



# emerging leaders

Input to Council: City of London  
2014 Municipal Budget

We wish to thank the Mayor and Council for the opportunity to share our input on the 2014 municipal budget. We recognize and appreciate the difficult work that staff has done to bring the budget to a decision point and the hard work Council must now embark on in receiving input from Londoners, creating a balance between fiscal prudence and the needs of London and its citizens, and rendering a decision on the 2014 budget.

## **Taxes and Services**

In driving here to attend this meeting, I was reminded of the municipal services I use in the course of my day. Electricity, courtesy of London Hydro, powers my alarm clock which wakes me up every day. The water I use to take a shower and its removal is brilliantly serviced by our water and wastewater systems. My garbage and recycling is picked up from the night before. My house and neighbourhood is safe for me and my family due to the inspections and work of our planning department, and the tireless efforts of our police and fire services. The road is absent of snow and water because crews have cleared the streets and sidewalks and our drainage system carried stormwater away. My daughter gets on the London Transit every day and gets to school on time, and my drive to work is safe and predictable because of our maintained roads and bridges. The list of municipal services goes on and on, from the festivals and parks we enjoy, to helping our most vulnerable citizens. All of this allows Londoners to contribute to their own family's wellbeing and to our community as a whole.

In the annual deliberation over taxes and municipal budgets, we often hear that taxes are a burden. While this is a popular sentiment, Emerging Leaders would like to suggest to Council that the municipal budget is not only about the percentage, zero or otherwise, of the 2014 municipal tax rate, but it is also about the services we as a community buy for the tax dollars we give. When we deliberate about setting the tax rate, we cannot exclude from our thinking the services we buy and the way in which the value of the dollars we all supply are multiplied many times over. The dollars that are invested in a transit bus enable students to get to school to further their education that will in turn help them to get a job. That job will help them to contribute to community groups that will then be able to feed someone in a vulnerable situation which in turn lowers costs to the healthcare system. That same tax dollar is used by a business to decide

where they will open a shop in the community so that their employees can get to work safely and affordably. Those same employees may decide to create a stair climb team for the United Way, giving back to the community. The multiplier effect of tax dollars to purchase services and infrastructure is significant, but is rarely factored into the public discussions on setting budgets.

What is interesting is that when pollsters ask citizens about whether we should pay for services such as health care or assistance for those experiencing poverty, the response is almost always overwhelmingly positive. When the question is reframed in terms of cost to the taxpayer, the result is much more negative. It is negative because when we divorce taxes from the services they buy, we deny ourselves the opportunity to recognize the power of buying those services collectively and the multiplications of the return we get for investing that tax dollar.

Emerging Leaders suggests that Council not only think about the 2014 budget dollar cost, but also consider the services they buy and the multiplier effect the spending of those dollars has for the citizens of London.

In looking back through to 2011 and the decisions Council has made on previous budgets, it is important to recognize that the average tax increase in similar cities in Ontario was 2.4%, but London's increase was .4%. This is a meaningful achievement for keeping London attractive and affordable, but when we consider the revenue that could have been leveraged if we had set our municipal rate at the average then there is a potential loss in tax revenue for London of \$59 million. In terms of services, this would have covered all transit fleet replacement costs through to 2022.

In the 2013 Municipal Budget input, Emerging Leaders recommended that Council keep the following principles in mind:

- Develop a modern municipal infrastructure in London that allows for a technologically advanced and entrepreneurial culture to thrive.
- Invest in cultural, social, and learning opportunities that make London a vibrant, exciting, and healthy place to live and work.

- Foster tolerance in London by embracing diversity and by supporting those who are most disadvantaged in our community to reach their full potential.
- Be fiscally prudent, which requires budget decisions to be rooted in long term strategic planning and a community vision rather than short term goals.

We again ask that Council keep these principles in mind for 2014.

