

Budget 2013

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Agenda



1. 2013 Budget Process & Important Dates
2. Why an 'Information Session'?
3. Budget 2013 Overview
4. The Road to Zero
 - a) Getting to 2.5%
 - b) Working Toward 0%
5. Protective Services
6. Investment & Economic Prosperity Committee (IEPC) and Other Considerations

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Budget 2013 Process



	December 4, 2012	2013 Budget Tabled (Council Chambers) ✓
NEW	January 9, 2013	Overview of Operating Budgets & Service Changes (Council Chambers)
NEW	January 12, 2013	Budget Workshops (City Hall Cafeteria)
	January 14, 2013	Public Participation Meeting (Council Chambers)
	January 24 (& 25 if needed), 2013	Operating Budget (Council Chambers)
	February 7, 2013	Capital Budget (Council Chambers)
NEW	February 13, 2013	Public Participating Meeting (Council Chambers)
	February 28, 2013	Operating & Capital Budgets Approved (Council Chambers)



NEW All meetings, with the exception of the Jan 12 budget workshops, will be streamed live at www.london.ca

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Why an 'Information Session'?



- Level of engagement – 'inform'
- Goals of today's session:
 - Provide an overview of the 2013 budget
 - The road to zero
 - Cost pressures
 - Economic development strategy
 - Provide Council & public with information on the budget in advance of:
 - January 12 budget workshop
 - January 14 public participation meeting
 - Commencing of budget deliberations January 24

Inform...

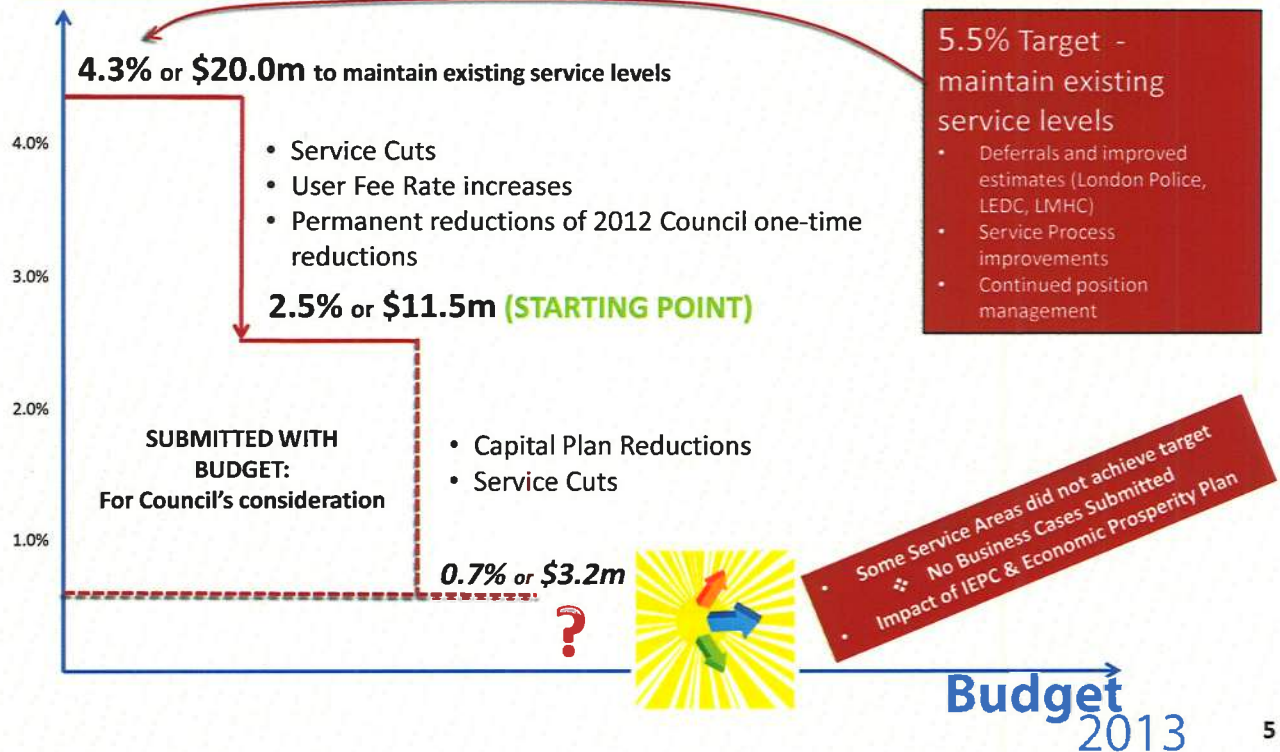
To provide detailed information and awareness...

