

Budget >>> 2014



2014 Budget Overview January 9, 2014



London
CANADA

Draft – December 3, 2013

AGENDA

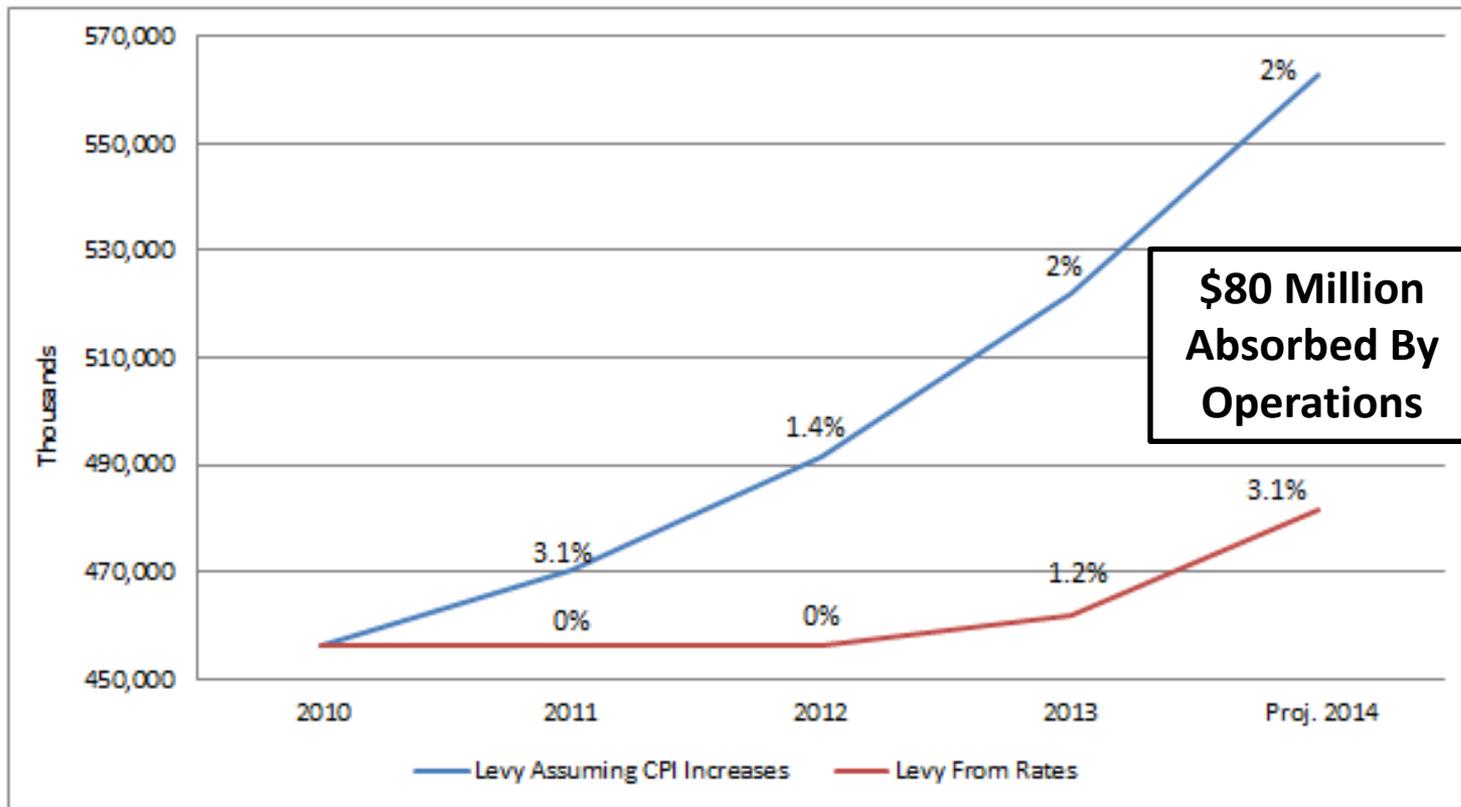
| Speaker | Topic | Time |
|--------------------------------|--|-------------|
| Larry Palarchio | 2011 To 2014 Corporate Budget Story | 4:00 – 4:15 |
| Anna Lisa Barbon | Service Program Overview <ul style="list-style-type: none"> • Parks, Recreation & Neighbourhood Services • Social & Health Services | 4:15 – 4:35 |
| Ian Collins | Service Program Overview <ul style="list-style-type: none"> • Culture (Eldon House – Maureen Spencer-Golovchenko) • Economic Prosperity • Environmental Services • Planning & Development Services • Transportation Services • Corporate, Operational & Council Services | 4:35 – 5:40 |
| Alan Dunbar | Strategic Investments, Emerging Issues, & Grant Requests | 5:40 – 5:50 |
| Jason Senese | Long-Term Financial Planning (2015-2018 Forecast) | 5:50 – 6:00 |
| Larry Palarchio | Timetable | 6:00 – 6:05 |
| | Dinner Break | 6:05 – 6:35 |
| Larry Ducharme | London Transit Commission | 6:35 – 6:50 |
| Larry Palarchio | Protective Services (General Overview) | 6:50 – 7:00 |
| Brad Duncan Chief of Police | London Police Service | 7:00 – 7:30 |



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2011 To 2014 Corporate Budget Story

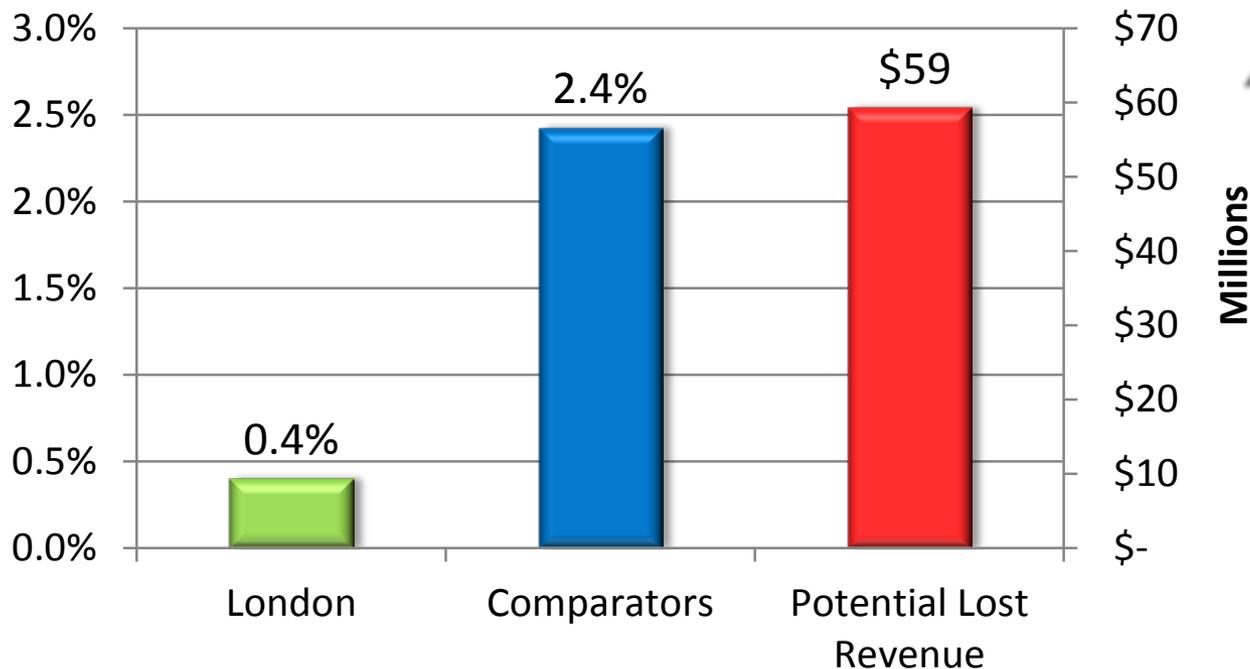
Tax Levy From Rates Versus CPI



What's Happening with Tax Rates in Other Communities?



How Does London Compare 2011 - 2013



London received \$59 million less in revenue in comparison to other municipalities

Comparator municipalities include Chatham, Guelph, Hamilton, Ottawa, Sarnia, and Kingston

2011 – 2014 Budget Story



- 1. Reduced Personnel Costs**
- 2. Created Service Efficiencies and Alternative Service Delivery**
- 3. Revenue Opportunities**
- 4. Capital Budget Cuts and Deferrals**
- 5. Reserves and Reserve Funds**
- 6. Value for Money Audits**

State of the Infrastructure Report



- This report just released Jan 7, 2014
- Must be considered when looking at capital budget and reserve fund contributions

City of London Infrastructure Summary *

| Replacement Value | Current Condition | Infrastructure Gap Current | Infrastructure Gap In 10 Years |
|-------------------|-------------------|----------------------------|--------------------------------|
| \$ 4.1 Billion | | \$ 50.1 Million | \$ 405.6 Million |

* Tax supported infrastructure only

Budget
2014

Increased Cost of Municipal Services



Protective Services.....

- Police (Submitted at 3.3%).....
- Fire (Submitted at 4%).....

Capital Financing.....

- Pay As You Go.....
- Debt Servicing.....

Corp. Contingencies (Tax Write-Offs, Legal, Personnel).....

Land Ambulance (Submitted at 8%).....



London Transit Commission (Submitted at 2.4%).....



London Public Library (Submitted at 1.8%).....



London Middlesex Housing Corporation (Submitted at 2.7%).....

Conservation Authorities.....

Net Ontario Works.....

- Ontario Works (-10.9% due to Provincial Uploading).....
- Reduced Reliance On Stabilization Reserve.....

Remaining Service Areas.....

Avg. Residential Homeowner

\$76

\$26

\$15

\$11

\$24

\$14

\$10

\$18

\$4

\$3

\$2

\$1

\$1

\$(4)

\$(13)

\$9

\$1

Increase From Rates

\$15.1 M

\$5.2 M

\$3.0 M

\$2.2 M

\$4.7 M

\$2.8 M

\$1.9 M

\$3.7 M

\$0.9 M

\$0.6 M

\$0.3 M

\$0.2 M

\$0.1 M

\$(0.9) M

\$(2.6) M

\$1.7 M

\$0.3 M



*Average rate payer owning a home with an assessed value of \$208,000. Municipal Property Tax Amount is subject to 2014 tax policy. Excludes the Education tax portion which is set by the Province.

Remaining Service Areas



Remaining Services Include:

- Cultural Services
- Heritage
- Economic Prosperity
- Environmental Stewardship
- Garbage, Recycling & Composting
- Neighbourhood & Recreation Services
- Parks & Urban Forestry
- Planning & Development
- Social Housing
- Social & Community Support Services
- Parking
- Roadways
- Corporate & Council Services

Property Values



Average Assessed Value

- 2013 assessed value of \$208,000
- Purpose: Used to determine the amount of taxes paid. The assessed value is the 2012 market value phased in over four years (2013-2016).
- Source: Assessed values are determined by MPAC

Average YTD Sales Price

- October 2013 YTD sales price of \$240,370
- Purpose: Will provide an indication of the current housing market conditions
- Source: London St. Thomas Association of Realtors

Decision Point 1 – Included in the 3.1% Submitted Budget: Service Changes and Capital Cuts



a. Operating program impacts amounting to \$1.3 million

| Case # | Service Program | Business Case Description (\$000's) | (Cut)/Add |
|--------|--------------------------------------|---|------------------|
| 1 | Economic Prosperity | Downtown London Business Improvement Area | \$(53) |
| 2 | Economic Prosperity | Elimination of planned increased contribution to the Economic Development Reserve Fund | \$(1,000) |
| 3 | Environmental Services | Reduction to the contribution to the Sanitary Landfill Reserve Fund | \$(255) |
| 4 | Parks, Rec. & Neighbourhood Services | Upper Thames River Conservation Authority contract for managing environmentally sensitive areas | \$(72) |
| 5 | Culture | Eldon House - Addition of a Curator | \$59 |
| | | Total | \$(1,321) |

RECOMMENDATION: That business cases 1 to 4 **BE APPROVED** and business case 5 **BE REVIEWED**.

Decision Point 1 – Included in the 3.1% Submitted Budget: Service Changes and Capital Cuts



b. Capital program cuts amounting to \$3.6 million

| Case # | Project Description (\$000's) | (Cut)/Add |
|--------|--|------------------|
| 6 | Landfill Site Property Acquisition | \$(200) |
| 7 | Bus Purchase Renewal | \$(500) |
| 8 | Arterial Road Rehabilitation - Main | \$(1,700) |
| 9 | Glen Cairn Major Upgrades | \$(125) |
| 10 | Floodplain Acquisition | \$(200) |
| 11 | Downtown On-Street Pay & Display Parking | \$(175) |
| 12 | Bike Lane Program | \$(200) |
| 13 | Facility Energy Management | \$(500) |
| | TOTAL | \$(3,600) |

RECOMMENDATION: Notwithstanding the Surplus Policy, the 2013 year end surplus, if realized, **BE APPROVED** as a source of funding to avoid the above cuts to the 2014 Capital Budget that have been submitted as part of the 3.1% submitted tax levy budget.

Surplus Policy



1. Surpluses, if any, should be fully contributed to the Operating Budget Contingency Reserve at year end and, in the subsequent year, allocated as follows:
 - a) The first \$850,000 of the previous year end surplus should be contributed as revenue in that year and reduce the tax levy (noting that this amount is already built into the tax levy);
 - b) 50% of the balance of year end surplus be applied to debt reduction/elimination and/or avoidance;
 - c) The balance of year end surplus be applied by Council to:
 - i. Fund capital projects that cannot be fit within the capital funding envelope;
 - ii. Contribute to the Operating Budget Contingency Reserve to provide an amount equivalent to 1.5% of the gross tax supported expenditures. This will provide a reasonable cushion against deficits and unexpected or one-time expenditure/revenue losses that occur from time to time;
 - iii. Contribute toward the Unfunded Liabilities Reserve in order to help fund the liabilities reported on the financial statements which have not been funded,
 - iv. Meet one-time community needs, provide for new initiatives/investments that produce a benefit to the community/taxpayer.
2. Deficits, if any, should be funded through a draw from the Operating Budget Contingency Reserve at year end.

Decision Point 2 – Included in the 3.1% Submitted Budget: Costs of a Growing City Funded by Assessment Growth



Assessment Growth

What Is Assessment Growth?

Funding from assessment growth refers to property taxes levied on new homes and businesses. These new homes and businesses expect to receive the same municipal services that existing taxpayers receive.

| Assessment Growth | Amount 000's |
|--|---------------------|
| Available Assessment Growth Funding | <u>7,261</u> |
| Category A (Business Cases 14-30) | 3,673 |
| • Environmental Services | \$188 |
| • Parks, Rec. & Neighbourhood Serv. | \$804 |
| • Transportation Services | \$2,280 |
| • Corp., Operational & Council Serv. | \$401 |
| Category B (Business Cases 31-40) | 3,588 |
| • Culture | \$85 |
| • Environmental Services | \$289 |
| • Parks, Rec. & Neighbourhood Serv. | \$229 |
| • Planning & Development | \$85 |
| • Protective Services | \$900 |
| • Transportation Services | \$2,000 |
| Total Growth Costs Due To An Expanding City | <u>7,261</u> |

Assessment growth funds the additional volume of municipal services such as; road maintenance, snow plowing, garbage collection, street lighting, parks, recreation, fire and police services, resulting primarily from the new homes and businesses.

RECOMMENDATION: That the assessment growth business cases that explain the operating and capital costs associated with servicing a “growing” City **BE APPROVED.**

Budget
2014

Increased Cost of Municipal Services



Protective Services.....

- Police (Submitted at 3.3%).....
- Fire (Submitted at 4%).....

Capital Financing.....

- Pay As You Go.....
- Debt Servicing.....

Corp. Contingencies (Tax Write-Offs, Legal, Personnel).....

Land Ambulance (Submitted at 8%).....



London Transit Commission (Submitted at 2.4%).....



London Public Library (Submitted at 1.8%).....



London Middlesex Housing Corporation (Submitted at 2.7%).....

Conservation Authorities.....

Net Ontario Works.....

- Ontario Works (-10.9% due to Provincial Uploading).....
- Reduced Reliance On Stabilization Reserve.....

Remaining Service Areas.....

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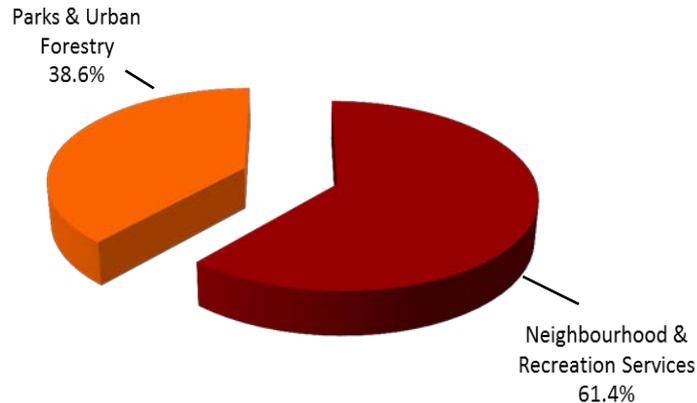
Service Program Overview

Budget
2014

Parks, Recreation & Neighbourhood Services



2014 Requested Budget Breakdown



The City of London's 2014 Submitted Tax Supported Budget for Parks, Recreation & Neighbourhood Services is \$30.0 million representing a \$0.2 million or 0.8% increase from rates and \$1.0 million increase in cost associated with servicing an expanding/growing City.

