



**16** MULTI-YEAR  
**BUDGET** FOR THE  
**19** CITY OF LONDON  
2016 • 2019  
INVESTING IN OUR FUTURE



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# Budgets Tabled



- Property Tax Supported 2016-2019
- Water 2016-2019
- Wastewater 2016-2019

# What is “Inflation”



- Our basket of goods is not the same as the consumer (Page 23-24)
- Our cost pressures more align with Construction Price Index (Non-residential building construction price indices)

	5-Year Average	10-Year Average
Canada (based on 7 CMA's across Canada)	1.94%	3.33%
Ontario (Based on Ottawa and Toronto)	1.98%	3.27%



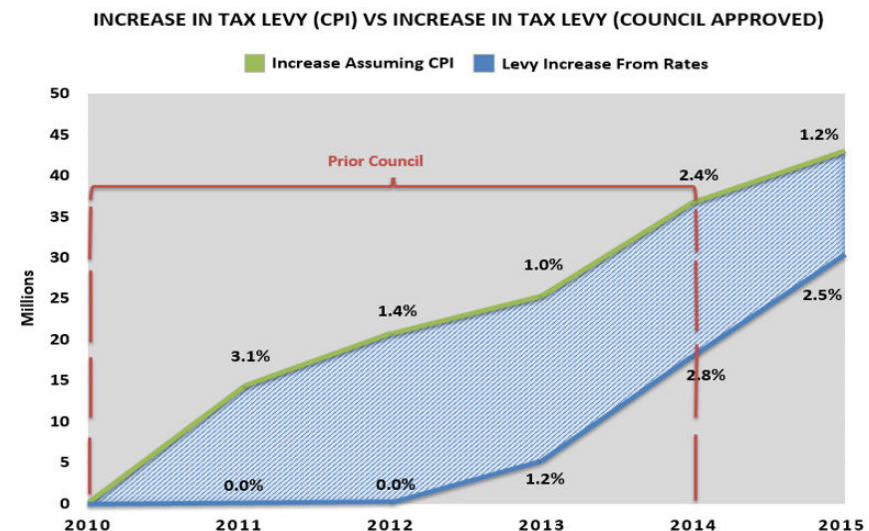
# Impact of “Inflation”



- London Chamber of Commerce comments (Page 27)

*“The Chamber has long advocated for a tax increase formula that takes into account both population growth and inflation – typically a 2-3% increase”*

- If tax levy had increased by CPI (Page 27)



An aerial photograph of a park featuring a large pond and a multi-tiered fountain. The scene is surrounded by dense trees and residential buildings. The entire image is overlaid with a blue tint and a black border.

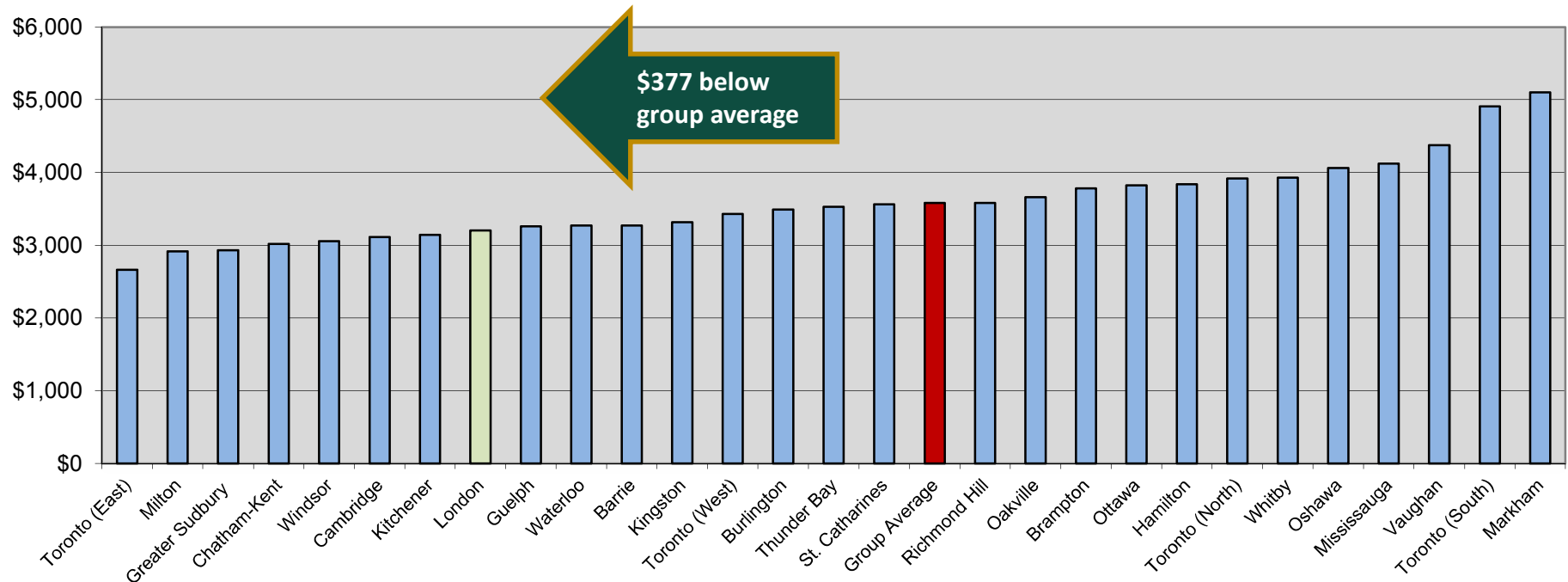
# PROPERTY TAX SUPPORTED BUDGET

# Residential - How do we Compare?



## 2015 Property Tax - Residential (for Municipalities with Populations over 100,000)

For a three bedroom 1,200 sq ft detached bungalow with 1.5 baths and a single car garage, on a 5,500 sq ft lot  
(Source: BMA - Municipal Study 2015)



