



WINDSOR CITY COUNCIL STRATEGIC PLANNING SESSION

TUESDAY | FEBRUARY 12 | 2019

CURRENT CIRCUMSTANCES

A | Strong Local Economy

- Low unemployment
- Increased diversification

B | Strong Financial Position of the Municipal Corporation

Bond Rating

- 1988 | BB+
- 1991 | A-
- 1994 | A+
- 1995 | AA-
- Today | AA

Declining Debt

- 2003 | \$230 Million
- Today | \$78 Million

Increasing Reserves

- 2006 | 24% of tax levy
- Today | 55% of tax levy

Increased Spending Flexibility from Fiscal Responsibility

- 2008 total tax levy | \$412m
- 2018 total tax levy | \$404m

Increased Capital Budget Base Funding

- 2003 | \$53 million
- 2018 | \$122 million

The fiscal responsibility of the past decade has increased the Corporation's financial flexibility which will be critical in dealing with the current and future challenges.



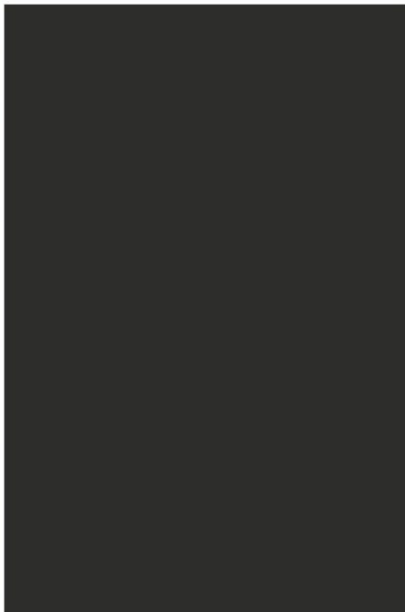
CURRENT CIRCUMSTANCES

C | Improved Inventory and Updated Condition Assessment Data for Municipal Infrastructure and Other Assets

- Update of Asset Management Plan almost complete
- Will be presented to Council in late spring / early summer 2019

D | Some Positive Movements Toward Shared Services / Regional Cooperation

- Water / Wastewater
- Policing
- Transit





CURRENT CIRCUMSTANCES

E | Other

- Strategic border location with improving connectivity
- Relatively inexpensive land and property costs
- Innovative CIPs and incentive regimes
- Two institutions of higher learning
- Relatively mild climate and abundant water resources
- International airport with valuable development lands
- Experienced dedicated administration



CHALLENGES | RISKS

A | Continued Reliance on Manufacturing Sector

- The long term financial well-being of municipality will always be dependent on the strength of the local economy
- Although progress has been made on economic diversification, the local economy remains susceptible to downturns in manufacturing or to investment decisions of major employers such as Fiat Chrysler

B | Provincial Deficit / Policies

- Provincial deficits likely to lead to reduced transfer to municipalities
 - OMPF \$23 Million at risk
 - Other grants
 - Lack of local elected officials in Provincial & Federal government
 - Increasing costs resulting from more stringent provincial legislation and regulations

C | Municipal Spending Largely Driven by Provincial Legislation/Regulations

- Approximately 20% of municipal spending is completely discretionary
- Therefore, Council's flexibility relative to spending decisions is very significantly constrained

CHALLENGES | RISKS

D | Infrastructure/Capital Assets Deficit

- Notwithstanding more than doubling capital spending in recent years (\$54 Million in 2003 to \$112 Million in 2018) assets will continue to deteriorate without very significant increases in capital spending
- Given the previously noted provincial deficit and policies, much of this pending may have to be funded by the municipality's own revenue stream

E | Funding Required to Develop the Annexed Lands

- Development studies show required expenditure in the \$800 Million-plus range
- The bulk could come from development charges (although Province is looking at changes that could substantially reduce development charges revenue for municipalities)
- Significant challenges will be faced with cash flows as much of the expenditures will be required upfront and recoveries from development charges will only materialize when building permits are issued
- There will be challenges in funding the significant taxpayer funded portion required for this development (will compete with capital expenditures to maintain current assets)

