



**BUDGET
2023**



**Inspiring
Chatham-Kent**

2023 Draft Budget

2023 Draft Budget Presentation

Municipality of Chatham-Kent 2023 Draft Budget Presentation

January 11, 2023



Strategic Plan

CK Plan 2035 & Previous Council Term Priorities

CKPLAN2035



ECONOMIC PROSPERITY

Within one generation, our community will be a leader in educational opportunities and be recognized as a destination of choice in Ontario for investment.



HEALTHY & SAFE COMMUNITY

Within one generation, our community is a leader in healthy public policies and is one of the healthiest and safest in Ontario.



PEOPLE & CULTURE

Within one generation, our community is recognized as the best place to live in Ontario and a destination of choice to experience arts and culture.



ENVIRONMENTAL SUSTAINABILITY

Within one generation, Chatham-Kent will be recognized as a provincial leader in the management of natural and built resources and energy conservation.

CKPLAN2035



Financial Sustainability

The Corporation of Chatham-Kent is financially responsible and sustainable.



Open & Transparent Government

The Corporation of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership.



Resiliency

Resiliency is the foundation of each area of strategic focus, responding to emerging strategic priorities, adapting to change and recovery, and taking advantage of new opportunities.

Previous Council Term Priorities

Growth

Our population and economy is growing

- Grow our population to support economic and labour force needs
- Expand infrastructure for growth to support local economic development
- Expand infrastructure related to recreational facilities
- Improve transportation, public transit and active transportation options
- Rationalize current inventory of bridges, roads, parks and buildings in support of new infrastructure investment

Previous Council Term Priorities

Environmental Sustainability

Acting today for a better tomorrow

- Develop a climate change strategy to deal with flooding and erosion issues
- Promote growth while protecting the environment
- Implement strategies to help everyone become stewards and adapt to a changing climate
- Reduce cost and environmental impact of energy use

Previous Council Term Priorities

Community Wellness

Everyone is safe and able to thrive

- Support an increase in access to mental health and addiction services
- Advance a health and equity in all policies approach to prevent and reduce the impacts of poverty
- Ensure there is a variety of affordable housing options to meet needs
- Ensure that everyone has access to social infrastructure that enables them to participate fully in their community
- Expand trails and active transportation to promote physical activity and a healthy lifestyle

Previous Council Term Priorities

Community Engagement

The voice of the community is reflected in municipal decision-making

- Develop and implement an engagement strategy for the corporation that includes methods to reach vulnerable and/or isolated groups
- Build collaborative partnerships to advance the vision of Chatham-Kent
- Provide exceptional customer service while fulfilling daily operations

Agenda

- Budget Book
- Operating Budget Summary
- Assessment Growth
- Consumer Price Index
- Capital Budget
- Tax Information
- Other Information
- Deputations

Budget Book

New Budget Book Layout

Budget Book Layout

The budget book is separated into four main categories

- Operating & Capital summaries, other information
- Detailed Operating Budget by department with business cases included for each Division/Manager
- Business cases not recommended but for Council consideration
- Detailed Capital Budget including project listings for Capital New, Capital AMP and Maintenance/Operations

Business Case

Business Case - One year pause on transfer to Windfarm reserve



Department: Infrastructure and Engineering Services
Division: Public Works
Manager: Public Works

During EMT budget deliberations, it was felt that due to the current reserve build up, a one year pause on the annual transfer of \$50,000 transfer to the Windfarm reserve was feasible to help offset the budget in 2023.

	2023 Draft Budget
Revenue	
Expense	
Transfer to Reserves	\$ (50,000)
Total Expense	(50,000)
Net	\$ 50,000

Link to Strategic Plan: Econ/Jobs
Consequences/Risks of Not Proceeding:
Council Priority: Growth - Rationalize Current Inventory
Strategic Focus:

- Includes items such as increases in FTE's and changes in service levels
- Is separated out and shown under each Division/Manager level

Business Case Example

Business Case - Lifecycle costs - Signs for Green Flashing Lights



Department: Infrastructure and Engineering Services
 Division: Public Works
 Manager: Public Works

Council approved a motion on October 3, 2022 recommending signage to be installed for increasing public awareness of volunteer firefighters and flashing green lights in the Municipality. As part of the approval, annual lifecycle costs of \$2,000 to maintain such signage are to be discussed as part of the 2023 budget process.

	2023 Draft Budget
Revenue	
Expense	
Operating Related	\$ 2,000
Total Expense	2,000
Net	\$ (2,000)

Link to Strategic Plan: Health

Consequences/Risks of Not Proceeding: Residents that are new to Chatham-Kent or residents that may be visiting may be unfamiliar with the use of a flashing green light. If signage is not installed and maintained, firefighters may be delayed driving to the station to respond to the emergency calls.

Council Priority: Engage - Engagement strategy

Business Case Name

Department

Summary of Request

Financial Implications

Strategic Priority

Risks of not Proceeding

Business Case Example cont'd

Business Case - Lifecycle costs - Signs for Green Flashing Lights



Strategic Focus:

2.3 Support Quality of Life: Our community focuses on areas such as, housing, healthy food, transportation, health services, safety, emergency preparedness, recreational activities, education and opportunities to connect

For additional information, please view the report to Council titled [Notice of Motion – Signs for Green Flashing Lights](#) and the following appendices from the October 3, 2022 Council meeting.

[Appendix A – Firefighter Green Flashing Lights Proposed Locations](#)

[Appendix B – Firefighter Green Flashing Lights Sample of Signage](#)

Strategic Focus

Additional Information

Operating Budget Summary

2023 Draft Budget Revenues, Expenses & Staffing

2023 Draft Budget Increase

The table below provides a breakout of the draft budget increase by category and the resulting impact on the average residential property.