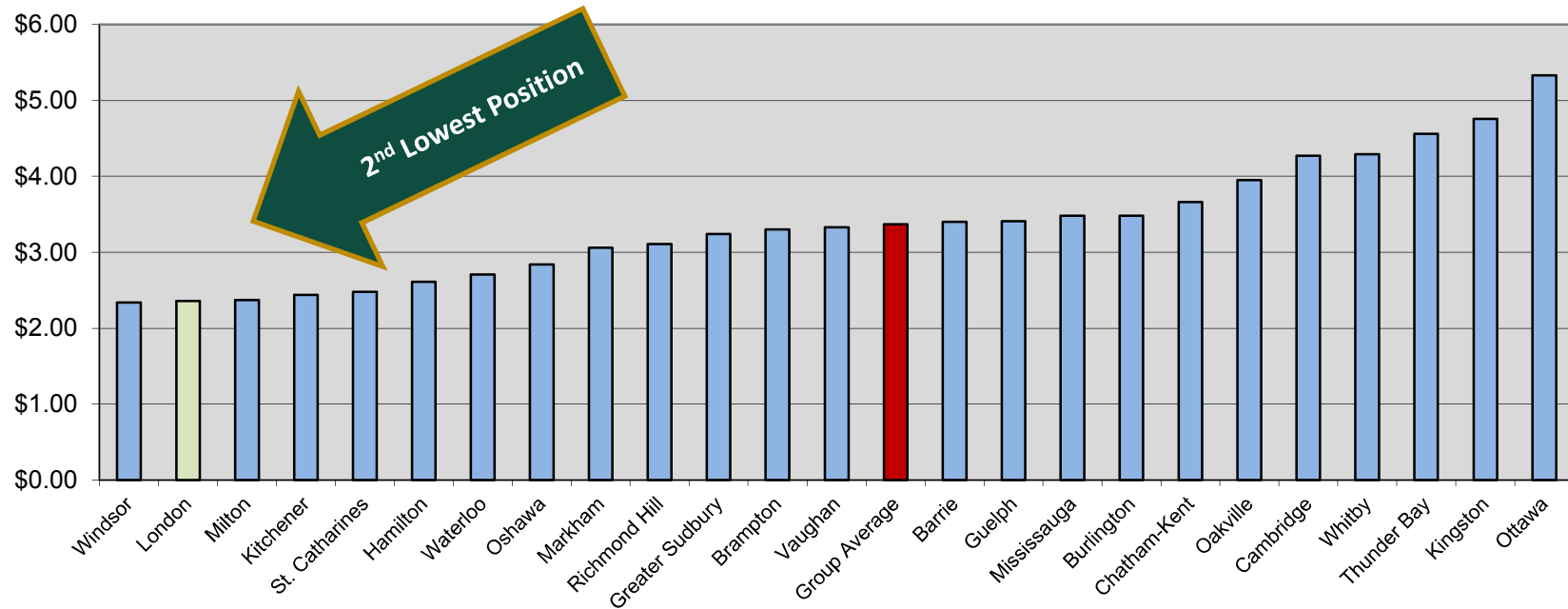
2015 Group Average:	\$ 3,583 (2014 \$ 3,530)
2015 City of London:	\$ 3,206 (2014 \$ 3,151)

# Commercial - How do we Compare?



## 2015 Property Tax - Commercial (for Municipalities with Populations over 100,000)

For prime location commercial office space, property taxes per sq ft of gross leaseable area  
(Source: BMA - Municipal Study 2015)



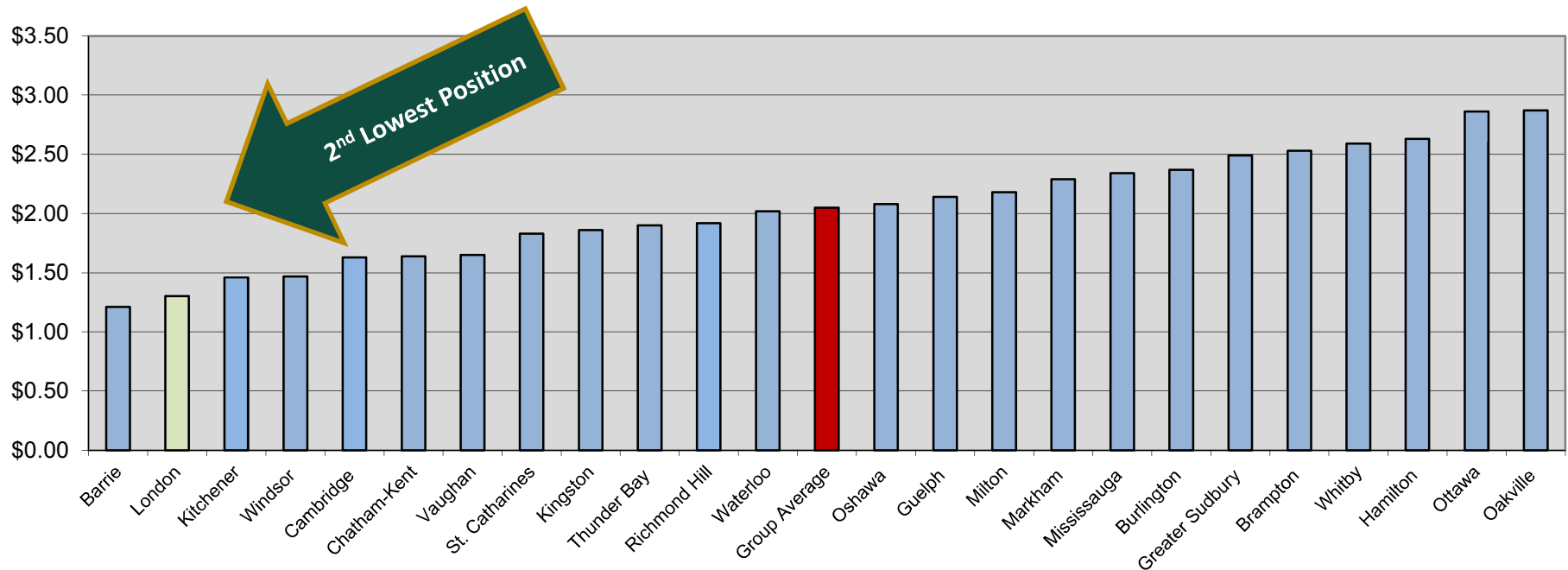
2015 Group Average:	\$ 3.37/sq. ft (2014 \$ 3.36/sq. ft)
2015 City of London:	\$ 2.36/sq. ft (2014 \$ 2.32/sq. ft)