- *Approximately 6% of the overall submitted 2014 property tax levy supports Parks, Recreation & Neighbourhood Services.*

❖ *Neighbourhood & Recreation Services*

- *Aquatics*
- *Arenas*
- *Children's Services*
- *Community Centres*
- *Community Development & Funding*
- *Community Recreation & Leisure Programming*
- *Golf*
- *Special Events Coordination*
- *Sports Services*
- *Storybook Gardens*
- *Recreation Administration*

❖ *Parks & Urban Forestry*

- *Parks & Horticulture*
- *Parks & Natural Areas Planning and Design*
- *Urban Forestry*

Budget
2014

Parks, Recreation & Neighbourhood Services

Budget Story Highlights



- Efficiency measures initiated include, wage and benefit adjustments and a variety of purchased services such as janitorial, snow removal and ESA management were re-scoped or negotiated to reduce cost while maintaining basic service.
- Delaying broader implementation of the neighbourhood hub initiative and the increased community centre access initiative have avoided these new costs.
- A variety of user fees have been increased as well as the development of expanded revenue streams necessary to maintain existing service levels.

Parks, Recreation & Neighbourhood Services

Pressure Points



- Rising costs of fuel, utility costs, fertilizers and aggregates
- Continued increase in demand for recreation subsidy

- Budget pressures have been managed through a combined approach of cost containment and revenue generation (user fees and maximizing non-tax supported sources of funding).
- Existing levels of service are being maintained.
 - No expansion of service is contemplated at this time.

Parks, Recreation & Neighbourhood Services

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | |
|-------------------------------|----------------------|---------------|--------------|------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | From Assessment Growth |
| | REVISED | REQUESTED | | | | |
| Neighbourhood & Rec. Services | 18,088 | 18,422 | 335 | (71) | (0.4%) | 406 |
| Parks & Urban Forestry | 10,632 | 11,561 | 929 | 302 | 2.8% | 627 |
| Total | 28,720 | 29,983 | 1,264 | 231 | 0.8% | 1,033 |

- *The administrative target for the Parks, Recreation & Neighbourhood Services Program was 0.7%.*
- *The submitted 2014 budget supports 489.5 full-time equivalents, a 0.4 decrease over 2013.*
- *Eight (8) business cases have been submitted in the 2014 budget for Parks, Recreation & Neighbourhood Services .*

- **Decision Point 1** (included in the 3.1% submitted budget: service changes and capital cuts)
 - **Case 4:** Reduction to the Upper Thames River Conservation Authority contract related to the management of the City's environmentally significant areas of (\$72k).
(reference page 205)



- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category A:

- **Case 18:** A Community Centre to service Southwest London is expected to begin construction in 2014, with the opening of the facility scheduled for 2016. Funding is to support a recreation supervisor to adequately plan and coordinate for the facility opening and to be responsible for managing the building and daily operations once the facility is open. +\$89k (reference page 243)
- **Case 19:** Funding is required to service capital park improvements and new sports fields added through growth from Hazelden (1), Riverbend (2) and Meadowgate (2) areas. +\$234k (reference page 245)
- **Case 20:** Additional resources are required to service new parks, the Thames Valley Parkway (TVP) and horticultural features acquired through growth of 16 new parks totalling approximately 36 hectares. +\$418k (reference page 246)

- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category A:

- **Case 21:** As the City grows, we continue to acquire more lands, approximately 105 hectares, for traditional parks, new “urban” parks and natural areas. Upon acquisition, each area requires planning, design and construction of amenities. Additional resources are required to support this process. +\$36k (reference page 247)
- **Case 22:** Increase of approximately 2,075 trees, 1,485 for new subdivisions, 339 for new parks and 251 for community planting. +\$28k (reference page 249)

➤ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category B:

- **Case 36:** A project coordinator is required to manage the Age Friendly London Network, established in May 2013, in response to the growth in population and changing demographics for the number of people over the age of 65. +\$82k (reference page 267)
- **Case 37:** Additional resources are required to service roadside maintenance acquired through growth since 2006, approximately 216 km of lanes. There has been an incremental increase of urban landscape with curb, ditches and sidewalks that require increased urban maintenance practices when compared to previous rural roadside maintenance practices. +\$146k (reference page 269)

Parks, Recreation & Neighbourhood Services Capital Budget Overview



The City of London's capital plan for Parks, Recreation and Neighbourhood Services is \$28.3 Million in 2014 and \$196.2 Million from 2014 to 2023, which represents 16.1 % of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|----------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 8,266 | 7,834 | 7,815 | 9,428 | 9,278 | 8,975 | 49,835 |
| Growth | 11,062 | 20,351 | 13,437 | 12,754 | 10,883 | 18,330 | 19,005 |
| Service Improvements | 500 | 75 | 2,375 | 2,250 | 200 | 325 | 3,000 |
| Total | 19,828 | 28,260 | 23,627 | 24,432 | 20,361 | 27,630 | 71,840 |
| Source of Financing | | | | | | | |
| Capital Levy | 4,063 | 5,297 | 4,567 | 7,854 | 6,709 | 6,796 | 45,068 |
| Reserve Funds | 731 | 1,711 | 3,270 | 296 | 296 | 289 | 2,160 |
| Debt | 10,000 | 12,939 | 11,081 | 11,778 | 8,257 | 14,447 | 7,945 |
| Other | 362 | 415 | 415 | 65 | 465 | 465 | 2,325 |
| Non Rate Supported | 4,672 | 7,898 | 4,294 | 4,439 | 4,634 | 5,633 | 14,342 |
| Total | 19,828 | 28,260 | 23,627 | 24,432 | 20,361 | 27,630 | 71,840 |

Parks, Recreation & Neighbourhood Services Major Projects

- ✓ *New Multi-purpose Recreation Centre – Southwest Construction (\$18.4 Million)*
- ✓ *New Multi-purpose Recreation Centre – East Southeast (\$40.3 Million)*
- ✓ *Various Tree Planting and Woodland Management Programs (\$11.5 Million)*
- ✓ *Recreation Facilities – Lifecycle Renewal Program (\$35.7 Million)*

Parks, Recreation & Neighbourhood Services 10 Year Capital Highlights



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| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|---------------|---------------|
| <i>Neighbourhood & Recreation - Lifecycle</i> | | |
| RC2445 Senior Centres Lifecycle Repairs | 110 | 1,940 |
| Update Security Systems and Customer Service Systems | | 750 |
| RC2201-14 Recreation Facilities Lifecycle Repairs | 3,946 | 31,746 |
| RC2881-14 Golf Courses Lifecycle Program | 150 | 2,550 |
| Total Neighbourhood & Recreation - Lifecycle | 4,206 | 36,986 |
| <i>Neighbourhood & Recreation - Growth</i> | | |
| RC2755 Southwest Multi Purpose Rec Ctr (final year of \$40.4 M total project) | 18,381 | |
| RC2756 East/Southeast Multi Purpose Rec Centre Aquatics Anchored | | 16,547 |
| RC2758 East/Southeast Multi Purpose Rec Centre Arena Anchored | | 23,737 |
| Other Neighbourhood & Recreation Growth | 400 | 2,100 |
| Total Neighbourhood & Recreation - Growth | 18,781 | 42,384 |
| <i>Neighbourhood & Recreation - Service Improvement</i> | | |
| Farquharson, Glen Cairn and Silverwoods Arena Improvements | | 6,250 |
| Total Neighbourhood & Recreation - Service Improvement | - | 6,250 |
| Total Neighbourhood & Recreation | 22,987 | 85,620 |

Budget
2014

Parks, Recreation & Neighbourhood Services

10 Year Capital Highlights (Continued)



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| <i>Parks & Urban Forestry - Lifecycle</i> | 2014 | 2015-2023 |
|--|--------------|------------------|
| PD2044 Management of Emerald Ash | 400 | 5,200 |
| Maintain District, Neighbourhood and Urban Parks | 1,050 | 16,000 |
| Downtown and Street Tree Planting Program | 485 | 4,365 |
| PD2063-14 Maintain Open Space Network | 220 | 1,980 |
| PD2135-14 Maintain Thames Valley Pathway | 400 | 3,600 |
| PD2173-14 Maintain Sportsark | 150 | 1,200 |
| PD2243-14 Maintain Environmentally Significant Areas | 200 | 1,800 |
| PD2754-14 Woodlot Management | 150 | 950 |
| RC2464-14 Multi-Use Park Pathway Lifecycle | 250 | 3,250 |
| RC2749-14 Park Facilities Major Upgrades | 160 | 6,050 |
| TS3093-14 Parks Major Upgrades | 163 | 3,950 |
| Total Parks & Urban Forestry - Lifecycle | 3,628 | 48,345 |

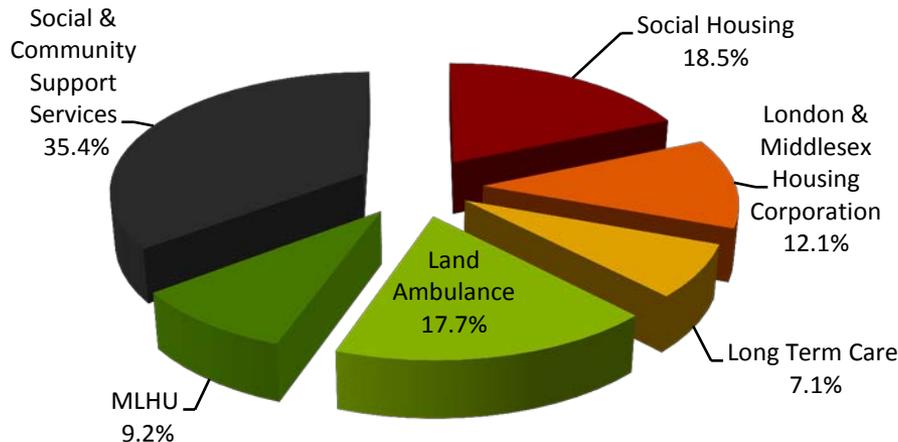
Parks, Recreation & Neighbourhood Services 10 Year Capital Highlights (Continued)



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| <i>Parks & Urban Forestry - Growth</i> | 2014 | 2015-2023 |
|--|---------------|------------------|
| Various New Parks | 1,570 | 32,025 |
| Total Parks & Urban Forestry - Growth | 1,570 | 32,025 |
| <i>Parks & Urban Forestry - Service Improvement</i> | | |
| PD1142 Enhanced Veterans Memorial Parkway | 75 | 100 |
| PP2014 Floodplain Acquisition | | 1,800 |
| Total Parks & Urban Forestry - Service Improvement | 75 | 1,900 |
| Total Parks & Urban Forestry | 5,273 | 82,270 |
| | | |
| TOTAL PARKS, RECREATION & NEIGHBOURHOOD SERVICES | 28,260 | 167,890 |

2014 Requested Budget Breakdown



The City of London's 2014 Submitted Tax Supported Budget for Social and Health Services is \$66.3 million representing a \$1.9 million or 2.9% decrease from rates.

- *Approximately 13% of the overall submitted 2014 property tax levy supports Social & Health Services operations.*

❖ Housing

- *Affordable Housing Planning & Funding*
- *Social Housing Administration*
- *London & Middlesex Housing Corporation*

❖ Long Term Care

- *Adult Day Programs*
- *Long Term Care (Dearness Home)*
- *Homemakers*

❖ Primary Health Care Services

- *Land Ambulance*
- *Middlesex-London Health Unit*

❖ Social & Community Support Services

- *Homeless Prevention*
- *Mental Health and Addictions*
- *Immigration Services*
- *Subsidized Transit*
- *Ontario Works Programs*

Social & Health Services

Budget Story Highlights



- **Ontario Works Programs:** Upload to the province of the municipal share of Ontario Works Financial & Employment Assistance costs which commenced in 2010 and completes in 2018 has assisted the entire Corporation in meeting corporate budget targets.
- **Long Term Care:** The Dearness Home has incorporated a contract with Extencicare Assist Inc. into their budget to provide management consulting services and an Administrator.
- **Middlesex-London Health Unit:** As part of a PricewaterhouseCoopers review conducted in 2013, the Middlesex London Health Unit is redesigning its budget process to integrate program planning and budget processes. The new integrated process will better align scarce resources with desired health outcomes and strategic priorities, improving performance management and enhancing Board of Health oversight.

Social & Health Services

Budget Story Highlights



- **Social Housing Administration:** In 2013, Social Housing administration was able to mitigate an estimated 1.5% rate increase in Housing provider subsidies as per provincially legislated benchmarks by implementing an enhanced monitoring process (approximately \$600,000 savings).
- **London and Middlesex Housing Corporation:**
 - LMHC has had significant success improving its rental vacancy management program, reducing unit vacancies from 5% to 3% (approximately \$440,000 increased rental revenue).
 - With assistance from Pricewaterhouse Coopers and the City of London, LMHC conducted a review of the organization's purchasing and cost-sharing opportunities. LMHC successfully incorporated several favourable adjustments to reflect anticipated spending into the 2014 budget as well as implemented cost containment and expenditure control (over \$500,000 in savings).

Social & Health Services

Pressure Points



- **Ontario Works Programs:** The 2014 budget target for Ontario Works was based on previous long term financial forecasts where a 500 case decrease had been anticipated for 2014.
- In 2013, London's economy did not recover from the recession as predicted. Economic growth has been sluggish, with GDP increasing less than 2% in the last 2 years, underperforming the rest of the Province. Ontario Works caseload trends generally lag economic and employment growth. Consequently, the 2013 Ontario Works caseload trend is not decreasing as earlier predicted.
- To accommodate the 2014 corporate budget target without the caseload reduction of 500 cases as anticipated, the full potential case cost impact that was forecasted with respect to the 2013 Provincial budget changes effective October 2013 was not included. There is some risk of over-expenditure in the operating budget.

Social & Health Services

Pressure Points



- **Long Term Care:** Long Term Care attained budget targets through reduction in labour costs and increases in Ministry of Health and Long Term Care revenue and user fees. Ministry revenue in the 2014 budget is an estimate based on current level of care funding and 2014 funding levels will not be known until early in 2014. Outcomes of outstanding collective agreements may also present budget pressures in 2014.
- The South West Local Health Integration Network (SWLHIN) is implementing a consistent service delivery and financial model in Adult Days Programs across the SWLHIN to ensure a minimum, consistent service delivery model and standardized user fees. The impact of these changes were unknown at budget preparation time and are not reflected in the 2014 budget, however these changes will create service and financial pressures for the Dearness Home Adult Day Program going forward.

Social & Health Services Pressure Points



- **London and Middlesex Housing Corporation:** LMHC has cost pressures in property taxes due to increase MPAC / property assessments; the 2014 budget increase is higher than the corporate budget target.
- **Land Ambulance:** Increased service levels implemented in 2013 were funded through a one –time drawdown of the Middlesex-London EMS reserves in the 2013 budget to meet budget targets. The flow through cost from the increased service levels have placed additional pressure on the 2014 Budget.
 - The system continues to experience periods of high call demands that at times is in excess of available resources.

Social & Health Services

2014 Submitted Operating Budget Breakdown



London
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| SERVICE | NET BUDGET (\$000's) | | | | | From Assessment Growth |
|-------------------------------------|----------------------|---------------|----------------|----------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | |
| | REVISED | REQUESTED | | | | |
| Social Housing | 12,586 | 12,278 | (307) | (307) | (2.4%) | - |
| London & Middlesex Housing Corp. | 7,837 | 8,052 | 215 | 215 | 2.7% | - |
| Long Term Care | 4,835 | 4,722 | (113) | (113) | (2.3%) | - |
| Land Ambulance | 10,847 | 11,712 | 865 | 865 | 8.0% | - |
| Middlesex-London Health Unit | 6,095 | 6,095 | - | - | 0.0% | - |
| Social & Community Support Services | 26,031 | 23,417 | (2,614) | (2,614) | (10.0%) | - |
| Total | 68,231 | 66,276 | (1,954) | (1,954) | (2.9%) | - |

- *The administrative target for the Social and Health Services Program was -4.3%.*
- *The submitted 2014 budget supports 1,057.5 full-time equivalents, a 4.6 increase over 2013 excluding the impact of an expanding city.*
- *No business cases have been submitted in the 2014 budget for Social & Health Services.*

- **Decision Point 1** (included in the 3.1% submitted budget: service changes and capital cuts)
- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)
- **No business cases submitted**



Social & Health Services Capital Budget Overview



The City of London's capital plan for Social and Health Services is \$2.6 Million in 2014 and \$26.3 Million from 2014 to 2023, which represents 2.2% of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|----------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 2,458 | 2,608 | 2,608 | 2,608 | 2,608 | 2,708 | 13,190 |
| Growth | - | - | - | - | - | - | - |
| Service Improvements | 607 | - | - | - | - | - | - |
| Total | 3,065 | 2,608 | 2,608 | 2,608 | 2,608 | 2,708 | 13,190 |
| Source of Financing | | | | | | | |
| Reserve Funds | 3,065 | 2,608 | 2,608 | 2,608 | 2,608 | 2,708 | 13,190 |
| Total | 3,065 | 2,608 | 2,608 | 2,608 | 2,608 | 2,708 | 13,190 |

Social and Health Services Major Projects

- ✓ *Dearness Home Lifecycle Renewal Program (\$4.3 Million)*
- ✓ *Public housing program (\$22.1 Million)*

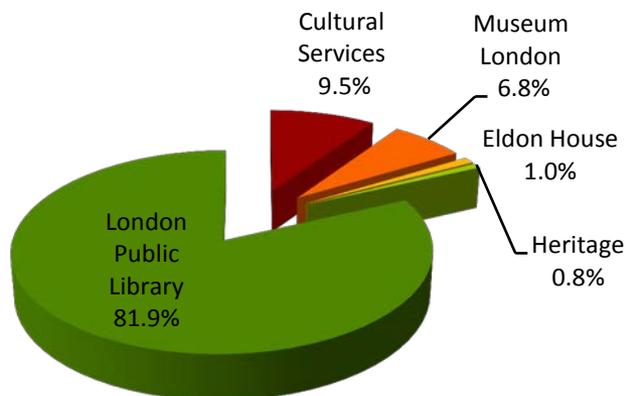
Social & Health Services

10 Capital Highlights



| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|--------------|---------------|
| <i>Social & Health Services - Lifecycle</i> | | |
| PD2618-14 Public Housing Upgrades | 2,208 | 19,872 |
| GG1620-14 Dearness Major Upgrades | 400 | 3,850 |
| Total Social & Health Services - Lifecycle | 2,608 | 23,722 |
| | | |
| TOTAL SOCIAL & HEALTH SERVICES | 2,608 | 23,722 |

2014 Requested Budget Breakdown of \$22.8 million



- ❖ *Cultural Services*
 - *Centennial Hall*
 - *Arts, Culture and Heritage Advisory and Funding*
 - *Museum London*
 - *Eldon House*
- ❖ *Heritage*
 - *Heritage Services*
- ❖ *London Public Library*
 - *London Public Library*

The City of London's 2014 Submitted Tax Supported Budget for Culture is \$22.8 million representing a \$0.4 million or 1.9% increase from rates and \$0.1 million increase in cost associated with servicing an expanding/growing City.