	Rate Impact %	Average Household Impact
Maintain Existing Services	0.61%	\$19
Provincial Funding Reduction	0.51%	\$16
Capital - Asset Management Plan	3.65%	\$115
Business Cases Recommended to Council	1.58%	\$50
Recommended Draft Budget	6.35%	\$200

2023 Draft Budget by Department

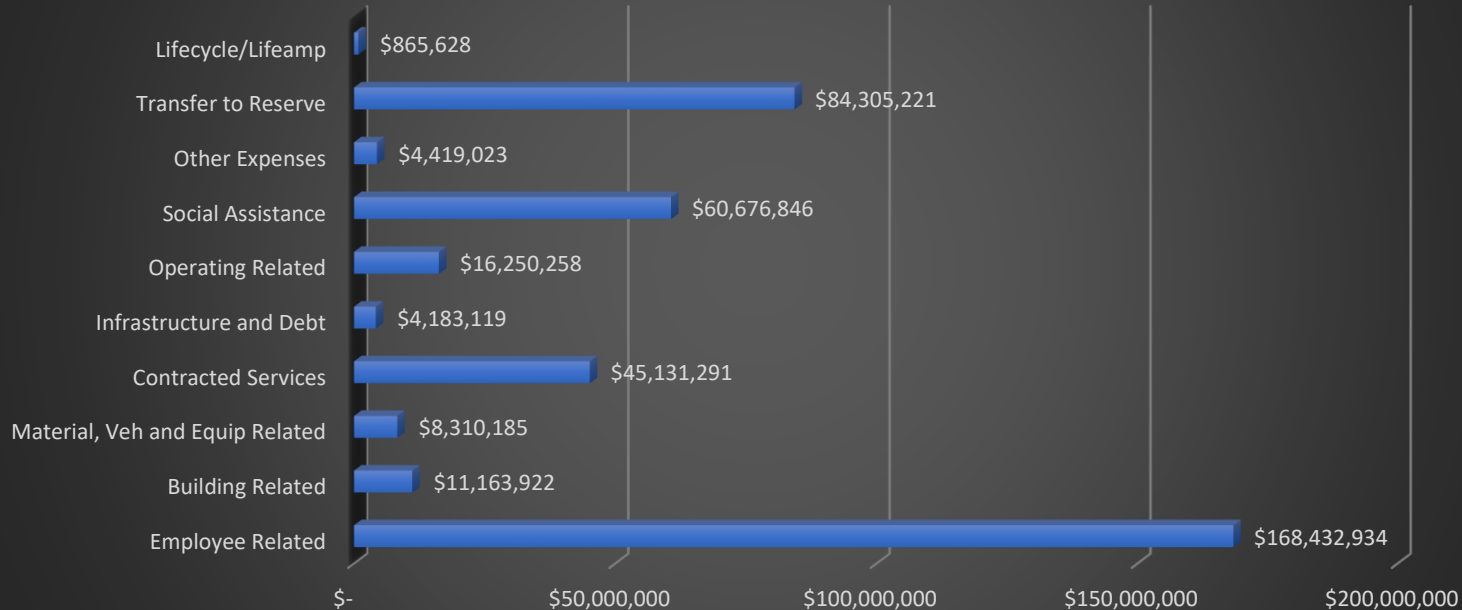
	2021 Actuals	2022 Budget	2023 Proposed Budget	% Over/(Under) 2022
EXPENSES				
MAYOR AND COUNCIL	\$1,178,542	\$1,290,839	\$1,937,093	50.06%
CHIEF ADMINISTRATIVE OFFICER	\$3,638,822	\$3,523,076	\$4,428,764	25.71%
COMMUNITY DEVELOPMENT	\$9,995,891	\$7,391,942	\$7,696,230	4.12%
COMMUNITY HUMAN SERVICES	\$147,309,032	\$144,144,433	\$143,621,248	(0.36%)
CORPORATE SERVICES	\$11,200,060	\$13,219,068	\$11,286,851	(14.62%)
FINANCE, BUDGET, INFORMATION TECHNOLOGY AND TRANSFORMATION	\$18,390,290	\$17,376,413	\$17,431,132	0.31%
FIRE AND EMERGENCY SERVICES	\$35,213,036	\$32,232,489	\$33,117,689	2.75%
INFRASTRUCTURE AND ENGINEERING SERVICES	\$112,447,302	\$109,392,289	\$114,921,225	5.05%
NON DEPARTMENTAL	\$20,852,518	\$21,127,033	\$32,992,451	56.16%
POLICE SERVICES	\$33,395,699	\$36,303,033	\$36,305,742	0.01%
TOTAL EXPENSES	\$393,621,192	\$386,000,615	\$403,738,426	4.60%

2023 Draft Budget by Department

	2021 Actuals	2022 Budget	2023 Proposed Budget	% Over/(Under) 2022
REVENUES				
MAYOR AND COUNCIL	\$0	(\$17,371)	(\$17,371)	0.00%
CHIEF ADMINISTRATIVE OFFICER	(\$1,075,322)	(\$478,705)	(\$1,162,629)	142.87%
COMMUNITY DEVELOPMENT	(\$6,307,175)	(\$3,108,003)	(\$3,123,921)	0.51%
COMMUNITY HUMAN SERVICES	(\$115,800,688)	(\$111,637,449)	(\$110,151,661)	(1.33%)
CORPORATE SERVICES	(\$5,391,946)	(\$6,409,223)	(\$3,934,238)	(38.62%)
FINANCE, BUDGET, INFORMATION TECHNOLOGY AND TRANSFORMATION	(\$5,926,362)	(\$3,999,183)	(\$3,004,627)	(24.87%)
FIRE AND EMERGENCY SERVICES	(\$9,487,570)	(\$7,995,100)	(\$8,476,366)	6.02%
INFRASTRUCTURE AND ENGINEERING SERVICES	(\$33,409,624)	(\$34,932,281)	(\$38,104,711)	9.08%
NON DEPARTMENTAL	(\$218,579,146)	(\$214,897,805)	(\$222,143,985)	3.37%
POLICE SERVICES	(\$2,690,598)	(\$2,525,495)	(\$2,454,126)	(2.83%)
TOTAL REVENUES	(\$398,668,432)	(\$386,000,615)	(\$392,573,636)	1.70%
CHATHAM-KENT TOTAL REVENUES LESS EXPENSES	(\$5,047,239)	\$0	\$11,164,790	6.35%