# Industrial - How do we Compare?



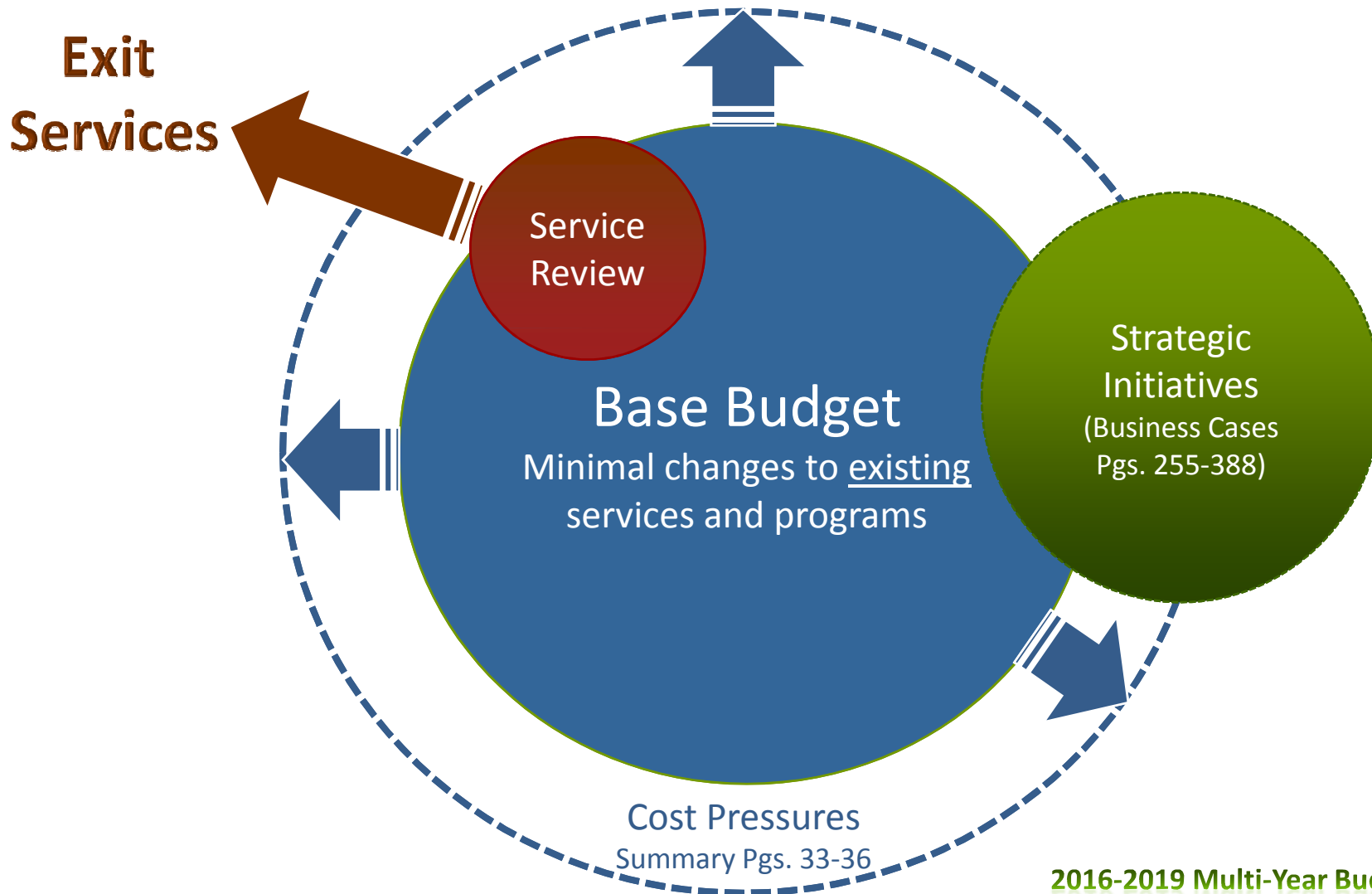
## 2015 Property Tax - Industrial (for Municipalities with Populations over 100,000)

For standard industrial property under 125,000 sq ft, newer construction, flexible design - taxes per sq ft of floor area basis  
(Source: BMA - Municipal Study 2015)



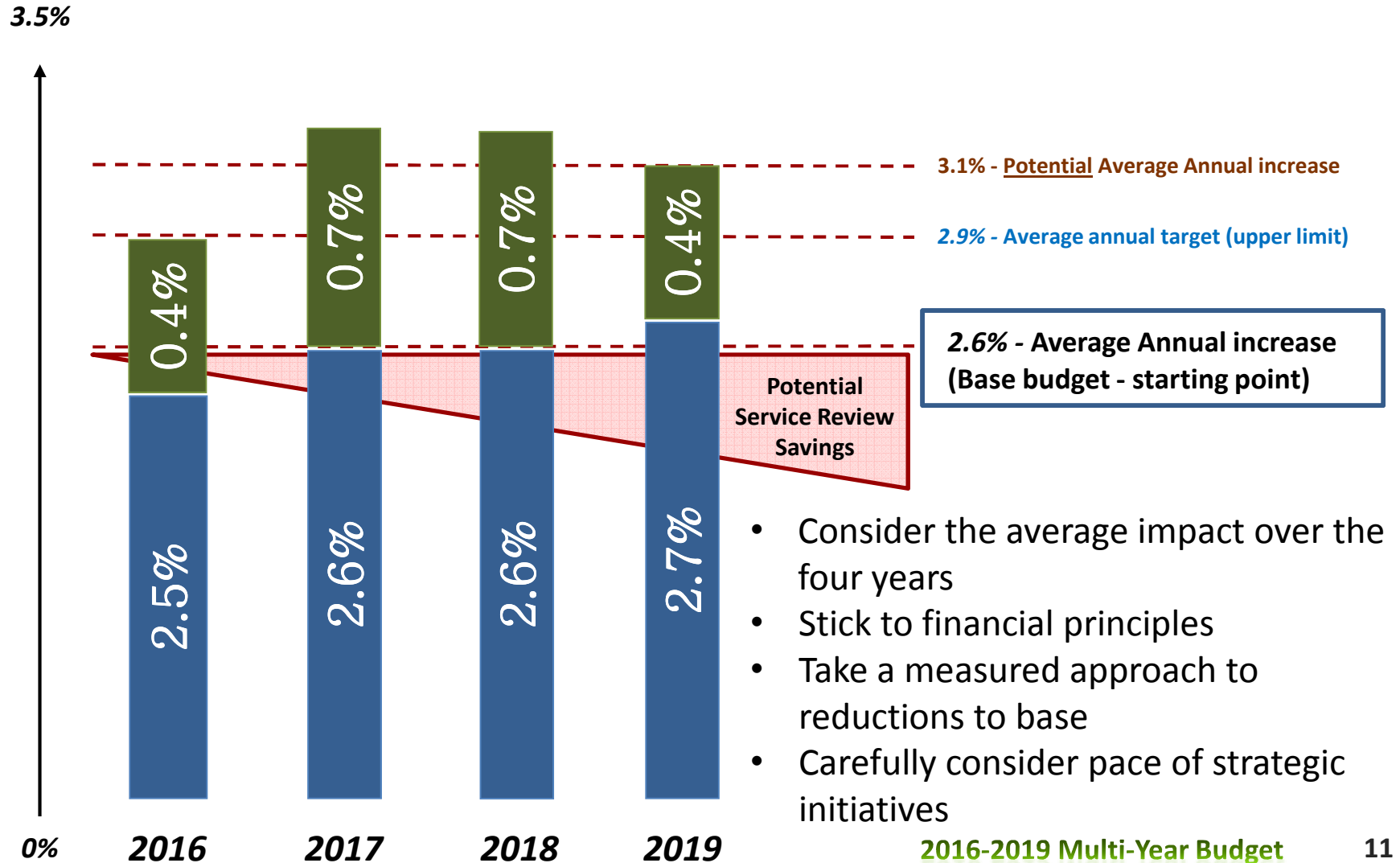
2015 Group Average:	\$ 2.05/sq. ft (2014 \$ 2.09/sq. ft)
2015 City of London:	\$ 1.30/sq. ft (2014 \$ 1.39/sq. ft)