➤ *Approximately 5% of the overall submitted 2014 property tax levy supports Culture operations.*

- **Centennial Hall:** User fee rate increases such as hall, banquet, and building rentals have assisted in mitigating increases in operational expenditures that are over and above the rate of inflation.
- **Arts, Culture & Heritage Advisory and Funding:** Multi-year agreements with the London Arts Council and London Heritage Council were negotiated back in 2011 to assist keeping budgetary pressures below the rate of inflation, noting that grant funding has remained at 2011 levels as well.
- **Museum London:** In 2010, 2011, and 2013, Museum London received no increase in funding from the City. However in 2012, Museum London received a 1.5% increase which was consistent with the Municipal Council Budget Target.

- **Eldon House:** Successful new exhibits, expanded programming, special events and celebrations have increased donations/other revenue by close to 20% in 2013.

- **Heritage:** The number of properties that are now designated by virtue of being included within Heritage Conservation Districts has grown to 3,400 properties in 2013; all of this is addressed by one Heritage Planner – the same staff compliment over the past 20 years.

- **Library:** The Library continually reviews its business operations and undertook several large scope audits in 2013 that will be implemented over 2-3 years:
 - Ameresco conducted an Energy Audit, Asset Review, and Component Evaluation
 - PwC value for money audit to identify revenue opportunities as well as a further request to examine the Central Library Service Delivery model.

- **Museum London:** Anticipated increases in the cost of energy is predominantly driving the 2014 increase in the submitted 2014 budget.
- **Eldon House:** As evidenced throughout the first 8 months of 2013, as expected, synergies are lost as no longer under Museum London umbrella.
- **Heritage:** Increased interest in heritage preservation, and the increased number of properties that are now subject to review when changes or alterations are contemplated means that this service will have an increasing profile. This increase in the number of properties that will be subject to review and Heritage Alteration Permits will also place increasing demands on this service.

Culture Pressure Points



— Library:

- Challenging economic times are generating increased demand for the diverse services that the Library provides.
- Public use of technology services has grown exponentially due to:
 - demand for electronic resources such as e-books,
 - the need for staff assistance with the technology,
 - rapid growth in wireless use,
 - an improved library catalogue,
 - improved access to content databases, and
 - internet access that is economically out of reach for a segment of our community for information and communication.

Culture

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | From Assessment Growth |
|---|----------------------|---------------|--------------|------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | |
| | REVISED | REQUESTED | | | | |
| Centennial Hall | 100 | 101 | 1 | 1 | 0.7% | - |
| Arts, Culture & Heritage Adv. & Funding | 2,069 | 2,071 | 2 | 2 | 0.1% | - |
| Museum London | 1,512 | 1,550 | 38 | 38 | 2.5% | - |
| Eldon House | 173 | 232 | 59 | 59 | 34.0% | - |
| Heritage | 96 | 182 | 86 | 1 | 1.8% | 85 |
| London Public Library | 18,388 | 18,713 | 325 | 325 | 1.8% | - |
| Total | 22,338 | 22,849 | 511 | 426 | 1.9% | 85 |

- *The Administrative Budget Target for Culture was 0.6%.*
- *The submitted 2014 budget supports 263 full-time equivalents, a 1.1 increase over 2013 excluding the impact of an expanding city.*
- *Two (2) business cases have been submitted in the 2014 budget for Culture Services.*

- **Decision Point 1** (included in the 3.1% submitted budget: service changes and capital cuts)
 - **Case 5:** Eldon House has identified the need for a fulltime curator devoted to conserving, researching, interpreting, promoting and exhibiting its unique Harris family collection. This would increase the property tax requirement by \$59 thousand. (reference page 207)



Eldon House

*Celebrating
its 180th
Anniversary*

**2014 Operating Budget
Business Case
9 January 2014**



Recap of Eldon House Stewardship

- Located in the heart of the city overlooking the historic Forks of the Thames, Eldon House is London's oldest home.
- In September, 1834, founding residents John and Amelia Harris moved into Eldon House with their 8 children.
- Between 1834 and 1959, four generations of the Harris family lived at Eldon House, where it remained virtually unchanged from the 19th century.
- On January 1, 1961, Eldon House was gifted to the City of London as a heritage museum.

Recap of Eldon House Stewardship

- Prior to 1989, Eldon House was managed by the London Public Library, and later, the City contracted Museum London.
- In 2012, Council passed a procedural by-law (A-6825-162) to establish separate governance of Eldon House and appointed five community members to its Board of Directors.
- Effective January 1, 2013, the Eldon House Board of Directors assumed stewardship of the heritage museum, beginning with the development of its first-ever strategic plan.
- As an immediate strategic goal for the museum, Eldon House identified the pivotal need for a curator.

Eldon House Business Plan

Every museum needs a curator!

This role is responsible for a museum's collection, research and conservation.

Eldon House Business Plan

Without a curator, *Eldon House*

fails to actualize its potential

as an historic site or

meet museum standards for

many heritage funding programs.

10 Standards for Community Museums in Ontario

(Receiving a Community Museum Operating Grant - CMOG)

- 1. Governance**
- 2. Finance**
- 3. Physical Plant**
- 4. Human Resources**
- 5. Community**
- 6. Collection**
- 7. Research**
- 8. Conservation**
- 9. Exhibition**
- 10. Interpretation and Education**

http://www.mtc.gov.on.ca/en/museums/museums_standards.shtml

Eldon House Responsibilities as a Museum

| Responsibility | Community Museum Standard |
|----------------------|------------------------------|
| Board of Directors * | Governance * |
| | Finance * |
| Administration * | Physical Plant * |
| | Human Resources * |
| Board and Staff * | Community * |
| Curator * | Collection * |
| | Research * |
| | Conservation * |
| Programming | Exhibition |
| | Interpretation and Education |

* Services which were formerly the responsibility of Museum London

Eldon House Business Plan

With a curator, Eldon House

- actualizes its potential as an historic site
- creates a new fulltime job for London
- supports London's economic development
- leverages the City's Cultural Prosperity Plan
- ensures museum standards for heritage funding

All possible with a service change of \$59,000

Eldon House 2014 Budget (\$000's)

| | | |
|-------------------------------------|------------|----------------------------|
| Expenses | 296 | Increase (Decrease) |
| Personnel (<i>incl. benefits</i>) | 201 | Curator 59 |
| Exhibits & Programming | 14 | |
| Facilities Maintenance | 54 | |
| General, Admin & Other | 27 | |
| Revenue | 64 | |
| Revenue | 32 | |
| Govt Grants / Subsidies | 32 | |
| Total | 232 | |

Eldon House

2014 Budget Recommendation

That London City Council
approve the creation of an

Eldon House curator,

thereby investing in the future of

London's oldest home

on the occasion of its 180th anniversary.

1834-2014

- ➔ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category B:

- ➔ **Case 31:** New Heritage Conservation Districts of Old South, Downtown London and Petersville will be added. This represents growth of 2,100 newly designated heritage properties and a Heritage Planner will be required to service these areas, \$85k. (reference page 260)



Culture Capital Budget Overview



The City of London's capital plan for Culture Services is \$1.5 Million in 2014 and \$22.7 Million from 2014 to 2023, which represents 1.9% of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|----------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 1,327 | 1,537 | 2,647 | 1,537 | 1,547 | 1,537 | 7,715 |
| Growth | - | - | - | 3,100 | - | - | 3,100 |
| Service Improvements | 100 | - | - | - | - | - | - |
| Total | 1,427 | 1,537 | 2,647 | 4,637 | 1,547 | 1,537 | 10,815 |
| Source of Financing | | | | | | | |
| Capital Levy | 1,047 | 1,137 | 2,247 | 1,137 | 1,147 | 1,137 | 5,715 |
| Reserve Funds | 380 | 400 | 400 | 400 | 400 | 400 | 2,000 |
| Debt | - | - | - | 1,030 | - | - | 609 |
| Non Rate Supported | | | | 2,070 | | | 2,491 |
| Total | 1,427 | 1,537 | 2,647 | 4,637 | 1,547 | 1,537 | 10,815 |

Culture Major Projects

- ✓ *Municipally Owned Heritage Building Lifecycle renewal Program (\$4.7 million)*
- ✓ *Centennial Hall Lifecycle renewal Program (\$2.5 million)*
- ✓ *Museum London Lifecycle Program (\$4.5 million)*
- ✓ *Northwest Branch Library – 2019 (\$3.1 million)*
- ✓ *Southeast Branch Library – 2016 (\$3.1 million)*

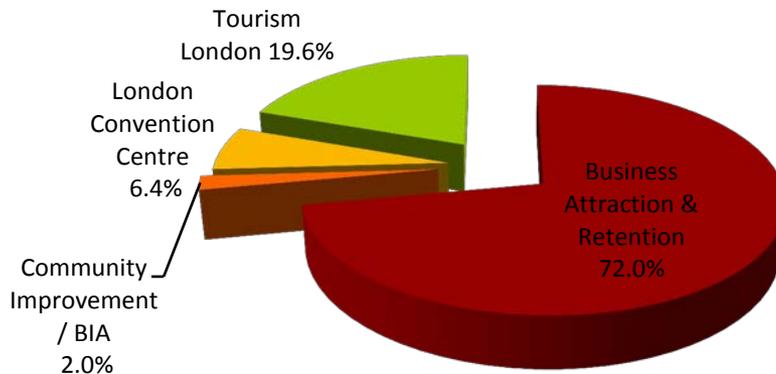
Culture – 10 Year Capital Highlights



| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|--------------|---------------|
| <i>Cultural Services - Lifecycle</i> | | |
| GG1841-14 Museum London Repairs | 340 | 4,210 |
| TS6186-14 Centennial Hall Repairs | 250 | 2,250 |
| Total Cultural Services | 590 | 6,460 |
| <i>Heritage - Lifecycle</i> | | |
| PD2154 Heritage Conservation | 75 | 675 |
| PD2324-14 Municipally Owned Heritage Buildings | 472 | 4,248 |
| Total Heritage | 547 | 4,923 |
| <i>Libraries - Lifecycle</i> | | |
| RC3341 Integrated Library System | 250 | 2,250 |
| RC3533 Branch Facilities Maintenance | 50 | 450 |
| RC3540 Facility Renewal Plan | 100 | 900 |
| Total Cultural Services - Lifecycle | 400 | 3,600 |
| <i>Libraries - Growth</i> | | |
| RC3464 Northwest Branch Library | | 3,100 |
| RC3466 Southeast Branch Library | | 3,100 |
| Total Libraries - Growth | - | 6,200 |
| Total Libraries | 400 | 9,800 |
| TOTAL CULTURAL SERVICES | 1,537 | 21,183 |

Economic Prosperity

2014 Requested Budget Breakdown



❖ *Economic Development*

- *Business Attraction & Retention*
- *Community Improvement / Business Improvement Areas (BIA)*
- *London Convention Centre*
- *Tourism London*
- *Covent Garden Market*

The City of London's 2014 Submitted Tax Supported Budget for Economic Prosperity is \$9.4 million representing a \$0.1 million or 0.6% decrease from rates.

- *Approximately 2% of the overall submitted 2014 property tax levy supports Economic Prosperity operations.*

Economic Prosperity

Budget Story Highlights



- **Business Attraction & Retention:** To mitigate year over year increases, multi-year agreements have been negotiated with the London Economic Development Corporation, the Small Business Centre, and Tech Alliance.
- **Community Improvement/BIA:** Through the Community Projects Coordinator, the city engaged volunteer and financial contributions in excess of \$0.5M per year, over the past 3 years, to deliver a variety of community projects.
 - In 2011, alone, over \$850,000 of value was generated.
 - Municipal expenditure leveraged community project value at a ratio of 7:1 in 2012.
 - Engaged the London Downtown Business Association and the Old East Village BIA to serve as a promoter and front-end resource for those seeking City of London incentives – thereby reducing time resource requirements within the service.

Economic Prosperity

Budget Story Highlights



- **London Convention Centre:** Increased competition has led to a shift in the revenue composition, thereby requiring the LCC to investigate alternative revenue sources and cost containment strategies to maximize operating results. Operational expenditure pressures to date have been offset by growth in these revenues.
- **Tourism London:** Absorbed inflationary pressures in order to meet Municipal Council budget targets, and where necessary took strategic budget reductions; elimination of double decker bus tour (2013) and reduced marketing & advertising (2011) where necessary.
- **Covent Garden Market:** Lighting in both parking garages and in the upper market have been replaced with energy efficient fixtures to reduce energy costs (will avoid approximately \$26,000 in electricity costs annually).

Economic Prosperity

Pressure Points



- **Community Improvement/BIA:** Increasingly challenging to hit budget targets without impacting service as this area is mainly made up of personnel costs .
- **London Convention Centre:** The convention marketplace in Ontario is extremely competitive. The London Convention Centre, a 20 year old facility, competes regularly with Windsor and Hamilton convention facilities but most often with large convention hotels in Toronto.
 - Note, in 2012, the new Ottawa Convention Centre re-opened and the Scotiabank Centre in Niagara Falls entered the market. Additionally, Chatham opened a new facility in 2011 with a focus on regional groups.

Economic Prosperity Pressure Points



- **Tourism London:** Economic uncertainties, high gasoline prices, passport requirements to enter from the United States, newly constructed convention centres and aging sport facilities no longer meeting International Competition Standards will add to the challenges facing Tourism London over the next few years.
- **Covent Garden Market:** Contractual and inflationary impacts are being experienced within all programs.

