

Strategic Priorities and Policy Committee

Report

13th Meeting of the Strategic Priorities and Policy Committee
May 6, 2019

PRESENT: Mayor E. Holder (Chair), Councillors M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, S. Hillier

ALSO PRESENT: M. Hayward, A.L. Barbon, B. Card, B. Coxhead, S. Datars Bere, A. Dunbar, K. Edwards, M. Galczynski, C. Green, G. Kotsifas, D. MacRae, S. Mathers, J. Millson, K. Murray, B. O'Hagan, M. Ribera, C. Saunders, J. Senese, C. Smith, B. Westlake-Power, R. Wilcox and P. Yeoman.

The meeting is called to order at 4:04 PM.

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

2. Consent

2.1 TechAlliance 2019-2023 Grant

Moved by: M. van Holst
Seconded by: S. Turner

That, on the recommendation of the City Manager, the by-law appended to the staff report dated May 6, 2019 as Appendix A, BE INTRODUCED at the Municipal Council meeting of May 21, 2019 to:

- a) approve a grant Agreement with the TechAlliance of Southwestern Ontario from 2019 to 2023; and
- b) authorize the Mayor and Clerk to sign the above-noted Agreement;

it being noted that D. Ciccarelli, Board Chair, Tech Alliance provided a verbal presentation with respect to this matter.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozo, A. Kayabaga, and S. Hillier

Nays: (1): S. Lehman

Motion Passed (14 to 1)

2.2 Small Business Centre 2019-2023 Grant

Moved by: M. Cassidy
Seconded by: S. Lewis

That, on the recommendation of the City Manager, the by-law appended to the staff report dated May 6, 2019 as Appendix A, BE INTRODUCED at the Municipal Council meeting of May 21, 2019 to:

- a) approve a grant Agreement with the London Community Small Business Centre from 2019 to 2023; and,

- b) authorize the Mayor and Clerk to sign the Agreement.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

2.3 Approval of the 2019 Development Charges By-law and Background Study

Moved by: A. Hopkins

Seconded by: S. Lehman

That, on the recommendation of the Managing Director, Development & Compliance Services & Chief Building Official, with the concurrence of the Managing Director, Corporate Services & City Treasurer, Chief Financial Officer, the following actions be taken:

a) the 2019 Development Charges Background Study BE APPROVED;

b) the proposed 2019 Development Charges By-law (appended to the staff report dated May 6, 2019 as Appendix B) BE INTRODUCED at the meeting of Municipal Council to be held on May 21, 2019, to come into force and effect on August 4, 2019; it being noted that By-law C.P.-1496-244 (as amended), being the City's existing Development Charges By-law, will expire coincidental with the coming into force of the new by-law which incorporates the new Development Charge rates identified in Schedule 1 of the proposed 2019 Development Charges By-law;

c) the intention to meet the capital project needs of growth, as listed in the rate calculations contained in Appendices "B" through "M" of the 2019 Development Charges Background Study BE CONFIRMED in accordance with the *Development Charges Act*, it being noted that further review will be undertaken through the annual Capital Budget process;

d) in accordance with Section 5(1)5 of the *Development Charges Act*, it BE CONFIRMED that the Municipal Council has expressed its intention that excess capacity of the works identified in the 2019 Development Charges Background Study be paid for by Development Charges; and

e) it BE CONFIRMED that the Municipal Council has determined that no further public meeting is required pursuant to Section 12 of the *Development Charges Act*;

it being noted that the Strategic Priorities and Policy Committee heard a verbal presentation from M. Wallace, London Development Institute with respect to this matter.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

Voting Record:

Moved by: S. Lewis

Seconded by: M. van Holst

That the delegation request from London Development Institute BE APPROVED to be heard at this meeting.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