# The Budget Components





# 2016-2019 Budget



# Multi-Year Budget Key Considerations



**RECOMMENDED** By  
Administration



For **CONSIDERATION**  
By Council



**POTENTIAL** Tax Levy



**Avg. Annual Increase Of**  
**2.6% or \$14.0 million**

**Avg. Annual Increase Of**  
**0.5% or \$3.0 million**

**Avg. Annual Increase Of**  
**3.1% or \$17.0 million**

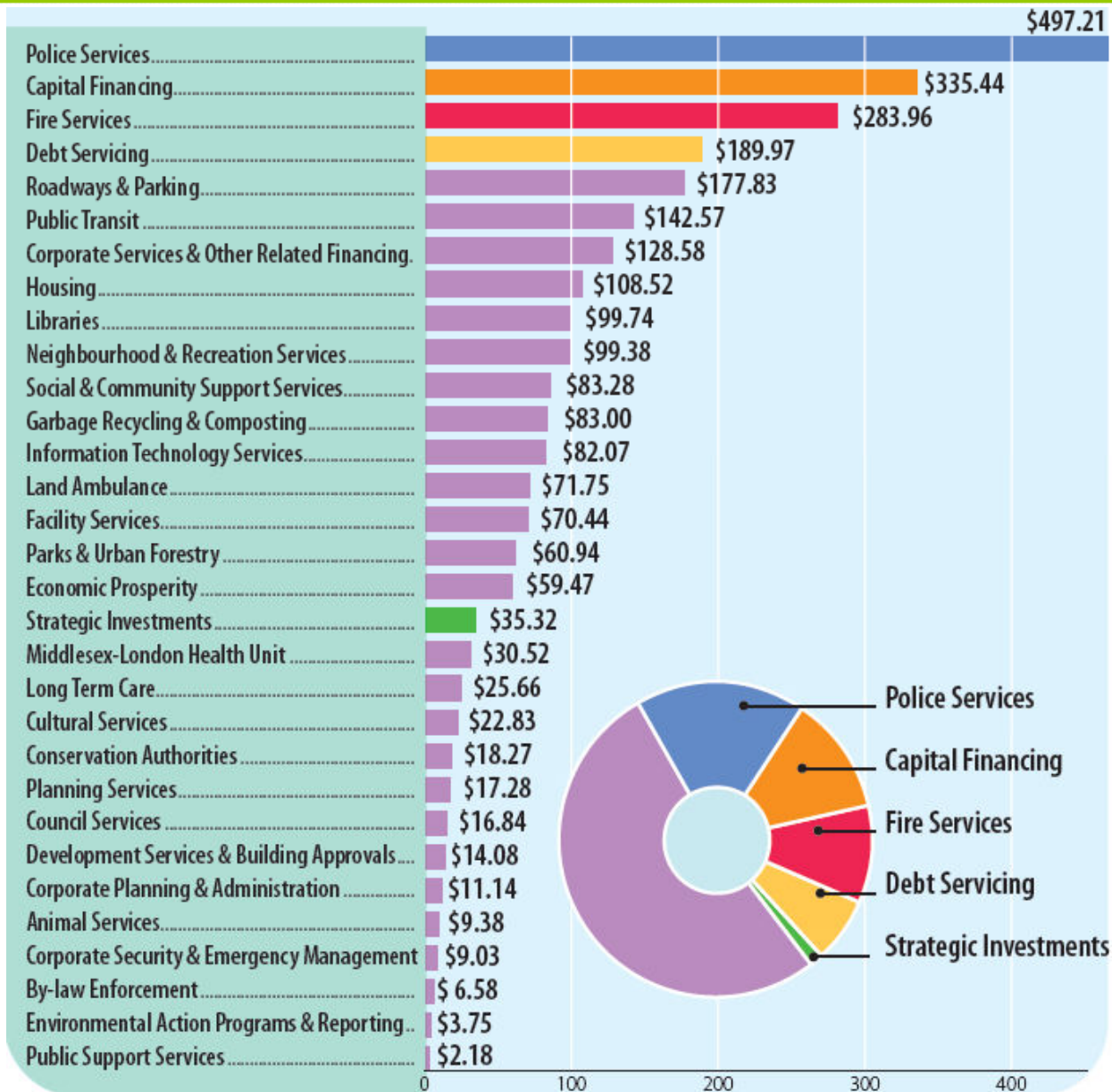
# Potential Homeowner Impact



	2015	2016	2017	2018	2019	2016-2019 Average
Additional Cost For Base Budget <b>(Recommended)</b>		\$66	\$69	\$72	\$77	<b>\$71</b>
Additional Cost For Strategic Investments <b>(Council Consideration)</b>		\$8	\$19	\$19	\$11	<b>\$14</b>
Total Potential Cost of Municipal Services	\$2,589	\$2,663	\$2,751	\$2,842	\$2,930	<b>\$2,797</b>
<b>Total Potential Increase</b>		<b>\$74</b>	<b>\$88</b>	<b>\$91</b>	<b>\$88</b>	<b>\$85</b>