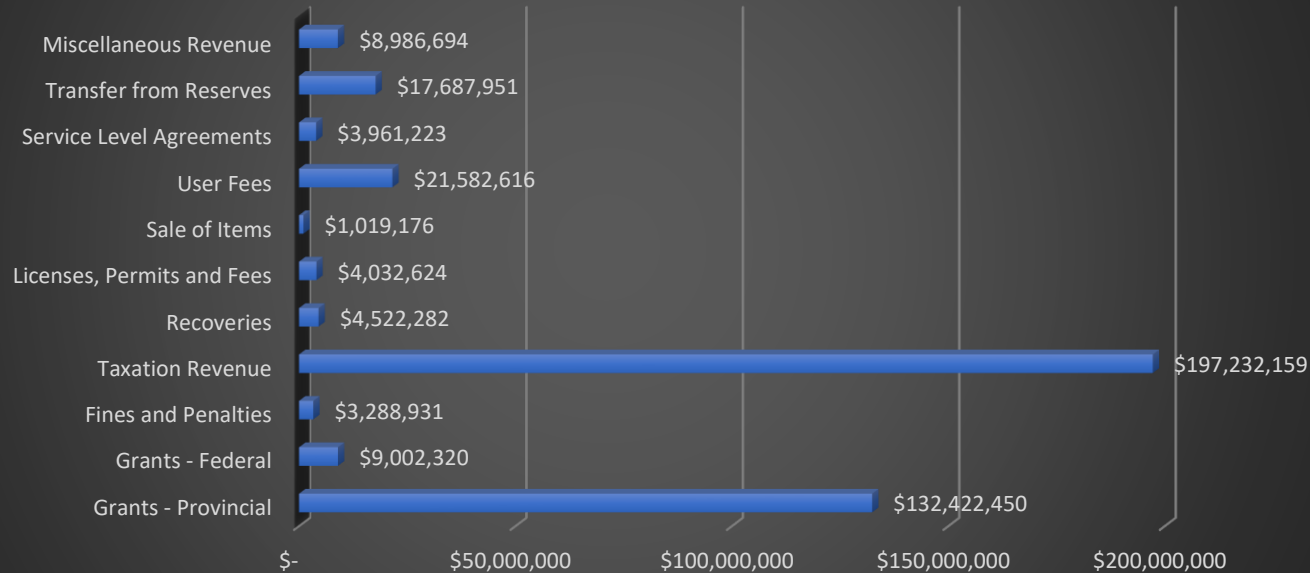
2023 Draft Budget by Category

Operating Budget Expense By Category



2023 Draft Budget by Category

Operating Budget Revenue By Category



2023 Draft Budget Base Staffing Requests

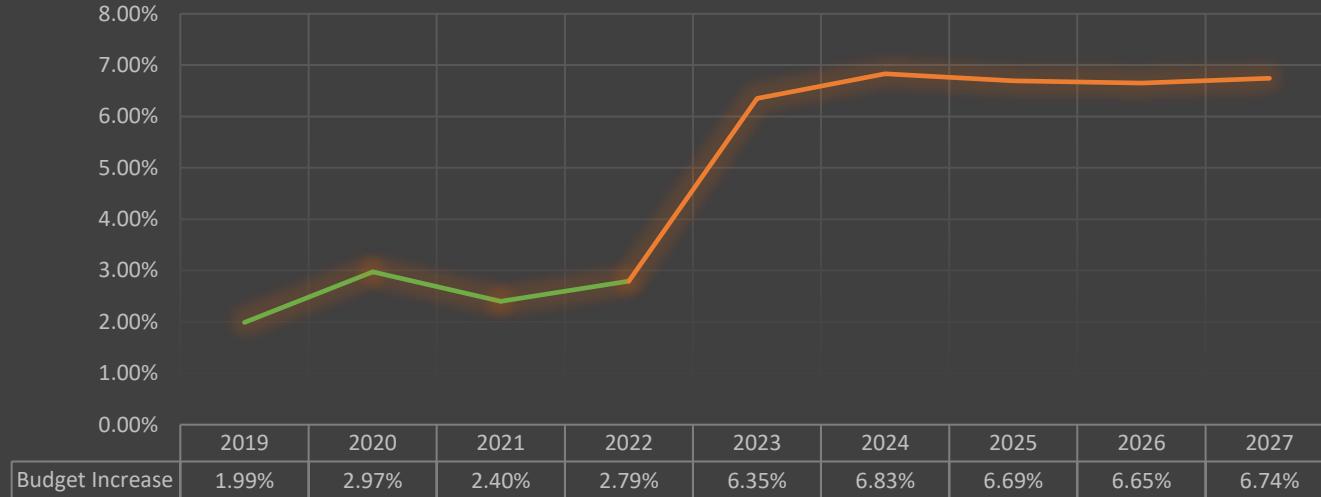
Change Request	Effective FTE
2023 - 0016 - Four Hours of Care 2023 Funding	21.97
2023 - 0203 - Infection Prevention and Control (IPAC) Lead	1
2023 - 0029 - Allied Health Professionals Staffing Supplement (AHPSS) Funding	6
2023 - 0051 - Canada Wide Early Learning and Child Care System	4
2023 - 0103 - 1 new CUPE Public Works Employee - Chatham	1
2023 - 0110 - Gallery Summer Camp Staffing	0.3
2023 - 0125 - June and July Ice at Chatham-Kent Arenas	0.25
2023 - 0178 - Program Manager Housing Services	1
2023 - 0196 - Asset Management Planning	3
2023 - 0049 - CMHC Rapid Housing Initiative (RHI) Affordable Housing Building – 101 McNaughton Ave., Chatham	1
2023 - 0047 - Cyber Security Specialist	1
2023 - 0095 - Public Works By-Law Officer	1
2023 - 0088 - Return to Work Specialist	1
2023 - 0300 - Outsource Property Valuation Specialist	(1)
2023 Draft Budget Base FTE Requests	41.52

