



2018 Budget Overview

COUNTYOFESSEX.ON.CA

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.

Fiscally Responsible Government



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

Budget Process



- Budget Assumptions / Format / Timetable
- Preparation of Preliminary Departmental Estimates
- Administrative Review
- Council Review (December 6, 2017)

2018 Budget Overview



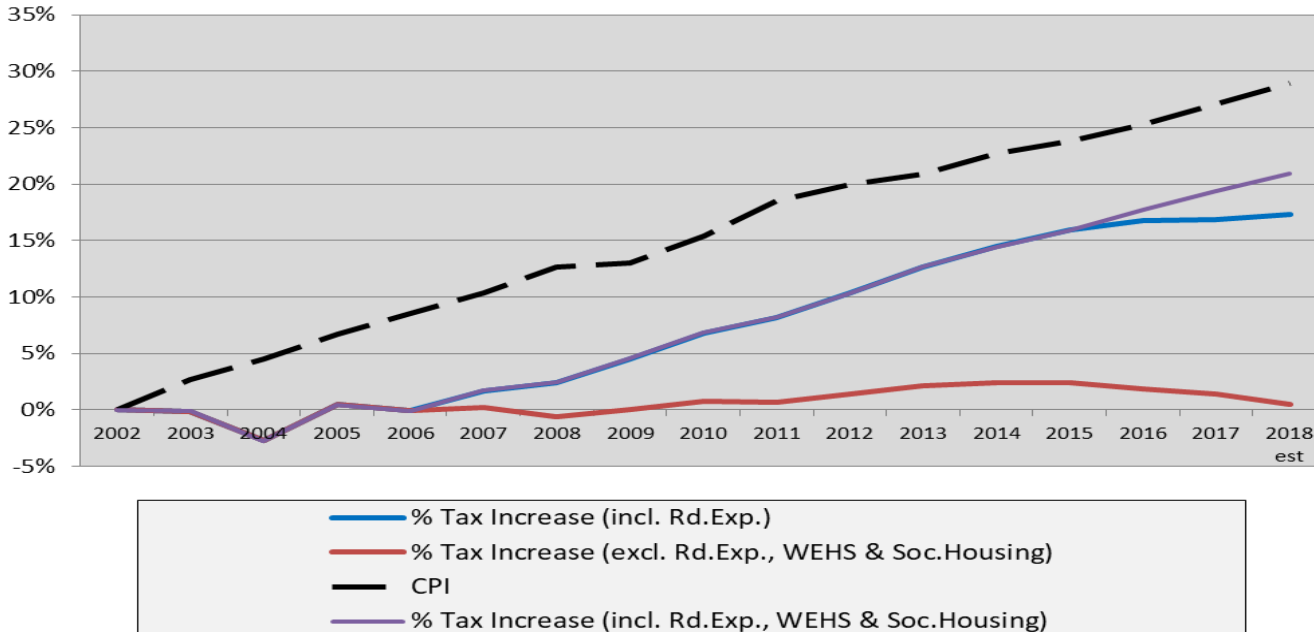
- Budget Summary
 - Impact Variables
 - Risk & Future Obligations
 - County Comparators
 - 2018 Tax Rate / Residential Impact
- Departmental Reviews

Inflation & County Tax Rates



- Inflation Index
 - CPI annual average increase, 2002-2017 = **1.8%**
- County Tax Rates
 - Annual average tax rate increase, 2002-2018
 - **Excluding Infrastructure Exp. & NWEHS = 0.07%**
 - **Including Infrastructure Exp. & NWEHS = 1.3%**