*NOTE: Average rate payer owning a home with an assessed value of \$221,000. Municipal property tax amount is subject to tax policy. Excludes the Education tax portion which is set by the Province.*

# 2016-2019 Average Budget Allocation For Municipal Services (Average Property Tax Bill of \$2,797)



# 2016-2019 Base Budget Cost Drivers

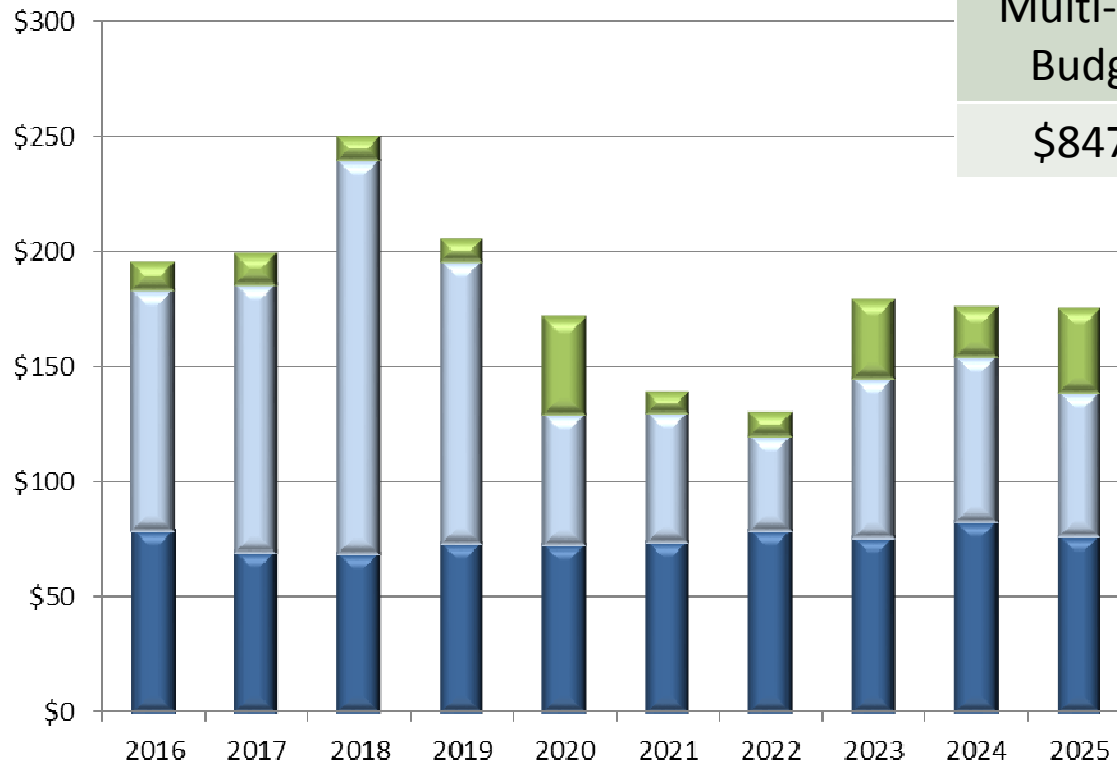


Category	Average Annual Net Inc / (Dec) \$millions	Average Annual Tax Levy Impact
Capital Financing and Other Related Financing	9.5	1.7%
Civic Service Areas	3.0	0.6%
Upload Of Ontario Works	(2.1)	(0.4)%
Agencies, Boards & Commissions	3.6	0.7%
<b>TOTAL</b>	<b>14.0</b>	<b>2.6%</b>

# Capital Budget and Forecast by Classification



**2016-2025 Capital Budget by Classification (\$Millions)**



**Total Capital Budget (\$ millions)**

2016 – 2019 Multi-Year Budget	2020 – 2025 Forecast	Total 2016 – 2025
\$847.3	\$968.3	\$1,815.5