Community Engagement Task Force, 2012

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The Road to Zero?



2013 Operating Budget Overview



	2012 Revised Budget \$	2013 Submitted Budget \$	\$ Increase/ (Decrease)	Tax Levy Impact
2013 Budget to Maintain Existing Service Levels	\$467.4			
"Add Backs": • New Affordable Housing Initiatives \$ 1 m • Capital Grants, \$0.2 m • AODA \$ 0.5m • Vehicle & Equipment Reserve Fund \$0.5m • Cross the board reserve fund reduction \$1.4m			\$3.6	0.8%
London Fire Services @ 7.7%			\$4.1	0.9%
London Police Services @ 3.6%			\$3.2	0.7%
London Transit Commission @ 4.9%			\$1.2	0.3%
London & Middlesex Housing Corporation @ 6.0%			\$0.5	0.1%
Economic Prosperity (increase to Economic Development Reserve Fund) @ 19.9%			\$1.1	0.2%
London Public Library @ 2.3%			\$0.4	0.1%
Capital Financing (debt servicing & capital levy)			\$2.8	0.6%
Other (e.g. Roadways, Civic Department OMERS, Land Ambulance)			\$3.1	1.2%
2013 Budget to Maintain Existing Service Levels	\$467.4	\$487.4	\$20.0	4.3%

The Road to Zero



29 Business Cases to get to 2.5%:

ADD BACKS	\$ (2,354)
USER FEES	+ \$ (421)
SERVICE CUTS	+ \$ (5,683)
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	\$ (8,458)

26 Business Cases to get to 0.7%:

CAPITAL PROGRAM REDUCTIONS	\$ (4,702)
SERVICE CUTS	+ \$ (3,699)
SERVICE ADDS	106
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	\$ (8,295)

Future impact...

\$4.7M capital reduction in 2013 equates to \$47M reduction over 10 years.

CHANGE THE CONTRIBUTION = CHANGE THE PLAN

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Service Changes Defined



4 types of Service Changes in this Budget:

- 1) **'Add Backs'** = One-time reduction from 2012 submitted as permanent reductions for 2013
- 2) **User Fees** = Increases to existing fees
- 3) **Service Cuts** = Reductions to current service levels
- 4) **Capital Plan Reductions** = Reductions to operating funding related to the Capital Plan

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Getting to 2.5%

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Getting to 2.5%



29 Business Cases to get to 2.5% (\$8.5 million):

- **Add Backs** (Business Cases 1-4)
- **User Fee Increases** (Business Cases 4-11)
- **Service Cuts** (Business Cases 12-29)

Getting to 2.5%

Add Backs – Permanent Reduction



#	Service	Title/Description	\$ Value	Page Reference
1	Fleet Management	Extending the Life Cycle for Fleet Vehicles & Equipment <i>- Make 2012 reduction to Fleet Reserve Fund contribution permanent</i>	(543)	5; 27-29
2	Corporate Management	Reduction in AODA Program <i>- Make 2012 reduction to program contribution permanent</i>	(561)	5; 30-31
3	Corporate Financing	Reduction in Capital Grant Program Funding <i>- Eliminate Capital Grants program</i>	(250)	5; 32-33
4	Corporate Financing	Reduced Municipal Investment in Affordable Housing Initiatives <i>- Make 2012 reduction to Affordable Housing Reserve Fund permanent</i>	(1,000)	6; 34-40

TOTAL VALUE OF ADD BACKS (2,354)

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Getting to 2.5%

User Fee Increases



#	Service	Title/Description	\$ Value	Page Reference
5	Neighbourhood & Recreation	User Fee Increases <i>- Increased fees for Aquatics, Arenas, Sport Services, Storybook Gardens</i>	(137)	6; 41-45
6	Building Approvals	User Fee Increases <i>- Plumbing information request (new \$30); Zoning compliance letters (new, \$60); Drainlayer exam (from \$25 to \$100); Building lawyers letters (from \$60 to \$90/\$120); Building other letters (from \$30/\$60 to \$60/\$120)</i>	(19)	6; 46-47
7	By-law Enforcement, Licensing & Property Standards	Increase swimming pool fence inspection & letter fee <i>- Increase from \$60 to \$175</i>	(5)	7; 48-49
8	By-law Enforcement, Licensing & Property Standards	Increase residential rental unit licence fee <i>- Increase from \$25 (new & renewal) to \$230 (new) and \$80 (renewal)</i>	(180)	7; 50-51

