



THE CITY OF WINDSOR BUDGET 2014

Recycling
Sidewalks
Zoning
Strategic
Activities
Bicycle
Trails
Snow Removal
Centres
Facilities
Standards
Leisure
Museum
Tourism
Permits
Government
Parking Meters
Community Arenas
Maintenance
Repair
Gardens
Skating
Road Rep
Emergen
Grass Cu
Library
Culture
Transit
Tennis Courts
Sustainab
Customer Service
211
Recrea

City Treasurer's Presentation to Council
December 2, 2013



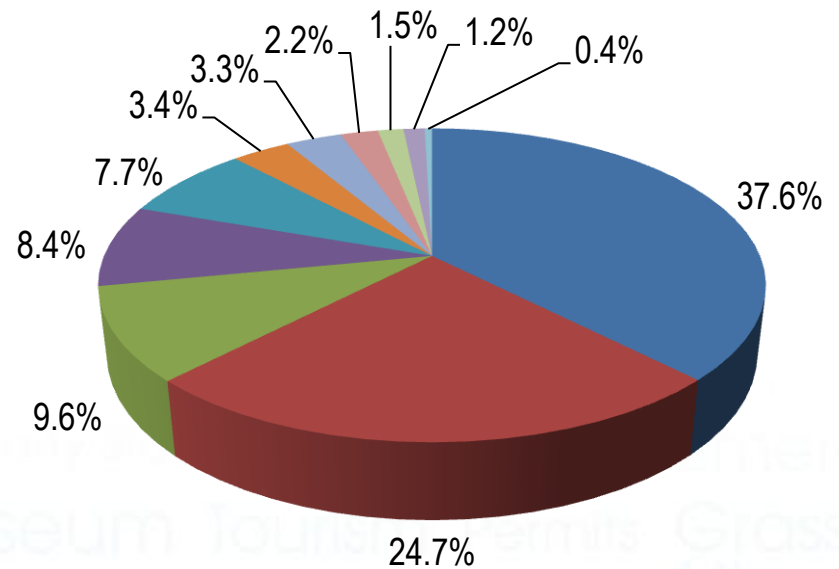
2014 Operating Budget Process

	Date
2014 Proposed Budget Process & Timeline (City Council Meeting) Public Input Opportunity	July 8, 2013
2014 Recommended Budget Tabled (Available on the Internet and all Windsor Public Libraries)	November 22, 2013
2014 Final Budget Deliberations (Beginning at 3:00 pm) Public Input Opportunity	December 2, 2013

2014 Gross Operating Budget by Major Types of Expenditures

Total Gross Expenditures: \$722 Million

- [37.6%] Salaries & Benefits
- [24.7%] Transfers for Social Services
- [9.6%] Transfers to Education Entities *
- [8.4%] Transfers to Reserves & Capital Funds
- [7.7%] Purchased Services
- [3.4%] Utilities, Insurance & Taxes
- [3.3%] Transfers to External Agencies
- [2.2%] Operating & Maintenance Supplies
- [1.5%] Financial Expenses
- [1.2%] Minor Capital
- [0.4%] Other Miscellaneous Expenditures

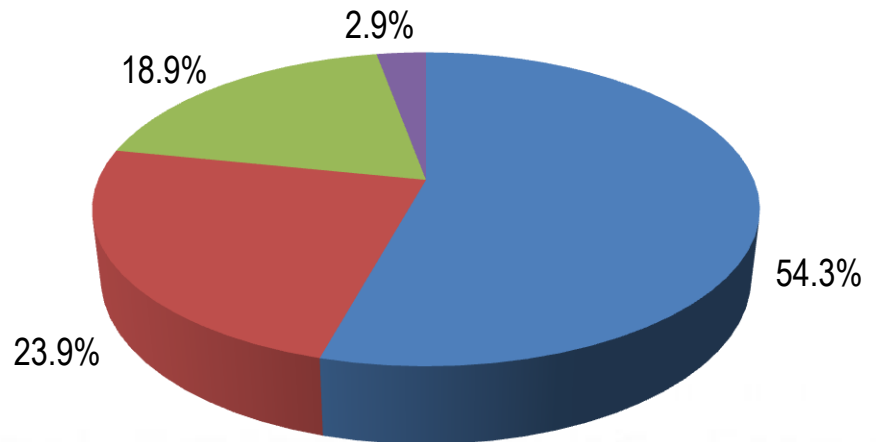


* Reflects the 2013 Education Levy as the 2014 Education Levy has not yet been announced by the Province.

