

2012 Budget Review

Service Review Committee

Wednesday January 18, 2012

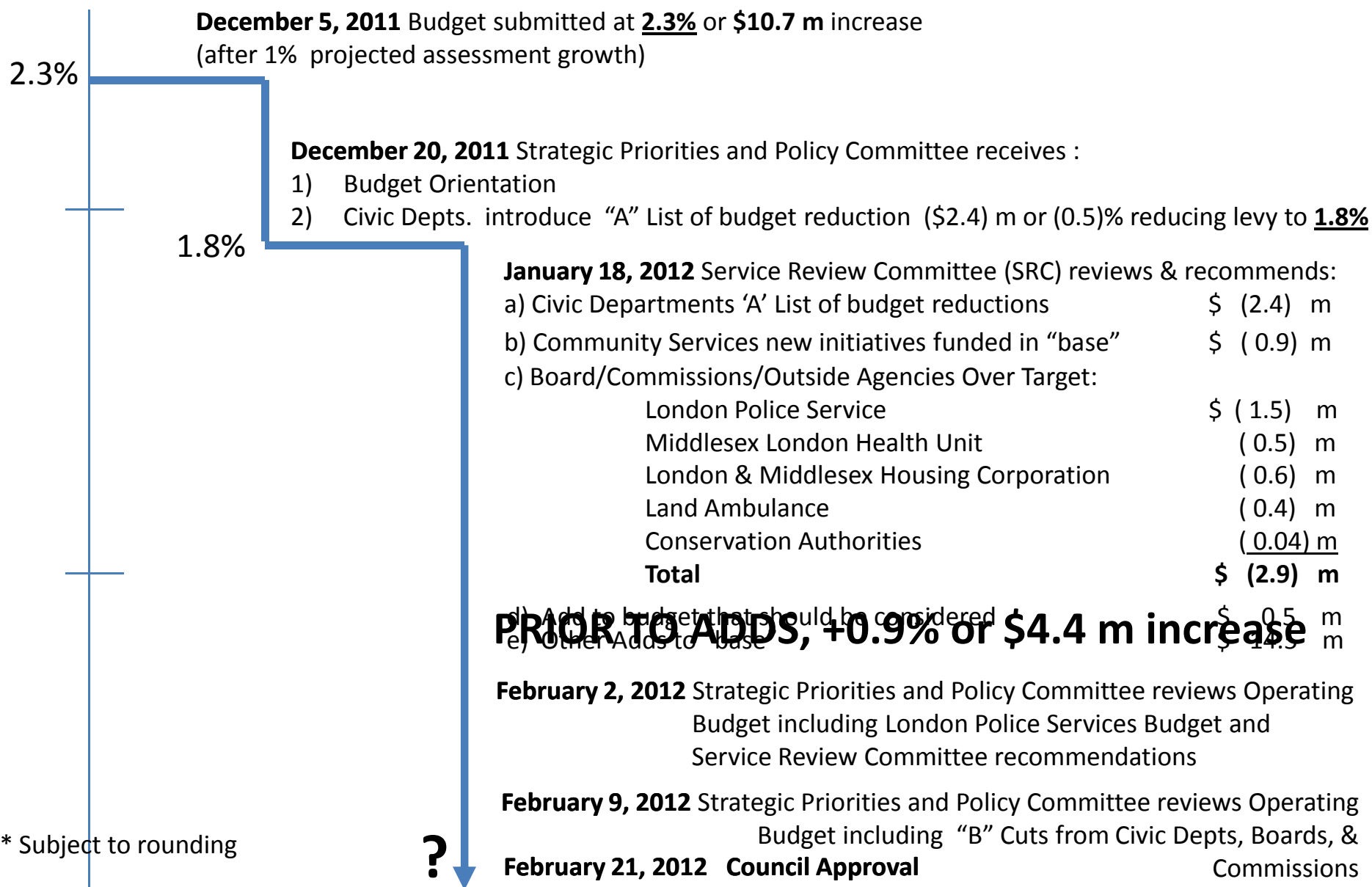
2012 Operating Budget Overview as at January 18, 2012