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Getting to 2.5% User Fee Increases



#	Service	Title/Description	\$ Value	Page Reference
9	Parking	Revise revenue split with PUC on parking lot #12 <i>- Revise revenue split from 88/12 to 75/25</i>	(15)	7; 52-53
10	Finance	Increase in returned cheque fee by \$5 <i>- Increase returned cheques (NSF) by \$5 (\$40 to \$45)</i>	(6)	7; 54-55
11	Taxation	Across the board user fee increase taxation services <i>- All user fees increased by \$1 with the exception of 'Notice of Past Due Property Taxes' & 'Addition to Tax Roll Fee'</i>	(59)	7; 56-57

TOTAL VALUE OF USER FEES

(421)

Getting to 2.5% Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
12	Business Attraction & Retention	Reduced investment in economic prosperity <i>- Reduced investment in economic development initiatives</i>	(1,133)	8; 58-59
13	Community Improvement	Reduced support to Downtown Business Improvement Area (BIA) <i>- Reduced investment in downtown revitalization initiatives</i>	(27)	8; 60-61
14	Community Improvement	Reduction in Brownfield Incentive Program <i>- Reduced contribution to remediation incentives</i>	(10)	8; 62-63
15	Tourism London	Elimination of Double Decker Bus Tours <i>- Elimination of Double Decker Bus Tour and associated private charters</i>	(11)	8; 64-65

Getting to 2.5% Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
16	Recycling & Composting	End of initial funding for Green Bin Pilot Program <i>- Green Bin plans on hold pending stronger fiscal situation, therefore funding for contracted & advertising costs no longer necessary</i>	(95)	8; 66-67
17	Community Centres	Delay of funding for implementation of Neighbourhood Hub Initiatives <i>- Postpone implementation of 4 hours of free access to community centres in East part of city (& will further delay those scheduled thereafter)</i>	(93)	8; 68-74
18	Community Development & Funding	Deferral of support for 'In-Motion' Social Marketing Campaign <i>- Delay support of utilization of products and strategies in public media campaign and/or support a social marketing based community challenge (and related leverage of private sector sponsorship)</i>	(40)	9; 75-79

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Getting to 2.5% Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
19	Public Health – Middlesex-London Health Unit	Reduction in non-direct services <i>- \$271K reduction in areas of corporate training, building maintenance & repair, purchased services & program resources</i>	(271)	9; 80-81
20	Mental Health & Addictions	Final year of 5-year strategy, London CARES <i>- Use Consolidated Verification Process (CVP) Reserve Fund in lieu of property taxes to support final year of London CARES program (advancing tax levy savings anticipated in 2014 by one year)</i>	(738)	9; 82-83
21	Parking	Parking service review <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(62)	9; 84

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Getting to 2.5% Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
22	Roadway Maintenance	Roadway maintenance service review <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(65)	10; 85
23	Roadway Maintenance	Downtown maintenance service review <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(40)	10; 86

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Getting to 2.5% Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
24	Roadway Maintenance	Road patching service review <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(294)	10; 87
25	Roadway Maintenance	Road sweeping service review <i>- Reduced road sweeping; may result in some streets not being swept</i>	(70)	10; 88-89
26	Roadway Maintenance	Walkway cleaning service review <i>- Elimination of seasonal staff for walkway cleaning & maintenance, which may result in this service only taking place once every three (3) years</i>	(80)	11; 90-91

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Getting to 2.5%

Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
27	Snow Control	Sidewalk snow removal service review <i>- Elimination of assistance to downtown businesses & city-wide service for sidewalk clearing will only occur Monday-Friday from 7am-3pm (no sidewalk clearing outside of these hours)</i>	(75)	11; 92-93
28	Customer Relations	Review of service delivery <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(59)	11; 94

Getting to 2.5%

Service Cuts



#	Service	Title/Description	\$ Value	Page Reference
29	Corporate Initiatives – Fire Services	Fire service review <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(2,520)	12; 95

TOTAL VALUE OF SERVICE CUTS
(5,683)

The Road to Zero - Recap



29 Business Cases to get to **2.5%**:

ADD BACKS	\$(2,354)
USER FEES	+ \$(421)
SERVICE CUTS	+ \$(5,683)
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	\$(8,458)

26 Business Cases to get to **0.7%**:

CAPITAL PROGRAM REDUCTIONS	\$(4,702)
SERVICE CUTS	+ \$(3,699)
SERVICE ADDS	106
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	\$(8,295)

Future impact...

