

| | |
|--|--|
| | |
|--|--|

| | |
|-----------------|---|
| TO: | CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON SEPTEMBER 14, 2015 |
| FROM: | MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER |
| SUBJECT: | 2016-2019 MULTI-YEAR BUDGET: FOCUS FOR NEW INVESTMENT |

| |
|-----------------------|
| RECOMMENDATION |
|-----------------------|

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, with the concurrence of the City Manager, the list of initiatives and projects attached as Appendix A, **BE ENDORSED** in principle as those that will have business cases prepared for consideration to receive new funding through the 2016-2019 Budget process.

| |
|--|
| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
|--|

- 2016-2019 Multi-Year Budget [SPPC – May 11, 2015]
- Council's 2016-2019 Multi-Year Budget: Setting Priorities [SPPC - July 13, 2015]

| |
|-------------------|
| BACKGROUND |
|-------------------|

Purpose of this Report:

To endorse in principle the "short-list" of initiatives and projects (Appendix A) for which staff will prepare business cases that Council will consider for new funding through the 2016-2019 budget process (Jan-Mar 2016).

Why? To focus Council efforts and staff resources on delivering a 2016-2019 budget that begins to achieve the goals and strategies reflected in the strategic plan and more specifically the "Top 11" strategies identified on July 13 (See Appendix C).

Background:

Council's Strategic Plan provides vision and direction for the next decade or so; delivering that Strategy will take well beyond the next four years, which is the time horizon for the Multi-Year Budget. A number of initiatives/projects are proceeding through other means, or have already been planned and are included in the base budget. For new initiatives that require new funding, the Multi-Year Budget provides a mechanism to help implement those elements of the plan.

Council has undertaken a number of steps to narrow the focus and provide a starting point for the 2016-2019 Budget (the next four years).

- a) Limited property tax increases to a four-year average upper limit of 2.9%. It is recognized that the average increase in property taxes will meet the needs of existing services (cost pressures, financial planning matters and contingencies), as well as potentially provide for new initiatives, should Council wish to undertake them.
- b) Council undertook an exercise on July 13 to focus the strategic plan to those strategies that it would like to be worked on for the next four years; these strategies became known as the "Top 11"

To this point, the view has been from the perspective of the strategies. As we move toward the development of the budget, the view has had to shift to specific initiatives and projects that support the "Top 11" strategies. This exercise helps:

- 1) Properly set expectations
- 2) Limit requests within funding limitations



3) Help focus staff resources on value added work

The following outline the considerations that the Civic Administration employed in preparing the list:

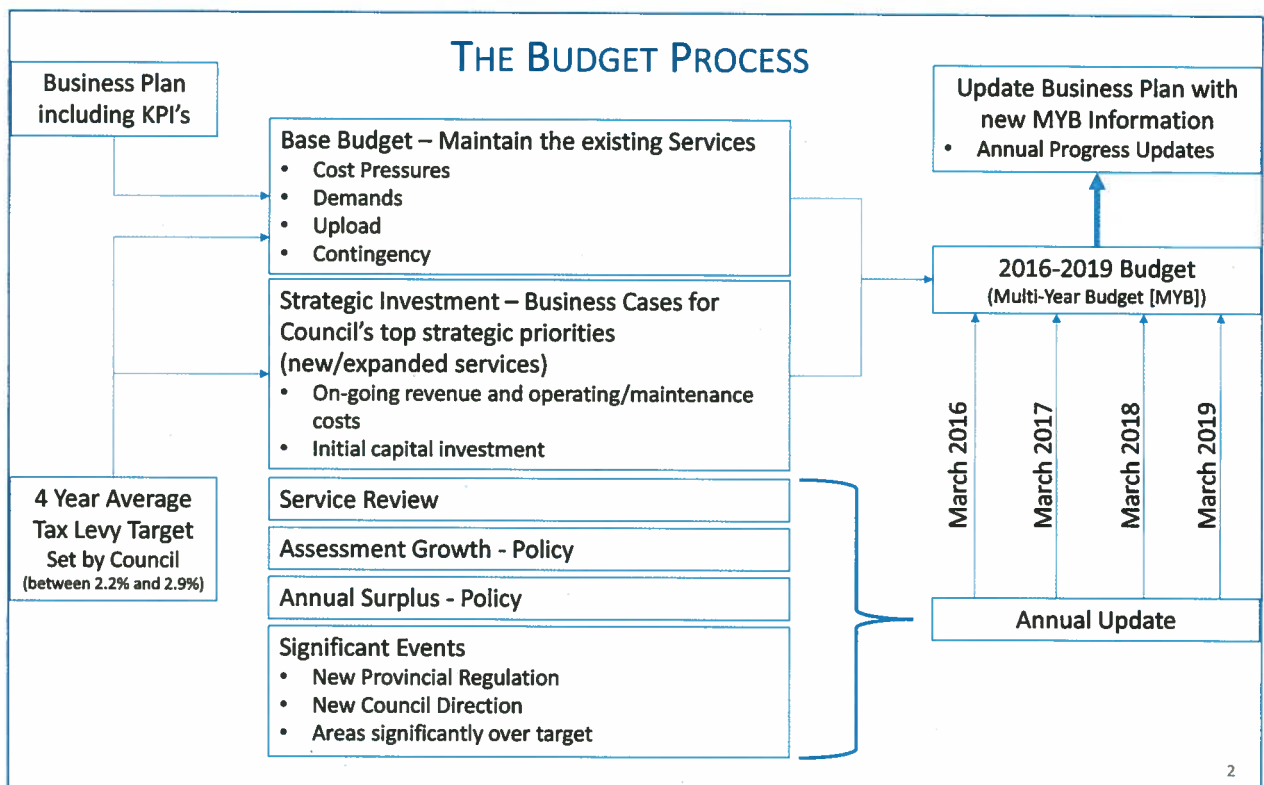
1. Limit the requested tax levy increase to within financial parameters set by Council
2. Used debt where appropriate and without compromising the principles of the Strategic Financial Plan
3. Tried to hit as many of the "Top 11" priorities as possible
4. Principles used in narrowing the focus
 - a. Risk Profile
 - b. Impact to the Community
 - c. Balance across the four Strategic Areas of Focus
 - d. Degree and speed of implementation - Pace

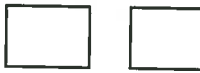
In addition, a number of initiatives and projects that help achieve the "Top 11" strategies are already supported by within existing budget or by external revenue sources, including but not limited to grants and development charges. A list of these initiatives is included as Appendix B. It is apparent that all "Top 11" Strategies are supported by initiatives/projects when looking at both lists; balance was achieved.

The Multi-Year Budget Process:

While Council will be approving a four-year budget, annual updates will have to be made to provide for changes resulting primarily from significant events, but also to include the effects of Service Review and application of the assessment growth and surplus policies.

The budget process as we move forward is graphically represented below. There are many factors that contribute to this process and many variables that can affect the outcome; many of the variables are listed in the middle column. Although Council will be approving the budget for the four-year period, there will still be a need to provide an annual update that may adjust the four-year plan.



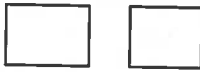


Summary:

This report is intended to provide continued guidance through the implementation of the Strategic Plan. Approving the list of initiatives and projects in principle will help focus the efforts of both the Civic Administration and Council on effectively and efficiently navigating the 2016-2019 budget process.

| | |
|---|------------------------------------|
| PREPARED AND RECOMMENDED BY: | CONCURRED BY |
| <i>M. P. Hayward</i> | <i>[Signature]</i> |
| MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER | ART ZUBEMA CITY MANAGER |

- cc. Larry Palarchio, Director Financial Planning and Policy
- Ian Collins, Senior Business Administrator
- Kyle Murray, Senior Business Administrator
- SLT