CHALLENGES | RISKS

F | Climate Change

- Very large expenditures are very likely to be required to address the impacts of climate change and the findings resulting from the **Sewer Master Plan**
- Expenditures related to reducing emissions

G | Staffing Attraction / Retention

- Nearly 50% of staff eligible to retire in the next 5 years
- Competition for qualified employees is likely to result in increased wages and staffing costs
- Loss of corporate/institutional knowledge can lead to a deterioration in service delivery

H | Affordable Housing / Homelessness / Mental Health Issues

- Significant funding required to address affordable housing demand
- Increasing costs being faced for shelters due, in part, to unmet affordable housing demand
- Mental health issues will continue to be a challenge and will require coordinated multi-party/Provincial Government responses

MAJOR STRATEGIC DECISIONS FACING CITY COUNCIL

A | Long Term and Short Term Decisions

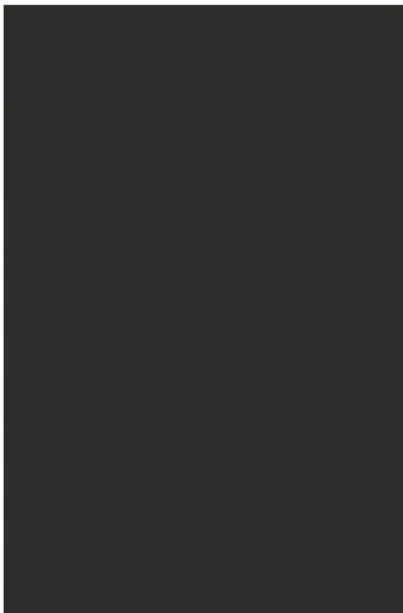
- Focusing on short term solutions in the face of challenges that require a long term approach is not likely to lead to sustainable long term successes
- Many of the challenges facing the municipality can only be solved by a consistent long term plan aimed at achieving gradual improvement
- For example, the infrastructure deficit, expenditures related to climate change and the servicing of the Annexed Lands will require an early start to increasing base capital funding in order to avoid massive spikes in property taxes or the sewer surcharge in the future
- Increasing funding and expenditures gradually will not only avoid spikes in property taxes but, it will also allow the construction industry to gradually expand so as to avoid massive spikes in tender pricing
- Funding for new capital projects should be based on master plans and will compete for scarce service expansion funds.



MAJOR STRATEGIC DECISIONS FACING CITY COUNCIL

B | Spending on New Initiatives vs. Spending on Maintaining Current Assets

- In order to reduce the significant infrastructure deficit (which is common amongst all municipalities) significant funding increases from municipal and senior levels of government will be required
- Funding on new initiatives / expansion of services will decrease funding available for maintenance of existing assets and will require more maintenance expenditure on the expanded asset inventory in the future
- City Council may therefore wish to consider establishing policies as part of the upcoming Asset Management Plan update relative to the split of available funding between maintenance and expansion projects with a focus on increasing the maintenance component



MAJOR STRATEGIC DECISIONS FACING CITY COUNCIL

C | Incremental Dedicated Capital Levies vs. Issuing Debt

- The City has not issued debt in over a decade and has funded even very large capital projects on a pay-as-you-go basis, thereby saving hundreds of millions of dollars in past and future interest charges
- Continuance of this very successful strategy will require an early start to incremental dedicated capital levies on a sustained longer term basis
- Failing to do so will likely require the issuance of significant debt in the future (or acceptance of deteriorating or inadequate assets) to deal with the infrastructure deficit and the climate change related expenditures
- Some issuance of new debt may still need to be considered in the future (ideally funded from non-property tax sources such as development charges) if the timing of the cash flow requirements cannot be accommodated through incremental dedicated levies. This would be considered a last resort given the significant interest charges associated with long term debt repayments
- Continuance of the successful Reserve Enhancement Program will bring our reserves to the level of our peer municipalities and enhance our ability to deal with spikes in cash flow requirements to help with maintaining adequate funding for any future unfunded liabilities that will no doubt arise

