

# Agenda Including Addeds

## Strategic Priorities and Policy Committee

1st Meeting of the Strategic Priorities and Policy Committee - BUDGET

December 2, 2021, 9:30 AM

2021 Meeting - Virtual Meeting during the COVID-19 Emergency

Please check the City website for current details of COVID-19 service impacts.

Meetings can be viewed via live-streaming on YouTube and the City website

### Members

Mayor E. Holder (Chair), Councillors M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, M. Hamou, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, J. Fyfe-Millar, S. Hillier

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Pages

### 1. Disclosures of Pecuniary Interest

### 2. Consent

### 3. Scheduled Items

3.1. *(ADDED) 2022 Annual Budget Update Presentation*

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### 4. Items for Direction

4.1. Review of Recommended Property Tax Operating Budget Amendments (2022-2023 totals rounded to the closest \$1,000)

- a. Case #P-1 - Various Services - Budget Right Sizing - Operating Expenditure (\$4,982,000); Tax Levy (\$6,994,000)
- b. Case #P-2 - Middlesex London Health Unit - Inflationary Pressures - Operating Expenditure \$1,280,000; Tax Levy \$1,280,000
- c. Case #P-3 - RBC Place London - Funding Support - Operating Expenditure \$850,000; Tax Levy \$0
- d. Case #P-4 - Private Parking Enforcement - Increased Fines - Operating Expenditure \$0; Tax Levy (\$200,000)
- e. Case #P-5 - Child Care and Ontario Works - Reduction in Required Investment - Operating Expenditure (\$2,773,000); Tax Levy (\$2,773,000)
- f. Case #P-6 - Infrastructure Gap and Community Building Projects - Reductions - Operating Expenditure (\$1,300,000); Tax Levy (\$1,300,000)

4.2. 2021 Middlesex-London Health Unit Funding Request

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- 4.3. Review of For Consideration Property Tax Operating Budget Amendments (2022-2023 totals rounded to the closest \$1,000)
- a. Case #P-7 - Neighbourhood Strategic Initiatives and Funding and Sports Services - Reduction to Neighbourhood and Athletic Travel Grant Programs - Operating Expenditure (\$470,000); Tax Levy (\$470,000)
  - b. Case #P-8 - Parks Planning and Design, Parks and Horticulture and Urban Forestry - Naturalization and Reduction in Tree Trimming - Operating Expenditure (\$516,000); Tax Levy (\$516,000)

4.4. Review of Recommended Property Tax Capital Budget Amendments (2022-2023 totals rounded to the closest \$1,000)

- a. Case #P-9 - Invasive Species Management - Capital - Capital Expenditure \$750,000; Tax Levy \$0
- b. Case #P-10 - Transportation - Capital Project Adjustments - Capital Expenditure \$9,191,000; Tax Levy \$0
- c. Case #P-11 - Long-term Disposal Capacity - Revised Costs - Capital Expenditure \$1,720,000; Tax Levy \$0
- d. Case #P-12 - LTC - Zero Emission Buses - Capital Expenditure \$25,960,000; Tax Levy \$0

4.5. Reserves and Reserve Funds Overview

Recommendation: That the Reserves and Reserve Funds Overview BE RECEIVED for information; it being noted projections are subject to annual review and adjustment (Appendix C)

4.6. Debt Overview

Recommendation: That the Debt Overview BE RECEIVED for information (Appendix D)

4.7. Reconciliation of the Draft Property Tax Budget to the Public Sector Accounting Board Budget

Recommendation: That the reconciliation of the draft Property Tax Budget to the Public Sector Accounting Board financial statement budget BE RECEIVED for information.

4.8. Operating Budget

Recommendation: That in accordance with section 291(4)(c) of the *Municipal Act 2001*, as amended, the following actions be taken with respect to the operating budget (Appendix A):

- a) the amended 2022 operating budget BE READOPTED in the gross expenditure amount of \$XXX and the tax levy amount of \$XXX after recognizing \$XXX of increased taxation from assessment growth; and,
- b) the amended 2023 operating budget BE READOPTED in the gross expenditure amount of \$XXX and the tax levy amount of \$XXX.

