

Draft 2024-2027 Multi-Year Budget



Ecological Community Advisory Committee
January 18, 2024

Budget Document



Property Tax, Water, Wastewater & Treatment Budgets

2024 – 2027 Multi-Year Budget
Draft - December 12, 2023



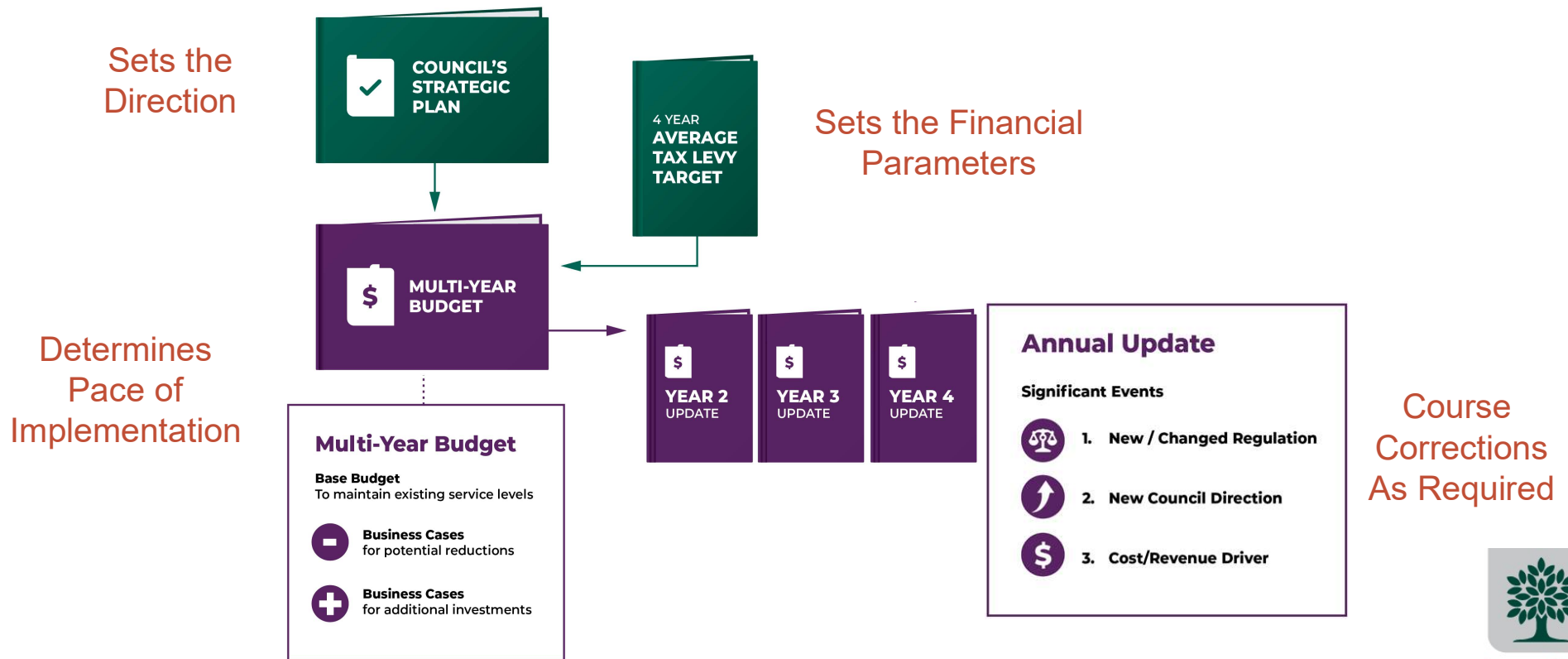
Available online at london.ca/budget and GetInvolved.London.ca/budget

Agenda

- Multi-Year Budget Process
- Property Tax Supported 2024-2027 Multi-Year Budget Overview
- Water & Wastewater 2024-2027 Multi-Year Budget Overview
- “Strong Mayor” Legislation – Impact on the Budget Process
- Key Dates & Public Engagement