How Will We Fund the Total Expenditures?

Total Gross Revenue: \$722 Million

- [54.3%] Property Taxes
- [23.9%] Grants & Subsidies
- [18.9%] User Fees & Recovery of Expenditures
- [2.9%] Other

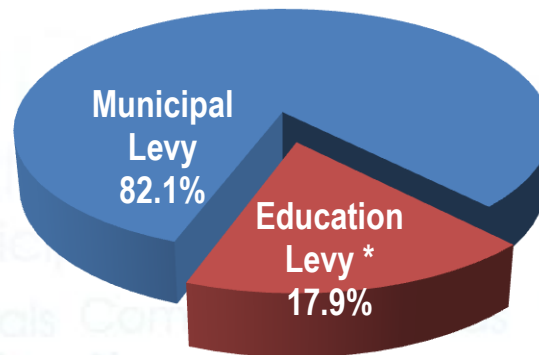


Total Property Tax Levy

2014 Total Property Tax Levy	
2013 Total Levy	\$388.0 M
2014 Total Levy	\$388.0 M
2014 Levy Change Over 2013	\$0.0 M

Property Tax Levy Decrease Over the Last 8 Years	
2006 Total Levy	\$393.8 M
2014 Total Levy	\$388.0 M
2014 Levy Decrease Over 2006	\$5.8 M

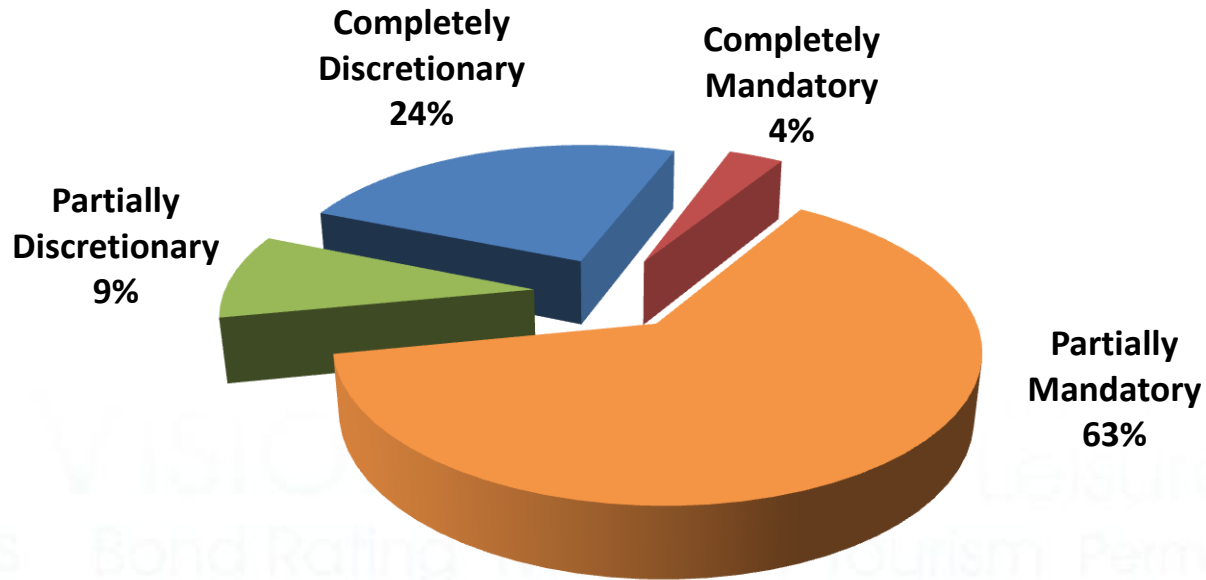
2014 Municipal / Education Property Tax Levy Split



* Education Levy reflects the 2013 level as the 2014 amount has not yet been announced by the Province.