4.9. Capital Budget

Recommendation: That in accordance with section 291(4)(c) of the

*Municipal Act 2001*, as amended, the following actions be taken with respect to the capital budget (Appendix B):

a) the amended 2022 capital budget BE READOPTED in the amount of \$XXX;

b) the amended 2023 capital budget BE READOPTED in the amount of \$XXX; and,

c) the amended 2024 to 2029 capital forecast BE APPROVED in principle in the amount of \$XXX.

4.10. By-laws Regarding Tax Levy, Operating and Capital Budgets

Recommendation: That the Civic Administration BE DIRECTED to bring forward any necessary by-laws regarding the tax levy, the operating and capital budgets for introduction at Municipal Council.

4.11. Review of Water Budget Amendments (2022-2023 totals rounded to the closest \$1,000)

a. Case #W-1 - Schedule Changes for Water Lifecycle Renewal Projects - Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$0

b. Case #W-2 - Schedule Changes for Water Growth Projects - Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$0

4.12. Water Reserves/Reserve Funds Overview

Recommendation: That the Water Reserves/Reserve Funds Overview for the 2020 to 2023 Multi-Year Budget BE RECEIVED for information.

4.13. Reconciliation of the Draft Water Budget to the Public Sector Accounting Board Budget

Recommendation: That the reconciliation of the draft Water Budget to the Public Sector Accounting Board financial statement budget BE RECEIVED for information.

4.14. Water Services

Recommendation: That, in accordance with section 291(4)(c) of the *Municipal Act 2001*, as amended, the following actions be taken with respect to the 2022 to 2023 operating budgets and 2022 to 2023 capital budgets and associated forecasts for Water Services:

a) the amended 2022 operating budget for Water Services BE READOPTED in the gross expenditure amount of \$XXX and gross revenue amount of \$XXX;

b) the amended 2023 operating budget for Water Services BE READOPTED in the gross expenditure amount of \$XXX and gross revenue amount of \$XXX;

c) the amended 2022 capital budget for Water Services BE READOPTED in the amount of \$XXX;

d) the amended 2023 capital budget for Water Services BE

READOPTED in the amount of \$XXX; and,

e) the amended 2024 to 2029 capital forecast for Water Services BE APPROVED in principle in the amount of \$XXX;

it being noted that all rates and charges related to the provision of Water Services were increased by 2.5% effective January 1, 2020 as approved by Council on November 26, 2019, increased by 2.5% effective January 1, 2021 and will be increased by 2.5% effective January 1 each year for 2022 to 2023 as approved by Council on October 27, 2020.

- 4.15. Review of Wastewater and Treatment Budget Amendments (2022-2023 totals rounded to the closest \$1,000)
- a. Case #WWT-1 - Reduce Energy Budget at Greenway Wastewater Treatment Plant and Create Dedicated Program for Sewage By-pass and Overflow Elimination - Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$1,417,000

- 4.16. Wastewater and Treatment Reserves/Reserve Funds Overview

Recommendation: That the Wastewater and Treatment Reserves/Reserve Funds Overview for the 2020 to 2023 Multi-Year Budget BE RECEIVED for information.

- 4.17. Reconciliation of the Draft Wastewater and Treatment Budget to the Public Sector Accounting Board Budget

Recommendation: That the reconciliation of the draft Wastewater and Treatment Budget to the Public Sector Accounting Board financial statement budget BE RECEIVED for information.

- 4.18. Wastewater and Treatment Services

Recommendation: That in accordance with section 291(4)(c) of the *Municipal Act 2001*, as amended, the following actions be taken with respect to the 2022 to 2023 operating budgets and 2022 to 2023 capital budgets and associated forecasts for Wastewater and Treatment Services:

a) the amended 2022 operating budget for Wastewater and Treatment Services BE READOPTED in the gross expenditure amount of \$XXX and gross revenue amount of \$XXX;

b) the amended 2023 operating budget for Wastewater and Treatment Services BE READOPTED in the gross expenditure amount of \$XXX and gross revenue amount of \$XXX;

c) the amended 2022 capital budget for Wastewater and Treatment Services BE READOPTED in the amount of \$XXX;

d) the amended 2023 capital budget for Wastewater and Treatment Services BE READOPTED in the amount of \$XXX; and,

e) the amended 2024 to 2029 capital forecast for Wastewater and Treatment Services BE APPROVED in principle in the amount of \$XXX;

it being noted that all rates and charges relating to the provision of

Wastewater and Treatment Services were increased by 2.5% effective January 1, 2020 as approved by Council on November 26, 2019, increased by 2.5% effective January 1, 2021, and 2.7% effective July 1, 2021, and 2.5% effective January 1 each year of 2022 and 2023 as approved by Council on October 27, 2020.