Multi-Year Budget Process

Multi-Year Budget Process



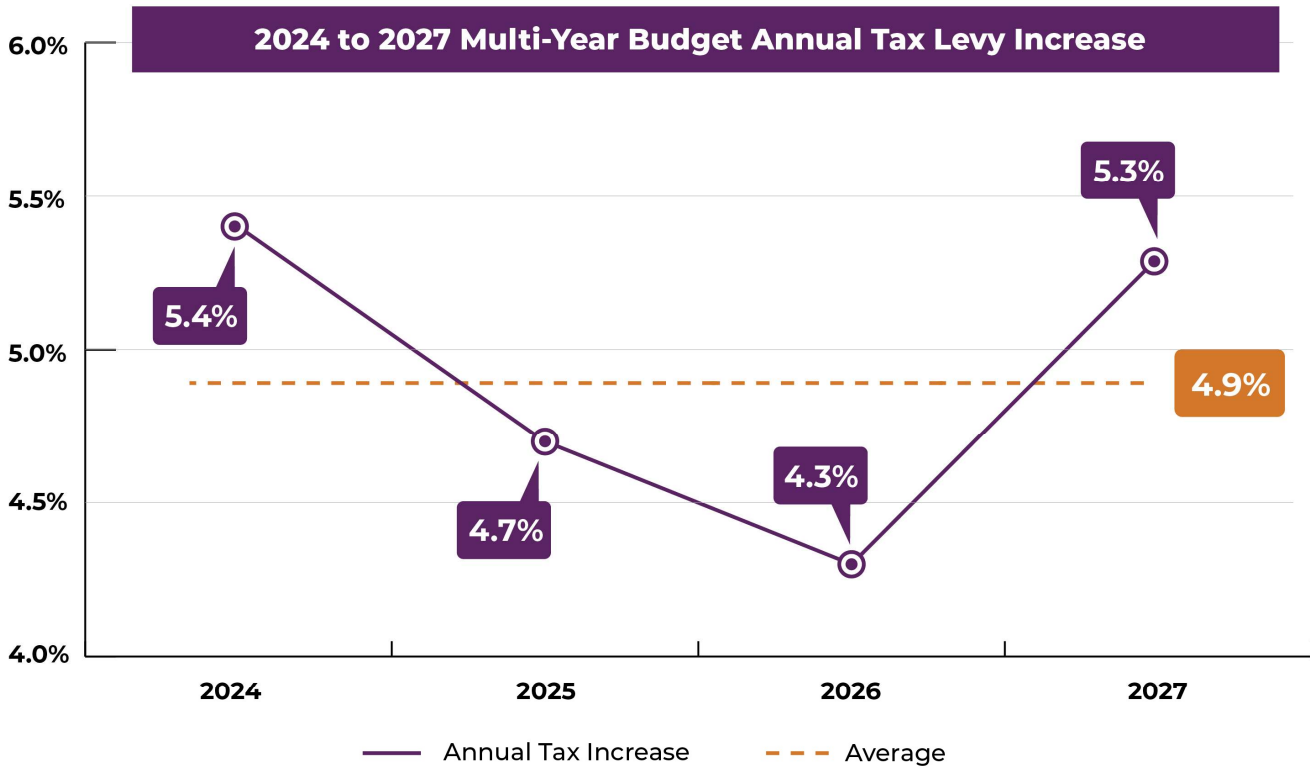
Primary Budget Components



Property Tax Supported 2024-2027 Multi-Year Budget Overview

Base Budgets

Base Budget Overview



Costs to Maintain Existing Service Levels (MESL)

Base Budget – Operating Overview

Operating Budget (\$ Thousands)	2023 Approved Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/Decrease	Avg. % Increase/Decrease
Expenditure	1,138,250	1,278,783	1,319,643	1,351,768	1,395,470	64,305	
Non-Tax Levy Revenue	401,793	502,757	507,221	504,440	503,003	25,303	
Tax Levy Revenue	736,458	776,026	812,422	847,328	892,467	39,002	
Tax Levy % Increase from Rates		5.4%	4.7%	4.3%	5.3%	N/A	4.9%

Impact to Taxpayer	2023 Approved Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2024-2027 Average
Cost of Municipal Services	3,297	3,474	3,637	3,793	3,995	3,725
Taxpayer Impact		177	163	156	202	175
% Increase from Rates		5.4%	4.7%	4.3%	5.3%	4.9%

Subject to rounding.