MAJOR STRATEGIC DECISIONS FACING CITY COUNCIL

D | Regional Cooperation / Shared Services

- As a single-tier municipality, Windsor does not generally have the benefit of sharing services across the whole region
- Significant savings are possible by entering into shared services agreements with our neighbouring municipalities
- This can benefit Windsor as well as the other municipalities
- Progress has been made in this regard (Policing, Transit, etc.)
- However, a dedication to regional cooperation and sharing of services can have significant financial and service delivery benefits for the entire region

E | Retaining and Attracting Qualified Staff

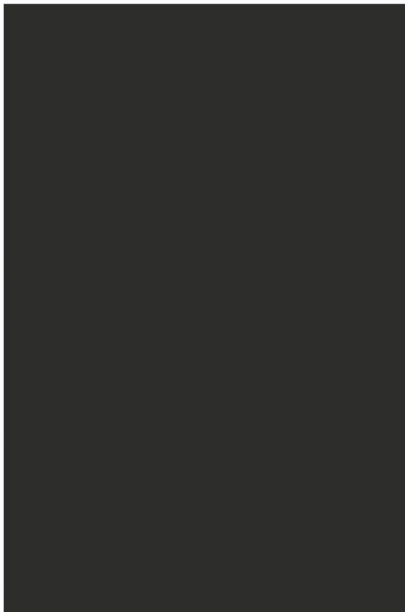
- Need to strengthen programs aimed at avoiding loss of corporate / technical knowledge
- Need to strengthen policies aimed at helping to attract good employees in a competitive hiring environment



BACKGROUND

The 20-Year Strategic Plan

Former Windsor City Council established the current 20-Year Strategic Plan in 2016. The document was intended to be the cornerstone for the City's future in the previous term of Council and beyond.



Three Main Goals were set for the next 20 years:

1. More Jobs in Windsor
2. Addressing Windsor's Reputation
3. Improving Quality of Life in Windsor



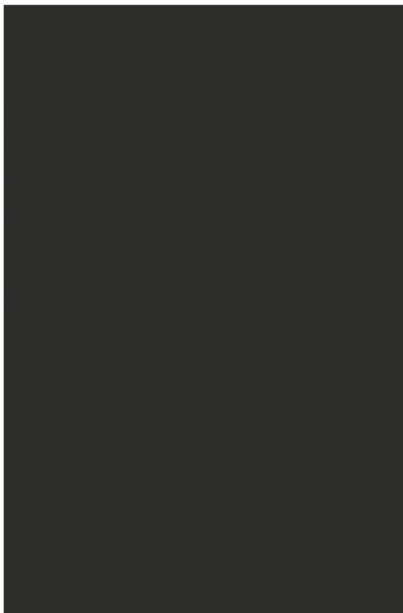
CURRENT VISION

How is the plan tailored to WINDSOR?

The Vision of the 20-Year Strategic Plan included a new focus on specific civic components:

- Local economic development;
- Responsible, balanced fiscal and service choices;
- Strengthen the City with innovative strategies to support neighbourhoods and districts; and
- The City's reputation.





CHALLENGES

What did we focus on managing?

UNEMPLOYMENT RATE

- Not enough jobs for people who want to work

ECONOMIC RESTRUCTURING

- Decline of Ontario's manufacturing sector
- Changing operating decisions of automotive industry

GROWTH EXPECTATIONS

- Forecasts for population growth and future development are modest

KEEPING THE BOOKS BALANCED

- Making prudent decisions on spending priorities while maintaining Windsor's stable financial position



STRENGTHS

What did we say helps set us apart?

STRATEGIC LOCATION

- Canada – USA Border and transportation hub
- Proximity to markets
- Favourable climate; natural riverfront setting; biodiversity

PEOPLE

- Diverse population
- Skilled and hard-working labour force

FISCAL SUSTAINABILITY

- Sound, stable financial position to make decisions

QUALITY OF LIFE

- Great place to go to school, raise a family and retire





2015-2034

Projects & Priorities

- The projects and priorities listed out in the 20-Year Strategic Plan all fell under the three main categories (Jobs, Reputation, Quality of Life). Many fell under more than one, or even all three categories.