KEY AREA	TARGET May 31 2011	SUBMITTED December 5 2011	With 'A' List December 20 2011	Over/ (Under) Target
Civic Departments (excluding Community Services)	1.5%	1.5%	0.3%	\$ (1.2m)
London Police Services	3.0%	4.8%	4.8%	\$1.5 m
London Fire Services	3.0%	3.0%	3.0%	\$ -
Land Ambulance	1.5%	5.1%	5.1%	\$0.4m
London & Middlesex Housing Corporation	1.5%	9.0%	9.0%	\$0.6m
Community Services	(4.5%)	(3.5%)	(4.9%)	\$ (0.3m)
Boards & Commissions (Library, Museum, Tourism, Convention)	1.5%	1.5%	1.5%	\$ -
London Transit Commission	6.2%	6.1%	6.1%	\$ -
Middlesex London Health Unit	(6.6%)	(0.1%)	(0.1%)	\$0.5m
Corporate Revenues & Expenses (capital financing, contingencies)	13.0%	11.0%	10.7%	(\$1.6m)
Additional Corporate Base Revenue – unallocated (Note: \$2 million of the \$4 million was allocated to Community Services)	(\$2.0m)	\$ -	\$ -	\$2.0m
Property Tax Levy Increase	1.4%	2.3%	1.8%	\$1.8 m

*Subject to rounding

'A' List reductions totaled \$2.4 million or 0.5%. (OW caseload \$1.0 m, Capital Grants \$0.2 m, Revenue Opportunities \$0.1 m, Position Management \$1.1 m)

2012 Decision Points



2012 Budget

Service Review Recommendations

1. That on the recommendation of Civic Administration, \$2.4 million in 'A' List 2012 budget reductions **BE ENDORSED** as introduced to the Strategic Priorities and Policy Committee on December 20th, 2011, it being noted that the \$2.4 million reduction reduces the tax levy as submitted from 2.3% to 1.8%.

CUTS (Budget reductions):		To make Target (\$ 000's)
Civic Departments 'A' List		
	- Ontario Works (caseload estimate revisited)	(1,000)
	- Capital Grant Program reduction	(200)
	- Revenue Opportunities: Parking Fine and South London Community Centre rental revenue	(110)
	- Corporate Position Management	(1,100)
Total Civic Departments 'A' List budget reductions		(2,410)

2012 Budget

Service Review Recommendations

2. That Service Review Committee **REVIEW** the following Community Services new initiatives that were funded in the base, noting that if not approved would reduce the tax levy.

Community Services*		Projected to Date (\$000)	(\$000's)	Adds & Cut List Ref. #
	- London System Reengineering: Neighbourhood Child and Family Centres (NCFC)	???	(500)	2
	- London Strengthening Neighbourhoods Strategy (LSNS)	???	(100)	3
	- Community Development & Housing	???	(300)	11
Total Community Services *		???	(900)	
<p>*These requests have been included in the 2012 base budget submission and have been funded from additional Ontario Works Cost of Administration subsidy funding. If Council chooses not to proceed with these initiatives, the tax levy increase could be reduced <u>or</u> Community Services could identify further revenue opportunities and/or program savings to offset the impact of these initiatives.</p>				