Levels of Council Discretion

Based on the 2012 Net Program & Service Budget



Summary of 2014 Major Tax Levy Changes

Factors Driving the Tax Levy Higher

Salary, Wages & Fringe Benefit Increases

Reduction in Ontario Municipal Partnership Funding (OMPF)

Increase in Transfer to Fund Capital Projects

Insurance Premiums and Utility Costs

Various Contractual Obligations & Other Inflationary Increases

How We Held the Line on Taxes

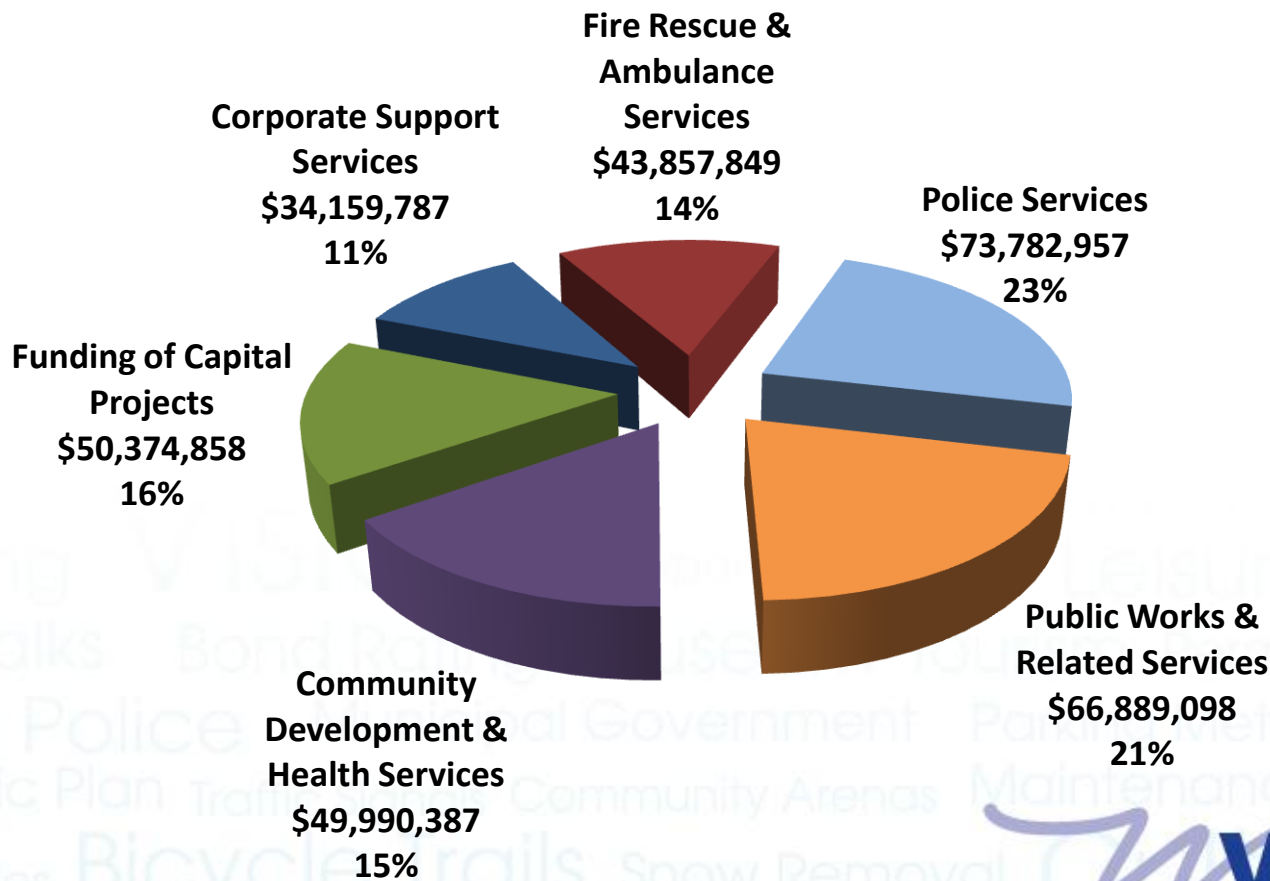
Efficiencies & Line-By-Line Departmental Cost Saving Measures