■ Lifecycle Renewal ■ Growth ■ Service Improvement

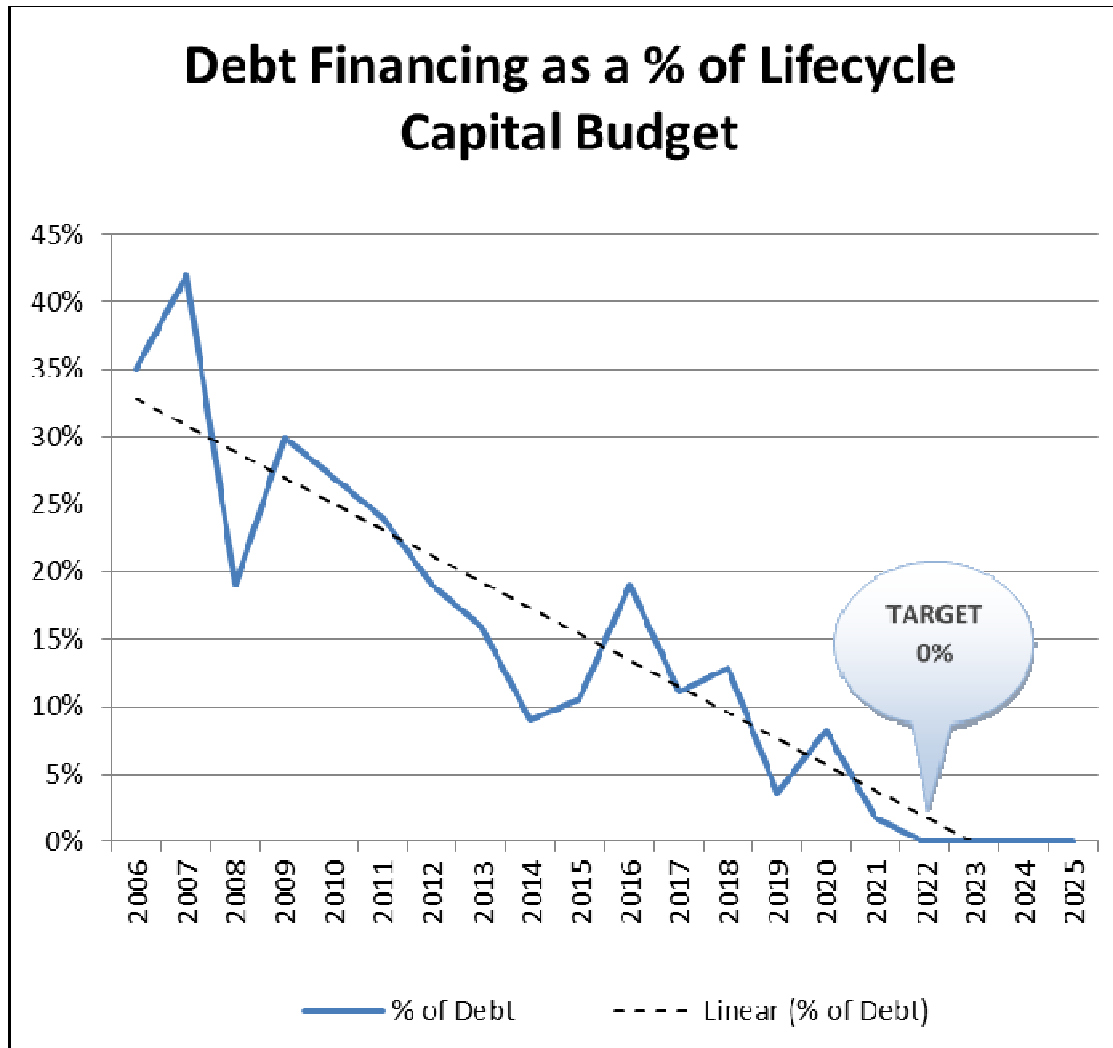


# Capital Budget and Forecast by Classification



Major Capital Works (\$ millions)	2016-2019	2020-2025
<b>Lifecycle</b>		
Roads and Bridges - Lifecycle Renewal (e.g. VMP, Fanshawe Park Rd E., Huron St)	\$95.8	\$141.8
<b>Growth</b>		
Western Rd Widening (Platts Lane to Oxford) (Construction 2018)	\$23.1	
Two Multi-purpose Rec Centres - East Southeast and Southeast	\$34.9	
Rapid Transit Investment	\$267.8	\$86.7
<b>Service Improvements</b>		
New & Emerging Solid Waste Technologies	\$0.5	\$34.5

# Lifecycle Debt Financing



# Reserves & Reserve Funds



## Reserves and Reserve Funds Balance Overview 2016 - 2019

000's

	2015	2016	2017	2018	2019
<b>OBLIGATORY</b>					
City Services	16,000	15,188	14,699	12,968	11,944
Parkland	586	972	1,229	1,580	1,900
<b>TOTAL OBLIGATORY</b>	<b>16,586</b>	<b>16,160</b>	<b>15,928</b>	<b>14,548</b>	<b>13,844</b>
<b>CITY OWNED</b>					
Capital Asset Renewal and Replacement	52,686	57,689	66,728	74,213	84,553
Capital Asset Growth	13,529	8,200	9,922	10,720	9,998
Specific Projects and New Initiatives	108,625	118,540	122,784	124,798	126,297
Contingencies/Stabilization and Risk Management	93,338	95,283	94,620	93,750	95,801
<b>TOTAL CITY OWNED (EXCLUDING OBLIGATORY)</b>	<b>268,178</b>	<b>279,712</b>	<b>294,054</b>	<b>303,481</b>	<b>316,649</b>

# Key Consideration #2: Strategic Investments



- Included in the requested budget for Council's consideration
- 23 business cases
  - Total gross expenditure investment of \$53.1 million (2016-2019)
  - Average annual tax impact of 0.5% or \$3.0 million per year
- Other sources of funding include: reserve funds, London Hydro dividend, debt, and other government funding.

# Strategic Investments



CASE #	INITIATIVE	TOTAL 2016-2019 INVESTMENT REQUESTED (\$000s)
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## Building a Sustainable City

1	Library's Ten Year Capital Plan	\$1,900
2	Road Map 2.0 – Road to Increased Resource Recovery and Zero Waste	\$400
3	Urban Forest Strategy	\$3,455
4	Thames Valley Corridor Plan	\$1,200
5	Road Safety Strategy	\$500
6	Rapid Transit Implementation Strategy	-
7	State of Infrastructure Report	\$6,000

## Leading in Public Service

8	Garbage Collection – On-board Weighing and Tracking Technologies	\$150
9	Technology - Amanda	\$1,000
10	Establish Public Engagement as an Area of Focus	\$340
11	Service London Implementation Plan	\$5,863
12	Computerized Maintenance Management System	\$2,100

# Strategic Investments (cont'd)



CASE #	INITIATIVE	TOTAL 2016-2019 INVESTMENT REQUESTED (\$000s)
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## Strengthening our Community

13	London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020	\$750
14	Ontario Works Service Plan – Low Income Supports Enhancement	\$1,280
15	Mental Health and Addictions Strategy	\$200
16	1. London Homeless Prevention and Housing Plan 2010-2024 2. London Homeless Prevention System Implementation Plan	\$3,800
17	Winter Maintenance Strategy	\$1,750

## Growing Our Economy

18	London Community Foundation's "Back to the River Project"	\$5,350
19	Streamline Approval Process in Development Services	\$252
20	London's Downtown Plan – Small Scale Projects	\$100
21	Regenerating Public Housing Plan	\$750
22	Dundas Place	\$15,614
23	City of London Internship Program	\$360
<b>TOTAL</b>		<b>\$53,114</b>