2023 Draft Budget One-Time Staffing Requests

One-Time	Change Request	Effective FTE	One-Time 2023 - FTE	One-Time 2024 - FTE
One-Time	2023 - 0194 - Emergency Rapid Rehousing Program (Homeless Shelter)	16	16	-
One-Time	2023 - 0225 - Workforce Planning & Research RED Grant	1.17	1.17	-
One-Time	2023 - 0052 - Local Immigration Partnership PH6YR4	2	1.5	0.5
One-Time	2023 - 0085 - Healthy Built Environment Student	0.23	0.23	
One-Time	2023 - 0277 - Program Manager to support Hydro One Community Support Agreement	2	1	1
One-Time	2023 - 0158 - Wheatley Page - increase in hours	0.06	0.06	-
One-Time	2023 - 0161 - Page - Bothwell Library	0.17	0.17	-
One-Time	2023 - 0166 - 2nd Summer Student - Clerical Assistant Housing	0.29	0.29	-
One-Time	2023 - 0180 - Tenant Relations Analyst Housing Services	2	1	1
One-Time	2023 - 0182 - Housing Services Assistant Housing Services	2	1	1
One-Time	2023 - 0119 - Utility Network Project - ITT Components	1.5	1	0.5
One-Time	2023 - 0196 - Asset Management Planning	1	1	-
One-Time	2023 - 0021 - Project Coordinator - 2 Year Contract	2	1	1
One-Time	2023 - 0028 - End User Device Operating System and Management Upgrades	1	1	-
One-Time	2023 - 0035 - Organics Diversion Project Manager - 2 Year Contract	2	1	1
One-Time	2023 - 0036 - Waste, Recycling & Climate Change Student	0.33	0.33	-
One-Time	2023 - 0066 - Network and Systems Lifecycle	2	2	-
One-Time	2023 - 0070 - JD Edwards Infrastructure and Application Upgrade	1.2	1.2	-
One-Time	2023 - 0226 - Planning Technician Position	1	1	-
One-Time	2023 - 0009 - Managed Print Services	2	2	-
One-Time	2023 - 0297 - Scheduler	4.8	2.4	2.4
One-Time	2023 - 0034 - Waste, Recycling & Climate Change Operations Supervisor 2023	1	1	-
Total	2023 Draft Budget One-Time FTE Requests	45.75	37.35	8.4

Forecast: Future Budget Increases

ANNUAL TAX RATE INCREASE FORECAST



Assessment Growth

Assessment Growth Policy & Assessment
Growth History

2023 Assessment Growth

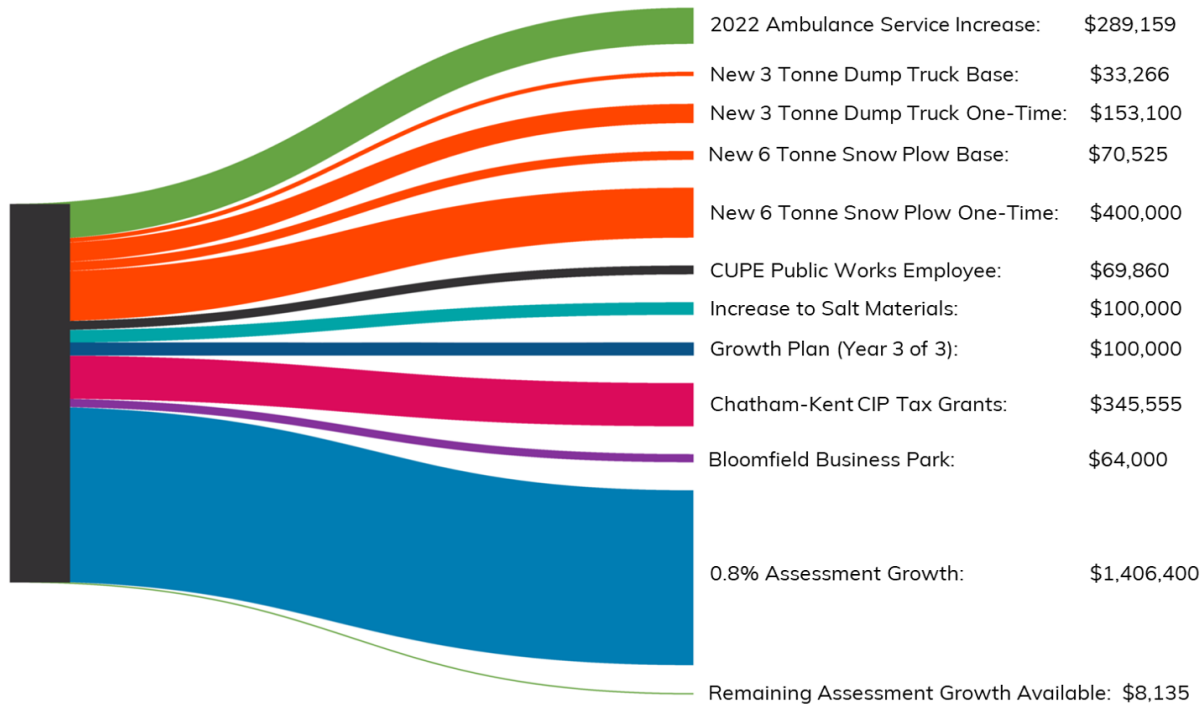
The 2023 draft budget includes assessment growth of \$3.04 million or 1.73%, which offsets tax rate increases.