### **Reserve Funds**

Reserve funds provide the means by which we can embrace long-term planning for our municipality. Council reduced contributions to reserve funds in 2012 by \$21.9 million to achieve a 0% tax increase. In 2013, Council reduced an additional \$8.1 million in reserve funds. Once again, Emerging Leaders strongly recommends that Council does not use reserve funds to achieve 2014 tax targets, but rather uses reserve funds when needed to achieve targeted goals that enhance our city's ability to attract talent and business to London and provide improved service to Londoners.

### **Infrastructure**

In the report on Municipal Infrastructure, Emerging Leaders was pleased to see that much of our current infrastructure was in fair to good condition. It is critical to the success of a municipality that infrastructure be maintained, upgraded, and invested in for today and tomorrow. What is concerning is that the infrastructure gap at this time, while not insurmountable, bears serious consideration in this budget. The 2014 infrastructure gap is estimated at \$52.1 million and if unaddressed could grow to \$466 million by 2022. Emerging Leaders recommends that Council begin to address this issue as recommended by the staff with investment through to 2018. Infrastructure funding from senior levels of government is now being tied to a community's ability to demonstrate progress through prudent and strategic asset management planning. This investment in our community's current and future needs will reap dividends and set the stage for future prosperity.

## **Transit**

In 2012, London Transit ridership reached historic levels with 23 million trips. Emerging Leaders believes strongly that transit is an essential ingredient to economic prosperity and adds to the environmental sustainability and livability of our community. The Transit Master Plan and its components, which include lifecycle renewal, Bus Rapid Transit, and bicycle lanes, is one of the ways Council can assist in getting labour to London's employers, but the Transit Master Plan is also attractive to talent and industry as a whole, creating a competitive advantage for London. Emerging Leaders strongly urges Council to invest boldly in the transportation master plan and ensure not only our current needs are met, but our future ones are as well.

## **Rethink and Master Plans**

Emerging Leaders recognizes the pressures and calls for individual investment that Council has to deliberate for this year's budget, but these three priority areas; Transit, Infrastructure, and Reserve Funds, represent an overall investment into the emerging recommendations of Rethink and the associated master plans. We would advise Council to not divorce these recommended investments from their overall effect on the Official Plan. It is these plans that represent London's best hope in attracting new investment and talent to London. If we invest smartly and create a city that is not only competitive, but surpasses our neighbouring cities in services and amenities, then we can create a sustainable and prosperous future for our community. Rethink, the Downtown Master Plan, the Transit Master Plan, and the Cultural Prosperity Plan are direct vehicles to that prosperous future.

## **A City of Opportunity & Talent**

5We are at an exciting crossroads in our city's history – we have the opportunity to become not only a city of opportunity but a city of talent. But this can only come about through investment, not continued austerity. Emerging Leaders believes that in creating an attractive and vibrant city, we multiply the opportunity and optimism for Londoners. During the World Figure Skating Championships, we saw a glimpse of this possibility in our clean streets and filled community spaces.

But that glimpse of what we could achieve permanently only came about through the timely investment in Budweiser Gardens. That was a long-term investment that created an opportunity and multiplied the investment through the businesses that surround and the citizens that enjoy the building and the area. The same would be true of the investments we recommend to you today. Prosperity requires investment and our local tax dollars are one of the best ways to leverage a prosperous future. The services and investments we buy with those local tax dollars give London the competitive advantage and attracts talent and investment to our city.

We learned in our most recent Work in London Survey that 88.7% of the more than 400 respondents had a post secondary education, and that 67.8% had a bachelors or graduate degree. London truly is a city of talent and by investing in that talent through services we ensure that that deep talent pool not only remains here, but creates further opportunities for a vibrant London.

We are grateful to Council for taking the time to patiently hear the input of Emerging Leaders and we would welcome any questions you may have at this time.

Sean Quigley  
Executive Director  
Emerging Leaders London Community Network

246 Dundas St. (Hacker Studios) Unit X  
London, ON  
N6A 1G4  
email: [ed@emergingleaders.ca](mailto:ed@emergingleaders.ca)  
[www.emergingleaders.ca](http://www.emergingleaders.ca)