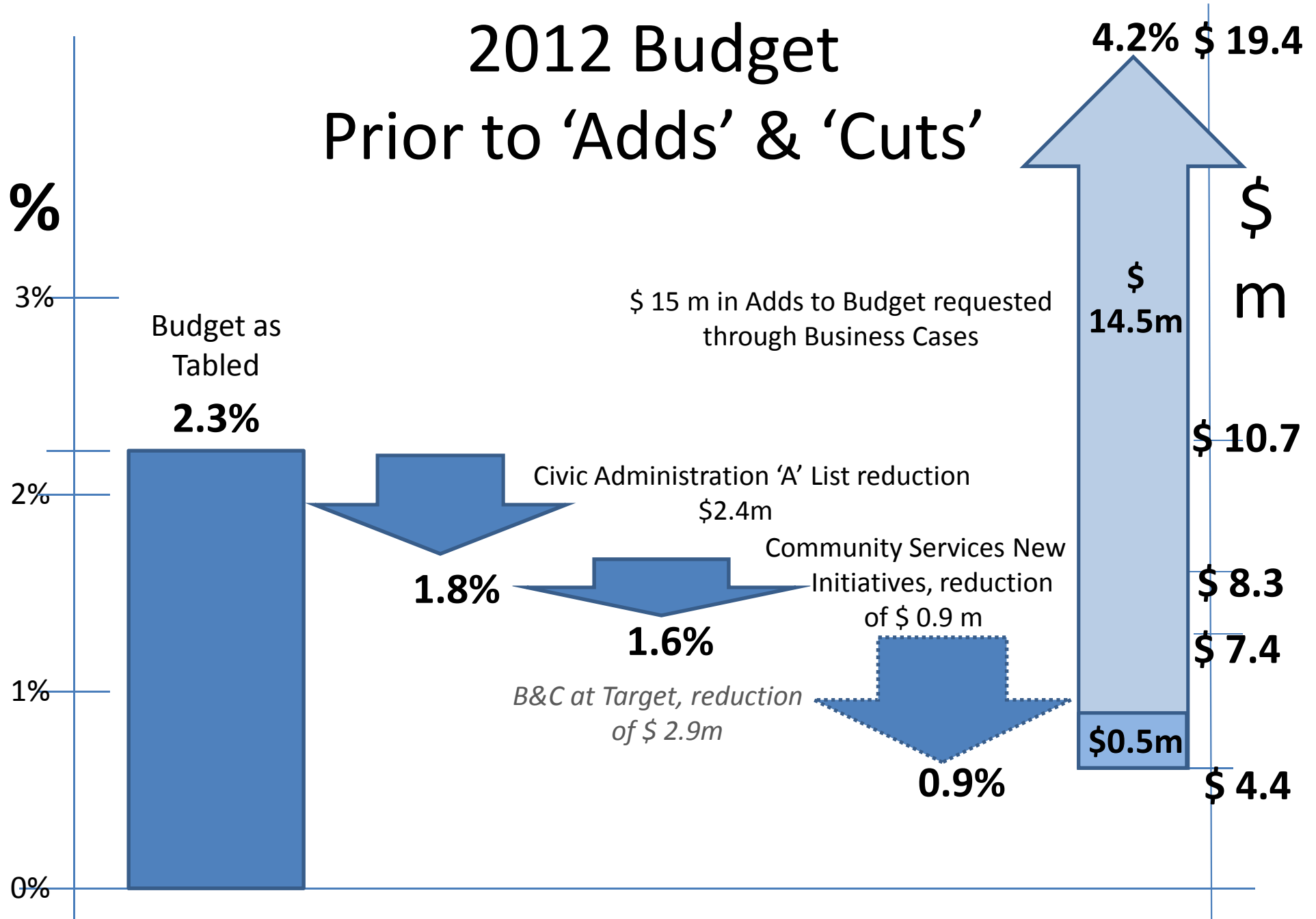
2012 Budget

Service Review Recommendations

3. That Service Review Committee **REVIEW** 2012 budgets submitted by Boards, Commissions, and outside agencies **over Council target** (London Police Services, Middlesex London Health Unit, Land Ambulance, London & Middlesex Housing Corporation, Conservation Authorities).