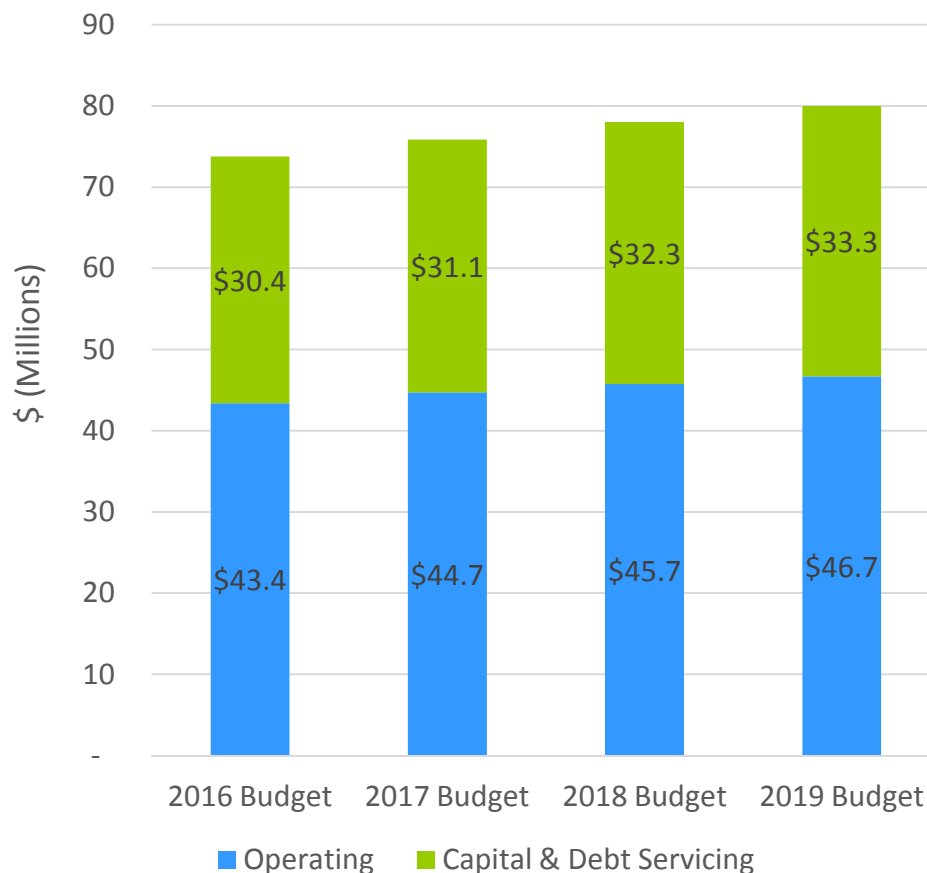


# **WATER AND WASTEWATER & TREATMENT BUDGETS**

# 2016 – 2019 Water Budgets



Water  
2016-2019 Proposed Budgets



## Operating Budget 2016 – 2019

Total Operating Budget	Average Annual Net Increase	Average Impact on Rate	Average Residential Impact (165.4m <sup>3</sup> )
\$307.6m	\$1.6m	3%	\$11

- Average Increase over Prior year Budget 2.1%
- Average Impact of Reduced Water Consumption & Increase in Other Revenues 0.9%

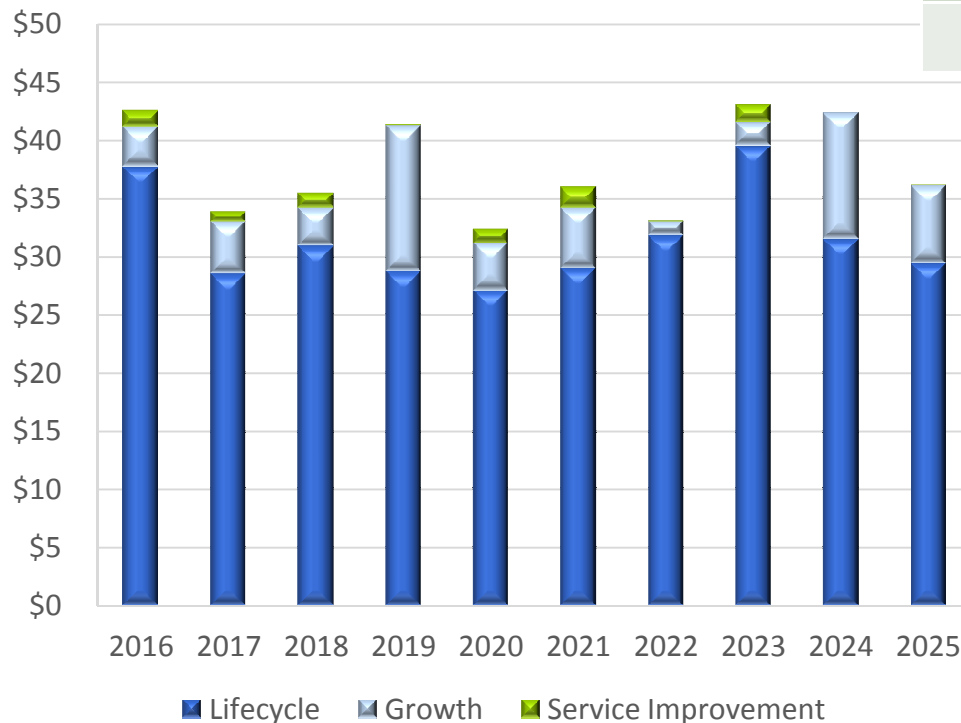
# 2016 – 2019 Water Budgets



## Total Capital Budget (\$ millions)

2016 – 2019 Multi-Year Budget	2020 – 2025 Forecast	Total 2016 -2025
\$153.3	\$223.1	\$376.4

2016 – 2025 Capital Budget & Forecast by Classification (\$ Millions)



## 2016 – 2019 Capital Budget by Category

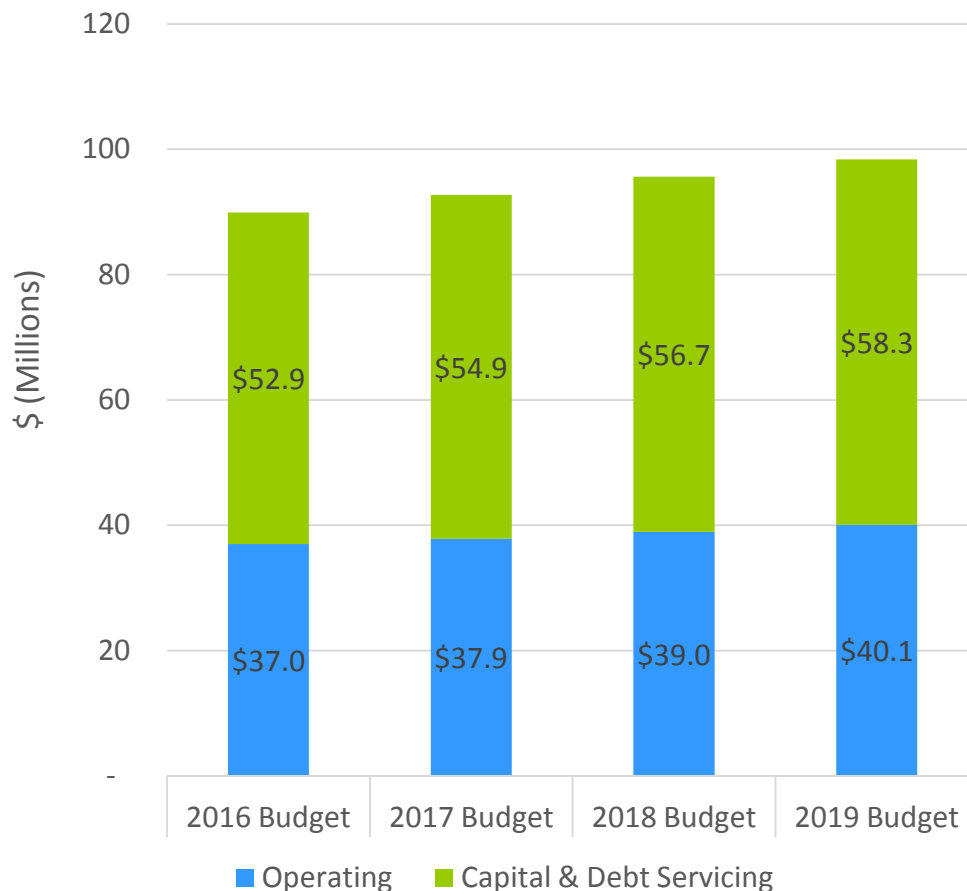
- Water mains \$139.6 million
- Meters \$8.8 million
- Reservoirs & Pumping Stations \$2.4 million
- Other \$2.5 million