CPI & Tax Rate Comparison



2018 Proposed County Tax Rate



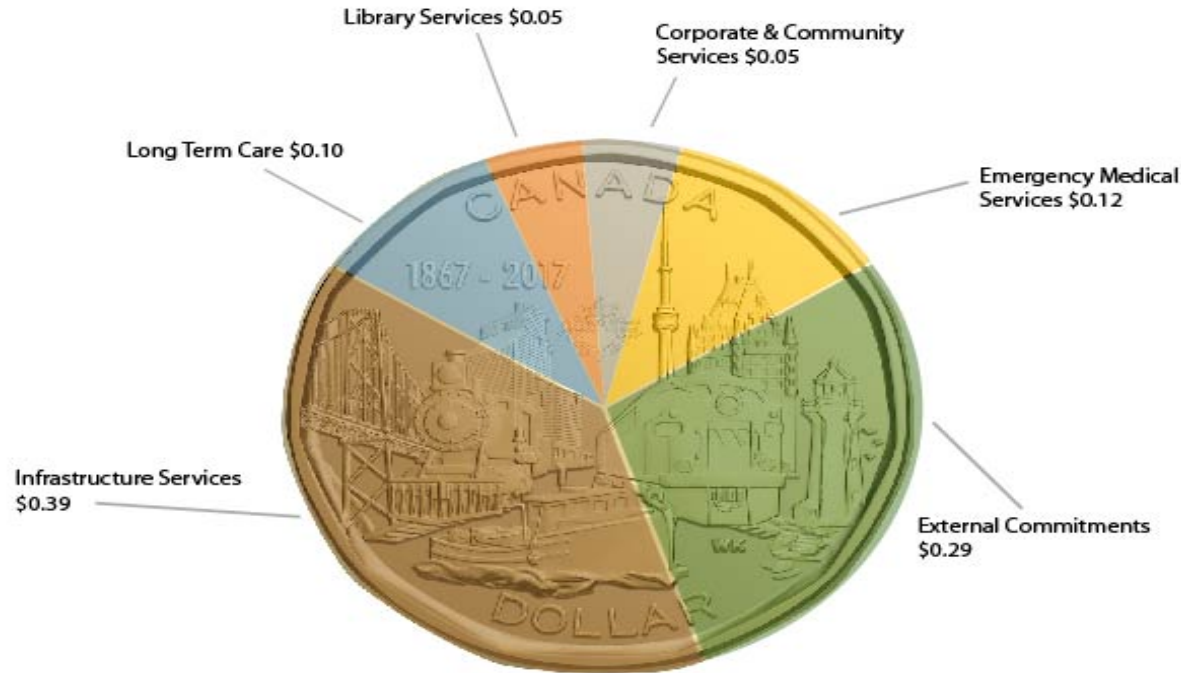
Budgetary Pressure	Target	Proposed
2018 Base Operations	0.00%	-0.53%
Infrastructure Expansion (Year 12 of 12)	1.50%	1.43%
New Windsor-Essex Hospital Systems	0.50%	0.64%
2018 – Total Target Tax Rate	2.00%	1.54%

Budget Summary



Budget Summary	2017 Budget	2017 Projection	2018 Budget
Total Gross Expenditures	146,074,860	143,201,250	159,800,720
Departmental Recoveries	(57,650,920)	(59,017,620)	(64,123,630)
Net Expenditures	88,423,940	84,183,630	95,677,090
Contributions to (from) Reserves	1,275,540	5,515,850	(31,610)
Total County Requirement	89,699,480	89,699,480	95,645,480

Your 2018 Tax Dollar



2018 Budget Impact Variables



Budget 2018 - Summary of Levy Impact Variables	Levy Impact	Tax Impact
County Levy 2017	89,699,480	-4.77%
Regional Services cost sharing (EMS, Social Services, Social Housing)	130,000	0.13%
Roadway expansion (1.5% of Levy)	1,345,000	1.43%
Social Housing - inflationary & capital funding (net)	592,000	0.63%
Social Services - inflationary, Prov. uploading (Prov. Share 100%)	(652,000)	-0.69%
Wages & Benefits (inflationary and adjustments; excludes EMS & Library)	1,104,400	1.17%
EMS enhancements & service delivery review (County share, phased-in)	1,930,000	2.05%
Transportation Construction Rehabilitation Program (incl. OCIF)	420,000	0.45%
Asset amortization (Civic Centre 100% ownership, Infrastructure)	350,000	0.37%
County - Wide Active Transportation Infrastructure	100,000	0.10%
Transportation Maintenance - Winter Control (5 yr Avg)	(100,000)	-0.10%
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Regional Services Cost Sharing