**5. Deferred Matters/Additional Business**

**6. Adjournment**

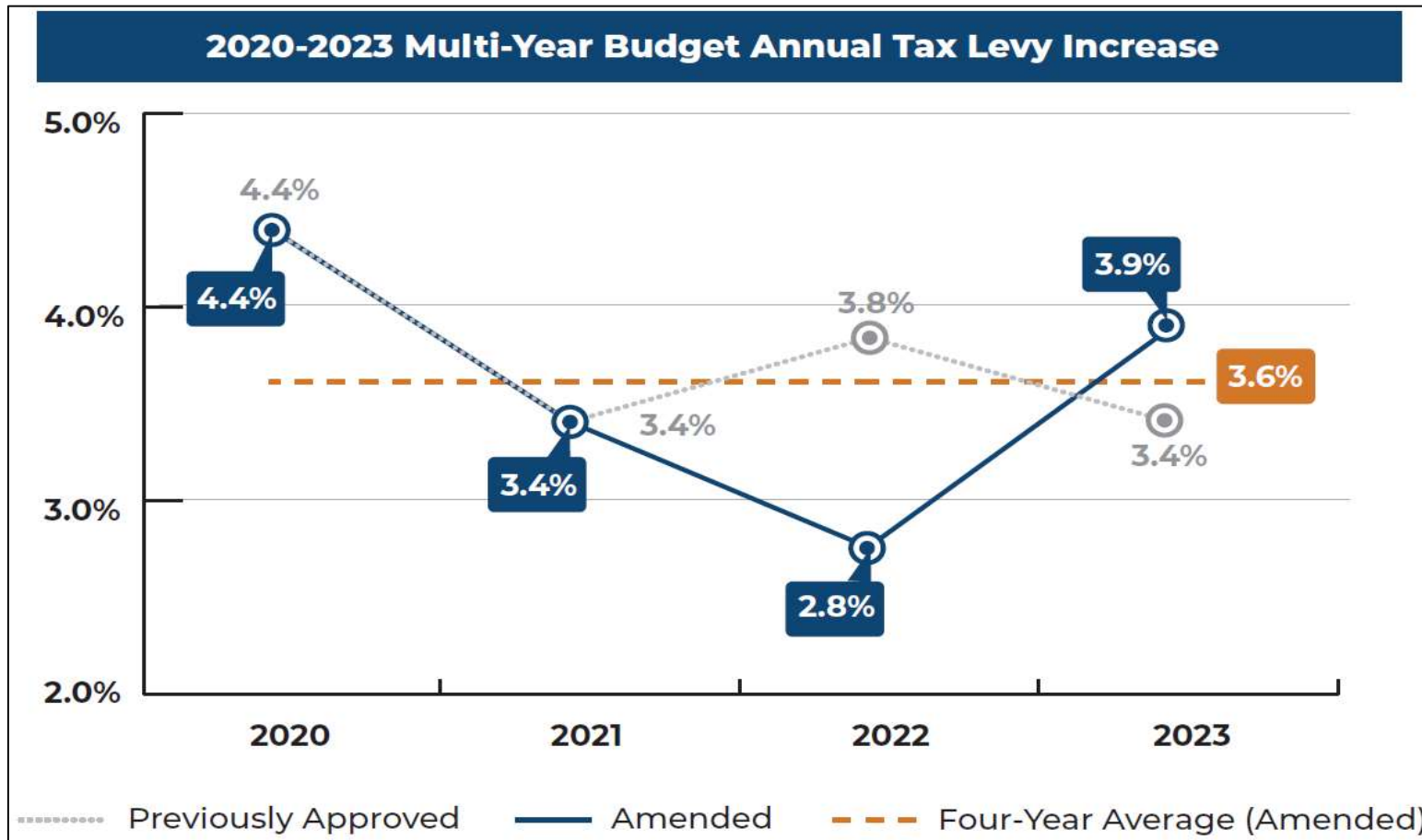


# **2022 Budget Deliberations**

## **Introduction**

**December 2, 2021**

# Summary of the Proposed 2022 Property Tax Supported Budget Update – As Tabled



**Average annual property owner impact: reduced from \$113 to \$109**

(Average residential property with an assessed value of \$241,000 in 2019, excludes Education tax portion.)

# Suggested Process for 2022 Budget Deliberations

## Step 1:

Review “Recommended” Property Tax Supported Operating Budget Amendments

## Step 2:

Review “For Consideration” Property Tax Supported Operating Budget Amendments

## Step 3:

Review Property Tax Supported Capital Budget Amendments

## Step 4:

Review Water Budget Amendments

## Step 5:

Review Wastewater & Treatment Budget Amendments



# Step 1: Recommended 2022 Operating Budget Amendments (\$000's)

#	Description	Tax Levy Impact		
		2022	2023	2024 & Beyond
P-1	Reductions due to zero-based reviews and other budget right-sizing	(\$3,712)	(\$3,282)	(\$3,282)
P-2	Middlesex-London Health Unit - Additional operating costs due to inflationary pressures	\$640	\$640	\$640
P-3	RBC Place London funding support	\$0	\$0	\$0
P-4	Private Parking Enforcement Program – Increased fines	(\$100)	(\$100)	(\$100)
P-5	Reduction in required Child Care and Ontario Works investments	(\$2,773)	\$0	\$0
P-6	Reduction to previously approved Business Cases - Infrastructure Gap and Community Building Projects	(\$650)	(\$650)	(\$650)

## Step 2: 2022 Operating Budget Amendments For Consideration (\$000's)

#	Description	Tax Levy Impact		
		2022	2023	2024 & Beyond