APPENDIX A

NEW INITIATIVES AND PROJECTS REQUESTING ADDITIONAL FUNDING FOR WHICH BUSINESS CASES WILL BE PREPARED TO BE CONSIDERED DURING THE 2016-2019 BUDGET

| "Top 11" Ref | Strategic Plan Ref | Initiative/Project | Estimated** 2016-2019 Impact (in \$ millions) |
|--------------|---------------------------------|--|---|
| 1 | Building a Sustainable City: 2A | Thames Valley Corridor | \$1.0-\$3.0 |
| 1 | Building a Sustainable City: 2C | Road Safety Strategy | \$0.1-\$0.5 |
| 2 | Building a Sustainable City: 1A | Infrastructure Gap | \$8.0-\$12.0 |
| 3 | Growing Our Economy: 1D | Service London | \$0.1-\$0.5 |
| 3 | Leading in Public Service: 5B | Garbage Collection | \$0.1-\$0.5 |
| 3 | Leading in Public Service: 5B | Service London | \$5.0-\$8.0 |
| 3 | Leading in Public Service: 5B | Technology - AMANDA | \$1.0-\$3.0 |
| 3 | Leading in Public Service: 5B | Technology - Maintenance Management System | \$1.0-\$3.0 |
| 4 | Growing Our Economy: 1C | Back to the River | \$5.0-\$8.0 |
| 4 | Growing our Economy: 2A | Downtown Plan | \$0.1-\$0.5 |
| 4 | Growing our Economy: 2A | Dundas Flex Street | \$12.0-\$20.0 |
| 5 | Growing Our Economy: 2B | Housing Supports Enhancement | \$0.6-\$1.0 |
| 5 | Strengthening Our Community: 3A | Low Income Supports Enhancement | \$0.6-\$1.0 |
| 5 | Strengthening Our Community: 3A | Mental Health and Addictions Enhancement | \$0.1-\$0.5 |
| 5 | Strengthening Our Community: 3C | Housing Supports Enhancement | \$3.0-\$5.0 |
| 6 | Growing Our Economy: 5D | Employee Programs Enhancement | \$0.1-\$0.5 |
| 7 | Building a Sustainable City: 3C | Urban Forest Strategy | \$3.0-\$5.0 |
| 10 | Leading in Public Service: 1A | Planning - Communication and Engagement | \$0.1-\$0.5 |
| 10 | Strengthening Our Community: 1A | Neighbourhoods | \$0.6-\$1.0 |
| 11 | Building a Sustainable City: 3D | Road Map 2.0 - Waste Diversion | \$0.1-\$0.5 |
| | | 2016-2019 Additional Funding Range | \$40.0-\$60.0 |

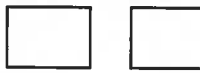
**The "Estimated" range is based on very preliminary estimates provided by service areas and will be refined as we proceed through the development of business cases

APPENDIX B

INITIATIVES AND PROJECTS THAT SUPPORT THE "TOP 11", BUT ARE ALREADY INCLUDED (EITHER PARTIALLY OR IN WHOLE) IN EXISTING BUDGETS AND PLANS (NO BUSINESS CASES)

| "Top 11" Ref | Strategic Plan Ref | Initiative/Project |
|--------------|---------------------------------|--|
| 1 | Building a Sustainable City: 2A | Active Transportation Initiative |
| 1 | Building a Sustainable City: 2A | Rapid Transit* |
| 1 | Building a Sustainable City: 2A | Thames Valley Corridor |
| 2 | Building a Sustainable City: 1A | Infrastructure Gap |
| 2 | Building a Sustainable City: 1A | OneVoice |
| 3 | Growing Our Economy: 1D | Service London |
| 3 | Leading in Public Service: 5B | Front Door Service Strategy |
| 3 | Leading in Public Service: 5B | Housing Supports Enhancement |
| 3 | Leading in Public Service: 5B | Long Term Care |
| 3 | Leading in Public Service: 5B | Service London |
| 3 | Leading in Public Service: 5B | Technology Enhancements |
| 4 | Growing Our Economy: 1C | Back to the River |
| 5 | Growing Our Economy: 2B | Housing Supports Enhancement |
| 5 | Strengthening Our Community: 3A | Age Friendly City Initiative |
| 5 | Strengthening Our Community: 3A | Child and Youth Network |
| 5 | Strengthening Our Community: 3A | Low Income Supports Enhancement |
| 5 | Strengthening Our Community: 3A | Mental Health and Addictions Enhancement |
| 5 | Strengthening Our Community: 3A | Ontario Works Service Plan |
| 5 | Strengthening Our Community: 3C | Housing Supports Enhancement |
| 6 | Growing Our Economy: 5D | Diversity Program Enhancement |
| 6 | Growing Our Economy: 5D | Immigration Strategy |
| 7 | Building a Sustainable City: 3C | Urban Forest Strategy |
| 8 | Growing our Economy: 2C | Community Improvement Plans |
| 9 | Growing our Economy: 3A | Smart City |
| 9 | Growing Our Economy: 4A | Economic Strategy |
| 10 | Leading in Public Service: 1A | Public Engagement |
| 10 | Strengthening Our Community: 1A | Neighbourhoods |