Reduction in Provision for Tax Appeals

Social Services Subsidy Increases and Upload of Costs

What is the 2014 Municipal Tax Levy Being Spent On?

2014 Total Net Municipal Levy: \$319,054,936



Capital Budget

- Total funding available for the Capital Budget 5-Year Plan is \$446 million
- Capital Budget expenditures for 2014 is \$95.2 million (*prior to any enhancements Council may approve*)
- Total projected spending on roads and sewers in the 5-Year Plan is \$213 million or approximately half of the total capital budget (*prior to any enhancements Council may approved*)
- Total Capital Budget expenditures 2004-2018 is approximately \$1.5 billion.

Sewer Surcharge – No Overall Increase

- The total Sewer Surcharge revenues are being held at 2013 levels. Rates have been adjusted to offset the Windsor Utility Commission water rate increases that is effective January 1, 2014.
- WUC has advised the City that it is eliminating the calculations they are currently doing which provide data used to exclude from the sewer surcharge the extra summer water consumption that is not returned to the sewer system (washing cars, watering the lawn, etc.)
- We have recommended a reduction of the overall sewer surcharge consumption charges to offset this change in WUC methodology.
- However, without the individual consumption data previously provided by WUC, there will be a shift among customer types.
- Customers that use much more water in the summer than in the winter, will see an increase in costs.
- Other users will see a decrease in costs.

How Will Tax Payers Be Impacted by the 2014 Budget?

- The City will be collecting approximately the same total municipal tax levy as last year.
- However, the impact on individual tax payers will depend on their MPAC assessment revaluation results compared to the average MPAC revaluation results, as well as the tax ratios that will be approved by Council in the spring of 2014.
- As part of the tax policies report, administration will provide City Council with a number of tax ratio modeling options for their consideration.

- **If the City Has Been Holding the Line on Taxes,**
- **Why Are Some Tax Payers Paying Higher Taxes?**

- Holding the line means not collecting more taxes in total. That is what a municipality can control (to some extent).
- When the total tax levy is held unchanged, the impacts to the individual taxpayers will still be dependant on the change to their assessment value compared to the average assessment levy change.
- Those whose assessment value changed by the average, will pay the exact same amount.
- Those that had an assessed value decrease (or an increase less than the average) will see a tax reduction.
- Those that saw a value increase greater than average (or a value decrease less than average) will see a tax increase.
- This is based on current provincial legislation which the City is mandated to follow.
- The following simplified example highlights these impacts.

THE CITY OF WINDSOR BUDGET 2014

	Year 1	Year 2	\$ Change	% Change
Total Taxes Levied	\$9,000	\$9,000	\$0	Municipality Has Not Increased Taxes
Property 1	\$200,000	<p>In this example, each of the 3 properties in the municipality is valued the same in year 1 and therefore is paying the same amount of property taxes.</p> <p>The next slide introduces the impacts of an assessment revaluation in year 2 (which as noted, municipalities cannot control).</p>		
Property 2	\$200,000			
Property 3	\$200,000			
Total Assessment	\$600,000			
Tax Rate	1.5%			
Taxes Paid	Year 1			
Property 1	\$3,000			
Property 2	\$3,000			
Property 3	\$3,000			
Total Taxes Collected by City	\$9,000			