\$4.7M capital reduction in 2013 equates to \$47M reduction over 10 years.

CHANGE THE CONTRIBUTION = CHANGE THE PLAN

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Working Toward 0%

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Getting to 0.7%



26 Business Cases to get to 0.7% (\$8.3 million):

- **Capital Program Reductions** (Business Cases 30-45)
- **Service Cuts** (Business Cases 46-52)
- **Service Adds** (Business Cases 53-54)

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Capital Program Reductions



- In 2013, 58% of the Capital Plan is funded through Property Taxes
- The operating budget funds the Capital Plan in 3 ways:
 - Capital Levy (pay-as-you-go financing)
 - Reserve Fund Contributions
 - Repayment of Debt (issued to fund prior year capital budgets)
- In order to move toward the 0% target, \$4.7M worth of Capital Program reductions have been identified in 2013

\$4.7M in 2013 = \$47M over 10 years

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Capital Program Reductions Methodology



How were projects identified?

Capital reductions were identified predominantly by category:

- 1 ➤ **Service Improvement** (new initiatives that add to City's asset base & enhance current services. Example: bike lanes)
- 2 ➤ **Growth** (projects that relate to an expanding city where funding source is predominantly development charges, but rate-supported funding is still required. Example: road expansion, new Fire Station)
- 3 ➤ **Life Cycle** (required to maintain existing assets & service levels. Example: existing arenas, roads)

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Getting to 0.7% Capital Program Reductions (*Service Improvement*)



#	Project	Title/Description	\$ Value	Page Reference
30	PP1091 Replacement & Relocation of Fire Training Tower	Service Improvement Capital Project (PP1091 Replacement & Relocation of Fire Training Tower) for Fire: Relocation of Fire Service Training Tower Deferred: <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	2013 (2,398)	14; 96
			2014-2022 1,500	
31	TS6217-13 Facility Energy Mgmt	Service Improvement Capital Project (TS6217-13 Facility Energy Mgmt) for Facilities: Reduction in Facility Energy Management: <i>- Reduce capital budget for Facility Energy Mgmt Program from \$500,000/year to \$250,000/year.</i>	2013 (250)	14; 97- 100
			2014-2022 (2,250)	

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Getting to 0.7%

Capital Program Reductions (Service Improvement)



#	Project	Title/Description	\$ Value	Page Reference
32	TS1739-13 Bike Lane Program	Service Improvement Capital Project (TS1739-13) for Roadway Planning & Design: Reduction in Bike Lane Program: <i>- Elimination of the Bike Lane Program, resulting in no new bike lanes being constructed in the City for the next 10 years.</i>	<u>2013</u> (110)	15; 101-102
			<u>2014-2022</u> (990)	
32 .1	TS5012 Audible Pedestrian Signals	Service Improvement Capital Project (TS5012) for Street Lighting & Traffic Signals: Reduction in Audible Pedestrian Signal Program: <i>- Elimination of capital program to retrofit Audible Pedestrian Signals (APS) for ten years.</i>	<u>2013</u> (50)	15; 103-104
			<u>2014-2022</u> (450)	

Getting to 0.7%

Capital Program Reductions (Service Improvement)



#	Project	Title/Description	\$ Value	Page Reference
33	PD2044 Mgmt of Emerald Ash Borer	Service Improvement Capital Project (PD2044 Mgmt of Emerald Ash Borer) for Urban Forestry: Elimination of Emerald Ash Borer Strategy Funding: <i>- Eliminate funding for the Emerald Ash Borer strategy. - Approximately 385 large ash trees on municipal property injected with TreeAzin in 2011 will not be injected again in 2013, leading to their death and removal. Large numbers of dead and dying Ash street trees will be removed in existing neighbourhoods, but will not be replaced with new street trees for an extended period of time.</i>	<u>2013</u> (400)	16; 105-109
			<u>2014-2022</u> (3,600)	

Getting to 0.7%

Capital Program Reductions (Service Improvement)



#	Project	Title/Description	\$ Value	Page Reference
34	ID1145 Future Industrial Land Acquisition	Service Improvement Capital Project (ID1145) for Realty: Future Industrial Land: <i>- This proposal reduces the contribution to the program for purchasing future industrial land by \$800,000 in 2021 and 2022.</i>	2013 -	17; 110-112
			2014-2022 (1,600)	
35	SW6030 Landfill Site Property Acquisition	Service Improvement Capital Project (SW6030) for Garbage, Recycling & Composting: Delay in Landfill Site Property Acquisition: <i>- This proposal reduces the amount available to purchase landfill property from \$12.3M to \$4.5M over 10 years.</i>	2013 -	17; 113-115
			2014-2022 (7,800)	