3. Scheduled Items

None

4. Items for Direction

4.1 2020-2023 Multi-Year Budget

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2020-2023 Multi-Year Budget:

a) the Multi-Year Budget Policy (attached to the staff report dated May 6, 2019 as Appendix A) BE RECEIVED for information; it being noted that the Civic Administration is not recommending any revisions to the Policy;

b) a 2020-2023 total, average annual tax levy increase of approximately 2.7% BE ENDORSED for planning purposes; it being noted that this is intended to address costs of maintaining existing service levels (estimated to be 2.2% per year) and provide some additional funding for prioritized additional investments over the 2020-2023 period; it being further noted that the 2020-2023 Multi-Year Budget will determine the pace of implementation of the 2019-2023 Strategic Plan and that to fully implement the additional investments identified in the 2019-2023 Strategic Plan within the next four years, an average annual tax levy increase in excess of 3.2% would be required;

c) the 2020-2023 Multi-Year Budget timetable (attached to the staff report dated May 6, 2019 as Appendix B) BE RECEIVED for information; it being noted that the tabling of the 2020-2023 Multi-Year Budget has been set for December 9, 2019 at the Strategic Priorities and Policy Committee meeting;

d) the preliminary public engagement plan (attached to the staff report dated May 6, 2019 as Appendix C) for the 2020-2023 Multi-Year Budget BE ENDORSED; it being noted that enhanced public engagement has been incorporated into the 2020-2023 Multi-Year Budget timetable noted above;

e) the City's service review program, including, among others, zero-based budget reviews, asset reviews, and program reviews aimed at identifying savings in service delivery BE CONTINUED through the 2020-2023 Multi-Year Budget period; and,

f) that the matter of service reviews for specific service areas BE ADDED to a future agenda of the Strategic Priorities and Policy Committee (SPPC) in order for the SPPC to provide direction to the Civic Administration for additional reviews that may be undertaken;

it being noted that the Strategic Priorities and Policy Committee received the attached presentation from the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, with respect to this matter.

Voting Record:

Moved by: A. Kayabaga
Seconded by: P. Squire

Add a new part f) to read as follows:

“f) that the matter of service reviews for specific service areas BE ADDED to a future agenda of the Strategic Priorities and Policy Committee (SPPC) in order for the SPPC to provide direction to the Civic Administration for additional reviews that may be undertaken.”

Yeas: (12): Mayor E. Holder, M. van Holst, S. Lewis, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, E. Pelozza, A. Kayabaga, and S. Hillier

Nays: (3): M. Salih, J. Helmer, and S. Turner

Motion Passed (12 to 3)

Moved by: S. Turner
Seconded by: A. Hopkins

That parts a), c), d) and e) BE APPROVED:

“That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2020-2023 Multi-Year Budget:

a) the Multi-Year Budget Policy (attached to the staff report dated May 6, 2019 as Appendix A) BE RECEIVED for information; it being noted that the Civic Administration is not recommending any revisions to the policy;

c) the 2020-2023 Multi-Year Budget timetable (attached to the staff report dated May 6, 2019 as Appendix B) BE RECEIVED for information; it being noted that the tabling of the 2020-2023 Multi-Year Budget has been set for December 9, 2019 at the Strategic Priorities and Policy Committee meeting;

d) the preliminary public engagement plan (attached to the staff report dated May 6, 2019 as Appendix C) for the 2020-2023 Multi-Year Budget BE ENDORSED; it being noted that enhanced public engagement has been incorporated into the 2020-2023 Multi-Year Budget timetable noted above; and,

e) the City’s service review program, including, among others, zero-based budget reviews, asset reviews, and program reviews aimed at identifying savings in service delivery BE CONTINUED through the 2020-2023 Multi-Year Budget period.”

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

Moved by: S. Turner
Seconded by: A. Hopkins

That part b), BE APPROVED:

“b) a 2020-2023 total, average annual tax levy increase of approximately 2.7% BE ENDORSED for planning purposes; it being noted

that this is intended to address costs of maintaining existing service levels (estimated to be 2.2% per year) and provide some additional funding for prioritized additional investments over the 2020-2023 period; it being further noted that the 2020-2023 Multi-Year Budget will determine the pace of implementation of the 2019-2023 Strategic Plan and that to fully implement the additional investments identified in the 2019-2023 Strategic Plan within the next four years, an average annual tax levy increase in excess of 3.2% would be required;"

Yeas: (12): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, S. Turner, E. Pelozza, and A. Kayabaga

Nays: (3): P. Squire, P. Van Meerbergen, and S. Hillier

Motion Passed (12 to 3)

4.2 Appointments/Affirmations of London Hydro's Board of Directors

That the following actions be taken with respect to appointments/affirmations of London Hydro's Board of Directors:

- a) the City Clerk BE DIRECTED to undertake the recruitment of applicants for appointment to the London Hydro Board vacancies; and,
- b) the communication dated April 12, 2019 from G. Valente, Chair, London Hydro Board of Directors, with respect to appointments/affirmations of London Hydro's Board of Directors BE RECEIVED.