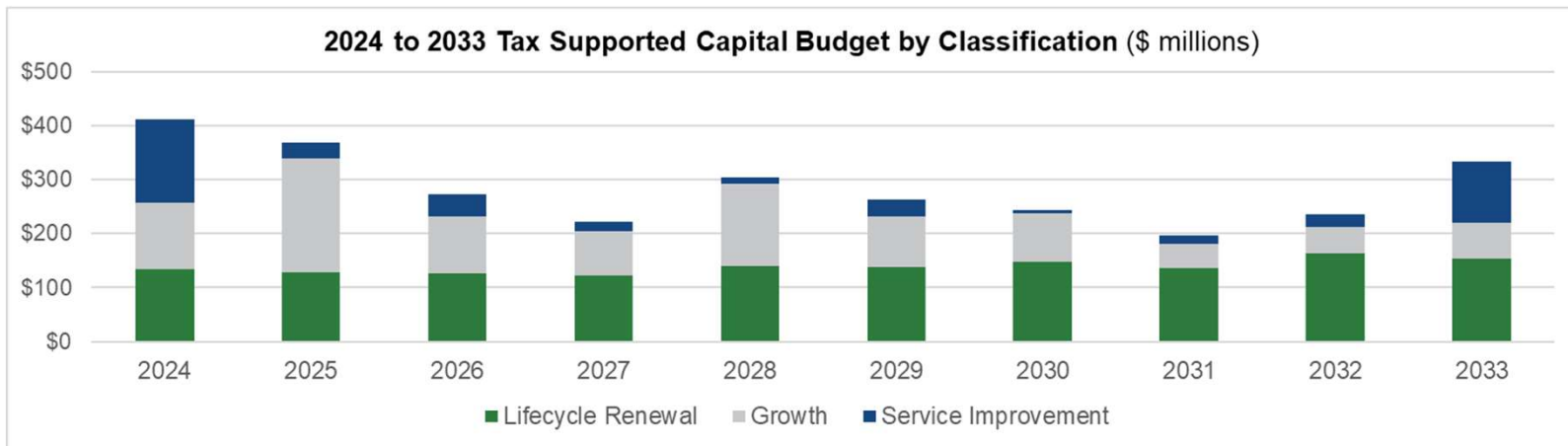
Note: Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy)

Costs to Maintain Existing Service Levels (MESL)

Base Budget – Capital Overview

Capital Budget Classification (\$ Millions)	2024 to 2027 Proposed Multi-Year Budget	2024 to 2033 Proposed Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. road resurfacing and replacing equipment).	\$511	\$1,388
Growth projects extend services into newly developed areas of the <u>City</u> (e.g. a road widening to handle additional traffic from new subdivisions).	\$521	\$1,017
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. purchasing property for industrial land).	\$242	\$447
Total	\$1,274	\$2,851

Subject to rounding.



Costs to Maintain Existing Service Levels (MESL)

Base Budget – Select Capital Projects

Capital Project (\$ Thousands)	2024	2025	2026	2027	2028-33
PD224324 Maintain Environmentally Significant Areas	260	260	280	280	1,950
PD2179 New ESA Conservation Master Plans			358		
PD225324 New Environmentally Significant Areas		55	56	57	371
PK1201 One River EA – River Mgmt. Implementation	500	500	500	500	

Costs to
 Maintain
 Existing
 Service Levels
 (MESL)



Property Tax Supported 2024-2027 Multi-Year Budget Overview

Business Cases

Business Cases Overview

- Business cases are prepared for budgetary changes that extend beyond normal costs to maintain existing services or service levels
- Business cases can include:
 - Increased service levels for existing programs or services
 - Introducing new programs or services
 - Making permanent a program or service introduced temporarily
 - Financial impacts related to changes in funding sources (e.g. changes to funding from other levels of government)
 - Capital project cost escalations requiring substantial additional funding
 - Reductions to programs, services, service levels and/or funding

Business Case Categorization – Property Tax Supported Budget

- 1) **Legislative change** – a case in response to new or changed legislation with a financial impact to maintain existing service levels. There is no discretion to avoid the financial impacts of the legislative change and no ability to adjust service levels in response.
- 2) **Administratively prioritized within 0.5%** - business cases prioritized by Civic Administration utilizing the following criteria for civic service areas business cases only given the relatively limited amount of funding that 0.5% represents:
 - Urgent corporate health and life safety needs
 - Imminent risks to mission-critical operational infrastructure and systems
 - Capital projects underway with significant, unavoidable cost pressures and contractual obligations requiring completion in this multi-year budget period
- 3) **All other cases** – all other business cases developed for the strategies of the 2023 to 2027 Strategic Plan requiring additional funding, recognizing that the Strategic Plan would require a level of investment well above the 0.5% target in aggregate. This section also contains cases for potential reductions.