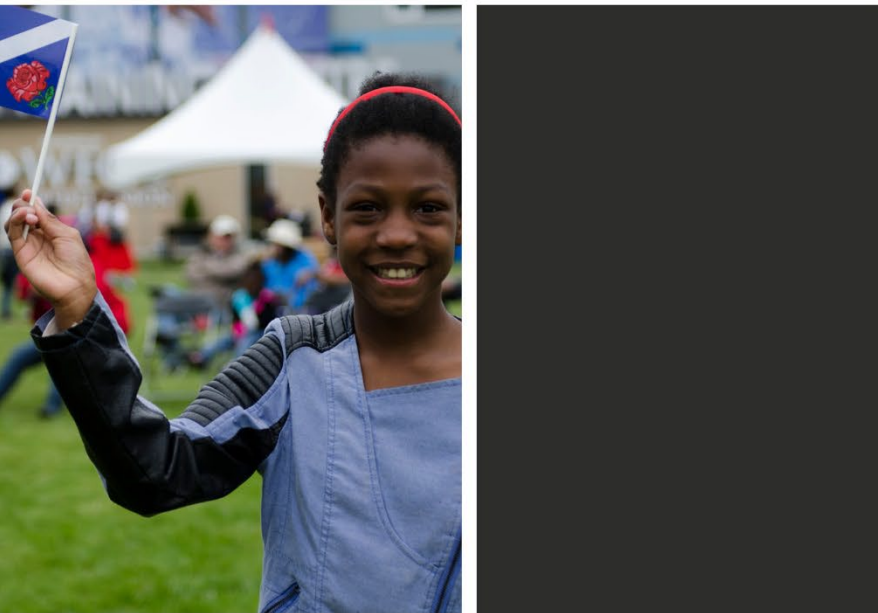


OUR PROJECTS

What we set out to do in the next 20 years...

- There were approximately 55 items on the list of projects and priorities. To date:
 - **10 projects** are fully or almost entirely complete;
 - **30 projects** are underway and partially complete; and
 - **15 projects** are not complete; either awaiting funding; or awaiting additional information through another process (i.e. Recreation Master Plan).





COMPLETE

The following projects/priorities are complete

- Maintain Competitive Tax Rates (complete *and* ongoing)
- Gino & Liz Marcus Family Change Room
- City wide Public Art Program
- Hospital Infrastructure Impact Study
- North Service Road Improvements
- Parking Technology Improvements (i.e. App)
- Ouellette Avenue Street Closing for Pedestrians
- Sandwich Town Redevelopment Program (CIP)
- Bulk Item Collection
- Princess Avenue Sewer Improvements



IN PROGRESS

The following projects/priorities are ongoing

- Wayfinding Signs Program
- Street Signage; Enhance for Seniors & Visitors (Norfolk Pilot)
- Regional Public Transit
- Bike Path System Enhancements
- New Central Library
- Cabana Road Reconstruction
- Downtown Entrances Aesthetic Improvements
- Sandwich Town Streetscaping
- Remington Park Infrastructure Improvements
- Vista Project Completion
- Central Riverfront Implementation Plan
- Central Box Transportation Improvements





IN PROGRESS

The following projects/priorities are ongoing

- Lauzon Parkway Extension
- Sandwich Town – Repurpose Jail
- Grand Marais Drain Improvements
- Sandpoint Beach Improvements
- Districting (Themes and Identity)
- Alley Closing Subsidy Program
- Norman Road Sewer Improvements
- Fontainebleau Community Centre Expansion onto Existing Library (Recreation Master Plan process)
- New Library Ward 10 – Budimir Expansion
- Indoor Soccer Facilities (Recreation Master Plan process)
- Organic Recycling Program

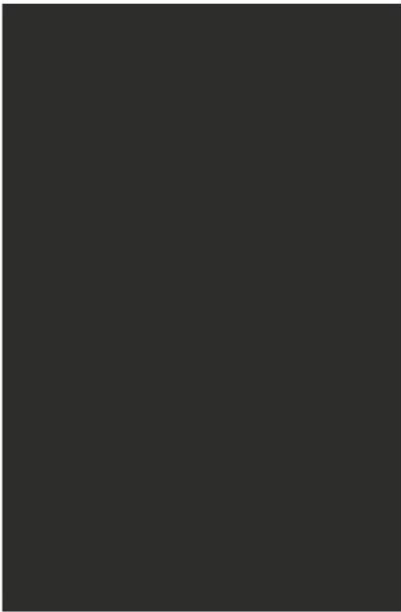




IN PROGRESS

The following projects/priorities are ongoing

- Development of a Mental Health and Addictions Strategy
- Riverfront Animation (tied to Central Riverfront Improvement Plan)
- Acquisition of Waterfront Lands (Report expected in 2019)
- Blight Reduction Program
- Banwell Road Widening
- Street Car Loop from University to VIA Rail
- E-Government Electronic Enhancements