Voting Record:

Moved by: S. Lewis

Seconded by: S. Hillier

That the City Clerk BE DIRECTED to recruit for applicants for the vacancy on the London Hydro Board of Directors, created with the retirement of Mohan Mathur; it being noted that the Strategic Priorities and Policy Committee received a communication dated April 12, 2019 with respect to this matter.

Yeas: (15): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Motion Passed (15 to 0)

Moved by: S. Lewis

Seconded by: A. Kayabaga

The City Clerk BE DIRECTED to undertake the recruitment of applicants for the London Hydro Board vacancies.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, M. Cassidy, P. Squire, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Nays: (1): J. Helmer

Motion Passed (14 to 1)

5. Deferred Matters/Additional Business

None.

6. Adjournment

The meeting adjourned at 6:50 PM.



2020-2023 Multi-Year Budget

Target Setting

May 6, 2019

london.ca



Linking the Strategic Plan to the Multi-Year Budget

Council's 2019-2023 Strategic Plan

- Approved by Council on April 23, 2019
- Establishes Council's priorities for the next 4 years
- Many strategies can be accomplished within existing funding
- Some strategies require additional funding to fully implement

Sets the Direction

2020-2023 Multi-Year Budget Target Setting Report

- Strategic Priorities and Policies Committee – May 6, 2019
- Provides direction to Civic Administration regarding Council's acceptable tax levy increase to guide budget development

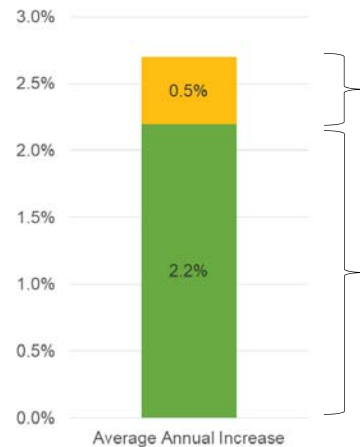
Determines Pace of Implementation

2020-2023 Multi-Year Budget

- Provides funding to maintain existing service levels & some additional funding for priorities outlined in the Strategic Plan
- Determines the pace of implementation of the Strategic Plan based on available funding
- To be tabled December 9, 2019 at Strategic Priorities & Policy Committee



Components of Proposed Multi-Year Budget Target



Additional funding for investment in Council's priorities

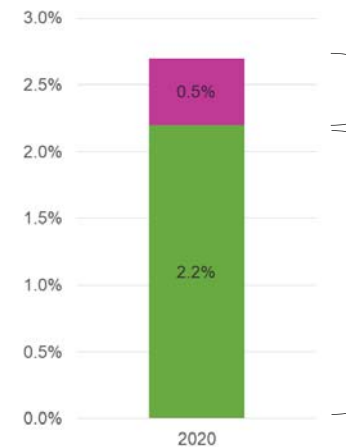
Estimated costs to maintain existing service levels

- Inflationary pressures
- Flow through of Council additions to service

Each 1% represents approx. \$30/year to the average taxpayer



Budget Targets will be further Pressured by External Factors



Currently known impacts as a result of 2019 provincial budget; **will restrict capacity for additional investments in 2020**

Estimated costs to maintain existing service levels

- Inflationary pressures
- Flow through of Council additions to service

Each 1% represents approx. \$30/year to the average taxpayer



Service Reviews Update April 8

- 3 in-depth (deep dive) reviews identified:
 - Service Delivery for Housing
 - User Fees for Municipal Services
 - Service Delivery for Municipal Golf
- The outcomes of these reviews have not been incorporated into the budget targets and may:
 - Provide capacity to accommodate further additional investments; or
 - Provide opportunities for tax levy mitigation



Questions and Discussion