- Social Services and Social Housing cost shared
60% weighted assessment / 40% actual cost
 - Social Services calculation approx. 65% City, 35% County
 - Social Housing calculation approx. 66% City, 34% County
- EMS cost shared based on weighted assessment
 - Cost share: 51% City/Pelee, 49% County

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Infrastructure Expansion



- Expansion requirements identified through the Essex Windsor Regional Transportation Study.
- Current costs estimate - \$400 million.
- Timeframe 2009 - 2040.
- Funding model predicated on no senior government funding.
- County requirement - \$400 million, through 1.5% Levy increase through 2018 (**last year**).
- Infrastructure Expansion Reserve balance @ 12/31/17 - \$56.8M.
- 2018 capital levy dedicated to expansion - \$15 million (inclusive of 2018 1.5% increment).

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Social Services

- Ontario Works Upload (from 97.2% to 100%)
- Caseload data remains outstanding, issues with provincial automated system (SAMS)
- Ontario Works Benefit increase
- Inflationary adjustments in administrative and service delivery costs
- P2P funding – proposed increase

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Wages & Benefits



- 3 of 6 collective agreements outstanding
- Modest increase in benefit premiums & wage related incremental impacts
- Staff enhancements
 - Sun Parlor Home – increase staffing hours (training & Physio)
 - EMS – service enhancement – 23 FT / 34,420 staffing hours
 - Library Services – resume 12 months of operations, IT support
 - General Government - procurement position

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Active Transportation (CWATS)

- Active Transportation requirements identified through a joint County / local municipal study.
- Current costs estimate - \$71 million / County share \$39 million
- Timeframe 2012 - 2032. (potential for expediting)
- County funding level proposed for 2018 at \$1.7 million, an increase of \$100K from prior year
- Contribution will need to grow to ~ \$3 million per year to build and maintain within 20 yr. timeframe

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New Windsor-Essex Hospital System



Municipal contribution \$200 million

Commitment to occur in approx. 10 years (2027)

Potential Funding Scenario

County contribution, \$90-\$95 million (population split)

Retired and unused "Bricks & Mortar" commitment allocations to be used to mitigate tax rate increases

2016 allocation = \$760,000

2017 allocation = \$590,000

2018 allocation = \$600,000

Levy increase of a min. of \$500K-\$600K for 8 yrs. will be required to finance this commitment (2017-2025)

Unfunded commitment balance to be paid over 7-10 years subsequent to payment to the Hospital (debt repayment)