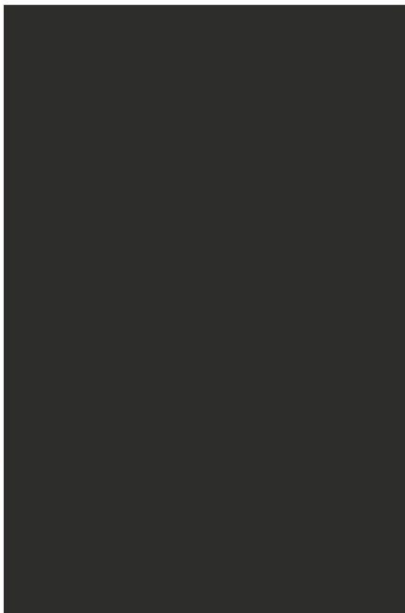


YET TO DO

The following projects/priorities have not yet begun and do not have funding allocated

- Publishing Council Voting Records Online
- Establishment of a Maker Space (WEEDC)
- Establishment of a Technology Incubator (WEEDC)
- Branding (flag, colours, tagline, etc.)
- Investment in Life Sciences / Health Sciences Sector Research and Innovation & Education Initiatives (WEEDC)
- Home Renovation Tax Credit Program
- Ford City Infrastructure Improvements
- New Skateboard Park
- Adie Knox Herman Rec Centre Expansion / Rehab





YET TO DO

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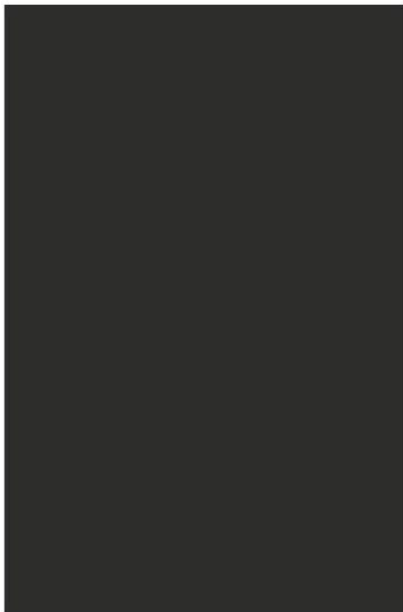
- Forest Glade Library Expansion
- New Library (Wards 1 and 9)
- New Community Centre – Ward 9 (Recreation Master Plan process)
- Ouellette Community Campus Hub (Awaiting details from the Province on plans for Ouellette campus as part of the hospital initiative)
- Pedestrian Ferry across the Detroit River
- Rail Rationalization

