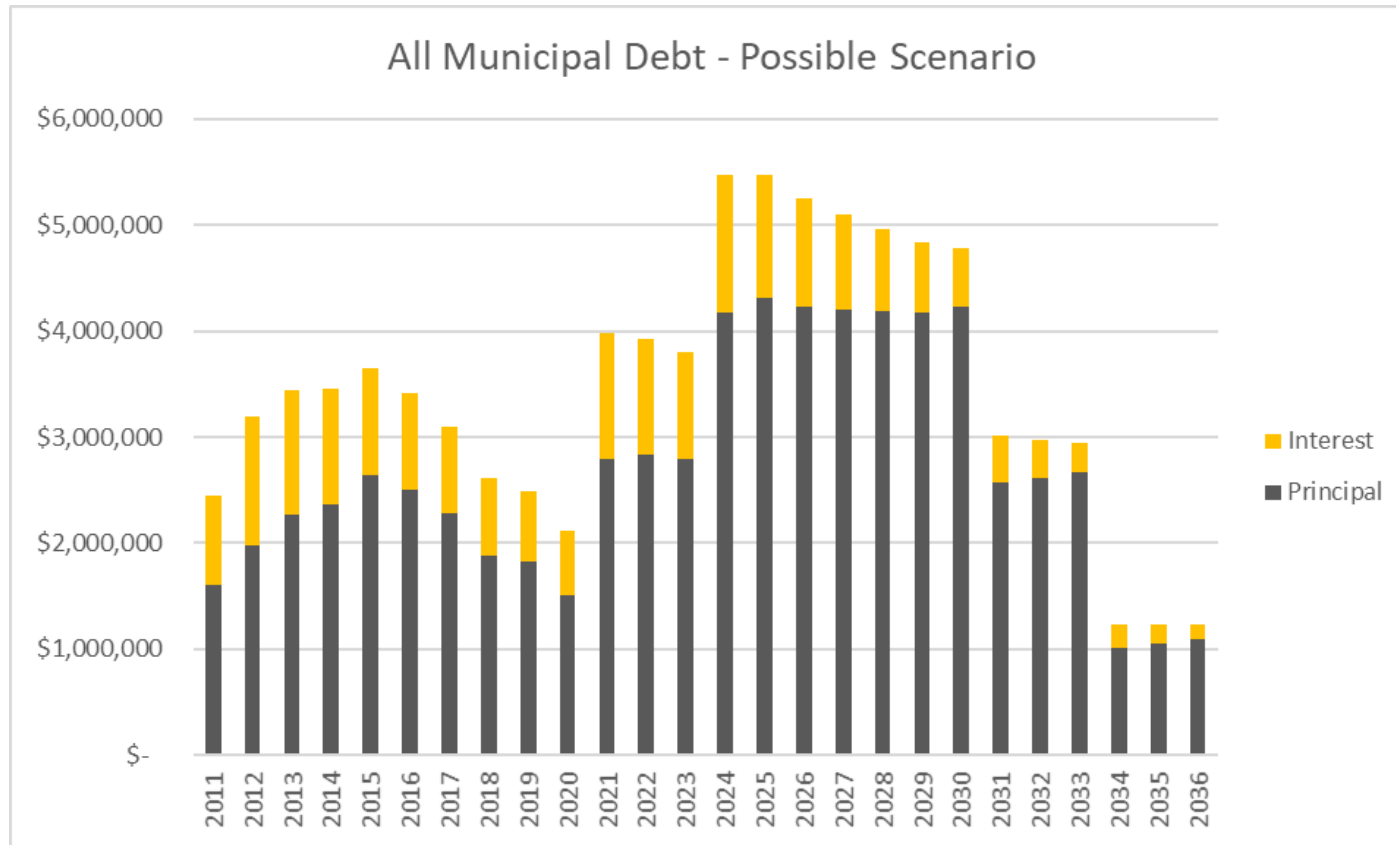


Capital Works Plans

- Approval for 2020 with forecasts 2021-2024
 - Recommendations for proposed projects follows budget process
- Estimated \$20.6M expenditures
 - Town Hall Expansion \$3.0M
 - Tecumseh Road Sanitary \$2.9M
 - MRSPA Pond Design and Construction \$2.7M
 - Hwy #3/Walker Road Watermain Replacement \$2.2M
 - Asphaltting \$1.3M
 - Scully & St. Mark's Storm Pump Station (Engineering) \$0.8M
- Multi-Use Sportsplex \$54.0M (pending ICIP funding)
- Debt Payments \$2.1M



Potential Long-Term Debt



Lifecycle/New Infrastructure Key Items

- LC Annual requirement \$7.8M
 - Storm Drainage Master Plans impact?
 - Sportsplex & CIP Streetscape?
 - Parks, Recreation and Trail enhancements
- New Infrastructure Levy (NIL) Target \$1.75M to \$2.35M
- NIL includes \$0.55M for Sportsplex debt (increase of \$100k)
- Availability of grants?