Economic Prosperity

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | From Assessment Growth |
|---------------------------------|----------------------|--------------|--------------|-------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | |
| | REVISED | REQUESTED | | | | |
| Business Attraction & Retention | 6,790 | 6,792 | 2 | 2 | 0.0% | - |
| Community Improvement / BIA | 258 | 191 | (67) | (67) | (26.0%) | - |
| London Convention Centre | 600 | 600 | - | - | 0.0% | - |
| Tourism London | 1,832 | 1,845 | 13 | 13 | 0.7% | - |
| Covent Garden Market | - | - | - | - | 0.0% | - |
| Total | 9,480 | 9,428 | (52) | (52) | (0.6%) | - |

- *The Administrative Budget Target for Economic Prosperity was 0.7%.*
- *The submitted 2014 budget supports 115 full-time equivalents, a 2.5 increase over 2013.*
- *Two (2) business cases have been submitted in the 2014 budget for Economic Prosperity.*

- **Decision Point 1** (included in the 3.1% submitted budget: service changes and capital cuts)
- **Case 1:** The elimination of all direct City funding to the Downtown London Business Improvement Area resulting in a reduction to the property tax levy of \$53 thousand. (reference page 198)
 - **Case 2:** A \$1 million elimination to the planned increased contribution to the Economic Development Reserve Fund. (reference page 200)



Economic Prosperity Capital Budget Overview



The City of London's capital plan for Economic Prosperity is \$3.4 Million in 2014 and \$54.3 Million from 2014 to 2023, which represents 4.4 % of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|-----------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 260 | 1,186 | 697 | 244 | 665 | 485 | 4,220 |
| Growth | 5,465 | - | 1,255 | 5,000 | 5,000 | - | - |
| Service Improvements | 4,103 | 2,200 | 3,700 | 9,550 | 2,550 | 2,550 | 15,000 |
| Total | 9,828 | 3,386 | 5,652 | 14,794 | 8,215 | 3,035 | 19,220 |

| Source of Financing | | | | | | | |
|----------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|
| Reserve Funds | 3,828 | 3,386 | 4,397 | 8,794 | | | 15,820 |
| Debt | 6,000 | - | - | 1,000 | 3,215 | 3,035 | 3,400 |
| Non Rate Supported | - | - | 1,255 | 5,000 | 5,000 | - | - |
| Total | 9,828 | 3,386 | 5,652 | 14,794 | 8,215 | 3,035 | 19,220 |

Economic Prosperity Major Projects

- ✓ *Convention Centre Lifecycle Renewal Program (\$7.5 million)*
- ✓ *Economic Stimulus Capacity Reinvestment – 401 Interchanges (\$11.3 million)*
- ✓ *New Economy – Fanshawe College (\$9.5 million)*
- ✓ *New Economy – Digital Media Centre (\$5.2 million)*
- ✓ *Industrial Land Acquisition, Servicing and Development (\$19.7 million)*

Economic Prosperity 10 Year Capital Highlights

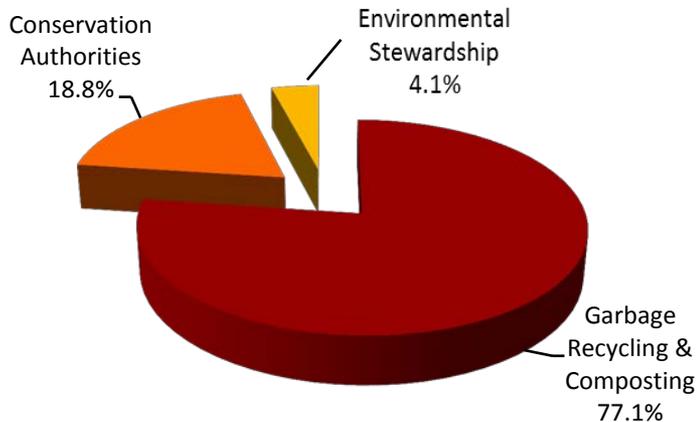


| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|--------------|---------------|
| <i>Economic Development - Lifecycle</i> | | |
| GG1765-14 Convention Centre Repairs | 1,186 | 6,311 |
| Total Economic Development - Lifecycle | 1,186 | 6,311 |
| <i>Economic Prosperity - Growth</i> | | |
| TS1308 Hwy 401 Interchange Projects | | 11,255 |
| Total Economic Prosperity - Growth | - | 11,255 |
| <i>Economic Prosperity - Service Improvement</i> | | |
| ID1145 Future Industrial Land purchase | | 2,400 |
| ID1168 Innovation Park | | 850 |
| ID1168-5 Innovation Park-Phase V | | 8,700 |
| ID1170 Huron Industrial Park | | 5,500 |
| ID1365 Skyway Park Industrial Park-External Works | | 2,200 |
| GG1721-6 New Economy-Fanshawe College | 1,500 | 8,000 |
| GG1721-7 Digital Media Centre | 700 | 4,500 |
| GG1721-8 Centre for Life Sciences | | 1,200 |
| Total Economic Prosperity - Service Improvement | 2,200 | 33,350 |
| TOTAL ECONOMIC PROSPERITY | 3,386 | 50,916 |

2014

Environmental Services

**2014 Requested Budget Breakdown of
\$17.1 million**



❖ *Conservation Authorities*

- *Kettle Creek Conservation Authority*
- *Lower Thames Valley Conservation Authority*
- *Upper Thames River Conservation Authority*

❖ *Environmental Stewardship*

- *Environmental Action Programs & Reporting*

❖ *Garbage, Recycling & Composting*

- *Recycling & Composting*
- *Garbage Collection & Disposal*

The City of London's 2014 Submitted Tax Supported Budget for Environmental Services is \$17.1 million representing a \$0.2 million or 1.1% increase from rates and \$0.5 million increase in cost associated with servicing an expanding/growing City.

- *Approximately 3% of the overall submitted 2014 property tax levy supports Environmental Services.*

Environmental Services

Budget Story Highlights



- **Kettle Creek Conservation Authority:** Loss of tree planting contract with Ontario Power Generation. Exploring opportunities to generate additional user fee revenue to reduce the burden on municipalities.

- **Lower Thames Valley Conservation Authority:**
 - Allocated resources to mission critical areas (e.g. flood forecasting, warning & control and planning requirements) to focus efforts on priority initiatives.
 - Embarked on a thorough organizational review that started in 2013 with the aim of ensuring continuity of critical programs and services, effective and efficient provision of services and future opportunities for alternative service delivery in the hopes of reducing future year budget requests.

- **Upper Thames River Conservation Authority:** Scaled back implementation of \$900k Municipal Levy Investment Plan approved by the Board in 2009 due to requests from municipalities to limit increases.

Environmental Services

Budget Story Highlights



➤ **Garbage, Recycling & Composting:**

- Staff Rationalization – restructuring initiatives have been undertaken over the years resulting in a “flattened” operation resulting in a reduced complement of 3.0 FTEs.
- Service Rationalization – staff have been reviewing a number of services provided to determine the advantages and disadvantages of being in these business areas (e.g., collecting garbage from small commercial properties, providing financial assistance for recycling and composting at special events in Victoria Park, providing services to City services, agencies, boards and commissions, etc.).
- Service Fees and Revenues - fees in Solid Waste were reviewed and increased where appropriate to ensure competitive fees were being offered and cost recovery was being maximized.

Environmental Services

Pressure Points



➤ **Conservation Authorities:**

- Loss of Provincial funding for the planning phase of the Source Water Protection Program.
- Cost pressures driven by inflation and existing employment agreements.

➤ **Garbage, Recycling & Composting:**

- Delivery of garbage from private haulers into the W12A Landfill was reduced in 2013 and is anticipated to be down for a portion of 2014. This will impact the overall Garbage, Recycling and Composting budget due to the loss of tipping fee revenue.
- Recycling markets have underperformed in 2013; there is the potential for markets to deteriorate further.
- Blue Box funding is expected to be lower in 2014.
- The Provincial Government is currently reviewing legislation dealing with waste diversion (reduction) programs. The outcome and potential new funding arrangement may be in place for 2014.

Environmental Services

2014 Submitted Operating Budget Breakdown



London
CANADA

| SERVICE | NET BUDGET (\$000's) | | | | | |
|-------------------------------------|----------------------|---------------|--------------|------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | From Assessment Growth |
| | REVISED | REQUESTED | | | | |
| Kettle Creek Conservation Authority | 365 | 393 | 28 | 9 | 2.3% | 19 |
| Lower Thames Valley Cons. Authority | 88 | 93 | 5 | 5 | 5.5% | - |
| Upper Thames River Cons. Authority | 2,639 | 2,726 | 87 | 87 | 3.3% | - |
| Environmental Stewardship | 712 | 712 | - | - | 0.0% | - |
| Garbage, Recycling & Composting | 12,656 | 13,194 | 538 | 79 | 0.6% | 458 |
| Total | 16,460 | 17,118 | 658 | 180 | 1.1% | 477 |

- *The Administrative Budget Target for Environmental Services was 0.7%*
- *The submitted 2014 budget supports 253 full-time equivalents, a 0.7 decrease over 2013 excluding the impact of an expanding city.*
- *Nine (9) business cases have been submitted in the 2014 budget for Environmental Services.*

Budget
2014

- **Decision Point 1** (included in the 3.1% submitted budget: service changes and capital cuts)
 - ➔ **Case 3:** reduction to the contribution to the Sanitary Landfill Reserve fund as a result of less business garbage going to landfill \$255 k (reference page 202)



➔ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category A:

- ➔ **Case 14:** Fall leaves and yard materials are expected to increase by approximately 300 tonnes (1.5%) from the addition of new homes. \$15k (reference page 239)
- ➔ **Case 15:** Increase in recycling collection of 1,400 curbside stops and 600 multi-residential stops \$58k. (reference page 240)
- ➔ **Case 16:** Increase in garbage collection of 1,400 curbside stops and 600 multi-residential stops \$94k. (reference page 241)

- ➔ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category A:

- ➔ **Case 17:** Increase in waste expected from growth reducing capacity at W12A necessitating an increased contribution to reserve fund. \$21k (reference page 242)

Category B:

- ➔ **Case 32:** Reforesting by Kettle Creek Conservation Authority within the City of London. \$19k (reference page 262)
- ➔ **Case 33:** Increase in funding for leaf and yard material management resulting from no new funding since 2009 to accommodate growth in city (2010 & 2012). \$100k (reference page 264)

➔ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category B:

- ➔ **Case 34:** From 2008 – 2012, there were approximately 10,000 households and residential unit stops added to the garbage collection service route, of which approximately 30% was funded from volatile tipping fees. \$60k (reference page 265)
- ➔ **Case 35:** From 2008 – 2012, there were approximately 10,000 households and residential unit stops added to the recycling collection route, of which approximately 37% was funded from recycling revenue. \$110k (reference page 266)

Environmental Services Capital Budget Overview



The City of London's capital plan for Environmental Services is \$2.7 Million in 2014 and \$81.3 Million from 2014 to 2023, which represents 6.7 % of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|----------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 4,635 | 2,585 | 2,415 | 4,885 | 2,175 | 1,585 | 16,115 |
| Growth | - | - | - | - | - | - | - |
| Service Improvements | 250 | 120 | - | - | - | 220 | 51,220 |
| Total | 4,885 | 2,705 | 2,415 | 4,885 | 2,175 | 1,805 | 67,335 |
| Source of Financing | | | | | | | |
| Reserve Funds | 1,835 | 1,900 | 1,600 | 1,200 | 1,200 | 1,200 | 22,845 |
| Debt | - | - | - | - | - | - | 12,000 |
| Other | 3,050 | 805 | 815 | 3,685 | 915 | 605 | 31,760 |
| Non Rate Supported | - | - | - | - | 60 | - | 730 |
| Total | 4,885 | 2,705 | 2,415 | 4,885 | 2,175 | 1,805 | 67,335 |

Environmental Services Major Projects

- ✓ *Landfill Site Property Acquisition (\$13.2 million)*
- ✓ *Landfill Gas Collection (\$2.4 million)*
- ✓ *New & Emerging Solid Waste Technologies (\$35 million)*
- ✓ *W12A New Cell Construction (\$9.8 million)*
- ✓ *Long Term Disposal Capacity (\$16 million)*

Environmental Services 10 Year Capital Highlights

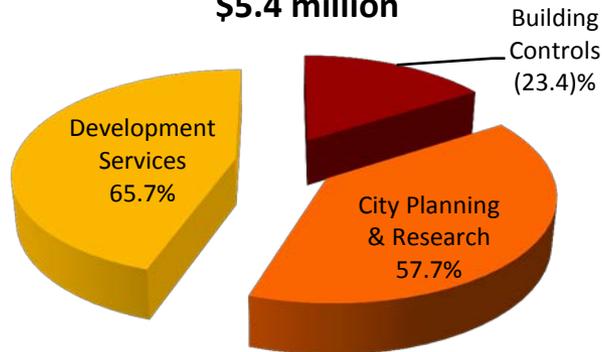


| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|--|--------------|---------------|
| <i>Environmental Services - Lifecycle</i> | | |
| SW6030 Landfill Site Property Acquisition | 1,900 | 11,300 |
| SW6051 Municipal Waste Study | | 400 |
| SW6530 Material Recovery Facility | | 790 |
| SW6014-14 W12A Ancillary | 200 | 1,950 |
| SW6021-14 W12A New Cell Construction | | 9,800 |
| SW6025-14 Waste Diversion | 60 | 240 |
| SW6040-14 Landfill Gas Collection | 350 | 2,020 |
| SW6087-14 Closed Landfill Management | 75 | 675 |
| Total Environmental Services - Lifecycle | 2,585 | 27,175 |
| <i>Environmental Services - Service Improvement</i> | | |
| SW6050 New & Emerging Solid Waste Technologies | | 35,000 |
| SW6052 Additional Sanitary Operations Collection Truck | 120 | 440 |
| SW6080 Long Term Disposal Capacity | | 16,000 |
| Total Environmental Services - Service Improvement | 120 | 51,440 |
| TOTAL ENVIRONMENTAL SERVICES | 2,705 | 78,615 |

Planning & Development Services



**2014 Requested Budget Breakdown of
\$5.4 million**



- ❖ *Building Controls*
 - *Building Controls*
- ❖ *City Planning & Research*
 - *Land Use Planning*
- ❖ *Development Services*
 - *Development Services*

The City of London's 2014 Submitted Tax Supported Budget for Planning and Development is \$5.4 million representing a \$0.1 million or 2.4% increase from rates and \$0.1 million increase in cost associated with servicing an expanding/growing City.

- *Approximately 1% of the overall submitted 2014 property tax levy supports Planning & Development operations.*

Planning & Development Services

Budget Story Highlights



- **Building:** User fee rate increases in sign and building permit fees have helped to mitigate some cost pressures over the last couple years.
- **Land Use Planning:** Undertaking a complete re-write of the Official Plan utilizing in-house staff; while Winnipeg and Regina have recently spent in the order of \$3.5M and \$4.5M respectively on their new Plans, our consulting budget relating to this project will be in the order of 10% of that amount.
- **Development Services:** The new structure aligns planning and engineering staff into multi-disciplinary teams better able to:
 - create consistency in comments,
 - keep each other up to speed on team files,
 - improve ability to manage workload within teams, and
 - build in staffing backups.

Planning & Development Services

Pressure Points



— **Building:**

- All plans examination and inspection staff will need to be re-qualified with respect to the 2012 Ontario Building Code in effect as of January 01, 2014.
- Meeting legislated permit issuance and building inspection timeframes as well as reducing the number of open building permits.

— **Land Use Planning:**

- Tasks assigned have created a work program that has exceeded, for many years, the capacity of the staff complement.
- A significant current pressure point is that all staff are also leading the “ReThink London Program” - a program of several policy analysis components and public consultation events that comprise the statutory comprehensive review of the Official Plan, that will lead to a new 20 year-year plan for the City of London.
- Increases in office rental and energy rates

Planning & Development Services

Pressure Points



- **Development Services:** The nature of submitted applications and reviews of plans for subdivisions, site plans, condominiums, consents, and minor variances may be affected over the next five years by Corporate initiatives such as:
 - ReThink London,
 - the 2014 Development Charges By-law and associated Growth Management Information Strategy (GMIS),
 - and the final approval of the Southwest Area Plan.

Development Services will be providing input and monitoring these initiatives to ensure that updated policies, guidelines and implementation measures are established which reflect the Corporate position.

Planning & Development Services

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | |
|--|----------------------|--------------|--------------|------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | From Assessment Growth |
| | REVISED | REQUESTED | | | | |
| Building Controls | (1,244) | (1,253) | (9) | (9) | 0.7% | - |
| City Planning & Research (Land Use Planning) | 2,879 | 3,092 | 213 | 128 | 4.4% | 85 |
| Development Services | 3,520 | 3,523 | 3 | 3 | 0.1% | - |
| Total | 5,155 | 5,362 | 207 | 122 | 2.4% | 85 |

- *The Administrative Budget Target for Planning and Development was 0.7%*
 - ✓ *Reductions were taken in other areas to offset the 4.4% increase in City Planning & Research.*
- *The submitted 2014 budget supports 124.8 full-time equivalents, excluding the impact of an expanding city.*
- *One (1) business case has been submitted in the 2014 budget for Planning & Development Services.*

➤ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category B:

- **Case 38:** One additional Planner is required to address growth, approximately 1,048 hectares of built land area that has occurred since 1994. \$85k (reference page 270)

Planning & Development Services Capital Budget Overview



The City of London's capital plan for Planning and Development Services is \$0.4 Million in 2014 and \$4.7 Million from 2014 to 2023, which represents 0.4% of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|-----------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 230 | 100 | 100 | 100 | 100 | 100 | 500 |
| Growth | 374 | 324 | 374 | 374 | 374 | 374 | 1,870 |
| Service Improvements | - | - | - | - | - | - | - |
| Total | 604 | 424 | 474 | 474 | 474 | 474 | 2,370 |

| | | | | | | | |
|----------------------------|------------|------------|------------|------------|------------|------------|--------------|
| Source of Financing | | | | | | | |
| Capital Levy | 431 | 238 | 331 | 331 | 331 | 331 | 1,655 |
| Reserve Funds | 130 | 100 | 100 | 100 | 100 | 100 | 500 |
| Non Rate Supported | 43 | 86 | 43 | 43 | 43 | 43 | 215 |
| Total | 604 | 424 | 474 | 474 | 474 | 474 | 2,370 |

Planning and Development Services Major Projects

- ✓ *Official Plan Review (\$1 million)*
- ✓ *Development Charge Study Development (\$0.55 million)*
- ✓ *Non Growth Contribution to various projects (\$3.1 million)*

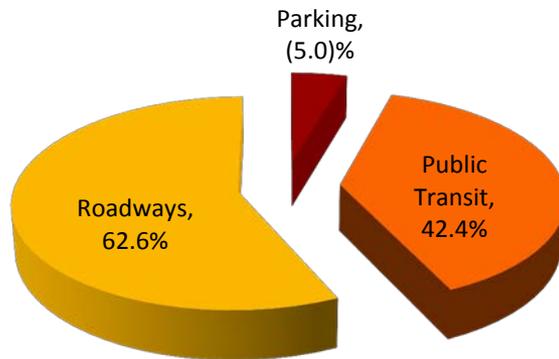
Planning & Development Services 10 Year Capital Highlights



| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|------------|--------------|
| <i>Planning & Development - Lifecycle</i> | | |
| PD3023 5-Year Official Plan | 100 | 900 |
| Total Planning & Development - Lifecycle | 100 | 900 |
| <i>Planning & Development - Growth</i> | | |
| GG1034 Development Charges Consulting | 100 | 450 |
| TS1370 Nongrowth Contribution UWRF Works - Minor Roads | 224 | 2,916 |
| Total Planning & Development - Growth | 324 | 3,366 |
| TOTAL PLANNING & DEVELOPMENT | 424 | 4,266 |

Transportation Services

2014 Requested Budget Breakdown of \$61.5 million



- ❖ *Parking*
 - *Parking*
- ❖ *Public Transit*
 - *Conventional*
 - *Specialized*
- ❖ *Roadways*
 - *Roadway Maintenance*
 - *Roadway Planning & Design*
 - *Snow Control*
 - *Traffic Control & Lighting*

The City of London's 2014 Submitted Tax Supported Budget for Transportation Services is \$61.5 million representing a \$1.0 million or 1.8% increase from rates and \$4.3 million increase in cost associated with servicing an expanding/growing City.