CUTS (Budget reductions):		Projected cut to date (\$ 000's)	To make Target (\$ 000's)	Adds & Cut List Ref. #
Boards, Commissions, and outside agencies over target				
	- London Police Service	???	(1,500)	9
	- Middlesex London Health Unit	(100)	(496)	16
	- London & Middlesex Housing Corporation	???	(580)	14
	- Land Ambulance	???	(365)	15
	- Conservation Authorities	???	(40)	
Total Boards, Commissions, and outside agencies over target		(100)	(2,981)	

2012 Budget Prior to 'Adds' & 'Cuts'



*Subject to rounding

2012 Budget

Service Review Recommendations

4. That Service Review Committee **PROVIDE DIRECTION TO** Civic Departments, Boards , Commissions, and outside agencies to develop a “B” List of Budget Cuts to be brought forward to the Strategic Priorities & Policy Committee on February 9, 2012 in order to achieve a 0% property tax levy increase.

➡ \$ 4.4 million in total CUTS are required in order to achieve 0%, assuming Community Services New Initiatives result in a further budget reduction and Boards, Commissions, and outside agencies meet target

➡ Additional cuts from Civic Departments could result in **significant service impacts.**

Community Feedback: Shopping Mall Sessions

0% Tax Increase

- Not necessary to achieve 0% tax increase if it means cutting services – but must ensure that resources are used as efficiently as possible (Masonville, White Oaks)
- Should achieve 0% tax increase – stay with necessities – no frills (Argyle, Westmount)

(few comments on 0% tax increase from Cherryhill)

Special Economic Development Levy – most respondents did not support this

Downtown Incentives - make sure any downtown investments are carefully evaluated and supported by business plans

Police Budget – fully support current or increased number of officers on the street but do not support a 3% salary increase

Job Creation – must do everything we can to create more jobs in the City

Social Housing – maintain contribution to Affordable Housing Reserve Fund

Road Maintenance – need more road maintenance but be efficient

Water & Sewer Rates – concerned about high rates

Public Transit – need more transit to new industrial areas

Community Feedback:

2012 Adds & Cuts (Received by E-Mail)

Thames Valley Corridor Plan

- Because of the current economic climate, this plan should be a lower priority for tax dollars

Community Development and Housing (Social Housing)

- “Facilitates a process to develop” is a vague initiative - a neighbourhood “action” plan is necessary

Pest Control

- Continue funding the bed bug control program

Sidewalk Snow Plowing

- This is a valuable program- sidewalks should be cleared by home owners and businesses but heavily accessed pedestrian walkways/sidewalks should get snow removal if there is no other home owner or business to take responsibility

Downtown On-Street Pay & Display

- This initiative contradicts funding for downtown revitalization - the increased parking expense will discourage people from visiting downtown or may limit the amount of time spent there

Community Feedback:

2012 Adds & Cuts (Received by E-Mail)

Re-Forest London

- Reforestation efforts are important; however this is an aggressive program of tree planting that does not balance the consideration of the costs of long-term tree maintenance or management. New trees require regular watering for the first 3 – 5 years after transplanting as they establish a new root system. There should be a long term care strategy that will ensure proper this is a proper investment of resources.

The Veteran's Memorial Parkway

- To avoid maintenance costs, adopt principles of permaculture - build guilds around fruit and nut trees and donate the harvest to various food banks

Community Feedback:

General Comments (Received by E-Mail)

- Some residents commented on their fears of high unemployment and the burden that a tax increase would put on our economy.
- Budget surplus should pay off City debt and help fund job creation
- Increase funding for baseball fields in order to support London's strong baseball community.
- Implement a program in which Civic Administrators, Police and Firefighters take a day off once a month with no pay
- Decrease total Protective Services budget by eliminating personnel time spent on educational lectures and traffic control
- Increase LTC efficiency and ridership

2012 Budget

Service Review Recommendations

5. That Service Review Committee **REVIEW** the following 'Add' to the 2012 Budget for the downtown parking initiative.

ADDS TO BUDGET	Projected to date (\$000)	(\$000's)	Adds & Cut List Ref. #
Downtown Parking Initiative	???	500	27

2012 Budget

Service Review Recommendations

6. That Service Review Committee **RECEIVE** and take **NO ACTION** on the remainder of 'Adds' to the 2012 Budget recognizing that these initiatives would increase the 2012 budget, which more than likely requires **CUTS** to existing services should the 2012 budget be approved with a 0% tax levy increase.