Getting to 0.7%

Capital Program Reductions (Service Improvement)



#	Project	Title/Description	\$ Value	Page Reference
36	RC2602 Farquharson Arena Decommissioning and Renovating to Community Space	Service Improvement Capital Project (Farquharson – RC2602, Glen Cairn – RC2608, Silverwood – RC2612, RC2871) for Arenas & Community Centres: Repurposing of Recreation & Community Facilities and Provision of Spray Pads: <i>Removal of \$4.3M from capital project ten year plan for service improvement, affecting the following:</i> <i>-Eliminates 2 new spray pads (Constitution Park in the Stoney Creek Planning District in 2017 and in a second location yet to be determined) (\$800,000)</i> <i>- Eliminates 2 arena repurposing projects and delays a third project (prioritization to be determined) (\$3.5M)</i> <i>- Glen Cairn Arena to be decommissioned in 2016</i> <i>- Silverwood Arena (Hamilton Road) to be decommissioned in 2016;</i> <i>- Farquharson Arena (South London) to be decommissioned in 2019</i>	2013 -	18; 116-119
	RC2608 Glen Cairn Arena Decommission & Renovate to Community Space		2014-2022 (4,300)	
	RC2612 Silverwoods Arena Decommission & Renovate Space			
	RC2871 Splash Pad Conversion			

Getting to 0.7%

Capital Program Reductions (*Service Improvement*)



#	Project	Title/Description	\$ Value	Page Reference
37	PP1090 Relocate Existing Resources to New Fire Station No 16	Service Improvement Capital Project (PP1090 Fire Station No. 16) for Fire: Reduce Capital Plan – New Station 16 (Delay Relocation of Engine 1): <i>- Fire is proposing to build a new station in 2018 to service the Wharncliffe/Horton Street area to improve response times.</i>	2013 -	19; 120-123
			2014-2022 (2,185)	
38	PP1025 Interface & Mobile Data	Service Improvement Capital Project (PP1025) for Fire: Interface & Mobile Data: <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	2013 -	19; 124
			2014-2022 (1,000)	
39	TS1302 Commissioners Rd Improvements	Service Improvement Capital Project (TS1302) for Roadway Planning & Design: Deferral of Commissioners Rd Improvements: <i>- Deferral of project to realign Commissioners Rd east of Springbank Dr to eliminate vertical/horizontal deficiencies associated with 'Snake Hill'.</i>	2013 -	19; 125-126
			2014-2022 (5,250)	

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Getting to 0.7%

Capital Program Reductions (*Growth*)



#	Project	Title/Description	\$ Value	Page Reference
40	Finance - Corporate Financing	Growth Capital Project (TS2171 Road Improvements for Industrial Parks) for Business Attraction & Retention: Industrial Oversizing: <i>- Reduce the 10 year capital plan for industrial oversizing by \$600,000/year, leaving an annual contribution of \$400,000/year.</i>	2013 (600)	20; 127-128
			2014-2022 (5,400)	
41	Finance – Corporate Financing	Growth Capital Project (TS1370) for Development: Minor Roads – Non-growth contribution Urban Works Reserve Fund: <i>- Reduce funding to this program by \$1.6M (from 2013-2017) impacting the City's ability to support minor roads associated with growth works.</i>	2013 (324)	20; 129-130
			2014-2022 (648)	
42	Finance – Corporate Financing	Growth Capital Project (ID1365) for Roadway Planning & Design: Skyway Park External: <i>- Deferral of project scheduled for 2021 to improve intersection of Oxford St/Crumlin Sideroad in conjunction with the development of Phase II of the Skyway Industrial Park. Deferred beyond 10 year plan or not at all.</i>	2013 -	21; 131-132
			2014-2022 (2,200)	

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Getting to 0.7%

Capital Program Reductions (Life Cycle Renewal)



#	Service	Title/Description	\$ Value	Page Reference
43	Finance - Corporate Financing	Life Cycle Renewal Capital Project (GG1620 Dearness Home Upgrades) for Long Term Care: Major Upgrades for Dearness Home: - Reduce the 10 year capital plan for major upgrades to Dearness Home by \$50,000/year leaving a long term contribution of \$450,000/year.	2013 (50)	21; 133-134
			2014-2022 (450)	
44	Finance – Corporate Financing	Life Cycle Renewal Capital Project (RC3341) for Library: Integrated Library System: - A minimum 10 year reduction of \$20,000/year for this capital program, leaving a contribution of \$230,000/year. This will require LPL to adjust the module implementation schedule for the integrated library system.	2013 (20)	22; 135-136
			2014-2022 (180)	