- *Approximately 11% of the overall submitted 2014 property tax levy supports Transportation operations.*

Transportation Services Budget Story Highlights



- **Parking:** Restructuring initiatives undertaken in the last couple years have mitigated some cost pressures along with user fee rate increases and parking ticket fine increases have helped to offset property tax supported expenditure increases.

Transportation Services

Budget Story Highlights



➤ Roadways:

- **Roadway Maintenance:** Rationalization of fleet requirement for summer maintenance resulting in the retirement of one flusher truck with savings of \$42,000.
- **Snow Control:** Change in budget methodology for winter maintenance resulting in budgetary savings of \$188,000. Prior practice was to budget for winter materials and contracted equipment based on a 5 year average of expenditures which has now been changed to a 3 year average.
- **Traffic Control & Street Lighting:** Street light relamping initiative where we have switched from a 4 year replacement cycle to a 5 year replacement cycle at no additional cost

Transportation Services Pressure Points



➤ Parking:

- Increased maintenance on individual meters and older master meters is causing disruptions leading to loss of revenue and customer frustration and dissatisfaction. Working to install new machines and provide better service
- Over 20 new properties added to the Private Property Enforcement Program (PPEP) in 2013 totalling over 200 private properties to provide enforcement

Transportation Services Pressure Points



➤ Roadways:

- **Roadway Maintenance/Snow Control:** The delivery of these services are experiencing rising costs, such as fuel while at the same time facing tighter budget targets. The amount of required service for Roadway Maintenance is based on infrastructure condition whereas with Snow Control the amount of service is uncontrollable given the variability associated with weather event frequency, duration and amount of snow.
- **Transportation Planning & Design:** Maintaining the condition of the transportation network is challenging at constrained funding levels. Increased life cycle funding is required to keep the network efficient and safe. Cost effective implementation of capital programs including in-house design and administration where possible.

Transportation Services Pressure Points



➤ Roadways:

- **Traffic Control & Street Lighting:** Street light energy costs (volume and unit prices) continue to increase significantly each year (7.6% in 2013).

Transportation Services

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | |
|----------------------|----------------------|---------------|--------------|--------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | From Assessment Growth |
| | REVISED | REQUESTED | | | | |
| Parking | (3,071) | (3,093) | (23) | (23) | 0.7% | - |
| Public Transit (LTC) | 25,495 | 26,096 | 601 | 601 | 2.4% | - |
| Roadways | 33,778 | 38,498 | 4,720 | 440 | 1.3% | 4,280 |
| Total | 56,202 | 61,501 | 5,298 | 1,018 | 1.8% | 4,280 |

- *The Administrative Budget Target for Transportation Services was 0.7%.*
- *The submitted 2014 budget supports 769.8 full-time equivalents, an increase of 7.0 excluding the impact of an expanding city.*
- *Eight (8) business cases have been submitted in the 2014 budget for Transportation Services.*

- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category A:

- **Case 23:** Since 2006, there has been an increase of 92.5 km of lanes to be patrolled. The increases in operating costs are offset by ticket revenue. (Estimated expenditure \$45,000, estimated revenue - \$45,000). (reference page 250)
- **Case 24:** Funding of \$ 291k is required to service the increase of 60 km of road and 42 km of sidewalk from assumed subdivisions, warranted sidewalk program, walkways, ditches, boulevards, downtown maintenance and roadside maintenance. (reference page 252)
- **Case 25:** Funding of \$181k is required to service the increase of 60 km road and 42 km of sidewalk from assumed subdivisions, warranted sidewalk program and road widening. Additional funding is required to provide winter control services to those areas. (reference page 253)

- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category A:

- **Case 26:** Funding of \$335k is required for patrolling services to handle infrastructure growth for the City and to comply with the Minimum Maintenance Standards (MMS) prescribed by Council resolution in April 2003 and subsequent updates. In October 2013, Civic Works Committee approved funding from available assessment growth for this initiative, subject to final budget approval. (reference page 254)
- **Case 27:** Funding of \$ 145k is requested for maintenance and energy costs of street lights added to accommodate growth from new subdivision streets, approximately 854 new street lights. (reference page 255)

- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)
 - ➡ **Case 28:** Funding of \$30k is required for maintenance and energy costs of traffic lights added to accommodate growth from new subdivision streets, approximately 5 traffic signals. (reference page 256)
 - ➡ **Case 29:** Funding of \$1.3 million is requested for costs associated with the growing asset base for added road kms due to growth which was identified in the Transportation Infrastructure Gap Report and Transportation Master Plan. London's transportation network has grown by 100 lane kms over the past 5 years. This request would enable approx. 6 lane km of roads/year as well as additional periodic bridge rehabilitation. (reference page 257)

- **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category B:

- **Case 40:** Funding requested of \$ 2.0 million for costs associated with growth infrastructure requirements as identified in the Transportation Infrastructure Gap Report and Transportation Master Plan. Amount requested for Environmental Assessment (EA) to address Rapid Transit noting that Council requested this be included in 2014 budget for Council consideration. (reference page 274)

Transportation Services Capital Budget Overview



The City of London's capital plan for Transportation Services is \$57.6 Million in 2014 and \$664.6 Million from 2014 to 2023, which represents 54.4% of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|----------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 22,806 | 28,913 | 31,999 | 38,460 | 36,373 | 36,521 | 192,270 |
| Growth | 27,918 | 26,540 | 33,195 | 31,606 | 8,831 | 18,779 | 150,397 |
| Service Improvements | 1,747 | 2,164 | 3,573 | 5,133 | 9,258 | 2,608 | 7,995 |
| Total | 52,471 | 57,617 | 68,767 | 75,199 | 54,462 | 57,908 | 350,662 |
| Source of Financing | | | | | | | |
| Capital Levy | 7,725 | 10,337 | 12,885 | 15,664 | 19,364 | 20,487 | 123,685 |
| Reserve Funds | - | 2,329 | 2,921 | 1,093 | 251 | 264 | 2,241 |
| Debt | 9,888 | 10,073 | 14,400 | 19,242 | 14,100 | 9,700 | 44,589 |
| Other | 12,058 | 13,949 | 12,919 | 13,628 | 13,840 | 13,361 | 66,425 |
| Non Rate Supported | 22,800 | 20,929 | 25,642 | 25,572 | 6,907 | 14,096 | 113,722 |
| Total | 52,471 | 57,617 | 68,767 | 75,199 | 54,462 | 57,908 | 350,662 |

Transportation Services Major Projects

- ✓ *Fanshawe Rd E Widening Phase I - Fanshawe/ Highbury Intersection (\$13.2 million)*
- ✓ *Hyde Park Widening Phase I & II (\$30.7 million)*
- ✓ *Commissioners Rd Widening – Wonderland to Viscount (\$10.8 million)*
- ✓ *Future road widening and new initiatives (\$198.0 million)*
- ✓ *Western Road and Philip Aziz (\$9.8 million)*
- ✓ *Bike Lanes (\$1.1 million)*
- ✓ *Transit system investment (\$98.1 million)*

Transportation Services

10 Year Capital Highlights



| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|------------|--------------|
| Total Parking (ie. Pay&Display and Parking Lot Rehabilitation) | 225 | 1,268 |

| Roadways - Lifecycle | | |
|---|---------------|----------------|
| TS1446-14 Road Rehab-Main Life Cycle Renewal | 7,300 | 108,158 |
| TS1763-14 Bridge Rehab Life Cycle Renewal | 1,800 | 22,600 |
| TS3014-14 Road Rehab - Local and Rural | 4,000 | 53,800 |
| TS4067-14 Traffic Signal Maintenance Program | 2,108 | 21,979 |
| TS5123-14 Street Light Maintenance Program | 1,000 | 30,186 |
| TS3037-14 Lifecycle Sidewalk Repair & Replacement | 1,200 | 10,800 |
| Miscellaneous Roadways Lifecycle | 4,695 | 16,560 |
| Total Roadways - Lifecycle | 22,103 | 264,083 |
| TS1355 Wharncliffe Rd Widening-Becher Street to Springbank Dr | 400 | 10,081 |
| TS1470 Commissioners Rd Widening (Wonderland Rd to Viscount Rd) | 500 | 10,300 |
| TS1478 Huron Widening (Adelaide St to Vesta Road) | | 12,796 |
| TS1487 Southdale Widening (Wellington to Pond Mills Rd) | | 20,813 |
| TS1489 Western Road Widening (Platts Lane to Oxford St) | | 15,903 |
| TS1475-2 Fanshawe Rd E Widening (Fanshawe/Highbury Intersection) | 1,150 | 12,100 |
| TS1477 Hyde Park Widening Ph I & II (Oxford to Fanshawe) | 18,300 | 12,405 |
| TS1479-1 Bradley Ave Widening Phase I (Dearness Dr to Pond Mills) | | 20,035 |
| TS1481 Wellington Rd Widening (Commissioners to Exeter Rd) | 950 | 14,150 |
| Miscellaneous Roadway Items | 4,340 | 11,985 |
| TS1484 Sarnia Road Widening (Wonderland to Sleightholme) | 700 | 7,310 |
| TS2171 Old Victoria Rd Upgrade (Hamilton Rd to Hwy 401) | 200 | 8,051 |
| Future Road Widenings | 900 | 99,840 |
| Total Roadways - Growth | 26,540 | 240,408 |

Transportation Services 10 Year Capital Highlights



| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|---------------|----------------|
| TS1136 Western Rd & Philip Aziz Ave Improvements | 250 | 9,550 |
| Other Roadways - Service Improvements | 350 | 1,730 |
| Total Roadways - Service Improvement | 600 | 11,280 |
| Total Roadways | 49,243 | 515,771 |
| Public Transit | | |
| MU1044-14 Bus Purchase Replacement Program (Lifecycle) | 6,010 | 65,272 |
| Expansion Vehicles (Service Improvement) | 1,439 | 16,787 |
| Other Public Transit | 700 | 7,900 |
| Total Public Transit | 8,149 | 89,959 |
| TOTAL TRANSPORTATION SERVICES | 57,617 | 606,998 |

Corporate, Operational, & Council Services



❖ *Corporate Services*

- *Asset Management*
- *Dispatch*
- *Energy Conservation*
- *Facilities*
- *Fleet Management*
- *Graphics, Surveying & Technical Services*
- *Human Resources*
- *Legal Services*
- *Payroll*
- *Purchasing*
- *Realty Services*
- *Risk Management*
- *Information Technology Services*

❖ *Corporate Planning & Corporate Administration*

- *Corporate Management*
- *Government Liaison*
- *Information & Archive*

❖ *Council Services*

- *Advisory Committee*
- *Audit*
- *Councillor's Office*
- *Mayor's Office*
- *Municipal Elections*
- *Secretariat Support (City Clerk)*

❖ *Financial Management*

- *Corporate Finance*
- *Finance*
- *Corporate Investments & Partnerships*

❖ *Public Support Services*

- *Administration of Justice*
- *Taxation*
- *Communications*
- *Customer Relations*
- *Licensing & Certificates*
- *Cafeteria*

Corporate, Operational, & Council Services



The City of London's 2014 Submitted Tax Supported Budget for Corporate, Operational and Council Services is \$136.5 million representing a \$9.9 million or 7.9% increase from rates and \$0.4 million increase in cost associated with servicing an expanding/growing City.

- *Approximately 28% of the overall submitted 2014 property tax levy supports Corporate, Operation, & Council Services. This is comprised of:*
 - *18% relates to Capital Financing (Pay as you go, debt servicing)*
 - *4% relates to Corporate Contingencies*
 - *2% relates to Other Corporate Expenditures (Insurance, MPAC)*
 - *4% relates to Corporate, Council, and Public Support Services, (Facilities, Fleet, Information Technology, Finance) net of other municipal revenues (grants in lieu, draws from reserves)*

Corporate, Operational and Council Services

Budget Story Highlights



- Efficiency measures and management lead initiatives have saved the property tax payer at least \$2.4 million over this term of Council.
- Through restructuring efforts in ITS, Facilities and Finance since 2012, over \$1.1 million in permanent ongoing savings has been realized. This resulted in a net reduction of 6 FTE positions as well as a realignment of 4 FTE positions.
- Since 2011, this area has contributed approximately \$2.6 million in one-time savings to the Efficiency, Effectiveness and Economy Reserve.

Corporate, Operational and Council Services Budget Story Highlights



➤ Information Technology

- Cellular Services, Hardware and Printing – renegotiated contracts and strategies have resulted in 2014 budget savings of approximately \$300,000.
- ITS has been able to contain costs and as a result was able to contribute \$1 m in savings to the Technology Services Reserve Fund. These savings were then used to fund capital initiatives such as Records Management and Internet Modernization which were previously unfunded.

➤ Facilities - efficiency upgrades have reduced energy consumption and helped contain costs.

➤ City Clerks – continued efforts to contain postage and courier costs which have increased by 6% since 2011; implementation of agenda-to-go will assist in this initiative.

Corporate, Operational and Council Services Budget Story Highlights



- Fleet Services - Service Realignment and Public/Private Partnership Opportunities – synergies with our major City partners including Police, Fire, LTC by maximizing shared services (parts and services) and in house facilities like our automated wash centre and fuelling storage and dispensing stations.
- Fleet Service Rationalization – working to consolidate operations to our two major facilities to maximize technician capacity.

Corporate, Operational and Council Services

Budget Story Highlights



- **Human Resources:** The following initiatives were undertaken:
 - Expanded health and wellness initiatives to support attendance management.
 - Developed and implemented employee IDEAS program to promote employee engagement and recognize efficiencies and economies where applicable.
 - Development and administration of the Position Management program to achieve efficiencies and economies.
 - Administration of the Employee Attendance Support Plan
 - Negotiation of favourable compensation agreements/contracts.

- **Capital Grant Funding Eliminated** - funding was reduced by \$200,000 in 2012 budget to achieve 0% and by an additional \$50,000 in the 2013 budget in order to achieve 1.2%. However, administration continues to accept applications to this program through the Strategic Funding Framework.

Corporate, Operational and Council Services

Budget Story Highlights



- Extensive efficiencies have been gained to date from the first and second year audits by PwC. Estimated savings, revenue opportunities, efficiencies and cost avoidance over the next 5 years is \$18 m, although not all are currently implemented to date.
- Increase in capital levy on average of \$2.2 m per year (\$2.8 million in 2014) that is used to finance capital projects consistent with the Strategic Financial Plan. These increases are helping to move towards a capital levy funding source for Lifecycle renewal projects of 75%.

Corporate, Operational and Council Services

Pressure Points



- Rising utility costs increase by **8-10%** each year through to 2018.
- Insurance premium cost increases well in excess of inflation, + 10%.
- Postage costs are set to increase in 2014, beyond what was expected.
- Managing the infrastructure gap.