# 2016 – 2019

# Wastewater & Treatment Budgets



Wastewater and Treatment  
2016 - 2019 Proposed Budgets



## Operating Budget 2016 – 2019

Total Operating Budget	Average Annual Net Increase	Average Impact on Rate	Average Residential Impact (165.4m <sup>3</sup> )
\$376.8m	\$2.3m	3%	\$14

- Average Increase over Prior year Budget 2.5%
- Average Impact of Reduced Water Consumption & Growth in Number of Connections 0.5%

# 2016 – 2019

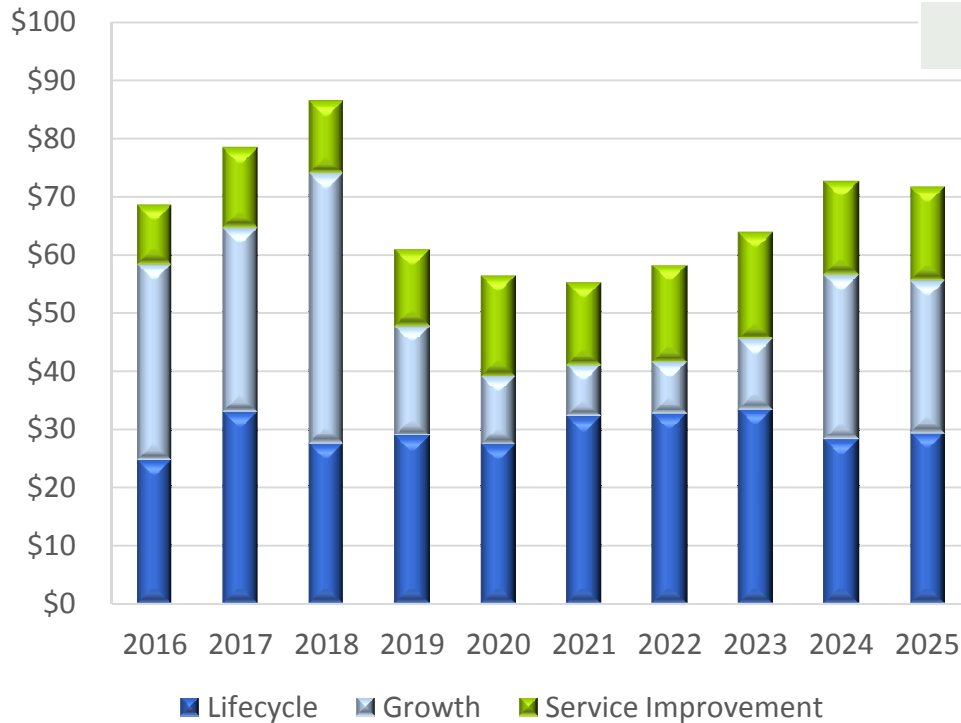
# Wastewater & Treatment Budgets



## Total Capital Budget (\$ millions)

2016 – 2019 Multi-Year Budget	2020 – 2025 Forecast	Total 2016 -2025
\$294.0	\$378.1	\$672.1

2016 – 2025 Capital Budget & Forecast by Classification (\$ Millions)



### 2016–2019 Capital Budget by Category

- Sewers \$148.3 million
- Pollution Control Plants & Pumping Stations \$33.5 million
- Stormwater Management Facilities \$110 million
- Other \$2.2 million

# 2016-2019 Multi-Year Budget Timetable



What / Where	Original Date	Tentative Date
Budget Tabling / SPPC at 4pm	January 11 <sup>th</sup>	January 11 <sup>th</sup>
Build A Budget Workshop / Goodwill from 10am-12pm	January 16 <sup>th</sup>	January 16 <sup>th</sup>
Build A Budget Workshop / Goodwill from 6pm-8pm	January 20 <sup>th</sup>	January 20 <sup>th</sup>
Public Participation / SPPC at 4pm	January 21 <sup>st</sup>	January 21 <sup>st</sup>
Review of Operating & Capital Base Budgets / Immediately following SPPC at 4pm	NA	January 28 <sup>th</sup>
Review of Operating & Capital Base Budgets / SPPC from 8am-12:30pm	NA	January 29 <sup>th</sup>
Review of Operating & Capital Base Budgets / SPPC at 9am	February 4 <sup>th</sup> & 5 <sup>th</sup>	NA
Review of Strategic Investments / SPPC at 9am	February 18 <sup>th</sup> & 19 <sup>th</sup>	February 18 <sup>th</sup> & 19 <sup>th</sup>
Review of Water & Wastewater Budgets Additional Property Tax Review - If Needed / SPPC at 4pm	February 24 <sup>th</sup>	February 24 <sup>th</sup>
Additional Budget Review - If Needed / SPPC at 4pm	February 25 <sup>th</sup>	February 25 <sup>th</sup>
Council Approval Of The 2016-2019 Budget / Council at 4pm	March 10 <sup>th</sup>	March 10 <sup>th</sup>



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