P-7	Reduction to Neighbourhood and Athletic Grant Programs	(\$235)	(\$235)	(\$235)
P-8	Parks Naturalization and Reduction in Tree Trimming	(\$258)	(\$258)	(\$258)

## Step 3: Recommended 2022 Capital Budget Amendments (\$000's)

#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
P-9	Continuation of the City's Invasive Plant Species Management Strategy	\$375	\$375	\$375
P-10	Transportation - Realignment and Adjustment of Growth Capital Project Budgets	\$4,074	\$5,117	\$4,241
P-11	Development of Long Term Waste Disposal Capacity	\$1,720	\$0	\$8,610
P-12	Zero-Emission Bus Implementation Strategy	\$25,960	\$0	\$0

**NOTE: These capital budget amendments do not have a tax levy impact in this Multi-Year Budget.**

## Step 4: Recommended 2022 Water Budget Amendments (\$000's)

#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
W-1	Schedule Changes for Water Lifecycle Renewal Projects	(\$1,206)	\$1,206	\$0
W-2	Schedule Changes for Water Growth Projects	(\$7,614)	\$7,614	\$0

These amendments do not impact the previously approved Water rate increases (2.5% increase effective January 1, 2022 and 2.5% increase effective January 1, 2023)

## Step 5: Recommended 2022 Wastewater & Treatment Budget Amendments (\$000's)

#	Description	Operating Budget Impact		
		2022	2023	2024 & Beyond
WWT-1 (Part A)	Reduce Energy Budget at Greenway Wastewater Treatment Plant	(\$700)	(\$717)	

#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
WWT-1 (Part B)	Create Dedicated Program for Sewage Bypass and Overflow Elimination	\$700	\$717	\$4,679

**These amendments do not impact the previously approved Wastewater rate increases (2.5% increase effective January 1, 2022 and 2.5% increase effective January 1, 2023)**