As per the Council approved assessment growth policy, the first 0.8% of total assessment (\$1.4 million for 2023) goes directly towards lowering the tax rate in the year following the assessment growth.

The assessment growth over 0.8% of total assessment is allocated toward business cases submitted by departments which have increased costs as a result of that assessment growth, such as increased kilometers of paved roads.

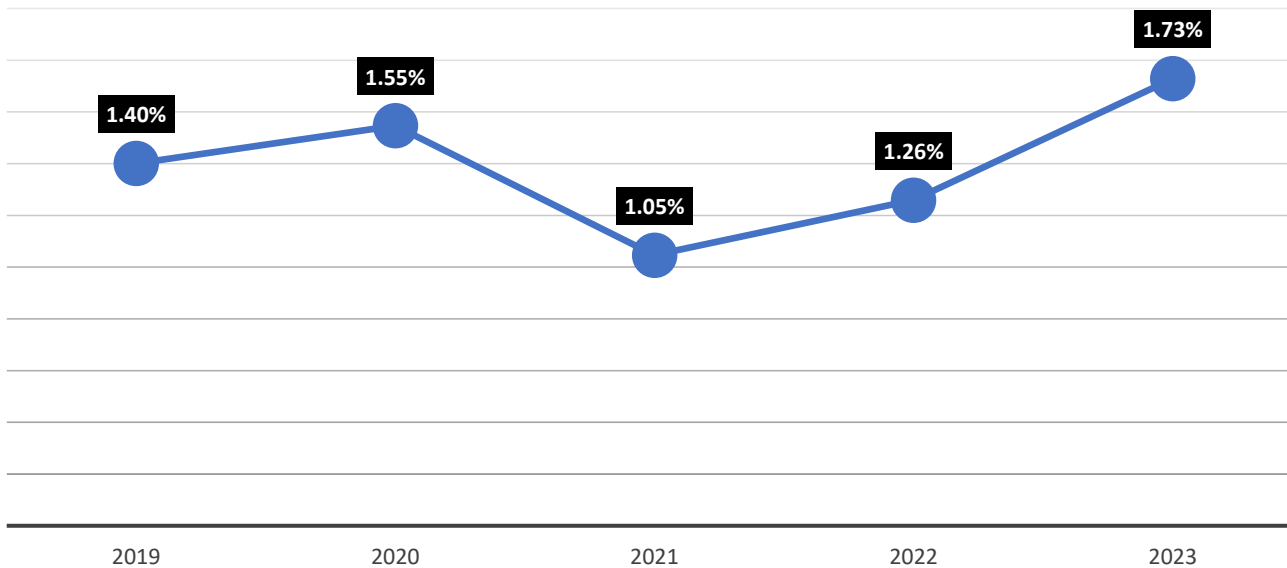
2023 Assessment Growth

New Assessment Growth:
\$3,040,000



2023 Assessment Growth

ANNUAL ASSESSMENT GROWTH



Consumer Price Index (CPI)

CPI vs. MPI and CPI Forecast

Consumer Price Index (CPI) vs Municipal Price Index (MPI)



Goods and Services within the CPI:

Food, Shelter, Transportation, Machinery and Equipment, Clothing and Footwear, Health and Personal Care, Household Operations and Furnishings, Recreation Education and Reading, Alcoholic Beverages and Tobacco, Chemicals and Chemical Products

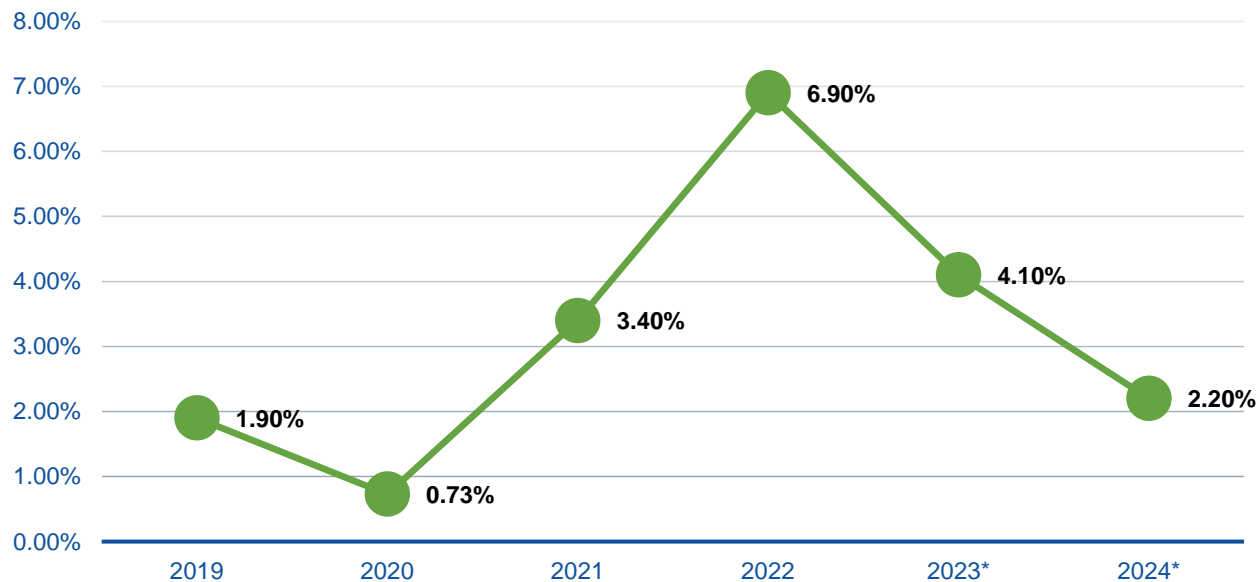


Goods and Services within the MPI:

Labour, Contracted Services, Social Assistance Costs and Transfers, Building Maintenance and Rent, Equipment Purchases and Leases and Maintenance, Financial Costs (write-offs, debt, interest and carrying costs), Specialized Supplies (salt, asphalt, chemicals), Construction Services

CPI Forecast

Consumer Price Index



Forecasted *

Capital Budget

Capital Budget Summary

Capital Budget

Capital Budget is divided into three categories:

- Capital – New
- Capital – AMP (Asset Management Plan)
- Maintenance / Operations



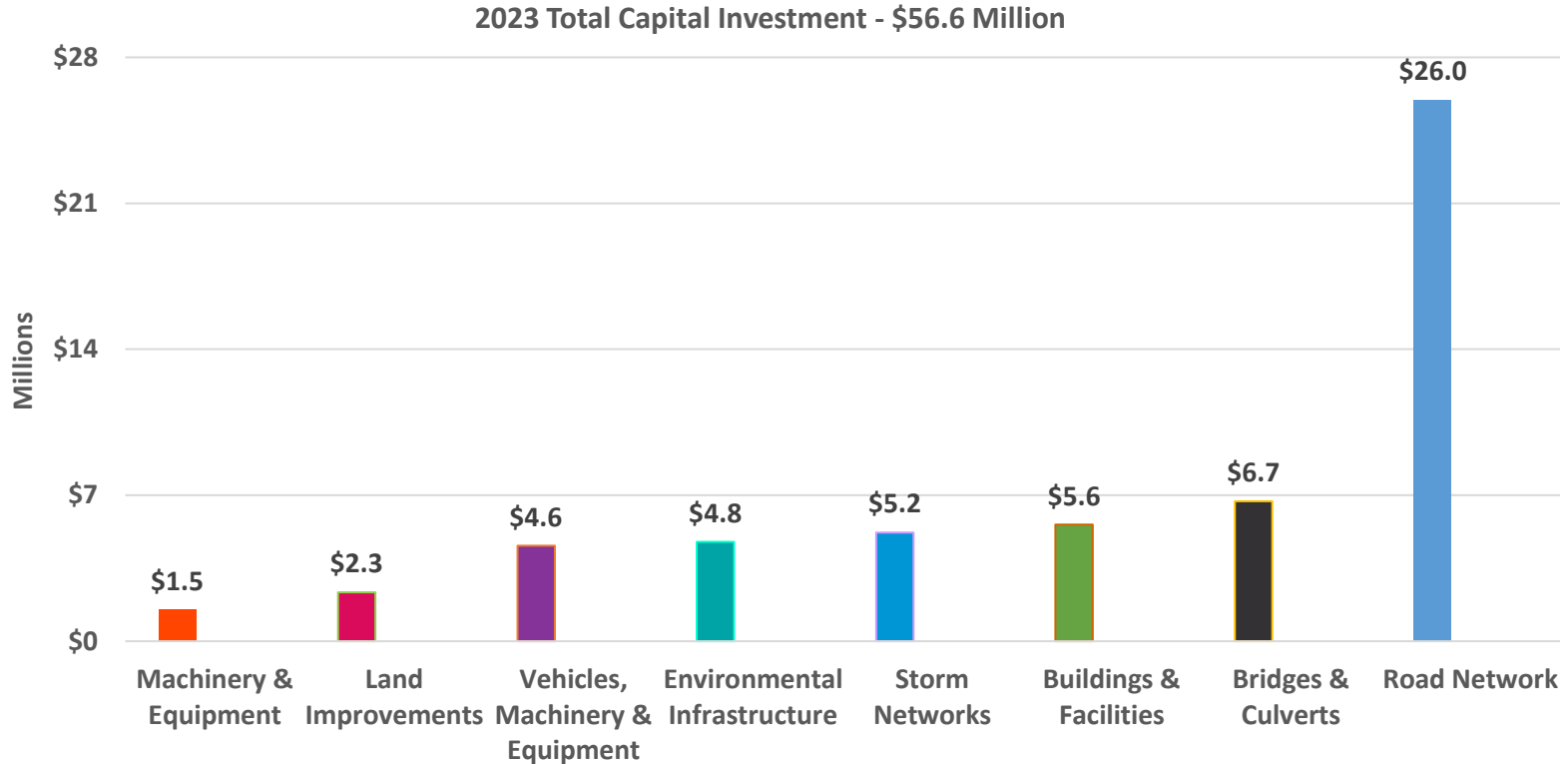
2023 Capital – Impact on Draft Budget

	RATE IMPACT %
Maintain Existing Services	0.61%
Provincial Funding Reduction	0.51%
Capital - Asset Management Plan	3.65%
Business Cases Recommended to Council	1.58%
Recommended Draft Budget	6.35%



