

**3RD REPORT OF THE**  
**STRATEGIC PRIORITIES AND POLICY COMMITTEE**

Meeting held on January 11, 2016, commencing at 4:00 PM, in the Council Chambers, Second Floor, London City Hall.

**PRESENT:** Mayor M. Brown and Councillors M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park and J. Zaifman and L. Rowe (Secretary).

**ALSO PRESENT:** A. Zuidema, J.P. Barber, G. Belch, J. Braam, K. Chambers, I. Collins, B. Coxhead, S. Datars Bere, A. Dunbar, J.M. Fleming, M. Hayward, G. Kotsifas, L. Livingstone, J. Lucas, V. McAlea Major, J.P. McGonigle, D. O'Brien, L. Palarchio, R. Paynter, M. Ribera, C. Saunders and J. Senese.

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**I. CALL TO ORDER**

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

**II. CONSENT ITEMS**

2. 1st Report of the Outstanding London Ambassador Award Committee

That the 1st Report of the Outstanding London Ambassador Award Committee, from its meeting held on December 3, 2015, BE RECEIVED.

Motion Passed

YEAS: M. Brown, M. van Holst, M. Salih, J. Helmer, M. Cassidy, J. Morgan, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park (11)

**III. SCHEDULED ITEMS**

3. Tabling of the 2016 - 2019 Multi-Year Budget

That the following actions be taken with respect to the Draft 2016-2019 Multi-Year Budget, including the Tax-Supported Operating, Capital, Water and Wastewater Treatment Budgets:

- a) the Draft Budget documents BE RECEIVED and BE REFERRED to the 2016-2019 Multi-Year Budget process;
- b) the City Clerk BE DIRECTED to make the necessary arrangements to provide for a second Public Participation Meeting to be held at the Strategic Priorities and Policy Committee (SPPC) meeting on February 24, 2016;
- c) the Civic Administration BE DIRECTED to make the necessary arrangements to hold open houses at libraries and/or community centres in locations that are geographically convenient for the public to access, in order to respond to questions and/or receive input from the public;
- d) the Advisory Committees BE ENCOURAGED to provide input with respect to the draft Budgets and BE PROACTIVELY ENGAGED to obtain their input; and,
- e) any feedback from the Advisory Committees BE DIRECTED to the earliest possible SPPC Budget meeting, in order for that feedback to be considered in a timely manner;

it being noted that the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the Managing Director, Environmental and

Engineering Services and City Engineer, and the Director, Financial Planning and Policy, provided the attached presentation with respect to this matter.

Voting Record:

Motion to Approve that the following actions be taken with respect to the Draft 2016-2019 Multi-Year Budget, including the Tax-Supported Operating, Capital, Water and Wastewater Treatment Budgets:

- a) the Draft Budget documents BE RECEIVED and BE REFERRED to the 2016-2019 Multi-Year Budget process;
- b) the City Clerk BE DIRECTED to make the necessary arrangements to provide for a second Public Participation Meeting to be held at the Strategic Priorities and Policy Committee (SPPC) meeting on February 24, 2016;
- c) the Civic Administration BE DIRECTED to make the necessary arrangements to hold open houses at libraries and/or community centres in locations that are geographically convenient for the public to access, in order to respond to questions and/or receive input from the public; and
- d) the Advisory Committees BE ENCOURAGED to provide input with respect to the draft Budgets and BE PROACTIVELY ENGAGED to obtain their input;

it being noted that the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the Managing Director, Environmental and Engineering Services and City Engineer and the Director, Financial Planning and Policy provided the attached presentation with respect to this matter.

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

Motion to Approve a new part e) as follows: "any feedback from the Advisory Committees BE DIRECTED to the earliest possible SPPC Budget meeting, in order for that feedback to be considered in a timely manner."

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

**IV. ITEMS FOR DIRECTION**

4. London's Community Economic Road Map - Economic Partnership Advisory Panel

That Councillor T. Park BE APPOINTED to serve on the on the Economic Partnership Advisory Panel for the term ending November 30, 2018; in accordance with the attached ranked ballot.

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

5. Resignation from the Governance Working Group

That the resignation of Councillor P. Squire from the Governance Working Group BE ACCEPTED.

## Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, H.L. Usher, T. Park, J. Zaifman (14)

NAYS: S. Turner (1)

## 6. Boards and Commissions Orientation - Discussion

That the following actions be taken with respect to orientation sessions from the local Boards and Commissions:

- a) clause 9 of the 8th Report of the Strategic Priorities and Policy Committee, having to do with arrangements for the local Boards and Commissions to provide an orientation session with respect to their organizations, BE RECONSIDERED;
- b) subject to the adoption of a), above, clause 9 of the 8th Report of the Strategic Priorities and Policy Committee BE RESCINDED;
- c) subject to the adoption of a) and b), above, the Civic Administration BE REQUESTED to report back to the Strategic Priorities and Policy Committee on how the Strategic Plans of the local Boards and Commissions align with the Strategic Plan for The Corporation of the City of London; and
- d) the Civic Administration BE DIRECTED to liaise with the local Boards and Commissions to identify an effective framework for ensuring regular communication between the local Boards and Commissions and the City of London is maintained, in light of the fact that the City of London's move to a multi-year budget format may not otherwise necessitate the same regularity of contact with the local Boards and Commissions.

## Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

**V. DEFERRED MATTERS/ADDITIONAL BUSINESS**

## 7. ADDED - Council Compensation Review Task Force

That the City Clerk BE AUTHORIZED to bring forward the names of the individuals selected for the Council Compensation Review Task Force to the Municipal Council, through the Corporate Services Committee, for ratification.

## Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

## 8. Confirmation of Revisions to the Budget Schedule

That the following additional adjustments to the Multi-Year Budget schedule BE CONFIRMED:

- ADD: January 28, 2016 (immediately following the 4 PM previously scheduled meeting) – Budget Review and Consideration
- January 29, 2016 (8 AM) – Budget Review and Consideration
- REMOVE: February 4, 2016 – Budget Review and Consideration
- February 5, 2016 – Budget Review and Consideration

## Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

9. ADDED - Request to Refer to the January 28, 2016 Strategic Priorities and Policy Committee Meeting - Overview Report Pertaining to the Planning and Coordination of Various Projects within the Downtown Area

That the overview report on the following matters pertaining to the planning and coordination of various projects within the Downtown area BE REFERRED to a Special Meeting of the Strategic Priorities and Policy Committee to be held on January 28, 2016:

- a) Blackfriars Bridge EA;
- b) Rapid Transit Routing EA;
- c) Transportation Network Infrastructure Improvements (Wharnccliffe Rd CN/CP Underpass EAs);
- d) Dundas Place EA;
- e) Combined Sewer Separation Replacement Program;
- f) UTRCA Remediating Flood Control Works within City Limits (Dykes Remediation/Replacement Program) EA;
- g) Back to the River "Ribbon of the Thames" Concept Plan;
- h) Springbank Dam Replacement Gates; and
- i) Pollution Control Prevention Plan EA (PPCP EA).

## Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

**VI. CONFIDENTIAL**

- C-1 Confidential Appendix to the 1st Report of the Outstanding London Ambassador Award Committee

That the Confidential Appendix to the 1st Report of the Outstanding London Ambassador Award Committee BE RECEIVED.

## Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

**VII. ADJOURNMENT**

The meeting adjourned at 5:38 PM.

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## Budgets Tabled

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

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## 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 <small>(based on 7 CMA's across Canada)</small>	1.94%	3.33%
Ontario <small>(Based on Ottawa and Toronto)</small>	1.98%	3.27%


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## 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)



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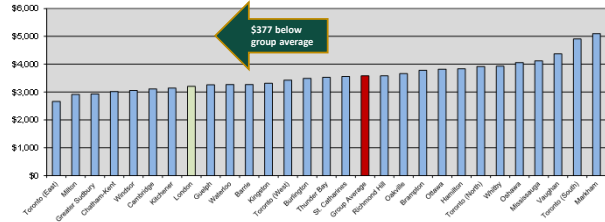


## Residential - How do we Compare?



### 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 5,600 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)

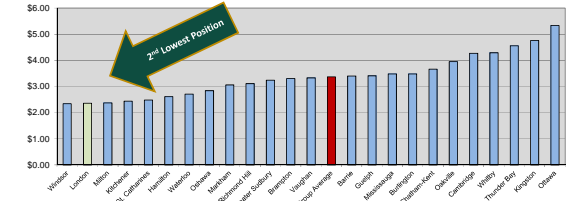
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## Commercial - How do we Compare?