Getting to 0.7%

Capital Program Reductions (Life Cycle Renewal)



#	Service	Title/Description	\$ Value	Page Reference
45	Finance – Corporate Financing	Life Cycle Renewal Capital Project (MU1044-13 Bus Purchase Renewal) for Transit: Reduction in Bus Purchase Replacements: - Reduce capital funding to LTC by \$500,000/year for replacing buses.	2013 (500)	22; 137-140
			2014-2022 (4,500)	

TOTAL VALUE OF CAPITAL PROGRAM REDUCTIONS

(4,702) 2013

(41,303) 2014-2022

Getting to 0.7%

Service Cuts – London Public Library



#	Service	Title/Description	\$ Value	Page Reference
46	Library	Review of Service Hours	(210)	23; 141-143
47	Library	Review of Sunday Service	(40)	23; 144-146
48	Library	Collection Budget Reduction	(100)	24; 147-151
49	Library	Library Service Review	(60)	24; 152

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London Public Library

is the *Community Hub*
that enriches lives and empowers people
through relevant, accessible and high quality library services

- LPL is aligned with and contributes directly to the City of London Vision to make London a city of opportunity, providing all Londoners with a high quality of life
- Everyone in the community has access to library services. LPL serves people of all ages and stages of life, e.g. students, parents, job seekers, entrepreneurs, retirees
- LPL serves people with specialized needs, e.g. children, seniors, newcomers, people with disabilities, socially vulnerable

LPL at a Glance

Londoners need, use and value their library.

- Approximately ½ of Londoners have library cards!
- 14,940,689 total uses in 2011 which equals 40.6 annual uses per capita
- Cost of \$1.27 per use
- Public satisfaction was at 97.9% in a recent survey
- 96.3% of people surveyed felt that the Library gives good value for taxpayer dollars spent

Cost Pressures

High Usage - Attendance / Circulation

- Increased staffing requirements with no new FTEs
- Increased demand for collections in a wide variety of formats (print, a/v, digital)
- Increased cleaning and painting of facilities
- Increased preventive maintenance: elevators, escalators, furniture, equipment, flooring, etc.

Cost of Living Impact

- Increased cost of collections materials, especially eBooks
- Increased cost of purchased services
 - Utilities
 - Insurance

Cost Pressures

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- **Increased cost of collections materials, especially eBooks**
- Increased cost of purchased services
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Cost Pressures

Provincial/Federal Funding

- No increase in Province of Ontario Library Operating Grant (severe cuts in 1995-1997; no increase to support high usage or cost of living since)
- Loss of MTCU funding for Employment Resource Centres (\$750,000/annum)
- Elimination of Urban CAP funding (\$13,000/annum) for technology
- Elimination/Reduction of Library & Archives Canada Services to libraries

Cost Pressures

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- No increase in Province of Ontario Library Operating Grant (severe cuts in 1995-1997; no increase to support high usage or cost of living since)
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- **Elimination/Reduction of Library & Archives Canada Services to libraries**

Cost Pressures

Wages and Benefits

- Final year of OMERS contribution rate increase
- Collective Agreement

Legislative: AODA Related Costs

- Service delivery expenditures, e.g. specialized collections, staff training
- Facility expenditures, e.g. automated door openers, absorbed into base budget

Cost Pressures

Wages and Benefits

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- **Service delivery expenditures, e.g. specialized collections, staff training**
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Process Improvements

LPL has a continuous improvement strategy.

Service Delivery

- Contributes its expertise as a partner in City of London initiatives to maximize efficient and effective service delivery: Child & Youth Network, Age Friendly City, Culture Plan, Service London
- Efficiencies achieved through reorganization of inter-branch delivery system.
- Digitization of Ivey Family London Room collections

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Process Improvements

Internal Processes

Create efficiencies, manage resources and expand capabilities:

- E-Commerce for payment of fines and fees
- Energy management system
- Automated Human Resource Management System (HR, time/attendance, payroll, training)
- Volunteer management system
- Fund Development management system

Process Improvements

Internal Processes

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Process Improvements

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Process Improvements

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- Energy management system
- Automated Human Resource Management System (HR, time/attendance, payroll, training)
- **Volunteer management system**
- Fund Development management system

