



2023 Budget Overview

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Fundamental Principles

- Appropriate levels of service are being delivered to the community.
- The Corporation is prepared to maintain its commitments to the community as represented by current discretionary funding levels (i.e. external commitments).
- Consideration has been given to the impact of decisions on the Corporation's future financial stability.

Budget Process

- Budget Assumptions / Format / Timetable
- Preparation of Preliminary Departmental Estimates
- Administrative Review
- Council Review (December 7, 2022)

Fiscally Responsible Government



- Standard & Poor's **AAA** Credit rating
 - Very low debt (\$0 Levy supported debt)
 - Health liquidity
 - Solid Reserve Strategy
 - Long standing life-cycle capital program
 - Pay-as-we-go infrastructure
- Consistent tax rates – at or below inflation

Inflation & County Tax Rates

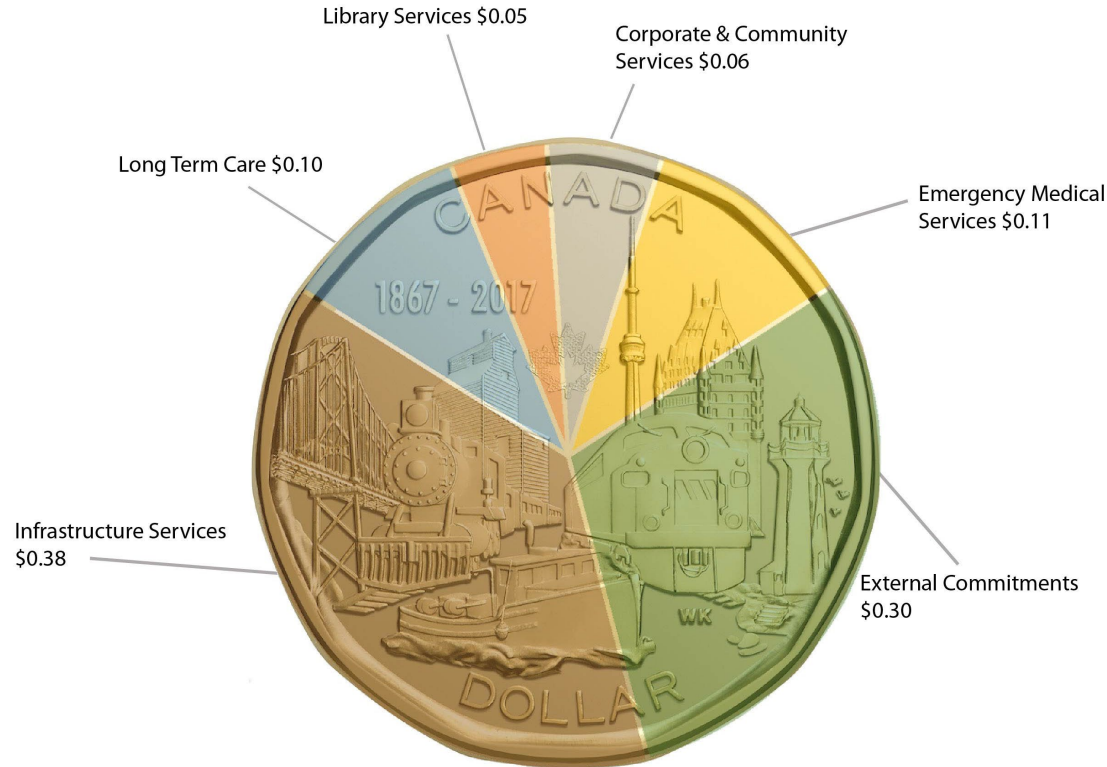


- Established practice of keeping tax rate increases at or below inflation
- Recessionary economy due to pandemic
- Periods of higher inflation
- Use of 2% represents a 2023 Budget Risk
- Proposed tax rate increase well below actual inflation

Budget Summary

Budget Summary	2022 Budget	2022 Projection	2023 Budget
Operating Budget:			
Operating Expenditures	138,209,470	140,997,090	146,242,230
Operating Recoveries	(65,375,000)	(70,896,990)	(72,097,640)
Contrib to (from) Reserves	5,160,200	7,894,570	7,008,700
Net Operating Budget:	77,994,670	77,994,670	81,153,290
Capital Budget:			
Capital Expenditures	60,824,700	35,892,680	89,676,640
Capital Recoveries	(5,913,800)	(9,416,270)	(7,804,900)
Contrib to (from) Reserves	(16,429,400)	12,005,090	(38,305,800)
Net Capital Budget:	38,481,500	38,481,500	43,565,940
Total County Responsibility	116,476,170	116,476,170	124,719,230