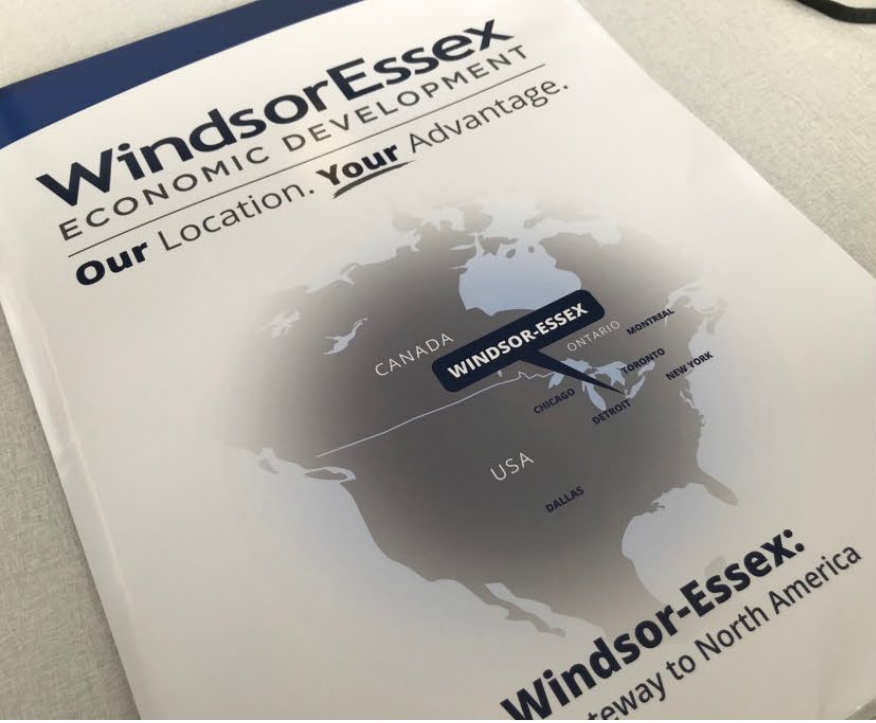


JOBS

Investments & Opportunities

- Unemployment Rate: 5.2% for January 2019
- Downtown Windsor Community Improvement Plan
- Kauth (Germany) | 350 jobs
- Quicken Loans (U.S.) | 150 jobs
- APAG Electronic | 148 jobs
- PSC (U.S.)
- Cavalier Tool Expansion | 20 jobs
- CX North America Information Services (UK)
- Lowe's | 75 full-time / 85 seasonal jobs
- EVOLTA (Finland) | 75 jobs
- REKO International Group | New Automation Facility | 30 jobs
- Ford Engine Plant | New Engine Secured | JUST ANNOUNCED





JOBS

What is in progress?

The Windsor-Essex Economic Development Corporation is responsible for advancing economic development to grow and sustain prosperity in the region.

Some 2017 Numbers:

- \$184-million in new investment from 162 business expansions and attractions (up 75% from 2016)
- Almost 1,600 new jobs, and 132 startups (up 32% from 2016)
- 11 new companies moved to the area, created 323 jobs
- Windsor and London will be the vanguard of autonomous vehicle research after being named one of just six regions in Ontario to participate in an \$80 million innovation and development project.

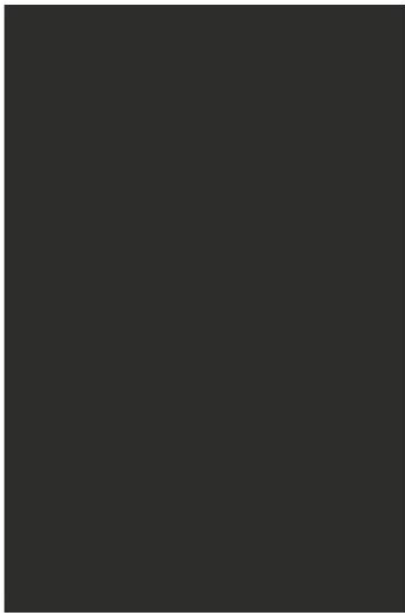




JOBS

Some Key Investments

- **Jahn Engineering** | Ontario | Investing \$602,456 supporting an additional investment of \$6,024,562 from the company. The project is creating 80 positions, retaining 80 and is expected to be completed by January 2021.
- **Reko International** | Ontario | Investing \$1,500,000 supporting an additional investment of \$13,907,242 from the company. The project is creating 30 positions and retaining 200 jobs and is expected to be completed by August 2021.
- **Technicut Tool** | Ontario | Investing \$661,722 supporting an additional investment of \$3,749,760 from the company. The project is creating 10 positions, retaining 41 and is expected to be completed by January 2021



JOBS

Some Key Investments

- **Uni-Fab** | Ontario | Investing \$585,970 supporting an additional investment of \$5,363,730 from the company. The project is creating 33 positions, retaining 129 and is expected to be completed by September 2020.
- **Windsor Industrial** | Ontario | Investing \$185,700 supporting an additional investment of \$1,671,371 from the company. The project is creating 15 positions, retaining 57 and is expected to be completed by January 2022.