Process Improvements

Revenue Generation

- Revised exhibit and display fees
- Additional tenants in Central Library
- Shared services provision, e.g. payroll
- Government grant funding, e.g. lighting retrofit
- Ivey Family London Room fee-based research service
- Fund development for value-added/enhanced services

Process Improvements

Revenue Generation

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Process Improvements

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- Revised exhibit and display fees
- Additional tenants in Central Library
- Shared services provision, e.g. payroll
- **Government grant funding, e.g. lighting retrofit**
- Ivey Family London Room fee-based research service
- Fund development for value-added/enhanced services

Process Improvements

Cost Cutting

- Cuts to Sunday Service in recent years: reduced number of weeks/year and number of hours/week
- Cuts to magazine and newspaper subscriptions to cover rising costs of other collections materials

Cost Avoidance

- Energy audit
- Joint procurement of goods and services
- Repurposing furniture and equipment

Process Improvements

Cost Cutting

- Cuts to Sunday Service in recent years: reduced number of weeks/year and number of hours/week
- **Cuts to magazine and newspaper subscriptions to cover rising costs of other collections materials**

Cost Avoidance

- Energy audit
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Process Improvements

Cost Cutting

- Cuts to Sunday Service in recent years: reduced number of weeks/year and number of hours/week
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Cost Avoidance

- **Energy audit**
- **Joint procurement of goods and services**
- Repurposing furniture and equipment

Getting to Zero

Proposed Reduction	Savings Generated % of LPL Budget	Property Tax Levy Increase from Rates
Hours of Service (Case 46)	\$210,000	0.045%
Collections (Case 48)	\$100,000	0.02%
Sunday Service (Case 47)	\$40,000	0.009%
Service Review (Case 49)	\$60,000	0.01%
Total	\$410,000 = 2.3%	0.1%

Getting to Zero

Proposed Reduction	Community Impact
Hours of Service (Case 46)	<p>Reduced hours of service would:</p> <ul style="list-style-type: none"> • Limit Londoners' ability to access services, borrow materials, use the computers and wireless network, study or meet in the library or attend programs • Reduce Library rental revenue • Diminish community partners' opportunities to offer programming in LPL space <p>The public wants increased, not decreased, hours of service.</p>

Getting to 0.7%

Service Cuts – London & Middlesex Housing Corp



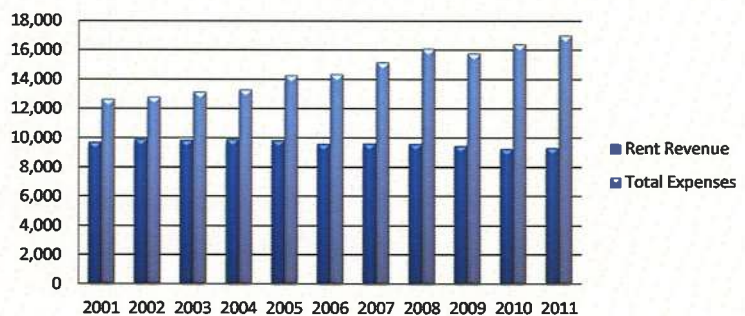
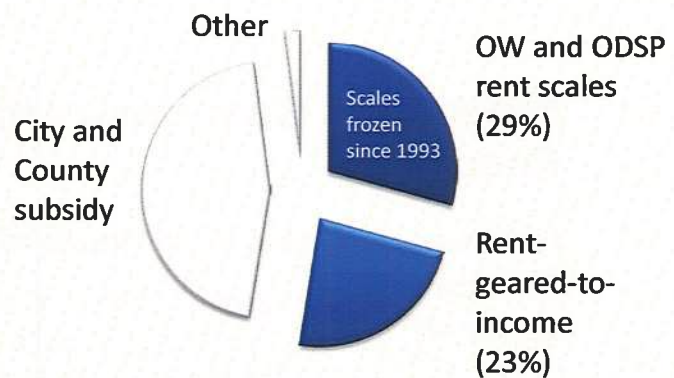
#	Service	Title/Description	\$ Value	Page Reference
50	Rent-Geared-to-Income Public Housing – London & Middlesex Housing Corporation	Public Housing Service Review	(481)	24; 153-157