Corporate, Operational and Council Services

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | From Assessment Growth |
|---------------------------------------|----------------------|----------------|---------------|--------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | |
| | REVISED | REQUESTED | | | | |
| Corporate Services | 41,687 | 42,250 | 563 | 162 | 0.4% | 401 |
| Corporate Planning & Corporate Admin. | 2,003 | 2,012 | 8 | 8 | 0.4% | - |
| Council Services | 3,233 | 3,240 | 7 | 7 | 0.2% | - |
| Financial Management | 79,179 | 88,924 | 9,745 | 9,745 | 12.3% | - |
| Public Support Services | 32 | 54 | 22 | 22 | 68.7% | - |
| Total | 126,134 | 136,480 | 10,345 | 9,944 | 7.9% | 401 |

- *The Administrative Budget Target for this area was 7.1%.*
- *The submitted 2014 budget supports 549.1 full-time equivalents, a 3.1 increase over 2013 excluding the impact of an expanding city.*
- *Nine (9) business cases have been submitted in the 2014 budget for Corporate, Operational, and Council Services.*

Corporate, Operational and Council Services

Budget Breakdown – Corporate Services



| SERVICE | NET BUDGET (\$000's) | | | | | From Assessment Growth |
|---------------------------------|----------------------|----------------|--------------|------------|-----------------------|------------------------|
| | 2013 REVISED | 2014 REQUESTED | Net Increase | From Rates | % Increase From Rates | |
| CORPORATE SERVICES | - | 401 | 401 | - | 0.0% | 401 |
| Asset Management | 415 | 417 | 2 | 2 | 0.4% | |
| Dispatch | 769 | 774 | 5 | 5 | 0.7% | |
| Energy Conservation | 119 | 134 | 14 | 14 | 12.1% | |
| Facilities | 12,716 | 12,860 | 144 | 144 | 1.1% | |
| Fleet Management | - | - | - | - | 0.0% | |
| Graphics, Surveying & Tech Serv | 830 | 835 | 6 | 6 | 0.7% | |
| Human Resources | 5,304 | 5,341 | 36 | 36 | 0.7% | |
| Legal Services | 2,678 | 2,697 | 19 | 19 | 0.7% | |
| Payroll | 1,042 | 997 | (46) | (46) | -4.4% | |
| Purchasing | 1,115 | 1,124 | 9 | 9 | 0.8% | |
| Realty Services | 194 | 185 | (8) | (8) | -4.4% | |
| Risk Management | 328 | 329 | 1 | 1 | 0.3% | |
| Technology Services | 16,176 | 16,156 | (20) | (20) | -0.1% | |
| CORPORATE SERVICES | 41,687 | 42,250 | 563 | 162 | 0.4% | 401 |

Corporate, Operational and Council Services

Budget Breakdown – Corporate Planning & Council Services



London
CANADA

| SERVICE | NET BUDGET (\$'000's) | | | | | |
|--|-----------------------|-------------------|-----------------|---------------|--------------------------|--------------------|
| | 2013 REVISED | 2014 REQUESTED | Net Increase | From Rates | % Increase From Rates | From Assessment |
| CORPORATE PLANNING & ADMINISTRATION | | | | | | |
| Corporate Management | 950 | 945 | (5) | (5) | -0.5% | |
| Governmental Liaison | 465 | 468 | 3 | 3 | 0.7% | |
| Information & Archive Mgmt | 589 | 599 | 10 | 10 | 1.6% | |
| CORPORATE PLANNING & ADMINISTRATION | 2,003 | 2,011 | 8 | 8 | 0.4% | 0 |

| SERVICE | NET BUDGET (\$'000's) | | | | | |
|--------------------------------|-----------------------|-------------------|-----------------|---------------|--------------------------|--------------------|
| | 2013 REVISED | 2014 REQUESTED | Net Increase | From Rates | % Increase From Rates | From Assessment |
| COUNCIL SERVICES | | | | | | |
| Advisory Committees | 98 | 99 | 1 | 1 | 0.7% | |
| Audit | 300 | 300 | - | - | 0.0% | |
| Councillors' Offices | 1,295 | 1,298 | 3 | 3 | 0.2% | |
| Mayor's Office | 517 | 518 | 1 | 1 | 0.2% | |
| Municipal Election | 2 | 2 | - | - | 0.0% | |
| Secretariat Support-City Clerk | 1,021 | 1,024 | 3 | 3 | 0.3% | |
| COUNCIL SERVICES | 3,233 | 3,240 | 8 | 8 | 0.2% | 0 |

- 3.0 Full Time Equivalent are added in 2014 budget for Municipal Elections, funded through reserves.

Corporate, Operational and Council Services

Budget Breakdown – Financial Management



| SERVICE | NET BUDGET (\$'000's) | | | | | |
|--------------------------------------|-----------------------|-------------------|-----------------|---------------|--------------------------|--------------------|
| | 2013 REVISED | 2014 REQUESTED | Net Increase | From Rates | % Increase From Rates | From Assessment |
| FINANCIAL MANAGEMENT | | | | | | |
| Corporate Financing | | | | | | |
| Capital Financing | 86,770 | 91,501 | 4,731 | 4,731 | 5.5% | |
| Corporate Contingencies | 14,706 | 18,387 | 3,681 | 3,681 | 25.0% | |
| Other Corporate Expenditures | 8,336 | 8,255 | (81) | (81) | -1.0% | |
| Other Municipal Revenue | (36,806) | (35,462) | 1,344 | 1,344 | 0.0% | |
| Finance | 5,521 | 5,589 | 68 | 68 | 1.2% | |
| Corporate Investments & Partnerships | 652 | 654 | 2 | 2 | 0.3% | |
| FINANCIAL MANAGEMENT | 79,179 | 88,924 | 9,745 | 9,745 | 12.3% | 0 |

- Capital Financing \$ 4.7 m
 - ✓ Pay as you go (capital levy) \$ 2.8 m
 - ✓ Debt Servicing \$ 1.9 m
- Corporate Contingencies (Tax write offs, Legal, Personnel) \$ 3.7 m
- Other Municipal Revenue (reliance on stabilization reserve) \$ 1.3 m

Corporate, Operational and Council Services

Budget Breakdown – Public Support Services



| SERVICE | NET BUDGET (\$000's) | | | | | |
|--------------------------------|----------------------|-------------------|-----------------|---------------|--------------------------|--------------------|
| | 2013 REVISED | 2014 REQUESTED | Net Increase | From Rates | % Increase From Rates | From Assessment |
| PUBLIC SUPPORT SERVICES | | | | | | |
| Administration of Justice | (2,022) | (2,008) | 14 | 14 | -0.7% | |
| Taxation | 475 | 472 | (3) | (3) | -0.7% | |
| Corporate Communications | 845 | 851 | 6 | 6 | 0.7% | |
| Customer Relations | 960 | 967 | 7 | 7 | 0.7% | |
| Licensing & Certificates | (326) | (328) | (2) | (2) | 0.5% | |
| Cafeterias | 100 | 100 | - | - | 0.0% | |
| PUBLIC SUPPORT SERVICES | 32 | 54 | 22 | 22 | 68.7% | 0 |

➔ **Decision Point 1b** (included in the 3.1% submitted budget: service changes and capital plan)

➔ **Cases 6-13:**

| Case # | Project # | Project Description | \$000's |
|--------|-----------|--|---------|
| 6 | SW6030 | Landfill Site Property Acquisition | \$200 |
| 7 | MU1044-14 | Bus Purchase Renewal | \$500 |
| 8 | TS1446-14 | Arterial Road Rehabilitation - Main | \$1,700 |
| 9 | RC2608 | Glen Cairn Major Upgrades | \$125 |
| 10 | PP2014 | Floodplain Acquisition | \$200 |
| 11 | TS4207 | Downtown On-Street Pay & Display Parking | \$175 |
| 12 | TS1739-14 | Bike Lane Program | \$200 |
| 13 | TS6217 | Facility Energy Management | \$500 |
| | | TOTAL | \$3,600 |

➤ **Decision Point 2** (included in the 3.1% submitted budget: cost of a growing city funded by assessment growth)

➔ **Case 30:** \$ 401k the cost of service for an expanding city is projected to be \$6.9 million in 2014. Consistent with existing service levels, indirect costs attributable to the on-going delivery and support of direct services will require a relative increase as well. These costs include, but are not limited to, costs associated with Corporate Services such as information technology, human resources, risk management, legal, accounts payable, purchasing, facilities and asset management, which represent 5.8% of gross expenditures. (reference page 258)



Corporate, Operational and Council Services Capital Budget Overview



The City of London's capital plan for Corporate, Operational and Council Services is \$10.5 Million in 2014 and \$98.5 Million from 2014 to 2023, which represents 8.1% of the overall ten year capital plan.

| | Revised 2013 | Proposed 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 | Forecast 2018 | Forecast 2019-2023 |
|-----------------------|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Classification | | | | | | | |
| Lifecycle | 7,380 | 9,574 | 8,168 | 9,166 | 9,041 | 8,517 | 47,894 |
| Growth | - | - | - | - | - | - | - |
| Service Improvements | 1,404 | 898 | 863 | 863 | 500 | 500 | 2,500 |
| Total | 8,784 | 10,472 | 9,031 | 10,029 | 9,541 | 9,017 | 50,394 |

| Source of Financing | | | | | | | |
|----------------------------|--------------|---------------|--------------|---------------|--------------|--------------|---------------|
| Capital Levy | 4,155 | 2,700 | 2,880 | 2,660 | 2,570 | 2,760 | 15,210 |
| Reserve Funds | 4,479 | 7,772 | 5,651 | 6,869 | 6,471 | 5,757 | 32,684 |
| Other | 150 | - | 500 | 500 | 500 | 500 | 2,500 |
| Total | 8,784 | 10,472 | 9,031 | 10,029 | 9,541 | 9,017 | 50,394 |

Corporate, Operational, and Council Services Major Projects

- ✓ *Information Technology Services (\$22.0 million)*
- ✓ *City Vehicle & Equipment Lifecycle Replacement Program (\$48.7 million)*
- ✓ *City Facilities Lifecycle Renewal including City Hall, Energy Savings Initiatives, operation facilities (\$25.8 million)*

Corporate, Operational and Council Services 10 Year Capital



| Major Capital Works in Ten Year Plan 2014- 2023 (\$000's) | 2014 | 2015-2023 |
|---|---------------|---------------|
| <i>Corporate Services - Lifecycle</i> | | |
| GG1050 Corporate Systems Update | 800 | 7,800 |
| GG1055 One Voice Communications | 100 | 1,700 |
| GG1320 Courts Administration Building Upgrade | 60 | 240 |
| GGAPPL Application, Data, Information & Process | 470 | 3,580 |
| ME1206 Fuel System Management | 50 | 450 |
| ME1407 Fleet and Equipment Maintenance | | 190 |
| ME2014 Vehicle & Equipment Replacement | 5,554 | 43,156 |
| GGINFRA Infrastructure - ITS | 700 | 4,450 |
| GG1555-14 City Hall Major Upgrades | 1,210 | 12,670 |
| GGENDUSER End User Devices & Productivity Tools | | 2,350 |
| TS6200-14 Operation Facilities Lifecycle | 630 | 6,200 |
| Total Corporate Services - Lifecycle | 9,574 | 82,786 |
| <i>Corporate Services - Service Improvement</i> | | |
| TS1346 Corporate Asset Management | 338 | 676 |
| TS1350 Corporate Asset Management Software | 310 | 50 |
| TS6217-14 Facility Energy Management | 250 | 4,500 |
| Total Corporate Services - Service Improvement | 898 | 5,226 |
| TOTAL CORPORATE SERVICES | 10,472 | 88,012 |

Capital Overview

including:

- **Reserves & Reserve Funds**
- **Strategic Investments**
- **Emerging Issues**
- **Municipal Grant Requests**

The capital budget breakdown

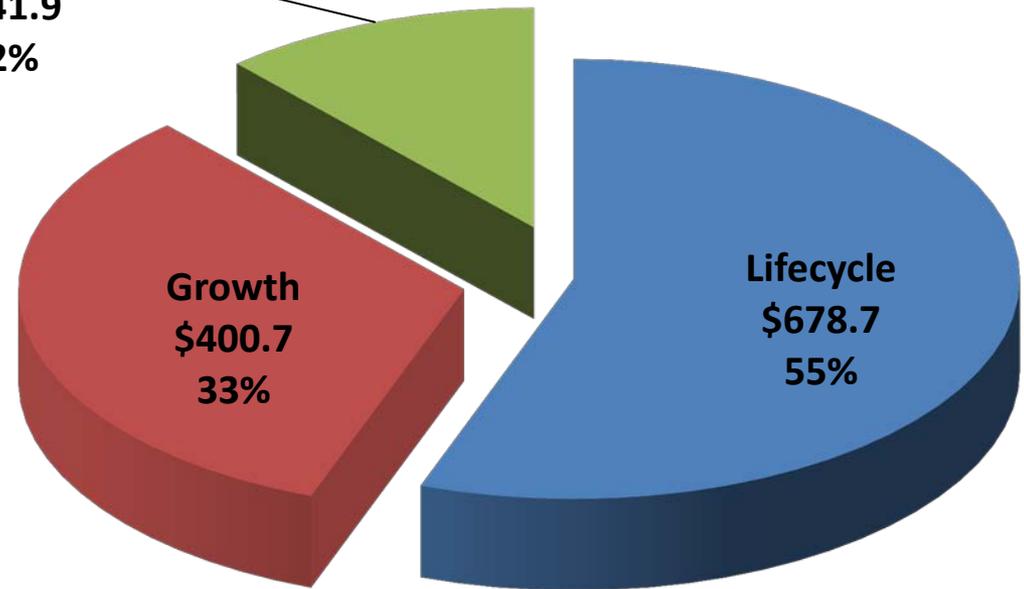


2014 -2023 Capital Plan

(\$ millions)

Total = \$1.22 Billion

Service
Improvements
\$141.9
12%

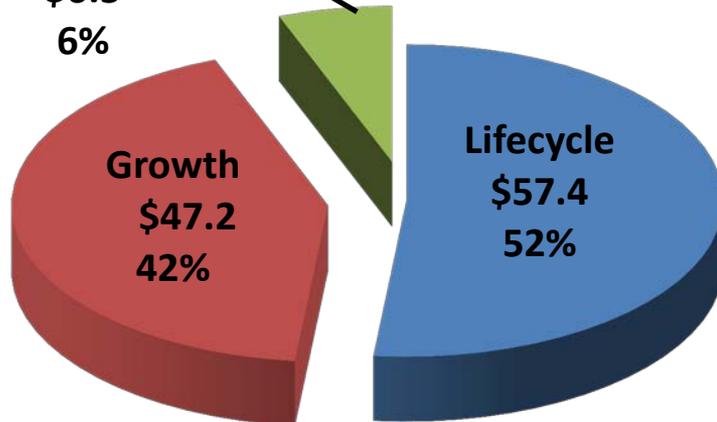


2014 Capital Plan

(\$ millions)

Total = \$111.1 Million

Service
Improvements
\$6.5
6%



Budget
2014

Capital Budget by Category



Tax Supported 2014 Capital Budget with Forecast for 2014-2022 (in \$ millions)

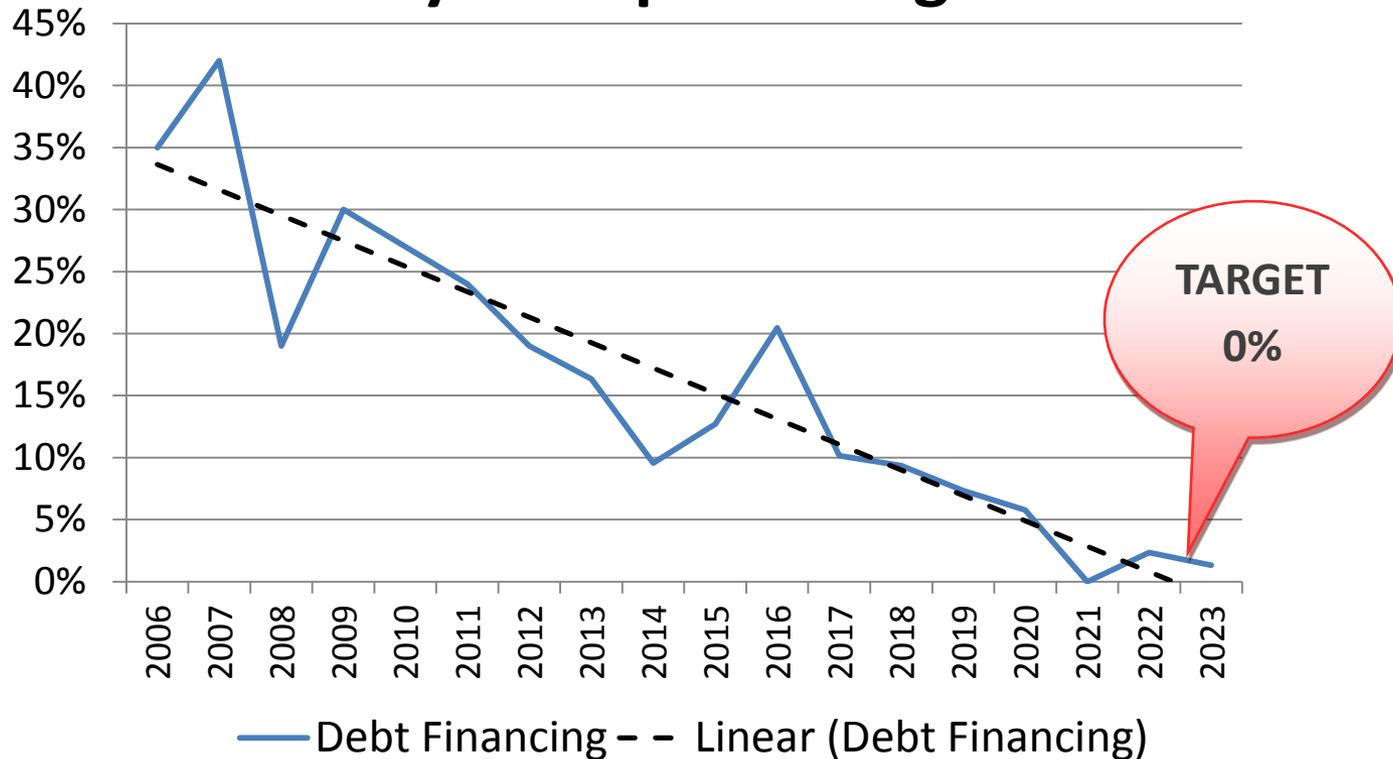
| | 2013 Revised Budget | 2014 Proposed Budget | 2015 Forecast | 2016 Forecast | 2017 Forecast | 2018 Forecast | 2019 to 2023 Forecast | Total 2014 to 2023 |
|---|---------------------------|----------------------------|------------------|------------------|------------------|------------------|-----------------------------|--------------------------|
| Expenditures Requested | | | | | | | | |
| Lifecycle Renewal | 49.4 | 57.4 | 63.1 | 71.8 | 65.3 | 65.0 | 356.1 | 678.7 |
| Growth | 46.2 | 47.2 | 48.8 | 52.8 | 26.2 | 39.6 | 186.2 | 400.8 |
| Service Improvement | 9.2 | 6.5 | 11.5 | 17.8 | 13.2 | 7.7 | 85.2 | 141.9 |
| Total Capital Expenditures | \$104.8 | \$111.1 | \$123.4 | \$142.4 | \$104.7 | \$112.3 | \$627.5 | \$1,221.4 |
| Source of Financing for Capital Expenditures | | | | | | | | |
| Capital Levy (Pay-as-you-go) | 18.5 | 21.9 | 27.2 | 29.4 | 31.6 | 33.8 | 201.9 | 345.8 |
| Debenture | 25.9 | 23.0 | 25.7 | 33.0 | 22.8 | 24.8 | 77.6 | 206.9 |
| Reserve Fund | 15.0 | 21.0 | 23.6 | 24.3 | 16.9 | 17.2 | 109.3 | 212.3 |
| Other | 2.0 | 1.2 | 0.7 | 0.7 | 0.4 | 0.6 | 0.7 | 4.3 |
| Total Tax Supported | \$61.4 | \$67.1 | \$77.2 | \$87.4 | \$71.7 | \$76.4 | \$389.5 | \$769.3 |
| Total Non-Tax Supported | \$43.4 | \$44.0 | \$46.2 | \$55.0 | \$33.0 | \$35.9 | \$238.0 | \$452.1 |
| Total Financing Available | \$104.8 | \$111.1 | \$123.4 | \$142.4 | \$104.7 | \$112.3 | \$627.5 | \$1,221.4 |