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

For prime location commercial office space, property taxes per sq ft of gross leasable 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)

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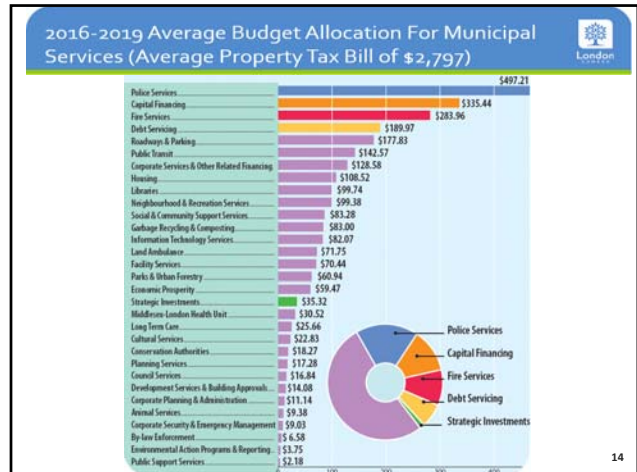


### Potential Homeowner Impact

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

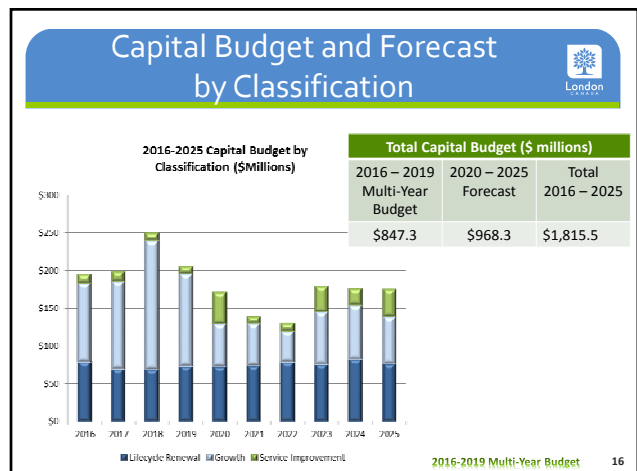
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### 2016-2019 Base Budget Cost Drivers

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>

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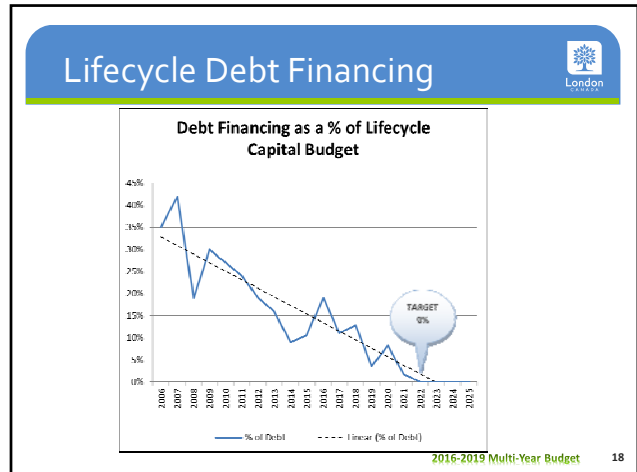




### Capital Budget and Forecast by Classification

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

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### 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>	

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- ### 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.
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### Strategic Investments

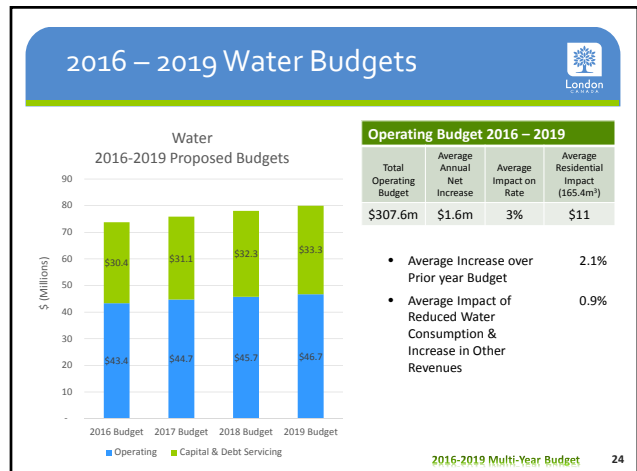
CASE #	INITIATIVE	TOTAL 2016-2019 INVESTMENT REQUESTED (\$000s)
<b>Building a Sustainable City</b>		
1	Library's Ten Year Capital Plan	\$1,900
2	Road Map 2.0 – Road to Increased Resource Recovery and Zero Waste	\$400
3	Urban Forest Strategy	\$3,455
4	Thames Valley Corridor Plan	\$1,200
5	Road Safety Strategy	\$500
6	Rapid Transit Implementation Strategy	-
7	State of Infrastructure Report	\$6,000
<b>Leading in Public Service</b>		
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