Financial debt instrument @ 4.5% - \$35 million

New Windsor-Essex Hospital System



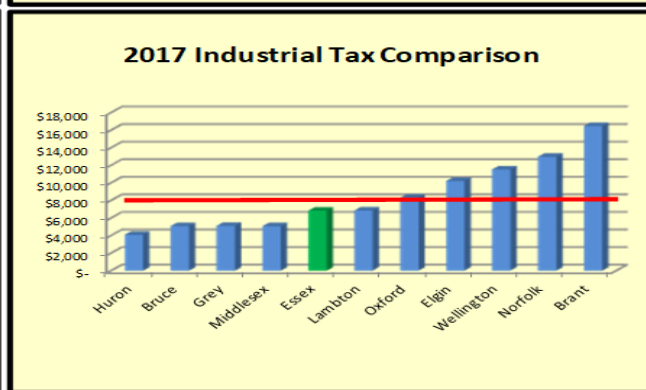
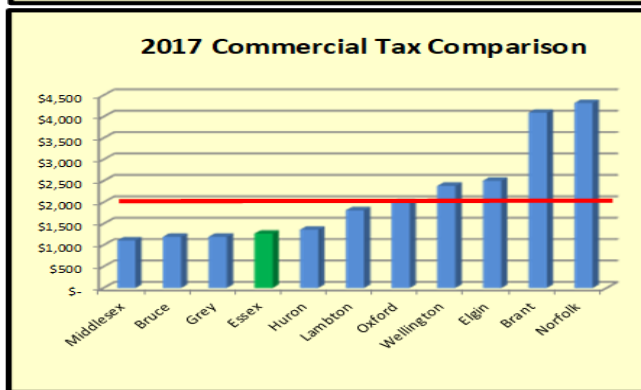
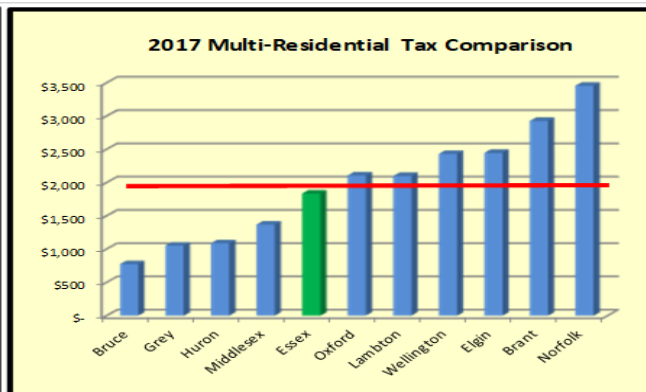
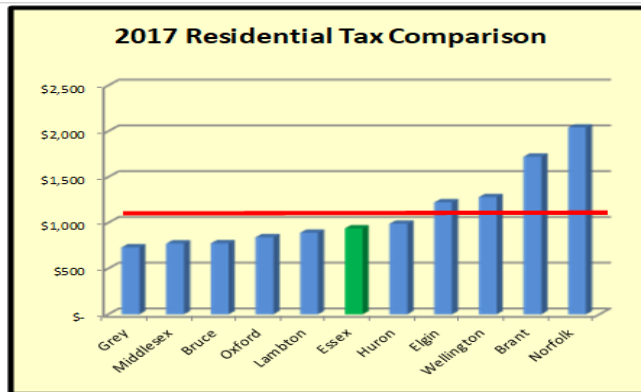
Year	Annual Allocation (0.5% Levy for 10 yrs. + Commitment Transfers)	Commitment Transfer	Reserve Transfer	Debt Payment	Interest Income @ 1.875%	Reserve Balance
2015	340,000	1,400,000	1,000,000	-	-	2,740,000
2016	1,500,000	-	-	-	29,000	4,269,000
2017	2,090,000	-	-	-	80,044	6,439,044
2018	2,690,000	-	-	-	120,732	9,249,776
2019	3,290,000	-	-	-	173,433	12,713,209
2020	3,890,000	100,000	-	-	238,373	16,941,582
2021	4,590,000	-	-	-	317,655	21,849,236
2022	5,100,000	-	-	-	409,673	27,358,910
2023	5,600,000	-	-	-	512,980	33,471,889
2024	6,100,000	200,000	-	-	627,598	40,399,487
2025	6,800,000	-	-	-	757,490	47,956,977
2026	6,800,000	-	-	-	899,193	55,656,171
2027	6,800,000	-	(55,000,000)	(6,518,595)	1,043,553	1,981,129
2028	6,800,000	-	-	(6,296,987)	37,146	2,521,288
2029	6,800,000	-	-	(6,068,288)	47,274	3,300,274
2030	6,800,000	-	-	(5,847,602)	61,880	4,314,552
2031	6,800,000	-	-	(5,616,130)	80,898	5,579,320
2032	4,900,000	-	-	(5,393,596)	104,612	5,190,337
2033	-	-	-	(5,168,287)	97,319	119,368
2034	-	-	-	-	2,238	121,607
2035	-	-	-	-	2,280	123,887
2036	-	-	-	-	2,323	126,210
Totals	87,690,000	1,700,000	(54,000,000)	(40,909,485)	5,645,695	-