**Though the Municipality Did Not Increase Taxes,
The Assessment Revaluation Has Resulted in a Tax Shift Onto Property #3
Because Its Assessment Decline of 5% is Less Than the Average Decline of 15%**

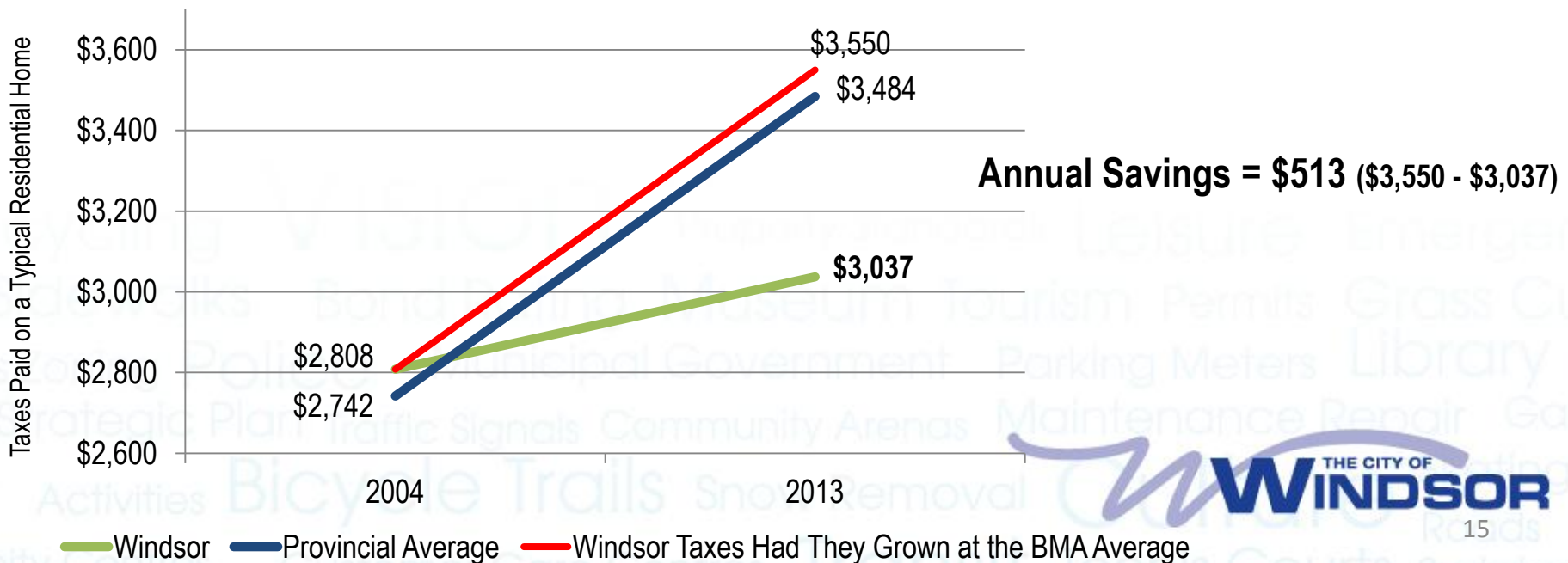
	Year 1	Year 2	\$ Change	% Change
Total Taxes Levied	\$9,000	\$9,000	\$0	Municipality Has Not Increased Taxes
Property 1	\$200,000	\$150,000	- \$50,000	- 25%
Property 2	\$200,000	\$170,000	- \$30,000	- 15%
Property 3	\$200,000	\$190,000	- \$10,000	- 5%
Total Assessment	\$600,000	\$510,000	- \$90,000	- 15% (Average)
Tax Rate	1.5%	1.76%	+ 0.26%	
Taxes Paid	Year 1	Year 2	\$ Change	
Property 1	\$3,000	\$2,647	- \$353	<i>Tax Decrease</i>
Property 2	\$3,000	\$3,000	\$0	<i>No Change</i>
Property 3	\$3,000	\$3,353	+ \$353	<i>Tax Increase</i>
Total Taxes Collected by City	\$9,000	\$9,000	\$0	No Change

How Have We Been Doing Lately Compared to Peer Municipalities?