OCIF Grant

- Formula Component allocations
 - \$3,639,000 2015-2019 Received to date
 - \$1,076,989 2020 Formula – NOT CONFIRMED
- Eligible for Renewal of Existing Core Infrastructure
(or construction if it is an existing health or safety issue)
- ECI – Water, Wastewater, Roads (Bridges/Culverts)
- Save Funds up to 5 Years
- Target funds for Storm Drainage Purposes



Reserves Summary

	Actual Balance 12/31/18	Projected Balance 12/31/19	Estimated Activity 2020	Projected Balance 12/31/20
Reserves	\$27,326,000	\$30,454,000	\$(5,302,000)	\$25,152,000
Discretionary Reserves	\$11,698,000	\$10,915,000	\$(1,081,000)	\$9,834,000
Obligatory Reserve Funds	\$3,276,000	\$3,333,000	\$152,000	\$3,485,000
Total	\$42,300,000	\$44,702,000	\$(6,231,000)	\$38,471,000

Major Balances End of Year	
Lifecycle	\$15,032,000
Water	\$10,807,000
Infrastructure	\$5,513,000
Tax Rate Stabilization	\$3,129,000
Sanitary Sewer	\$(2,799,000)



Reserves Key Impacts

- \$21.3M to be used for operations & capital in 2020
- Tax Rate Stabilization Reserve is being used to fund legal fees re ongoing litigation
 - Surplus 2019 balance towards Town Hall Expansion
- Sanitary sewer DC balances are insufficient
 - 2018 DC Report shows an \$11.8M deficit
- New Infrastructure Funding Levy (NIL)
 - Updated annual target



Conclusion

- Budget Deliberations
 - SCM - November 19 – 5:00pm – 9:00pm
- Budget Approval
 - RCM - December 10



Discussion

- Q and A





Glossary and Acronyms

Glossary

Accrual Basis of Accounting – A method of accounting that recognizes revenue as earned and expenditures as incurred rather than waiting until cash is exchanged.

Actual – Actual (as opposed to budget) revenues and expenditures for the fiscal year indicated.

Amortization – The gradual reduction of the value of an asset or liability by some periodic amount. In the case of an asset, it involves expensing the cost of the item over its useful “life” – the time period over which it can be used.

Assessment – The Municipal Property Assessment Corporation (MPAC) is responsible for placing an assessment value on all properties in Ontario. In 1998, the Province of Ontario reformed the property assessment and taxation system in Ontario with the implementation of Current Value Assessment (CVA). The CVA of a property represents its estimated market value, or the amount the property would sell for in an arm’s length, open market sale between a willing buyer and willing seller.

Base Budget – In simple terms, a reflection of the budget resources (financial, human and other) that are required

to maintain service levels at the level provided in the previous year.

Budget – A financial plan for a given fiscal year showing revenues and expenditures for different funds of the Town.

Budgetary Basis – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: accrual, cash or modified accrual.

Business Improvement Area (BIA) – A Business Improvement Area (BIA) is an association of business people within a specified district, who join together with official approval of the Town, in a self-help program aimed at stimulating business.

Business Plan – This refers to a document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realized.

Canadian Union of Public Employees (CUPE) – An association formed for protecting the rights of its members, usually employees in the public sector.

Capital Budget – The budget that provides for the funding of the Town’s expenditures on capital assets, i.e. assets which provide benefits to the Town over several years.

Consumer Price Index (CPI) – A statistical description of price levels provided by Statistics Canada. The index is used as a measure of the increase in the cost of living (i.e. economic inflation).

Cost Centre – An organizational unit with a specific strategic focus and the authority to expend corporate resources in order to deliver an internal or external service.

Current Value Assessment (CVA) – Property value set upon real estate under direction of the Province as a basis for levying property taxes.

Debenture – A formal written obligation to repay specific sums on certain dates. In the case of a municipality, debentures are typically unsecured.

Debt – Any obligation for the payment of money. For Ontario municipalities, debt would normally consist of debentures as well as either notes or cash loans from financial institutions but could also include loans from reserves.

Deferral – The act of putting off until another time, or postponing.

Deficit – The excess of liabilities over assets, or expenditures over revenues, in a fund over an accounting period.