Your 2023 Tax Dollar



2023 Budget Impact Variables ^a



Budget 2023 - Summary of Levy Impact Variables	Levy Impact	Tax Impact
County Levy 2022	\$116,676,170	-2.17%
Community Services	22,850	0.02%
Sun Parlor Home	\$706,100	0.59%
Emergency Medical Services	\$1,701,400	1.43%
Infrastructure Services	\$4,971,640	4.17%
Library Services	\$3,400	0.00%
General Government Services	\$313,680	0.26%
External Commitments	\$523,990	0.46%
County Levy 2023	\$124,719,230	4.76%

2023 Budget Impact Variables ^b



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SPH Budget Impacts

- Staff additions at SPH to phase in increase to 4 hours of direct care/resident/day by 2025
 - 2023 target of 3 hours and 42 minutes per resident per day
- Inflationary pressures impacting medical supplies and food
- COVID-19 remains a significant operational impact

2023 Budget Impact Variables



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EMS Budget Impacts

- Annualization of paramedic enhancement from 2022
 - 12 Paramedics onboarded in Q4 2022
 - 2022 Budget included only $\frac{1}{4}$ of annual operating impact
 - 2023 Budget includes full year

EMS Budget Impacts cont'd

- Inflationary pressures impacting operations and capital budgets
 - Fuel, utilities, medical supplies
 - Capital repairs and maintenance
 - Fleet reserves fall short of replacement costs

2023 Budget Impact Variables



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IPS Budget Impacts

- State of Good Repair Program experiencing high inflation
 - 2023 program estimated using 2022 tender pricing
- Expansion Reserve remains funded at 2021 level
 - Risk that existing funding level not sufficient for future
- Additional FTE Mechanic/Operator
- Civic Centre renovations continue in 2023

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Gen Gov Budget Impacts

- Growth pressures have consumed capacity
 - Cyber/security threats and increased volume of IT projects
 - Document management critical as volume of digital files grows exponentially
 - Labour market challenges, retirements and turnover
- Additional staff proposed:
 - IT – one FTE (starting mid-year)
 - RIM – one FTE (starting beginning of year)
 - HRA – one FTE (starting beginning of year)

2023 Budget Impact Variables



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External Commitments

- Increase in legislated commitments:
 - WECHU
 - MPAC
 - Social Housing - Operating
 - Proposed \$200,000 increase to Social Housing – Capital Reserve Contribution to support updated long term renewal plan from City

External Commitments cont'd



- Increase in discretionary commitments:
 - Invest WindsorEssex
 - Community Safety and Well Being
 - New Windsor Essex Hospitals System
 - Construction contract to be awarded Q1 2025
 - Construction to commence summer 2026 and finish 2030
 - \$2billion project - \$100million commitment from County

Reserve Strategy



Key to:

- Long term fiscal sustainability
- Reducing tax rate volatility
- Managing affordability for current and future generations
- Effectively executing the Strategic Asset Management Plan and Policy

Reserve Comparison

Reserve	2020 Actual	2021 Actual	2022 Projection (unaudited)	2023 Budget
Capital Acquisition / Replacement	65,061,546	85,451,206	89,647,826	81,896,386
WSIB	3,448,840	3,506,134	3,739,134	3,924,634
Rate Stabilization	14,659,805	15,207,608	13,710,268	10,387,568
Roadway Expansion	88,539,141	101,583,457	111,696,366	84,168,006
Working Funds	4,500,000	4,500,000	4,500,000	4,500,000
Insurance and Health Benefits	3,318,852	3,545,823	3,543,323	3,558,323
EMS Severance	330,153	330,153	330,153	330,153
New Windsor Essex Hospital System	20,368,000	27,305,000	33,665,000	40,605,000
Total Reserves	\$200,226,336	\$241,429,380	\$260,832,070	\$229,370,070

Budget Risk Factors

- Inflationary pressures (materials, fuel, utilities)
- Legislative service delivery changes
- EMS volume pressures
- SPH resident acuity pressures
- Winter control season

Budget Risk Factors cont'd

- Investment return volatility
- Outstanding collective agreements
- Job evaluation and job equity
- Social housing capital renewal timelines
- Social housing capital expansion pressures
- Pandemic/endemic supply chain issues

Tax Rate Impact

Year	Per \$100,000 of CVA	Residential Tax Rate	Taxes	Tax Change	%
2022	\$100,000	.0049676134	\$496.76		
2023	\$100,000	.0052038320	\$520.38	\$23.62	4.76%



Questions?

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