“Economic development is at the heart of every great community and developing our economy really means developing a dynamic and thriving city. This doesn’t happen on its own.” | Mayor Drew Dilkens



“Over the past 11 years, Windsor has paid down debt, frozen taxes for most of those years, and dramatically improved the overall efficiency of government. Our taxes are competitive. Now our challenge is to maintain the financial gains that we have made while investing in the services we need to meet the needs of Windsorites.”





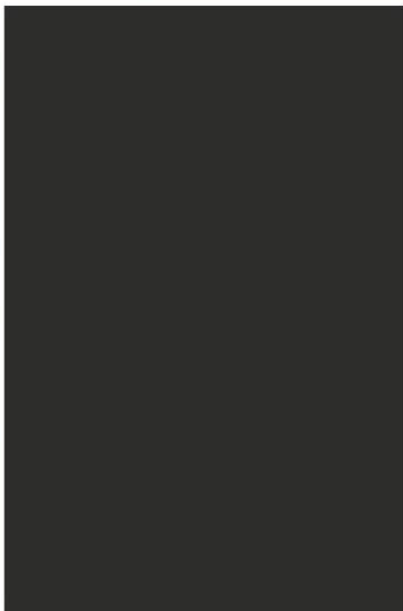
WHERE TO NEXT?

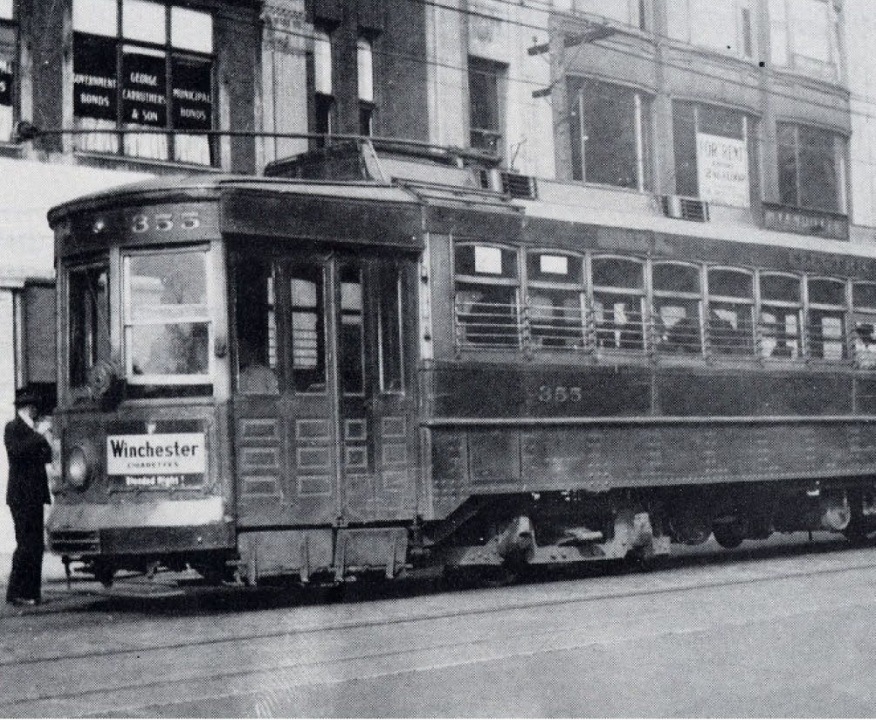
Vision | Commitments | Priorities

The 20-Year Strategic Plan focused on **Jobs, Reputation and Quality of Life** as our overall themes.

We must ask ourselves:

- What vision, themes, initiatives, commitments and priorities will help guide our current Windsor City Council?
- How can we meet and exceed the goals we set?
- What challenges will we face over the next four years?
- What do we want for our Community during our time together?





THOUGHTS

From the 20-Year Strategic Vision

“For a century, Windsor has been a centre of people who know how to build and make things. We need to build on that tradition and create a new diversified knowledge-driven economy.”

“To change our future, we need to change our attitude about our city, our partners and our prospects.”

“From the point of view of access to cultural, sporting and entertainment events, Windsor is a great place to live. We need to tell our story.”





THANK YOU