Business Cases – Property Tax Supported Budget

Category	# of Property Tax Budget Business Cases	Average Annual Property Tax Impact (%)
Legislative Changes	13	0.4%
Administratively Prioritized within 0.5%	7	0.3%
Council Decisions – All Other Cases	67	TBD up to 3.4%
TOTAL:	87	

- Business case summaries can be found starting on page 63 of budget document; full business cases can be found starting on page 307
- The “administratively prioritized” category is aimed at maintaining the previous guidance of approx. 0.5% as per Apr. 2023 target-setting report
- **Notwithstanding Civic Administration’s categorization, Council can choose to approve any of the business cases**

Business Cases for
 Adjustments to
 Funding and/or
 Service Levels



Business Cases – Property Tax Supported Budget

Strategic Area of Focus	# of Business Cases
Reconciliation, Equity, Accessibility and Inclusion	3
Housing and Homelessness	13
Economic Growth, Culture, and Prosperity	13
Mobility and Transportation	5
Wellbeing and Safety	14
Climate Action and Sustainable Growth	10
Safe London for Women, Girls, and Gender-Diverse and Trans People	2
Well-Run City	14

Business Cases for Adjustments to Funding and/or Service Levels

Excludes Legislative Change Business Cases (13)



Business Case Examples

Legislative Changes

- Conservation Authorities Act & Regulations

Wellbeing and Safety

- Naturalization of Boulevards & Reduced Roadside Cutting
- Parks Operations Service Delivery Enhancements
- River Road Park – Stabilization and Phase 1 Investments

Climate Action and Sustainable Growth

- Climate Emergency Action Plan (CEAP) Implementation
- Ecological Master Planning Funding
- Environmentally Significant Areas Management
- Silver Creek Ecological Enhancements

Water & Wastewater 2024-2027 Multi-Year Budget Overview

Wastewater – Base Budget – Overview

	2024	2025	2026	2027	Average
Proposed Rate Increase	4.0%	4.0%	4.0%	4.0%	4.0%
Annual Cost for Average Residential User	\$707	\$735	\$765	\$795	\$751
Change in Annual Cost for Average Residential User	\$28	\$28	\$30	\$30	\$29

Subject to rounding.

Note: The budgeted residential cost is based on an average residential consumption of 200 m³ (2022 BMA Municipal Study).

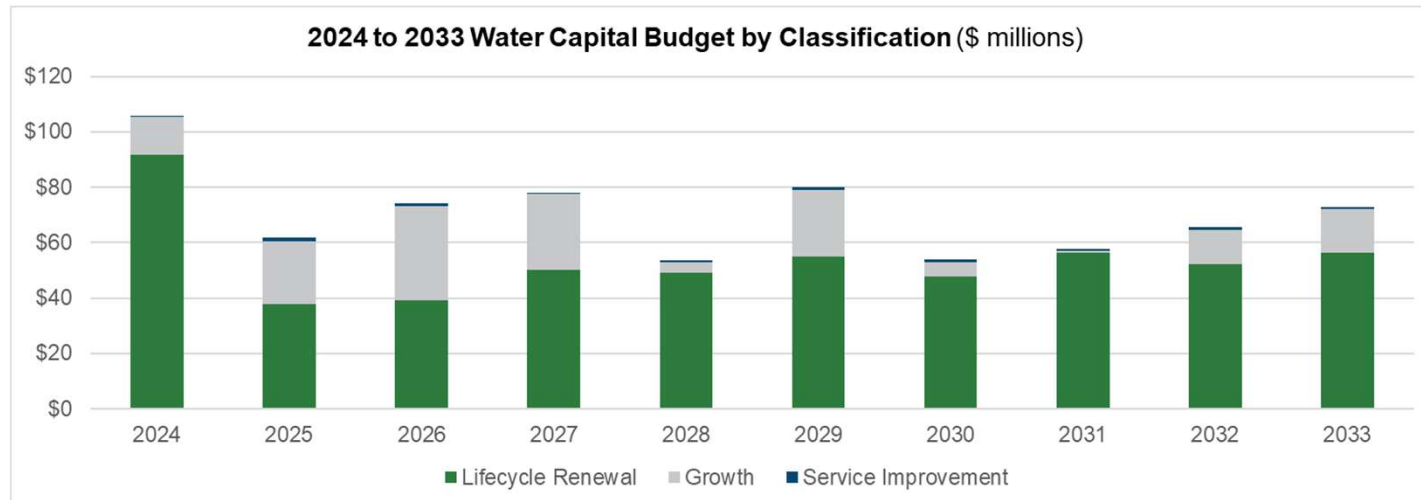
Costs to Maintain Existing Service Levels (MESL)