Budget Risk Factors

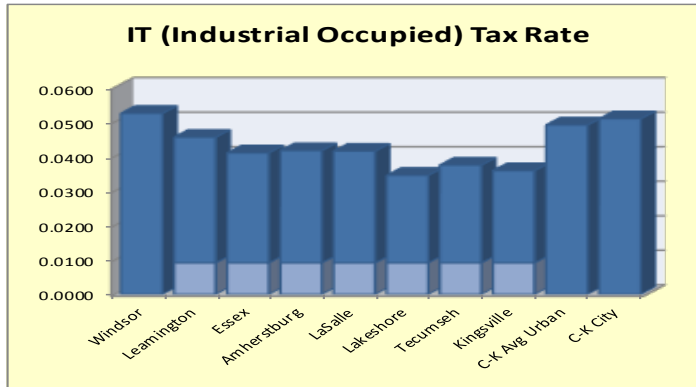
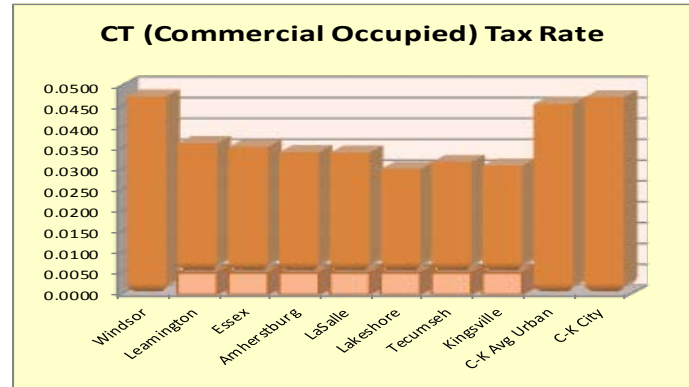
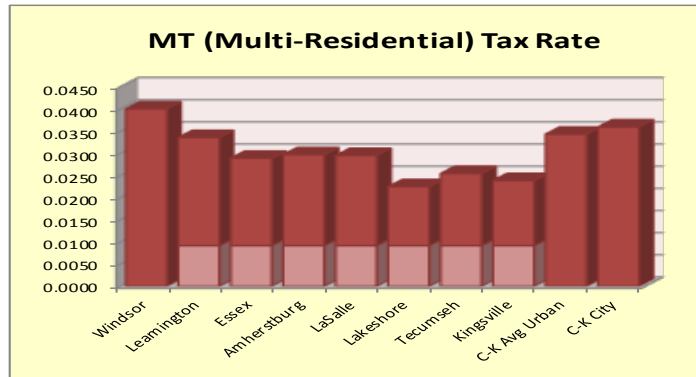
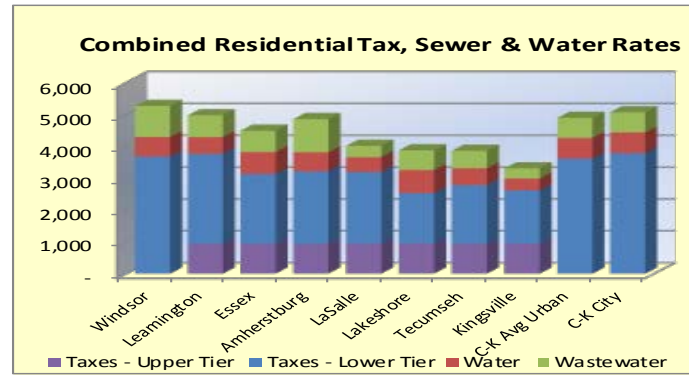


- EMS – offload delays (code 7s)
- EMS – call volume concerns – demographics / response time
- SPH – increasingly frail / higher level of care requirements / mental health
- SPH – relative decline in CMI (subsidy impact)
- Social Services – caseload increases
- Social Housing – facility renewal for housing stock (\$10+ million)
- Winter Control maintenance costs
- Supply costs – fuel, medical supplies, U.S. \$ impact...
- Outstanding collective agreements, cost of employee benefits
- Job evaluation (pay / job equity)
- Investment returns
- Bill 148, Fair Workplaces, Better Jobs Act, 2017

County Tax Rate Comparisons



Regional Tax Rate Comparisons



Tax Rate Impact



YEAR	Assessed Value	Residential Tax Rate	Taxes	Tax Change	%
2017	\$200,000	.00469561	\$939.12	n/a	n/a
2018	\$200,000	.00476789	\$953.58	\$14.46	1.54%



Questions?

C O U N T Y O F E S S E X . O N . C A