# Process for Budget Deliberations

- Property Tax Supported Budget:
  - Review Budget Amendments #P-1 to #P-12
  - Review related “2021 Middlesex-London Health Unit Funding Request” report to committee
  - “Housekeeping” recommendations:
    - Reserves & Reserve Funds Overview
    - Debt Overview
    - Reconciliation of Tabled Budget to PSAB Budget
  - Readopt 2022 tax levy & 2023 forecasted tax levy
  - Readopt capital budgets for 2022-23 & approve amended capital forecast
  - Approve direction to bring forward necessary by-laws
- Water and Wastewater & Treatment Budgets:
  - Review Budget Amendments #W-1, #W-2, #WWT-1
  - Housekeeping recommendations:
    - Reserves & Reserve Funds Overview
    - Reconciliation of Tabled Budget to PSAB Budget
  - Re-adopt 2022-23 operating & capital budgets and approve amended capital forecast

## Public Engagement Activities (Completed & Scheduled as of Nov. 25<sup>th</sup>)

- Implemented social media campaign
- Utilized digital advertising & advertising in The Londoner newspaper
- Distributed budget handout through Ontario Works cheque mail-outs
- All budget materials posted on [london.ca/budget](http://london.ca/budget) & [GetInvolved.London.ca](http://GetInvolved.London.ca); copies in City Clerks Office and at all library branches
- Completed 3 virtual budget information sessions
- Public Participation Meeting – November 29<sup>th</sup>
- Support for virtual Councillors' ward meetings
- Provided materials to support Councillors' engagement activities as requested
- Presentations to Environmental & Ecological Planning Advisory Committee (EEPAC), Urban League



# 2020-2023 MULTI-YEAR BUDGET

City of London



**LondonCanada**



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**budget@london.ca**



**getinvolved.london.ca**



## Report to Strategic Priorities and Policy Committee

**To:** Chair and Members  
Strategic Priorities and Policy Committee

**From:** Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

**Subject:** 2021 Middlesex-London Health Unit Funding Request

**Date:** December 2, 2021

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken:

- a) The funding request letter (Appendix "A") dated November 5, 2021, from the Middlesex-London Health Unit regarding 2021 required funding from the City of London **BE RECEIVED**.
- b) The funding request pertaining to the Health Unit's 2021 budget in the amount of \$640,233 **BE APPROVED**, it being noted that this pressure was incorporated in the City's projected 2021 property tax supported budget year-end position and that budget impacts for 2022 and 2023 are being separately addressed as part of the 2022 Annual Budget Update.

## Executive Summary

The Middlesex-London Health Unit (MLHU) has submitted a funding request of \$640,233 related to their 2021 budget. MLHU's approved 2021 budget included inflationary increases, new premises cost increases and additional program costs bringing the City of London's (City) contribution of its total budget greater than what was approved as part of the City's 2021 Annual Budget Update. The funding request represents the City's incremental share of the total MLHU budget.

## Linkage to the Corporate Strategic Plan

Council's 2019 to 2023 Strategic Plan for the City of London identifies 'Leading in Public Service' as a strategic area of focus. The City of London's Multi-Year Budget development and monitoring is a strategy to maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term. As unanticipated external factors arise, Civic Administration ensures appropriate governance practices and approval processes are followed should the funding requirement not align with the budget or monitoring cycles of the City.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Strategic Priorities and Policy Committee, meeting on November 9, 2021, Agenda Item 3.1, Tabling of the 2022 Budget Update  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=86842>

Corporate Services Committee, meeting on September 20, 2021, Agenda Item 2.1, 2021 Mid-Year Operating Budget Monitoring Report  
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=85151>

Middlesex-London Health Unit Finance & Facilities Committee, meeting on February 11, 2021, Agenda Item 4.1, 2021 Proposed Budget  
[https://www.healthunit.com/uploads/04-21ffc\\_budget\\_2021\\_finalfinal.pdf](https://www.healthunit.com/uploads/04-21ffc_budget_2021_finalfinal.pdf)

Middlesex-London Health Unit Finance & Facilities Committee, meeting on November 5, 2020, Agenda Item 4.1, 2021 Budget – PBMA Proposals  
<https://www.healthunit.com/uploads/2020-11-05-report-27-20-ffc.pdf>

## 2.0 Discussion and Considerations

The Health Protection and Promotion Act, R.S.O 1990 outlines the obligations of municipalities to fund the expenses of public health units:

