

## 2019 – My Acceptable Budget Targets

- A 2.5 % Max Budget Increase Target for municipal services – Down slightly from the 2.7 % staff reco.
- This is at the top of the BOC range for targeted inflation going forward and well above the 1.7 – 2.0 % real inflation rate.
- I'm just fine @ Council & City targeting program service cuts and/ or chocking off slightly the pace of growth on the capital side to achieve
- 2.7 % Max Budget increase in the sewer & H2O as this continues to grow annually at high rates and points to even further increases in future rates.
- There is very limited to no disposable income available in our community and my household to allocate to tax increases.

## Tax Increase Consistency / Transparency Request

- Consider this a “ shout out “ request for the city of LDN Finance team to change or add the average tax increase **over 2018** based on the average all in assessed value of a 2018 home ( website – Press Releases etc )
- Example - \$235,000 assessed value 2018– drives a \$75 annual tax increase in 2019 @ 2.7 % increase. ( Per Finance Team )
- Website – Budget at a Glance – 2015 Assessment Value 2015 - \$215,000 without educational assessment levy = \$74 / increase in 2019 @ 2.7 % increase
- Taxpayers only relate to references to “ all in “ assessed value from last year ( 2018 ) from their tax bills . Apples to apples please!

## Future # 1 – Limit & Manage Taxpayer Funded Liabilities

- A clear request to limit taxpayer future liabilities of current and future programs so there are manageable & transparent limits .
- Example – the Current DC Incentive Grant program has unlimited future liabilities ( total allocation to debt and taxpayer ) until 2023 the next scheduled program review by Council @ a public MTG .
- City Finance team provides no forecast forward on liabilities , just monitors building permits .
- What if we have 10 – 12 new high-rises and 3 -4 more factories built out under the incentive zones and I'm stuck with a further \$ 50 - \$60 million increase in current liabilities to pay out over the new 10 year cash flow schedule ?? It's on me !

## Future #2 – We can't get there from here! New Assessment Growth & Allocation

- In any business , the most important \$\$ is new revenue stream and there is nothing more important than allocating a significant portion of this stream to align with strategic planning.
- New Assessment Growth is pegged at 1.4 % / \$8.2 million per year in the City of Ldn ( 2018 ) and for the past few tax years has been over 90 % allocated to OPS budgets across the board **AFTER** the 2.8 % budgeted increases to account for reasonable growth.
- As we grow inward and upward on the same geographic footprint with minor population growth , most City of Ldn services should be up to the challenge of absorbing “ service & growth “ improvements within this footprint @ the regular tax increase round. ( =Service Review Initiatives Program)
- **Request Forward – That this Council start to align the allocation of this revenue to match it's strategic initiatives ( Housing Etc )**

## Future #3 – Reserve Funds – Finance Engineering Request

- All Reserve Funds = \$384  
- \$435 Million Balance
- 4 Key Categories ( Examples – Renew & Replace ETC)
- 80 – 100 separate funds
- Annual Draws - \$ 43 to \$149 Million 4 year span
- CAP Utilization over 2016 – 2019 = 10 % to 40 % / yr
- Very little KIS performance data for taxpayer

### **REQUESTS – KISimple**

- Grass Roots requirements review ASAP as per A.L Barbon CFO MTG sharing.
- Financial engineering and financial tool box review to improve \$\$ utilization without adding significant risk .
- Examples – ETF vs Single Stocks / Life Insurance Funds
- FREE UP THIS UNDER UTILIZED CAPITAL FOR THINGS WE NEED TO DO .  
Lessen taxpayer contributions.