(Taxes Paid on a Typical Residential Home – 2013 vs. 2004)

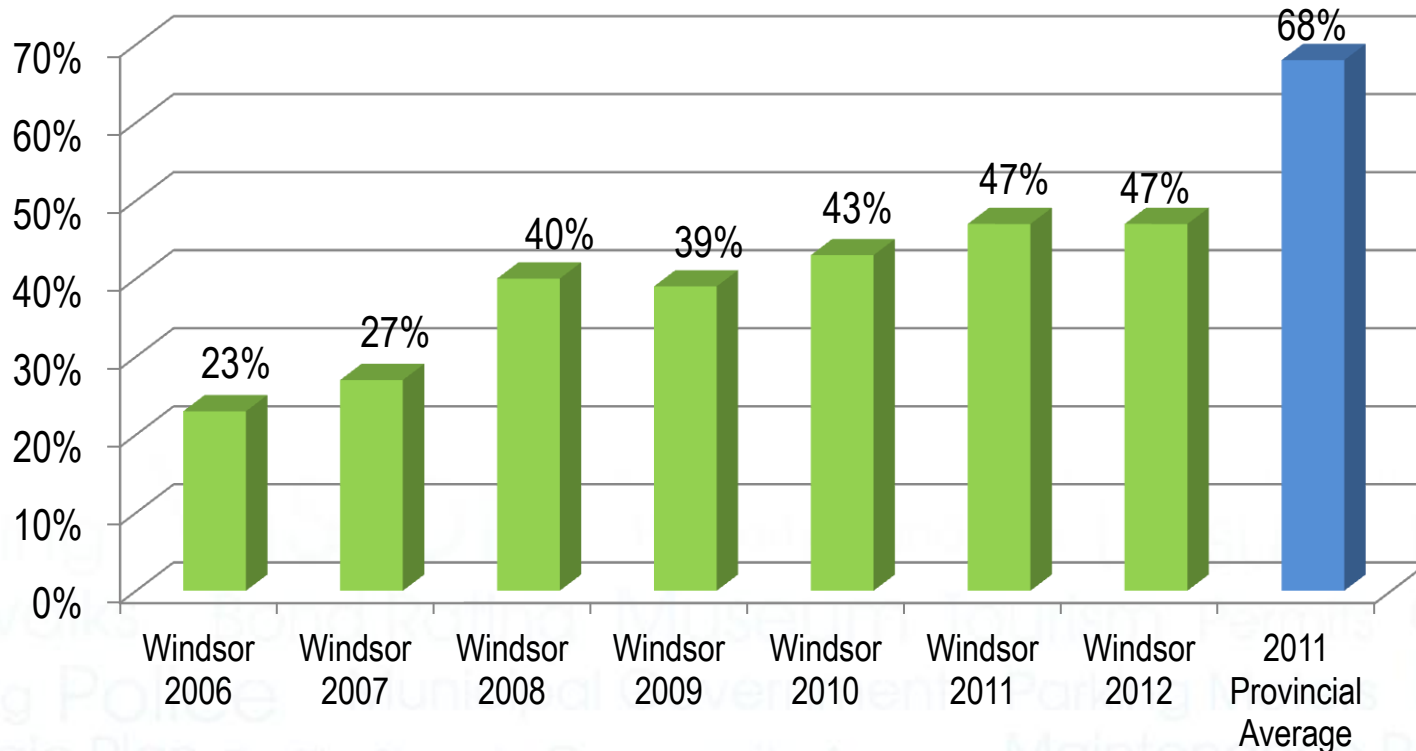
2013 BMA Study, Municipalities with Population > 100,000)