Development Charges Act (DCA) – Provincial legislation that provides guidelines on funding of identified growth related projects in the Town from developers.

Expenditure – The disbursement of appropriated funds to purchase goods and/or services. Expenditures include current operating expenses that require the current or future use of net current assets, debt service, and capital outlays. This term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

Fiscal Year – Any period of 12 consecutive months designated as the budget year. The Town's budget year begins January 1st and ends December 31st.

Fleet – The vehicles owned and operated in the Town.

Forecast – The projection of revenues and expenditures for future years.

Full-Time Equivalent Position (FTE) – A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. FTE takes into account the number of hours per week and portion of the year the position is funded. $FTE = (\text{hours worked per week} / \text{total weekly hours}) \times (\text{months funded} / 12)$. A year-around full-time position has an FTE of 1.00. A full-time position funded for six months (1/2 year) has an FTE of 0.5.

Fund – A set of interrelated accounts to record revenues, and expenditures associated with a specific purpose. A fund has its own revenues, expenditures, assets, liabilities, and equity (fund balance).

Fund Balance – A term used to express the equity (assets minus liabilities) of governmental fund types and trust funds. A fund balance is the excess of cumulative revenues and other sources of funds over cumulative expenditures and other uses of funds.

Gas Tax – Funding provided by the Government of Canada as part of the New Deal for Cities and Communities. This Federal initiative is based on a long-term vision of sustainability for Canadian cities and communities, including four interdependent dimensions: economic, environmental, social and cultural. The program is intended to achieve results leading to cleaner air, cleaner water and reduced greenhouse gas emissions.

Generally Accepted Accounting Principles (GAAP) – Nationally-recognized uniform principles, standards and guidelines for financial accounting and reporting, governing the form and content of many financial statements of an entity. GAAP encompasses the conventions, rules, and procedures that define accepted accounting principles at a particular time, including both broad guidelines and detailed practices and procedures.

Grant – A monetary contribution, typically from one level of government to another, as a means to lend support to a specific service, program or function.

Inflation – A rise in price levels caused by general economic activity and growth.

Infrastructure – The system of public works in the Town, consisting of immovable physical assets, that delivers an

essential public service (e.g. road network, water and sewer systems, and lighting).

Interest Income – Revenue associated with the Town's cash management activities of investing cash balances.

Levy – The amount of property tax, in dollars, which is paid by the Town's taxpayers. To determine the tax levy for a particular property, the property's assessment value is multiplied by the appropriate rate for the property's tax class.

Liability – A financial obligation of the Town to others.

Lifecycle – Encompasses the Town's plan to provide funding for expenditure items that are cyclical in nature.

Local Authority Services (LAS) – Local Authority Services is mandated to work with municipalities to assist them in reducing the cost of their expenditures and to increase their revenues through the principles of economies-of-scale and co-operative procurement efforts.

Long-term Debt – Debt that matures more than one year after it is issued.

Municipal Act – Passed by the legislature in December 2001, the Act is designed to allow municipal leaders the autonomy, power and flexibility they need to chart their community's future in a meaningful way and react quickly to change.

Objective – A desired specific output-oriented accomplishment that can be achieved within a given time frame. Its achievement advances both the activity and organization toward a corresponding goal.

Official Plan – A document adopted by a municipal council pursuant to the *Planning Act* that contains goals, objectives and policies to manage and direct physical change in the Municipality. Official Plans are generally set for a planning period of 20 years and must be renewed and updated every five years.

One-Time Item – An item only approved for the current budget year that is not part of the base budget.

Ontario Municipal Board (OMB) – A provincial board that provides a forum to appeal planning and assessment decisions made by the Town.

Ontario Municipal Employees Retirement System (OMERS) – OMERS is a defined benefit plan that provides pension benefits for the Town's full-time employees. Employees and employers normally make equal contributions to the plan.

Operating Budget – The budget that provides the various departments with funding for their annual recurring operating costs (e.g. salaries, materials and supplies, contracted services, utilities). Compared to the capital budget, items funded in the operating budget do not give rise to assets that are expected to provide benefits over several years.

Per Capita – A measurement of the proportion of some statistic to an individual resident determined by dividing the statistic by the current population.

Property Tax – An ad valorem (value-based) tax levied on real and personal property according to the property's assessed valuation and the tax rate.

Provincial Dedicated Gas Tax – Provincial gas tax funding that is provided to municipalities for public transportation expenditures.