Water – Base Budget – Capital Overview

Capital Budget Classification (\$ Millions)	2024 to 2027 Multi-Year Budget	2024 to 2033 Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. reservoirs, watermains, valves, etc.).	\$219	\$535
Growth projects extend services into newly developed areas of the <u>City</u> (e.g. a watermain to service new subdivisions).	\$98	\$160
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a water pumping station).	\$3	\$8
Total	\$320	\$704

Subject to rounding.



Costs to Maintain Existing Service Levels (MESL)



Business Cases – Water and Wastewater Budgets

Category	# of Water Budget Business Cases	Average Annual Water Rate Impact (%)	# of Wastewater Budget Business Cases	Average Annual Wastewater Rate Impact (%)
Legislative Changes	2	0.4%	4	0.9%
Council Decisions – All Other Cases	1	0.0%	9	0.0%
TOTAL:	3		13	

- Business case summaries can be found starting on page 140 (Water) and 165 (Wastewater) of budget document
- Full business cases can be found starting on page 793

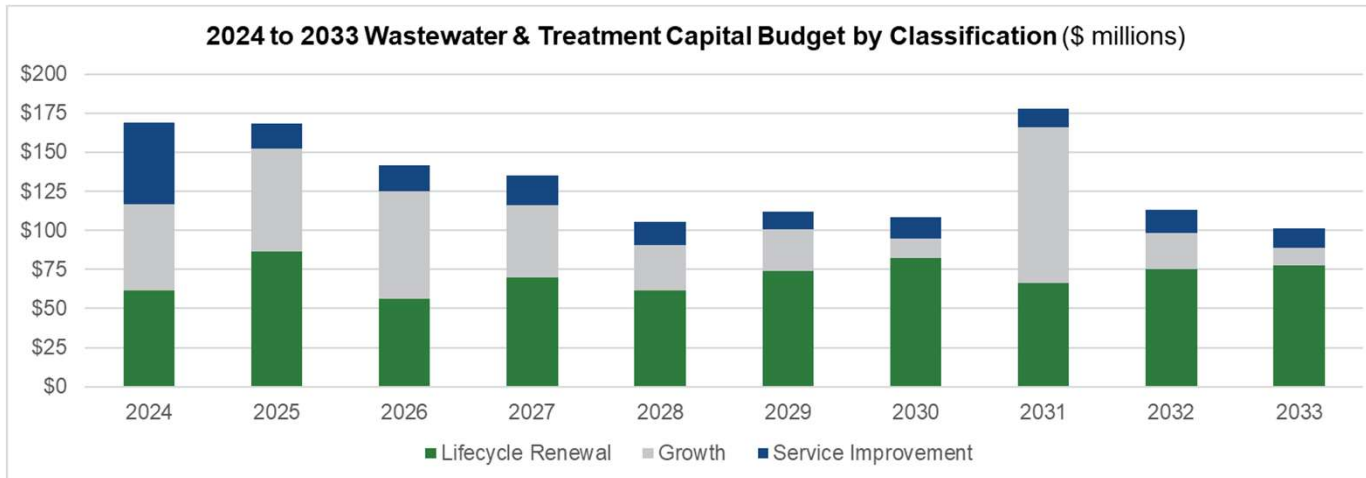
Business Cases for
 Adjustments to
 Funding and/or
 Service Levels



Wastewater – Base Budget – Capital Overview

Capital Budget Classification (\$ Millions)	2024 to 2027 Multi-Year Budget	2024 to 2033 Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. local and trunk sewers, wastewater treatment plants and equipment).	\$275	\$712
Growth projects extend services into newly developed areas of the <u>City</u> (e.g. a trunk sewer to service new subdivisions).	\$235	\$437
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a wastewater treatment plant).	\$104	\$183
Total	\$614	\$1,332

Subject to rounding.