	RATE IMPACT %
Capital Levy	1.50%
Capital Inflation	2.31%
Canada Community Building Fund Increase (Formally Federal Gas Tax)	(0.16%)
Recommended Draft Budget	3.65%

2023 Capital Investment by AMP Category



Tax Information

Overview & Comparitors

Tax Policy

The property taxes for a particular property are determined by the following five factors, of which only the first two are controlled by the Municipality:

1. Council-approved tax levy
2. Council-approved tax policy
3. Education tax policy (Provincial)
4. Change in assessed value of the property (determined by MPAC – an independent not-for-profit corporation), and
5. Provincial legislation

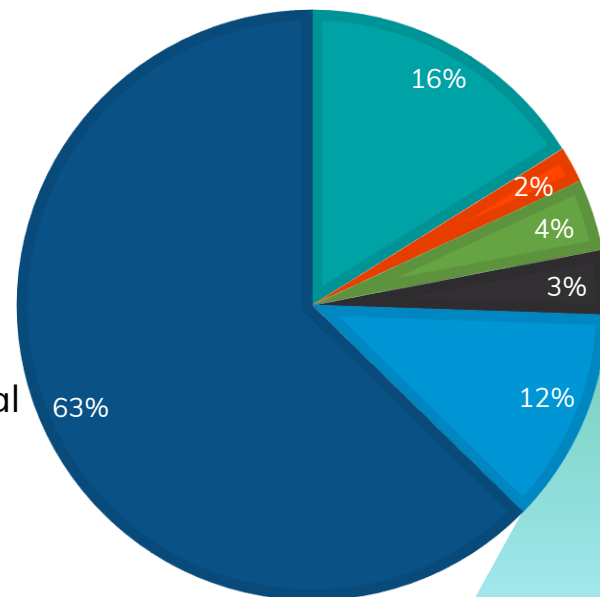
Tax Policy – Tax Distribution

The overall tax levy is supported by all property classes (residential, industrial, commercial, farm, etc.).

The level of support from each property class is best represented by the pie chart reflecting the distribution for 2022.

- Commercial
- Other
- Industrial
- Multi Residential
- Farmland
- Residential

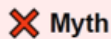
2022 Municipal Taxes



Tax Policy – Change in Assessment

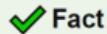
Tax rates are applied to the current value assessment of each property as determined by the Municipal Property Assessment Corporation (MPAC). The municipality does not receive any additional tax revenue when the existing properties in the municipality experience an increase in assessed value as highlighted in the “Myths” below:

Common Myths and Misconceptions (#1)



Myth

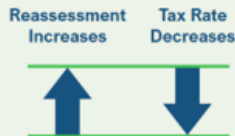
Reassessment generates higher revenue for municipalities.



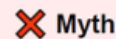
Fact

The overall tax revenue within a municipality does not change as a result of a reassessment.

Municipalities are required to reset their tax rates to offset the average change in property values as a result of reassessment.



Common Myths and Misconceptions (#2)



Myth

An increase in a property's value will result in an increase in that property's taxes.



Fact

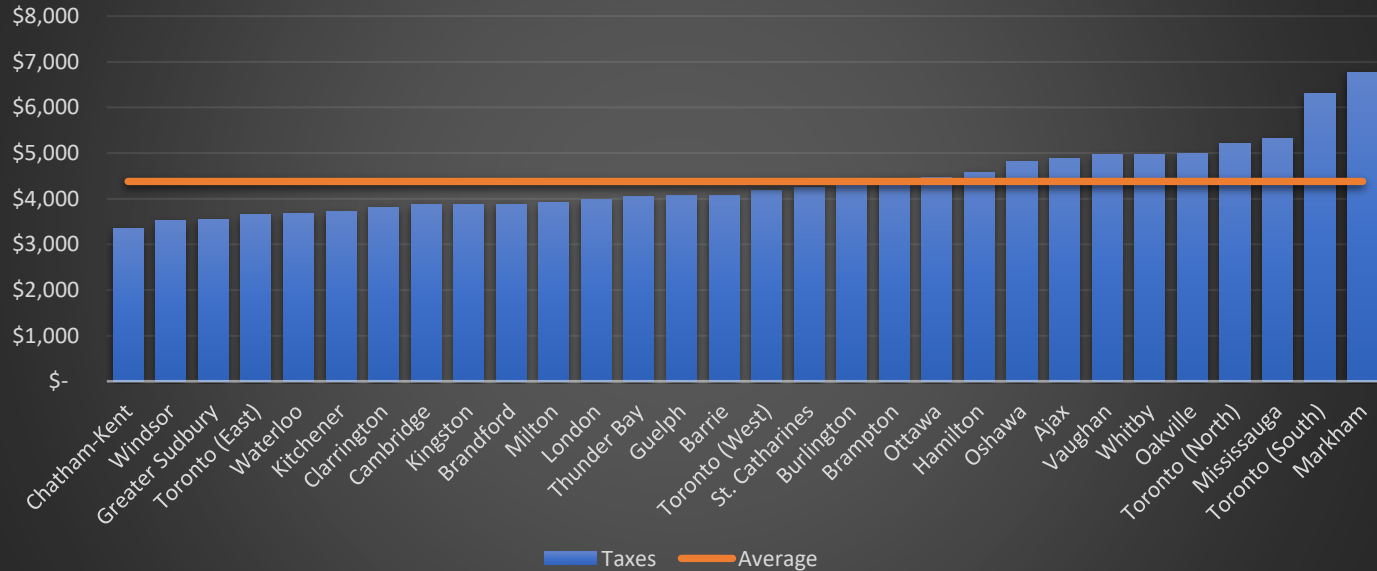
An increase in an individual property's assessed value does not necessarily result in higher taxes for that property.