*Requires significant commitment from Provincial and/or Federal Governments to proceed

**APPENDIX C****COUNCIL RESOLUTION JULY 15TH, 2015 (DISCUSSED AT JULY 13TH SPPC) WITH RESPECT TO "TOP 11" STRATEGIES**

July 16, 2015

A. Zuidema
City Manager

I hereby certify that the Municipal Council, at its meeting held on July 15, 2015 resolved:

That the following actions be taken with respect to the City of London's Multi-Year Budget:

- a) the following strategies BE ENDORSED as the Municipal Council's potential top priorities for new investment in the Multi-Year Budget subject to the review of related Business Plans to be developed by the Civic Administration:
- i) Implement and enhance safe mobility choices for cyclists, pedestrians, transit users and drivers through the provision of complete streets, connected pathways, and enhanced transit services. (Building a Sustainable City, 2A); Improve travel by managing congestion and increasing roadway safety. (Building a Sustainable City, 2C);
 - ii) Address and manage the infrastructure gap to maintain what we have now and reduce the tax burden on future generations. This includes everything from roads to parks to building; manage and improve water, wastewater and storm water infrastructure and services. (Building a Sustainable City, 1A);
 - iii) Support small businesses by improving City processes. (Growing our Economy, 1D); Deliver great customer service experiences to residents, businesses, and visitors. (Leading in Public Service, 5B);
 - iv) Invest in London's downtown as the heart of our city. (Growing our Economy, 2A); Partner with the London Community Foundation on the "Back to the River Project". (Growing our Economy, 1C);
 - v) Eliminate barriers for individuals facing poverty, mental health and addictions and help them find pathways to be successful. (Strengthening our Community, 3A) [Consider: Create new partnerships to build, and support the building of, new affordable housing. (Growing our Economy, 2B) and Reduce and prevent homelessness. (Strengthening our Community, 3C)];
 - vi) Attract and retain newcomers, including international students, foreign trained professionals, and multi-generational immigrants to strengthen London's workforce. (Growing our Economy, 5D);
 - vii) Plant more trees and better protect them from deforestation, invasive species, and other threats. (Building a Sustainable City, 3C); Work together to protect all aspects of our natural environment including woodlands, wetlands, river and watercourses, and air quality as our city grows. (Building a Sustainable City, 3E);
 - viii) Use community improvement plans to coordinate City and private investment to meet both local & city-wide priorities. (Growing our Economy, 2C);
 - ix) Work better together for economic growth: Western Fair District, London Economic Development Corporation, London Hydro, London International Airport, Tourism London, London Convention Centre, Covent Garden Market, London Chamber of Commerce, Business Improvement Areas, and other key stakeholders. (Growing our Economy, 4A); Use new and emerging technology to improve quality of life and grow London's economy. (Growing our Economy, 3A);
 - x) Make community engagement a priority. Make the public a partner who has access to our information and helps make decisions with Council. (Leading in Public Service, 1A); Support neighbourhood driven activities and decision making. (Strengthening our Community, 1A); and,
 - xi) Expand support for resident and community driven initiatives that encourage waste reduction and other environmental behaviours (Building a Sustainable City, 3D);

| | |
|--|--|
| | |
|--|--|

- b) the Civic Administration BE DIRECTED to prepare business cases for each strategy identified in a), above, for consideration during the Multi-Year Budget process; and
- c) the staff report dated July 13, 2015, and the ~~attached~~ presentation from the Managing Director, Neighbourhood, Children and Fire Services, BE RECEIVED for information. (02/19/SPPC) (AS AMENDED)