Costs to Maintain Existing Service Levels (MESL)

Business Case Categorization – Water and Wastewater Budgets

- 1) Legislative change** – a case in response to new or changed legislation with a financial impact to maintain existing service levels. There is no discretion to avoid the financial impacts of the legislative change and no ability to adjust service levels in response.
- 2) All other cases** – all other business cases developed for the strategies of the 2023 to 2027 Strategic Plan requiring additional funding. This section also contains cases for potential reductions.

Business Cases – Water and Wastewater Budgets

Category	# of Water Budget Business Cases	Average Annual Water Rate Impact (%)	# of Wastewater Budget Business Cases	Average Annual Wastewater Rate Impact (%)
Legislative Changes	2	0.4%	4	0.9%
Council Decisions – All Other Cases	1	0.0%	9	0.0%
TOTAL:	3		13	

- Business case summaries can be found starting on page 140 (Water) and 165 (Wastewater) of budget document
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Business Cases for
 Adjustments to
 Funding and/or
 Service Levels

Business Case Examples

Legislative Changes

- Conservation Authorities Act & Regulations

Wastewater Business Cases

- Sewer Overflow Investigation & Mitigation Program (PPCP)
- Erosion Control Structures Replacement Program
- Culvert Replacement Program
- River Road Servicing Improvement Strategy
- Greenway Section 1 Renewal
- Sewage Bypass and Overflow Elimination Increase

“Strong Mayor” Legislation – Impact on the Budget Process

“Strong Mayor” Legislation – Impact to Budget Process

- “Strong Mayor” legislation has now been extended to 46 of Ontario’s larger municipalities, including London
- This new legislation dictates that:
 - The Mayor is to propose a budget by February 1st, or
 - Council prepares and adopts a budget if the Mayor fails to propose a budget on or before February 1st
- This new legislation does not provide for a mechanism for the Mayor to ‘opt out’ of this new process or for the Mayor to delegate these responsibilities
- The draft budget formally released Dec. 12 is the draft budget prepared by Civic Administration to facilitate public input, and is not the “Mayor’s budget”
- The legislation includes defined processes for council amendments to the Mayor’s budget, associated mayoral veto power and council overrides of mayoral vetoes



“Strong Mayor” Legislation – Impact to Budget Process

Mayor proposes a budget on or before Feb. 1st

- Otherwise Council shall “prepare and adopt” budget for the municipality

30-day* period for Council amendments** to the proposed budget

- If no amendments (or not within 30 days), budget is deemed adopted as proposed by Mayor

10-day*** period for Mayor to provide written veto of Council amendments

- If no veto, budget deemed adopted with council amendments

15-day* period for Council to override Mayor’s veto with two-thirds majority

- If no two-thirds majority or not within 15 days, budget deemed adopted as proposed by Mayor

Budget deemed adopted with Council amendments

* Council may pass resolution to shorten this time period

** Council meeting is not required to approve Council amendments

*** Mayor may provide written document to shorten this time period



Key Dates & Upcoming Public Engagement

Key Budget Dates

Event/Milestone	Date
Formal Budget Release at SPPC	December 12 – 4:00 p.m.
Public Participation Meeting #1 at Budget Committee	January 29 – 4:00 p.m.
Budget Deliberations at Budget Committee	February 1, 2, 8, 9, 15, 16, 22, 23 – all at 9:30 a.m. as required
Public Participation Meeting #2 at Budget Committee	February 27 – 4:00 p.m.



Other Public Engagement Resources

- Online business case survey: <https://getinvolved.london.ca/budget>
- Online property tax breakdown calculator tool:
<https://apps.london.ca/CoITaxCalculator>
- “Finance Flicks” available online: <https://getinvolved.london.ca/budget>



Get Involved. Provide your input.

Review budget information online:

- Find key information at the City's Get Involved webpage – the 2024-2027 Multi-Year Budget project site

<https://getinvolved.london.ca/budget>

Submit feedback to your councillor:

- You can find your councillor and their contact information on the City of London website:

<https://london.ca/government/council-civic-administration/city-council>

Attend a public participation meeting:

- You can provide a submission or address all the councillors sitting as the Budget Committee

<https://london.ca/government/council-civic-administration/council-committee-meetings>





City of London Budget Contact:

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