The most important factor determining a property's tax change due to reassessment is how much the property's assessed value changed relative to the average change of the class in the community.



Residential Comparison

ANNUAL TAX BURDEN OF A DETACHED BUNGALOW HOME IN ONTARIO MUNICIPALITIES POPULATIONS >100,000



Ability to Pay

In addition to looking at the overall tax expense, Chatham-Kent looks at residents' ability to pay. This means not only looking at the tax dollars by household, but that average household income.

Municipality	2022 Est. Avg. Household Income	2022 Average Residential Taxes	2022 Property Taxes As A % Of Household Income
Sarnia	\$103,263	\$3,468	3.4%
London	\$92,922	\$3,442	3.7%
Sault Ste. Marie	\$90,180	\$3,479	3.9%
Chatham-Kent	\$81,651	\$3,253	4.0%
Sudbury	\$105,587	\$4,257	4.0%
Windsor	\$78,125	\$3,198	4.1%
Brantford	\$87,781	\$3,661	4.2%
Average of all Ontario Municipalities	\$110,000	\$4,190	3.8%
Median of all Ontario Municipalities	\$103,889	\$4,031	3.9%

2022 Average Household Contribution to Municipal Services


\$70

Mayor & CAO Office
 Office of the CAO \$14
 Office of the Mayor \$6
 Council & Council Support \$15
 Legal Services \$35


\$108

Corporate Services
 Customer Services \$29
 HROD \$66
 Municipal Governance/Clerk \$13


\$1,197

Infrastructure & Engineering Services
 Administration \$5
 Drainage, Asset & Waste Mgt \$186
 Engineering & Transportation \$92
 Public Works \$764
 Parks, Recreation & Cemeteries \$150


\$67

Community Development
 Administration \$5
 Building Development \$4
 Planning Services \$21
 Economic Development \$20
 Community Attraction & Promotion \$17


\$210

Finance, Budget, Information Technology & Transformation
 Administration \$6
 Budget & Performance \$13
 Financial Services \$34
 Information Technology \$141
 Convention Centre \$16


\$543

Police Services


\$399

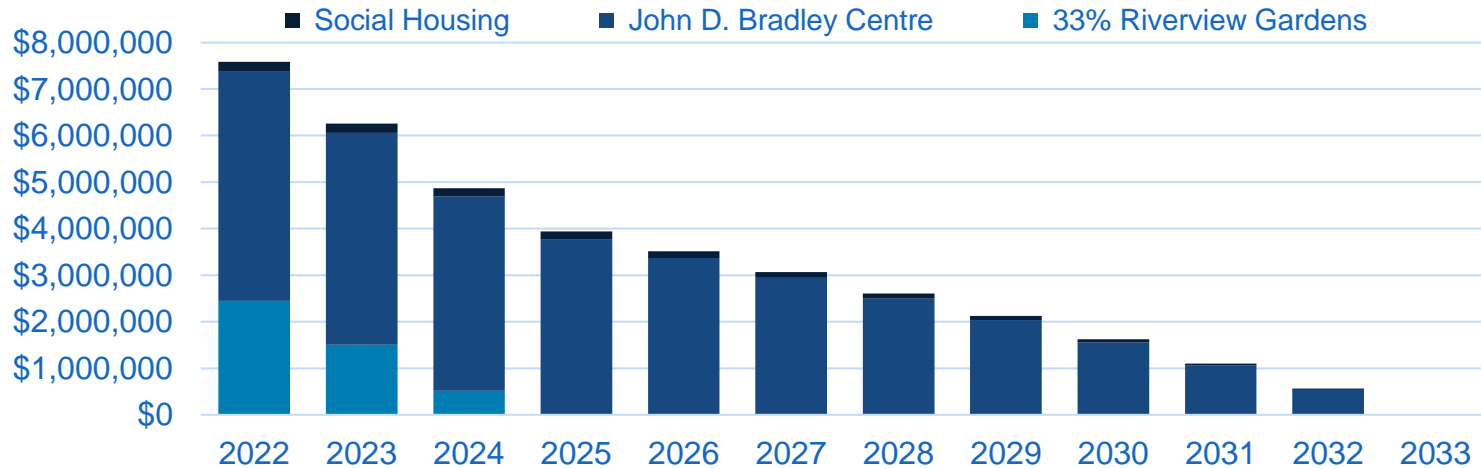
Fire & Emergency Services
 Fire Services \$273
 Emergency Planning/Ambulance \$126


\$558

Community Human Services
 Administration \$3
 Child Care & Early Years \$68
 Public Health \$50
 Employment & Social Services \$85
 Seniors Services \$119
 Housing Services \$133
 Arts & Culture \$27
 Chatham-Kent Public Library \$73

Debt

Chatham-Kent has made significant progress in lowering its debt levels since 2010. The Municipality currently has total debt outstanding of \$28.8M including the PUC. Tax funded debt outstanding is highlighted in the graph below:



Other Information

Draft budget documentation, Community Consultation, Budget Committee Meetings

2023 Budget Information

Available tonight and on our website:

- 2023 Draft Budget Book
- Time and format of community consultations
- Comments and feedback opportunities
- Recorded version of tonight's Opening Night Presentation in AODA accessible format on website by next week

Information to come:

- Employment and Labour Relations closed session presentation

2023 Budget Information | Next Steps

Online Budget Presentation and Community Consultations



January 18th - Noon

January 19th - 7pm

Ask questions and
give feedback on the 2023 Municipal
Budget throughout
the Facebook Live broadcast

2023 Budget Information | Next Steps

Budget Committee Deliberations



January 25th - 6pm

January 26th - 6pm

January 31st - 6pm

Deputations by citizens are welcome
at each meeting.

February 1st & February 2nd if needed

Deputations