* Figures rounded for presentation purposes

Life Cycle Debt Financing



Debt Financing as a % of Lifecycle Capital Budget



Budget
2014

Reserves and Reserve Funds



| (in \$000's) | Projected Balance Dec 31, 2013 | Projected Contribution from Tax | Other Income and Interest | Planned Draws | Projected Balance Dec 31, 2014 | Change Over Previous Year |
|---|--------------------------------------|------------------------------------|------------------------------------|------------------|---|------------------------------------|
| Capital Asset Renewal and Replacement | 44,283 | 18,878 | 7,179 | (21,904) | 48,436 | 4,153 |
| Capital Asset Growth | 7,413 | 2,892 | 1,449 | (3,072) | 8,682 | 1,269 |
| Specific Projects & New Initiatives | 43,713 | 9,865 | 6,061 | (23,884) | 35,755 | (7,958) |
| Contingencies and Stabilization | 17,698 | 497 | - | (4,673) | 13,522 | (4,176) |
| Risk Management and Long Term Planning | 71,774 | 1,670 | 3,298 | (3,882) | 72,860 | 1,086 |
| Total City Owned | 184,881 | 33,802 | 17,987 | (57,415) | 179,255 | (5,626) |
| Obligatory | 22,218 | - | 18,488 | (22,144) | 18,562 | (3,656) |
| Total Reserves and Reserve Funds | 207,099 | 33,802 | 36,475 | (79,559) | 197,817 | (9,282) |

Budget
2014

Decision Point 3 – Not Included in the 3.1% Submitted Budget: Strategic Investments, Emerging Issues and Municipal Grant Requests



London
CANADA

Strategic Investments

| Initiative | Full Capital Cost (\$000's) | Municipal Portion (\$000's) | Potential 2014 Impact (\$000's) | Potential Annual Tax Levy Impact |
|---|-----------------------------|-----------------------------|---------------------------------|----------------------------------|
| Transportation Master Plan (Lifecycle & Growth Infrastructure Gap, Bus Rapid Transit) | \$946,000 | \$343,500 | \$8,200 | 1.71% |
| Downtown Master Plan | \$55,000 | TBD | \$0 | 0.0% |
| Economic Development Initiatives | \$520,000 | \$60,000 | \$6,000 | 1.25% |
| Ontario Works Decentralization Strategy | \$6,500 | \$6,500 | \$2,300 | 0.48% |
| Total | \$1,527,500 | \$410,000 | \$16,500 | 3.44% |

NOTE: Administration is recommending that the \$2.3 million for the Ontario Works Decentralization Strategy be funded from 2013 Surplus. This strategy cannot move forward without this funding.

RECOMMENDATION: That a 1% tax levy increase in the 2014 budget **BE REVIEWED** to accumulate funding to support the strategic investments discussed above as Municipal Council continues to receive information on these initiatives and decide on the highest priority items.

Decision Point 3 – Not Included in the 3.1% Submitted Budget:



Strategic Investments, Emerging Issues and Municipal Grant Requests

Emerging Issues

| Initiative | 2014 Cost (\$000's) | Potential 2014 Tax Levy Impact | 2015 Cost (\$000's) | Source |
|--|--------------------------------------|--------------------------------|---------------------|-----------------------------|
| Blackfriars Bridge | \$0 | 0.0% | \$3,000 | Civic Works – Sept 9 |
| Huron Street Improvements | \$500 | 0.10% | \$0 | Planning Comm – Sept 24 |
| Safety - Railway Pedestrian Crossings | \$135 | 0.03% | \$170 | Civic Works – Oct 7 |
| VMP Noise Wall | \$500 | 0.10% | \$0 | Civic Works – Oct 7 / Jan 6 |
| Traffic Calming Program | \$25 | 0.01% | \$25 | Civic Works – Oct 7 |
| Sidewalk Maintenance Program | \$315 | 0.07% | \$315 | Civic Works – Oct 7 |
| Emerald Ash Borer | \$200 | 0.04% | \$200 | Planning Comm – Oct 29 |
| Cultural Prosperity Plan | \$100 | 0.02% | \$100 | Council - March 5 |
| Total (received as of Dec 3) | \$1,775 | 0.37% | \$3,810 | |
| Animal Welfare Services: Enhancements | \$700 (Capital) \$376 (Operating) | 0.15% 0.08% | \$376 | CPSC – Dec 9 |

RECOMMENDATION: That the emerging issues **BE REVIEWED** by Municipal Council for consideration for funding in the 2014 Budget, noting the tax levy impact included in the table above.

Decision Point 3 – Not Included in the 3.1% Submitted Budget: Strategic Investments, Emerging Issues and Municipal Grant Requests



London
CANADA

Municipal Grant Requests

| Organization | Amount Requested (\$000) | |
|--|----------------------------|--------------------|
| | One Time Operating/Capital | On-going Operating |
| African Community Council (ACC) | | \$93.0 |
| Canadian National Institute for the Blind (CNIB) | \$19.1 | |
| Family Services Thames Valley | | \$16.9 |
| Grand Theatre | \$100.0 | |
| JCI London | \$20.0 | |
| London Celebrates Canada | | \$50.0 |
| London Children's Museum | \$150.0 | |
| St. Joseph's Hospice | \$200.0 | |
| | \$489.1 | \$159.9 |
| Total (received as of Dec 3) | \$649.0 | |
| Sunfest (Council – Dec 17) | \$50.0 | |

RECOMMENDATION: That the City of London Municipal Grant requests **BE REVIEWED**, noting that additional funding requests for both operating and capital grants have not been accommodated in the submitted 3.1% tax levy increase

Budget
2014



London
CANADA

Long-Term Financial Planning (2015-2018 Forecast)

Why Do Long-Term Financial Planning?

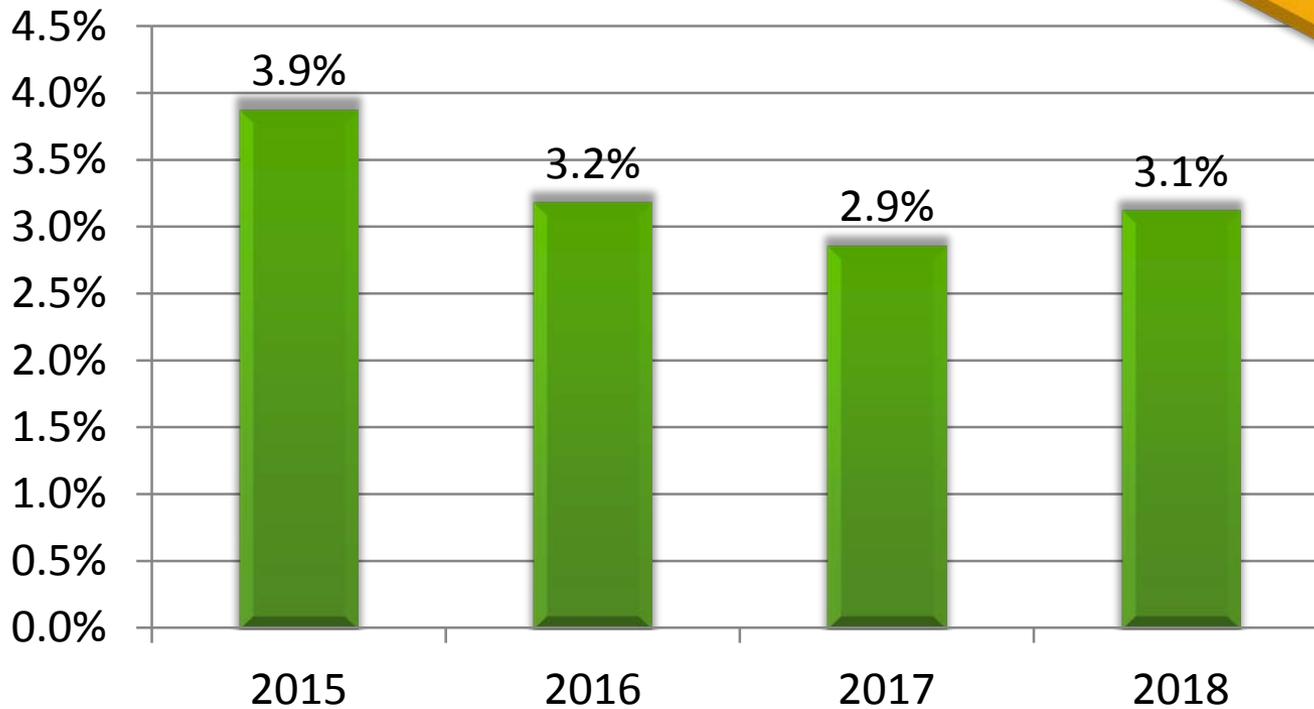


- ✓ Enables proactive management of government financing rather than reactive responses when crisis occur.
- ✓ Improved resource allocation:
 - Set realistic boundaries for what can be accomplished.
 - Helps direct resources to those areas with the highest priorities.
- ✓ Links decisions that are made today with the impacts on taxpayers hard earned dollars in the future.

2015 – 2018 Forecast



Forecasted Property Tax Levy Increase From Rates



Average Annualized Increase
3.3%

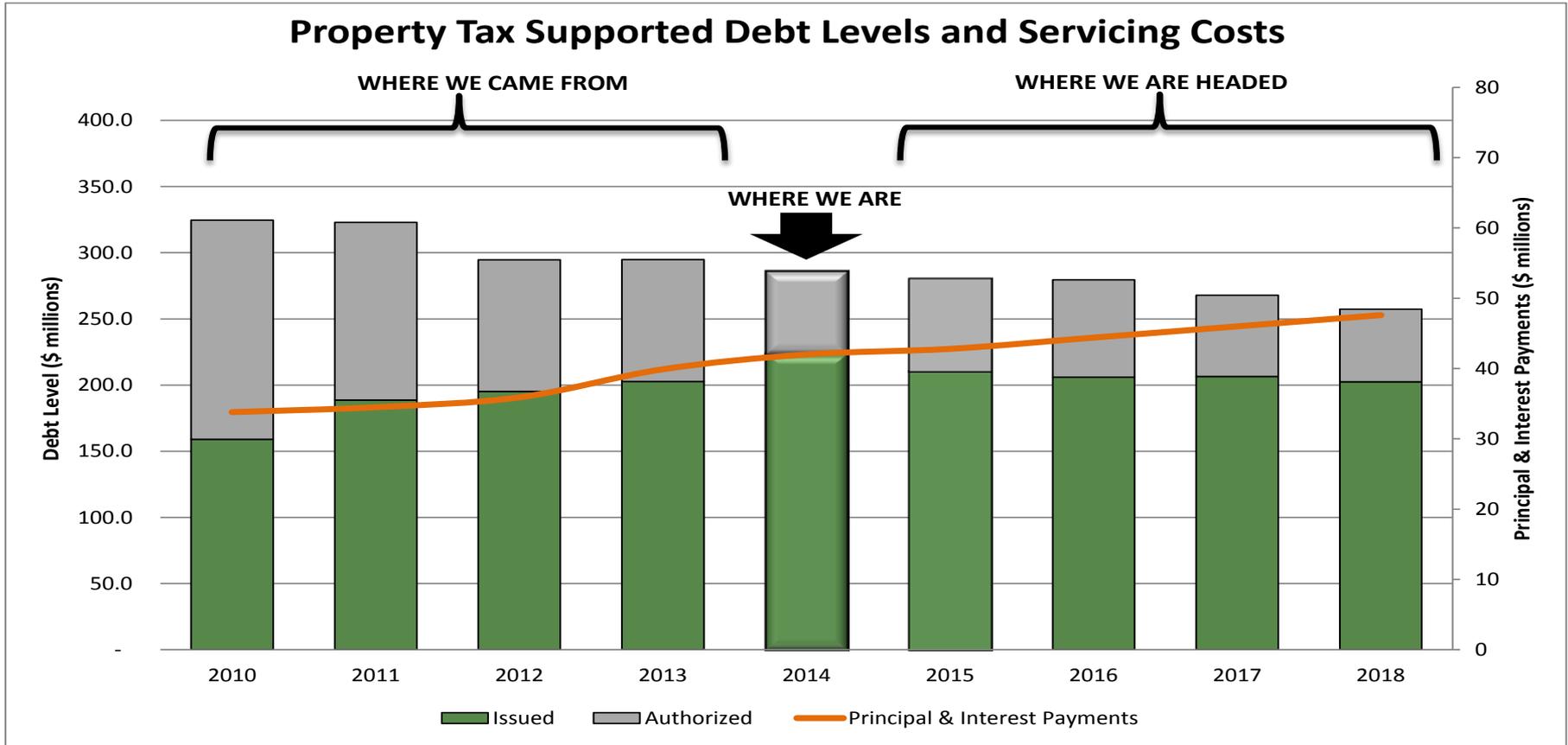
2015 – 2018 Forecast



Assumptions included in the forecast:

- ✓ London Police have requested an increase of 92 positions (average annualized increase of 4.1%);
- ✓ Continued upload of Ontario Works to the Province (to be completed by 2018);
- ✓ Fair and reasonable collective bargaining agreements;
- ✓ Continuation of the Corporate Strategic Financial Plan (pay as you go) financing for Lifecycle Renewal capital projects;
- ✓ Average annual increase in debt servicing costs of \$1.6 million for debt financing of previously approved capital projects;
- ✓ Strategic use of the Operating Budget Contingency Reserve to mitigate tax rate pressures is gradually reduced;
- ✓ The forecast is only reflective of the property tax levy increases from rates and excludes the impacts of assessment growth costs due to an expanding City (except the London Police Service); and
- ✓ No additional program or services are anticipated in this forecast.

Debt Levels & Debt Servicing



Debt Servicing cost is \$210.53 per year or \$0.58 per day
 (For a residential homeowner with a house valued at \$208,000.)