Public Sector Accounting Board (PSAB) – The body of the Chartered Professional Accountants (CPA) that issues recommendations and guidance with respect to matters of accounting in the public sector. Its aim is to improve the financial and performance information reported by governments and other public sector entities for the benefit of decision makers and other users of the information.

Reserve – An allocation of accumulated net revenue that is established by Council for a particular purpose. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund. Interest earned on the invested earnings is reported as operating fund earnings and not accumulated in the reserve.

Reserve Fund – An allocation of accumulated net revenue, similar to a reserve. It differs from a reserve in that reserve fund assets are segregated and restricted to meet a specific purpose. There are two types of reserve funds. Obligatory reserve funds are required under provincial statute, while discretionary reserve funds are created by Council for a specified future use.

Revenue – Monies received from all sources (with exception of fund balances) that will be used to fund expenditures in a fiscal year.

Stakeholders – The person, group or organization that has direct or indirect stake in the Town because it can affect or be affected by the Town’s actions, objectives and policies.

Surplus – The excess of actual revenue over operating expenditures incurred during a budget period.

Tangible Capital Asset (TCA) – Non-financial assets that have a lifespan that extends beyond an accounting period. Also known as ‘fixed asset’.

Tax Rate – A percentage rate that is used to determine the property tax levy to be paid by a particular taxpayer within the Town. The rate for a property depends on its tax class, which in turn depends on the type of property (residential, commercial, industrial, etc.). The rate is multiplied by the assessment to provide the tax levy. Rates are established by Council by-law.

User Fees & Service Charges – Fees paid by individuals or organizations to the Town for the use of Town facilities (e.g. recreation fees) or for provision of municipal services (e.g. planning).

Vacancy Rebate Program – Provides tax relief to owners of vacant commercial and industrial buildings through rebates issued by a municipality.

Vital Statistics Act – Responsible for matters such as maintenance of the municipal birth and death registry and issuance of death and burial certificates.

Acronyms

AGCO – Alcohol and Gaming Commission of Ontario

AMCTO – The Association of Municipal Managers, Clerks and Treasurers of Ontario

AMO – Association of Municipalities of Ontario

AMP – Asset Management Plan

ARL – Annual Repayment Limit

BGAN – Broadband Global Area Network

CAO – Chief Administration Officer

CIP – Community Improvement Plan

COMRIF – Canada-Ontario Municipal Rural Infrastructure Fund

CPA – Chartered Professional Accountants Canada

CPI – Consumer Price Index

CWATS – County Wide Active Transportation System

CWWF – Clean Water and Wastewater Fund

DC – Development Charge

DRIC – Detroit River International Crossing

DWQMS – Drinking Water Quality Management Standard

EA – Environmental Assessment

EPC – Essex Power Corporation

EPS – Earnings Per Share

ERCA – Essex Region Conservation Authority

ERTs – Electronic Radio Transmitters

EWSWA – Essex Windsor Solid Waste Authority

FIR – Financial Information Return

FKPI – Financial Key Performance Indicators

GAC – Golden Age Club

GDP – Gross Domestic Product

GFOA – Government Finance Officers Association of the United States and Canada

GIS – Geographic Information Systems

HR – Human Resources

HVAC – Heating, Ventilating and Air Conditioning

ICS – Information & Communication Services

ISF – Infrastructure Stimulus Fund

LC – Lifecycle

LED – Light-Emitting Diode

LTFP – Long Term Financial Plan

MMS – Minimum Maintenance Standards

MPAC – Municipal Property Assessment Corporation

MTO – Ministry of Transportation

NIL – New Infrastructure Levy

NFPA – National Fire Protection Association
OCIF – Ontario Community Infrastructure Fund
OCWA – Ontario Clean Water Agency
ODSP – Ontario Disability Support Program
OFM – Ontario Fire Marshal
OILC – Ontario Infrastructure and Lands Corporation
OMB – Ontario Municipal Board
OMPF – Ontario Municipal Partnership Fund
OPP – Ontario Provincial Police
OReg – Ontario Regulation
ORFA – Ontario Recreation Facilities Association
PSAB – Public Sector Accounting Board
PWES – Public Works & Environmental Services
RCM – Regular Council Meeting
RF – Reserve Fund
RFP – Request for Proposal
RinC – Recreation Infrastructure Canada Program
SCBA – Self-Contained Breathing Apparatus
TAAC – Tecumseh Accessibility Advisory Committee
TFRS – Tecumseh Fire Rescue Service
TSMHA – Tecumseh-Shoreline Minor Hockey Association
WDS – Windsor Disposal Service

WSO – Windsor Symphony Orchestra
WTP – Water Treatment Plant
WUC – Windsor Utilities Commission



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