Year	Windsor	Average	Windsor Taxes Had They Grown at the BMA Average	Windsor as a % Over / (Under) the Average
2004	\$2,808	\$2,742	\$2,808	2.4%
2013	\$3,037	\$3,484	\$3,550	(14.7%)



Ontario Municipalities, Reserves as a % of Tax Revenues

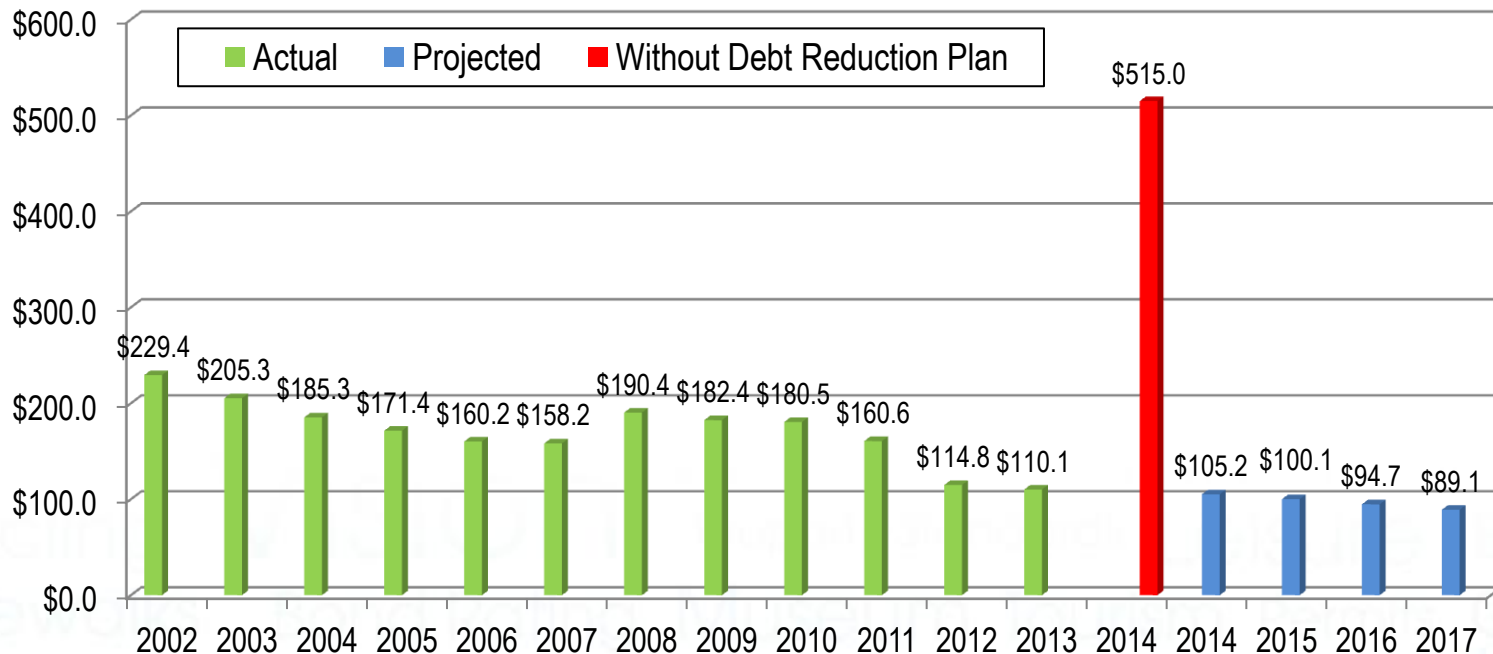
Source: BMA 2013 Municipal Study



Long Term Debt Summary (in \$ Millions)

(Reflects the Savings of the Pay-As-You-Go / Debt Reduction Policies.)

Prior to these policies, the Long Term Debt was projected to have grown to over \$370 million)



Source: City of Windsor Data

Debt Avoided = \$410 Million (\$515 M - \$105 M)

Debt Avoided Per Capita = \$1,950 (\$410 M / 210,000)

Thank you.