- 72** (1) The obligated municipalities in a health unit shall pay,
- (a) the expenses incurred by or on behalf of the board of health of the health unit in the performance of its functions and duties under this or any other Act; and
  - (b) the expenses incurred by or on behalf of the medical officer of health of the board of health in the performance of his or her functions and duties under this or any other Act. 1997, c. 30, Sched. D, s. 8.
- (2) In discharging their obligations under subsection (1), the obligated municipalities in a health unit shall ensure that the amount paid is sufficient to enable the board of health,
- (a) to provide or ensure the provision of health programs and services in accordance with sections 5, 6 and 7, the regulations and the public health standards; and
  - (b) to comply in all other respects with this Act and the regulations. 1997, c. 30, Sched. D, s. 8; 2017, c. 25, Sched. 3, s. 1 (2).

The MLHU's 2021 budget was approved at its Board of Health meeting on February 18, 2021. This approval of the MLHU budget for 2021 was subsequent to the City of London's 2021 Annual Budget Update, which was approved on January 12, 2021.

The 2021 MLHU budget identified a number of increases including inflationary pressures (approx. \$520,000), incremental premises costs (approximately \$191,000) and Program Budgeting and Marginal Analysis investments net of disinvestments (approximately \$51,000). The total increase to the MLHU 2021 budget was identified as \$762,182.

This report is regarding the submitted letter (Appendix "A") requesting the City's share of \$640,233 for the 2021 budget year. As part of the 2022 Annual Budget Update, the City of London's share of \$640,233 has been requested for the remaining years of the Multi-Year-Budget (2022 and 2023) through 2022 Budget Amendment #P-2.

## 3.0 Financial Impact/Considerations

The City of London's share of the MLHU budget was approved as \$6,095,059 for the 2021 budget year. With the identified increases, the City of London's share becomes \$6,735,292, with the difference of \$640,233 representing the 2021 additional funding request.

As the City of London's 2021 budget has been finalized and all tax billings have been completed, Civic Administration recommends that this request be funded through the 2021 projected operating budget surplus. This budgetary pressure was anticipated and reflected in the projected year-end position outlined in the 2021 Mid-Year Operating Budget Monitoring Report presented to the Corporate Services Committee on September 20, 2021.

## 4.0 Key Issues and Considerations

The City of London's monthly appropriation payments to the MLHU have continued to be based on the 2021 approved budget of \$6,095,059. To provide this additional payment pertaining to the 2021 budget, Civic Administration requires Council's approval for the additional payment.

### Conclusion

Civic Administration requires Council approval to process payment of the MLHU funding request pertaining to the 2021 budget year. The increase is due to an increase in the City's share of the MLHU budget given the MLHU's later budget approval relative to the City's 2021 Budget Update.

**Prepared by:** Martin Galczynski, CPA, CA, Manager, Financial Planning and Policy

**Submitted by:** Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

**Recommended by:** Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Attachments:  
Appendix A – MLHU Letter

Cc:

Rick Lamon – Manager, Accounting & Reporting  
Meng Liu – Senior Financial Business Administrator

## Appendix A – MLHU Request Letter



November 5, 2021

Attention:  
Strategic Priorities and Policy Committee  
City of London  
300 Dufferin Avenue  
London, ON N6B 1Z2

To the Members of the Strategic Priorities and Policy Committee,

In follow up to the MLHU request for amendment to the 2021 funding from the City of London, I have provided you with the approved 2021 Budget and associated Board of Health motion. As per the budget document, the City of London funding for 2021 for MLHU was requested at \$6,735,292; however, the City of London has confirmed to date a plan to provide \$6,095,059 in 2021, a difference of \$640,233.

This letter represents a formal request to the City of London for the remaining funding, in the amount of \$640,233, as budgeted by MLHU in 2021.

I would be pleased to answer any questions.

Thank you,

*Emily Williams*

Emily Williams (she/her) BScN, RN, MBA  
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Director, Healthy Organization  
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Copy to:  
M. Cassidy Chair, MLHU Board of Health  
M. Reid, Chair, MLHU Finance & Facilities Committee  
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