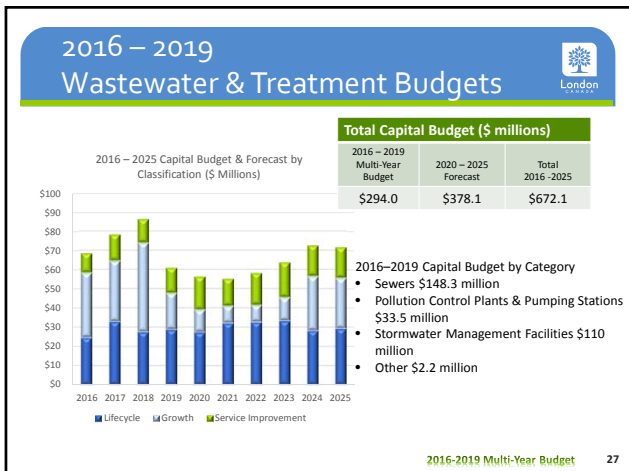
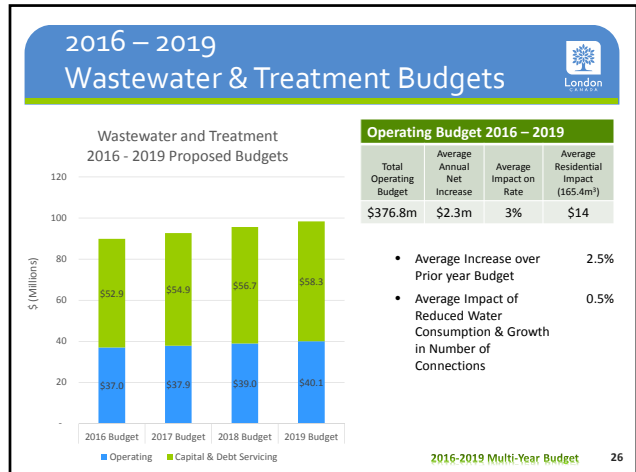
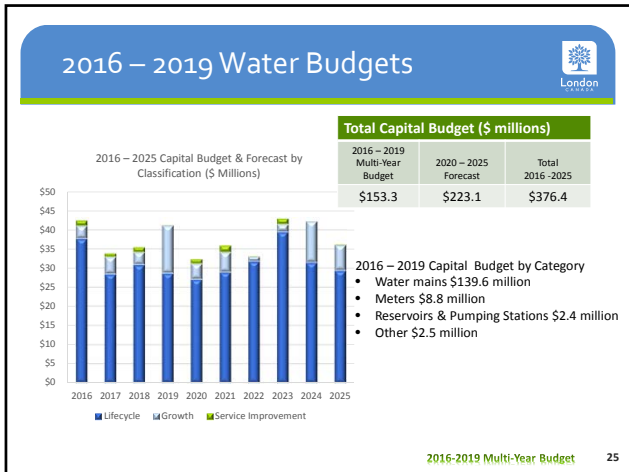
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### Strategic Investments (cont'd)

CASE #	INITIATIVE	TOTAL 2016-2019 INVESTMENT REQUESTED (\$000s)
<b>Strengthening our Community</b>		
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
<b>Growing Our Economy</b>		
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>

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### 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	February 24 <sup>th</sup>	February 24 <sup>th</sup>
Additional Property Tax Review - If Needed / SPPC at 4pm	February 25 <sup>th</sup>	February 25 <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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Councillors: VANHOLST | ARMSTRONG | SALIH | HELMER | CASSIDY | SQUIRE | MORGAN | HUBERT | HOPKINS | RIDLEY | TURNER | USHER | PARK | ZAIFMAN | BROWN | SUM

**Nominated Slate:**

HUBERT	1		2	2	2	1	2	1	2	2	2	1	2	2	1	23
PARK	2	1	1	1	1	2	1	2	1	1	1	2	1	1	2	20

"1" Votes | "2" Votes | "3" Votes

5	9	0
10	5	0