Budget
2014

Scenario 1

Reducing / Adding Permanent Services / Costs

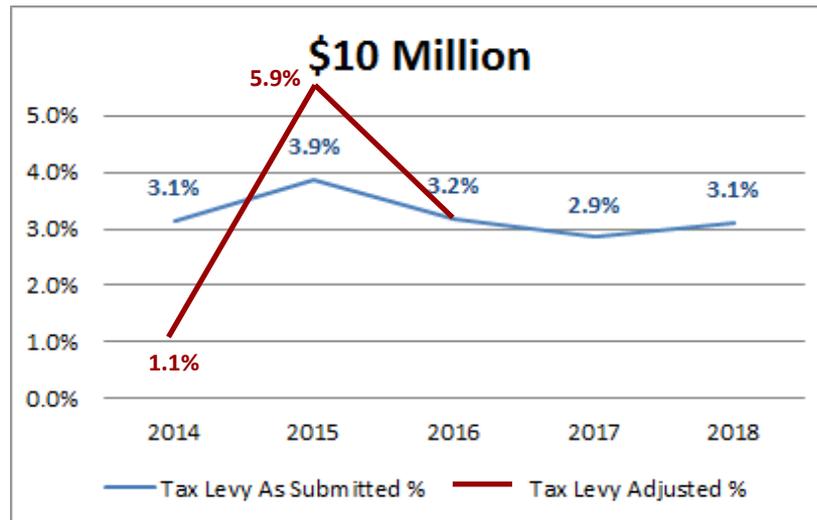
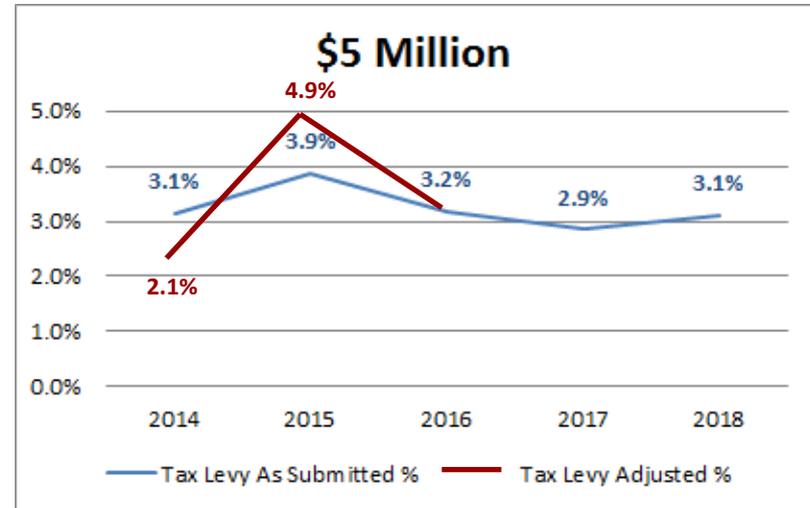
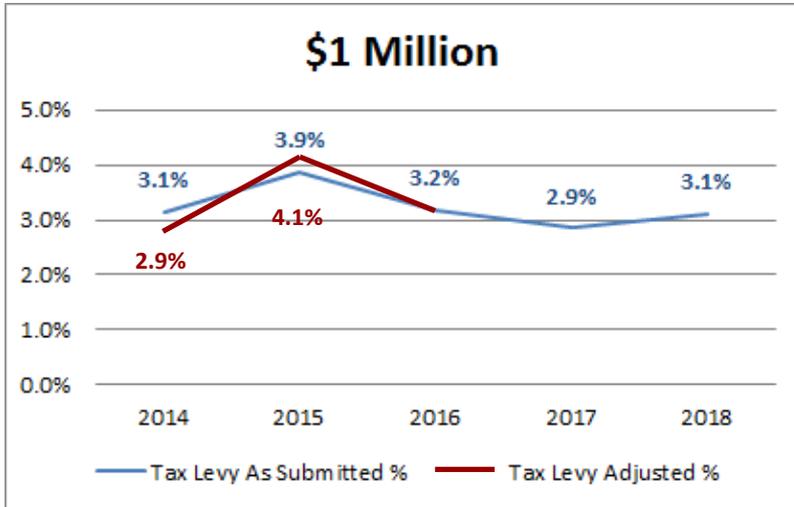


| 2014 IMPACT | | | | |
|---------------------|---------------|-------------|------------------|--------------|
| Scenario | From Rates | | Homeowner Impact | |
| | Change | Adjusted | Change | Adjusted |
| -\$8 million | - 1.6% | 1.5% | - \$40 | \$36 |
| -\$6 million | - 1.2% | 1.9% | - \$30 | \$46 |
| -\$5 million | - 1.0% | 2.1% | - \$25 | \$51 |
| -\$1 million | - 0.2% | 2.9% | - \$5 | \$71 |
| \$1 million | + 0.2% | 3.3% | + \$5 | \$81 |
| \$5 million | + 1.1% | 4.2% | + \$25 | \$101 |
| \$10 million | + 2.1% | 5.2% | + \$50 | \$126 |

NOTE: The 2014 budget was submitted with a 3.1% increase from rates and a \$76 increase to the average residential homeowner with a house valued at \$208,000.

Scenario 2

Use of One-Time Funding



Consider the Long Term View



- ✓ The impact of your decisions today will impact the future in terms of expenditures, tax levy, services and asset life
- ✓ Consider carefully the flow-through on future budgets:
 - i. Adding services/costs
 - ii. Cutting capital
 - iii. Use of one-time funding (drawdowns from reserves)
- ✓ Consider desire to invest in Strategic Investments, Emerging Issues, and Municipal Grant Requests



London
CANADA

Timetable

Important Dates



| | |
|--|--|
| December 3, 2013 | 2014 Budget Tabled (Council Chambers) |
| January 9, 2014 | Property Tax Budget Presentations Overview of 2014 Budget & Process (Council Chambers) |
| January 11, 2014 | Build a Budget Workshop (Session 1) (Goodwill Industries) |
| January 13, 2014 | Public Participation Meeting (Council Chambers) |
| January 15, 2014 | Build a Budget Workshop (Session 2) (Goodwill Industries) |
| January 30, 2014 (and January 31 if needed) | Decision Point 1 (Included in 3.1% Budget), Decision Point 2 (Assessment Growth), Operating Budget Review (Council Chambers) |
| February 6, 2014 (and February 7 if needed) | Capital Budget, Decision Point 3 (Strategic Investments, Emerging Issues, Grant Requests) (Council Chambers) |
| February 10, 2014 | Public Participation Meeting (Council Chambers) |
| February 27, 2014 | Operating & Capital Budgets Approved (Council Chambers) |

All meetings, with the exception of the Jan 11 and Jan 15 budget workshops, will be streamed live at www.london.ca

Budget
2014

Talk to Us!



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@CityofLdnOnt or #LdnBudget14



Call Financial Planning at 519-661-4638

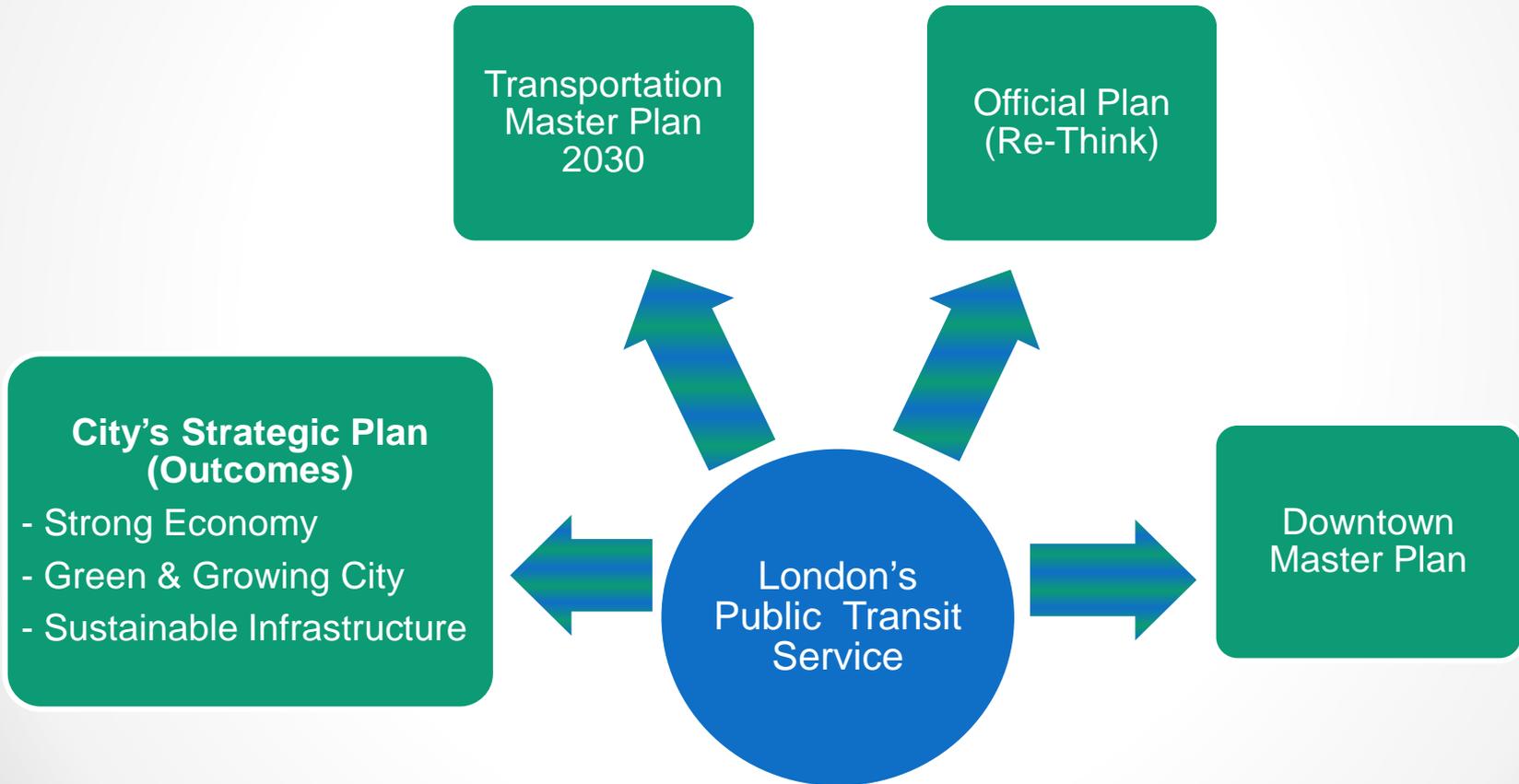


2014 Operating & Capital Budget- Transit Services - Overview

January 9, 2014

Strategic Planning and Policy Committee

Transit - A Critical Link/Role to City's Strategic Plans



2014 Operating Budget - Summary

| Description | Amount (Millions) | Percent Share |
|-------------------------------------|-------------------|---------------|
| Conventional Transit Service | | |
| Passengers, operating & reserves | \$34.259 | 56.5% |
| Provincial funding (gas tax) | 4.203 | 6.9% |
| City of London | 22.234 | 36.6% |
| Total investment | \$60.696 | 100.0% |
| Specialized Transit Service | | |
| Passengers, operating & reserves | \$0.531 | 9.9% |
| Provincial funding (gas tax) | 0.979 | 18.2% |
| City of London | 3.860 | 71.9% |
| Total investment | \$5.370 | 100.0% |

2014 Operating Budget Transit Services

2014 City of London total operating investment = \$26.094 million representing a 2.4% increase vs. 2013 (total for conventional & specialized of \$600,000)

- 1.8% increase in base (annualized 2013 service levels)
- 0.6% increase for service hour growth

2014 Commission approved operating budget:

- is viewed as a maintenance budget
- focuses on ridership retention - limited new service hours directed at current service quality issues vs. service expansion
- is consistent with the Commission approved 2014 capital budget program
- excludes consideration of:
 - medium term implementation of the BRT Strategy per approved 2030 TMP
 - operating impact associated with potential restructuring of transit service in the downtown per the draft Downtown Master Plan

2014 Operating Budget – Conventional Transit

Issues

- ridership growth of 9% over the period 2010 to 2013, while service hours increased by 4% - representing a 2.5 to 1 ratio.
- significant service quality issues - 77% increase in complaints relating to overcrowding, schedule adherence, missed passengers – no room on bus; further 26,000 reported incidents (Sept to Dec) of overcrowding
- service deficit of 200,000 hours; requiring annual operating investment of \$20 million & capital investment (buses) of \$40 million
- the current system design/delivery does not effectively meet market need and is not sustainable, simply adding hours will cost more to carry the same or less. The solution is the BRT strategy.

2014 Outputs

- 23.7 million rides 0.6% increase
- 566,000 service hrs. (includes 3,500 new hours effective Sept. 2014)
- flat-lining City investment share at 37% - consistent with 2013
- actual dollar increase in City investment for 2014 vs. 2013 is \$370,000 representing a 1.7% increase

2014 Operating Budget – Specialized Transit

Issues

- ridership growth of 16% from 2010- 2013, service hour increased by 10%; registrants increased by 25%
- non-accommodated trips have grown from 4,700 per year to 12,500 per year
- 7% decline in average number of annual trips per registrant
- expected 30% growth in registrant given expanded eligibility - per AODA transportation standard

2014 Outputs

- 294,000 rides 6.5% increase
- 110,000 revenue service hours (incl. 2,000 new hours effective Sept. 2014) - move to larger vehicles improved scheduling/capacity flexibility
- 30% reduction in non-accommodated trips to 8,800 from 12,500
- Increase in City investment for 2014 of \$230,000 - representing 6.3% increase - City investment level declines from 76% share to 72%

London Transit Service - Return on Investment

Conventional Transit Service (versus 16 Ontario transit systems – bus only)

- 7th largest system in terms of population being served
- 2nd largest in terms of ridership
- 1st (highest) in terms of rides/capita and rides/service hour
- 16th (lowest) direct operating cost/ride
- 15th (2nd lowest) municipal operating investment/ride
- 1st (highest) revenue recovery

• Specialized Transit Service (versus Ontario average)

- lower operating cost per eligible passenger trip
- lower municipal investment per eligible passenger trip
- lower municipal investment share
- higher number of registrants per capita

2014 Capital Budget - Overview

Capital budget – 3 programs

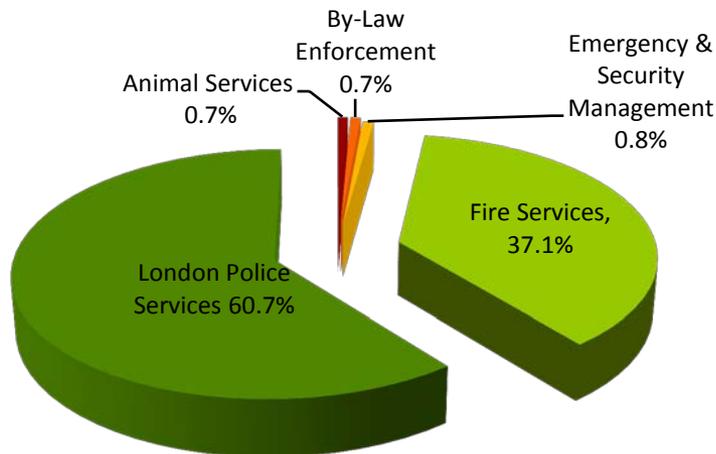
- \$6.010 million for replacement of 12 buses (state of good repair)
 - City of London capital levy = \$3.400 million
 - Federal gas tax = \$1.500 million
 - Provincial gas tax = 1.110 million
- \$0.700 million facility and facility system upgrades (state of good repair)
 - City of London capital levy = \$0.300 million
 - Provincial gas tax = \$0.400 million
- \$1.439 million expansion buses – 3 buses – fully funded by Provincial gas tax

2014 Operating Budget Transit Services – Overview of 2014 Initiatives

| 2014 Initiative | Effective Service | Efficient Service | Quality Service |
|--|-------------------|-------------------|-----------------|
| Introduction of smart card for public transit services | ✓ | ✓ | ✓ |
| Conventional transit – route/service review – 2 parts – 1 st part - linked to BRT service/corridor development and 2 nd part - route/service review excluding BRT | ✓ | ✓ | ✓ |
| Continued migration to larger vehicles on specialized services (enhanced scheduling and service capacity) | ✓ | ✓ | ✓ |
| Assessment of service integration – specialized & conventional services | ✓ | ✓ | ✓ |
| On-going compliance with AODA requirements | | | ✓ |
| Continued BRT development/implementation: <ul style="list-style-type: none"> • BRT Strategy Development – lobby for Provincial and Federal support • Complete EA – north/south BRT corridor • Route/service review - • Potential new express services re 2014 service plan | ✓ | ✓ | ✓ |

Protective Services

2014 Requested Budget Breakdown



- ❖ *Animal Services*
 - *Animal Services*
- ❖ *By-Law Enforcement*
 - *By-Law Enforcement & Property Standards*
- ❖ *Emergency & Security Management*
 - *Emergency Management*
 - *Security Management*
- ❖ *Fire Services*
 - *Fire & Rescue Services*
 - *Fire Prevention & Education*
- ❖ *London Police Services*
 - *Police Services*

The City of London's 2014 Submitted Tax Supported Budget for Protective Services is \$153.0 million representing a \$5.2 million or 3.5% increase from rates and \$0.9 million increase in cost associated with servicing an expanding/growing City.

- *Approximately 31% of the overall submitted 2014 property tax levy supports Protective Services.*

Protective Services

Budget Story Highlights



- **Animal Services:** A recommendation regarding a new enhanced animal care model, including a “no kill” principle, was referred to the budget process by City Council on Dec 17, 2013:
 - The base contract of \$2.1k is included in the 3.1% submitted budget.
 - The costs for the enhanced animal care model including annual operating costs of \$376k and one-time capital costs of \$700k for are not included in the 3.1% submitted budget.

Protective Services

Pressure Points



- **London Police Services:** Presentation to be delivered by Chief of Police
- **Fire Services:** The City of London has tabled proposals through an interest arbitration with the London Professional Fire Fighters Association to address the ongoing and escalating costs of the Fire Service.
- **Fire Services:** The City of London's labour contract with the London Professional Fire Fighters Association expired on Dec. 31, 2010 and a new contract agreement is currently in arbitration. The results of the arbitration may put a strain on the Fire Service meeting its 2014 budget target.

Protective Services

2014 Submitted Operating Budget Breakdown



| SERVICE | NET BUDGET (\$000's) | | | | | From Assessment Growth |
|---|----------------------|----------------|--------------|--------------|-----------------------|------------------------|
| | 2013 | 2014 | Net Increase | From Rates | % Increase From Rates | |
| | REVISED | REQUESTED | | | | |
| Animal Services | 1,062 | 1,060 | (2) | (2) | (0.1%) | - |
| By-Law Enforcement & Property Standards | 1,126 | 1,139 | 13 | 13 | 1.1% | - |
| Emergency & Security Management | 1,176 | 1,184 | 8 | 8 | 0.7% | - |
| Fire Services | 54,545 | 56,727 | 2,183 | 2,183 | 4.0% | - |
| London Police Services | 89,008 | 92,882 | 3,874 | 2,974 | 3.3% | 900 |
| Total | 146,917 | 152,992 | 6,076 | 5,176 | 3.5% | 900 |

- *One (1) business case has been submitted in the 2014 budget for Police Services.*

- ➔ **Decision Point 2** (included in the 3.1% submitted budget: costs of a growing city funded by assessment growth)

Category B:

- ➔ **Case 39:** The increase in population of 1% each year for the next 5 years requires additional resources for policing. Funding is being requested to continue to operate programs at the same levels in the expanding city recognizing there is a deficit of positions currently. 900k (reference page 273)