	(\$ 000)	% Impact
Total Impact of Remaining ADDS to Budget	14,549*	3.1%

Adds to budget include; Library Services to Seniors, Sports Park Redevelopment, Veteran's Memorial Parkway, Thames Valley Corridor, Management of Emerald Ash Borer Infestation, Planning Department Work Plan – Staffing Requirements, Fire Services – increase in staffing levels on aerial trucks, Pest Control with Bed Bug Focus (LMHC), Ontario Works in the Community – South Location, SOHO Streetscape Improvement, Sidewalk Snow Plowing, Corporate Asset Management Development, Corporate Asset Management Software System and Consultants, Diversity Programs/ Initiatives, Corporate Records Management, Service Reviews , Improving Outreach and Communications with Residents, Mayor's Office – Community Engagement, Reforest London, Big Brothers

* As identified in 2012 Proposed Budget document, net of previous recommendations

Service Review Committee

January 18, 2012

Recommendation - Recap

1. That on the recommendation of Civic Administration, \$2.4 million in 'A' List 2012 budget reductions **BE ENDORSED** as introduced to the Strategic Priorities and Policy Committee on December 20th, 2011, it being noted that the \$2.4 million reduction reduces the tax levy as submitted from 2.3% to 1.8%.
2. That Service Review Committee **REVIEW** the Community Services new initiatives that were funded in the base, noting that if not approved this would reduce the tax levy.
3. That Service Review Committee **REVIEW** 2012 budgets submitted by Boards, Commissions, and outside agencies **over Council target** (London Police Services, Middlesex London Health Unit, Land Ambulance, London & Middlesex Housing Corporation, Conservation Authorities).

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January 18, 2012

Recommendations - Recap

4. That Service Review Committee **PROVIDE DIRECTION TO** Civic Departments, Boards , Commissions, and outside agencies to develop a 'B' List of Budget Cuts to be brought forward to the Strategic Priorities & Policy Committee on February 9, 2012 in order to achieve a 0% property tax levy increase.
5. That Service Review Committee **REVIEW** the following 'Adds' to the 2012 Budget for downtown parking initiatives.
6. That Service Review Committee **RECEIVE** and take **NO ACTION** on the remainder of 'Adds' to the 2012 Budget recognizing that these initiatives would increase the 2012 budget, which more than likely requires **CUTS** to existing services should the 2012 budget be approved with a 0% tax levy increase.

Timetable

Date	What	Who
Monday, December 5, 2011 4:00 p.m.	Property Tax Budget Tabled (Operating and Capital Budgets)	Strategic Priorities and Policy Committee
Tuesday, December 20, 2011 4:00 p.m.	Budget Orientation and Strategic Planning	Strategic Priorities and Policy Committee
Saturday, January 14, 2012 10:00 a.m. to 1:00 p.m.	Public Engagement – Shopping Malls	Council Members
Tuesday, January 17, 2012 4:00 p.m.	Public Participation (Property Tax - Operating and Capital Budgets)	Strategic Priorities and Policy Committee
Wednesday, January 18, 2012 9:00 a.m.	Adds & Cuts List Report of feedback from public on 'Adds & Cuts' and prioritization for referral to budget by Committee	Services Review Committee
Thursday, January 26, 2012 9:00 a.m.	Property Tax - Capital Budget Review	Strategic Priorities and Policy Committee
Thursday, February 2, 2012 9:00 a.m.	Property Tax - Operating Budget Review (complete Capital Budget Review (if needed))	Strategic Priorities and Policy Committee
Thursday, February 9, 2012 4:00 p.m.	Property Tax - Operating Budget Review (if needed)	Strategic Priorities and Policy Committee
Tuesday, February 21, 2012 5:00 p.m.	Property Tax Budget Approved	Council