

What you need to know about the City of Windsor budget proposal

A projected deficit, a property tax freeze, infrastructure spending and more

CBC News · Posted: Feb 05, 2021



In a budget preview, the City of Windsor laid out plans not to raise property taxes in spite of a looming deficit. (Jonathan Pinto/CBC)

The City of Windsor laid out its financial plans for the fiscal year at a budget preview Friday predicting a deficit of \$38 million. The preview demonstrated the devastating toll the COVID-19 pandemic has had on municipal finances.

Mayor Drew Dilkens said that the budget would be a lean one because of these pressures.

According to the preview, in spite of the projected deficit, it has committed to a freeze on property taxes and some spending on infrastructure projects. Here's what you need to know:

Large deficit

The city projects that its expenditures will exceed its revenue by around \$38 million — a shortfall that is not unique to Windsor, as municipalities across Ontario struggle to balance the books in the wake of the pandemic.

The city's gross budget is \$874.4 million.

Financial pressures on the city Dilkens cited in his remarks were higher PPE, cleaning, and operations costs, lower revenues from municipal services, and reduced dividends and payments from the airport, the Detroit-Windsor Tunnel, and casino operations.

Pandemic or no pandemic, municipalities such as Windsor cannot run deficits under provincial law. Accordingly, Dilkens said he has to hope that other levels of government step in to cover the \$38 million.

"We fully expect the province and federal government to come to the table later this year with additional operating funding for municipalities, who have been on the front-line of pandemic response since the start of this global crisis," he said.

Dilkens added that it would be "unfair" to expect Windsorites to cover this deficit on their own, and that the city will not be shy about requesting financial assistance.

"I want to be very clear, if the federal and provincial governments do not come to the table in a meaningful way, then council and the City of Windsor will certainly have some difficult decisions to make," Dilkens said.

Property tax freeze

Despite the deficit, the preview says that the city will freeze property taxes — which is its main source of revenue. Last year, property taxes brought in just over \$425 million in revenue, and the city is not expecting that to change much.

Dilkens said the freeze "Has meant taking a hard line against any new initiatives, while also focusing our resources on the priorities that matter to Windsor residents."

- [Town of Lakeshore approves 2021 budget with tax increase](#)
- [City estimates \\$29.7M financial loss due to COVID-19](#)

Even with the freeze, the city is increasing funding to city operations, agencies, boards, and commissions, and contributing \$5 million to its asset management capital plan. That's possible because the provincial education levy, which is what the province takes from property tax to fund education, has gone down. The savings total \$10.5 million.

Infrastructure investment

The city plans to spend \$170 million in 2021 from its \$1.6 billion, 10-year capital plan on various infrastructure projects.

The capital projects Dilkens highlighted in his remarks are:

- \$5.5 million towards reconstruction of east-bound EC Row from Dominion to Dougall
- \$3.4-million to complete WFCU Roadway
- Investing \$4.2-million toward repairs at the iconic Peace Fountain
- \$27-million to start construction of North alignment in 2023 work at Lauzon & Country Road 42
- A down-payment of \$4.3-million towards the reconstruction of Roseland's Club House
- \$94 million - to continue Phase 2 and 3 of the Riverside Vista project
- Spending \$6 million to rehabilitate Huron Church from College to Tecumseh;
- Over \$9-million along Dominion Boulevard from Northwood to Totten;
- Continuing the important work at Banwell Road with almost \$3-million more to be spent in the next two years
- About \$31-million to complete major reconstruction of Provincial Road.

Council will deliberate on the budget and finalize it on Feb. 22.