Budget 2013

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Budget Pressures

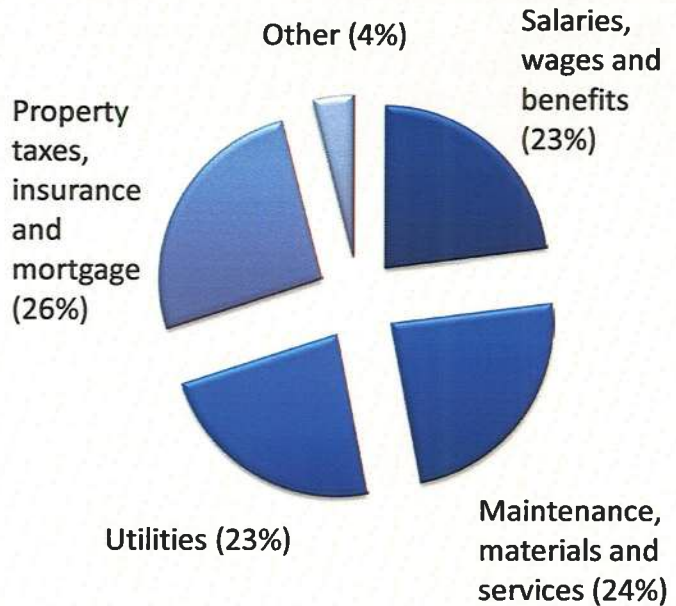
- Fixed revenue (flawed business model)
- Legislated services and clientele
- Increasing demand for services and resources
- Municipality is responsible for revenue shortfall
- No reserves



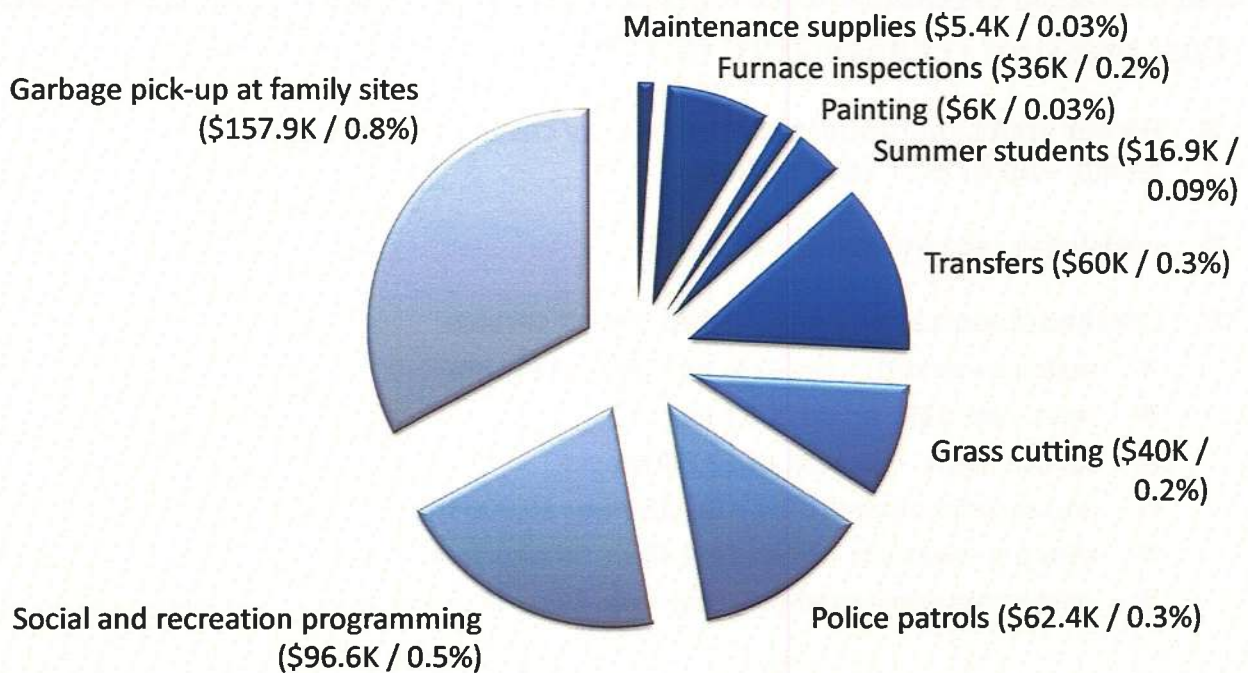
Process Improvements

- Expense efficiencies
- Pricewaterhouse-Coopers audit
- Governance and role enhancement
- Property management vs. mental health and addiction care

Expenses



Getting to Zero



Total cuts = \$481.2K / 2.67%

Getting to 0.7%

Service Cuts – London Transit Commission



#	Service	Title/Description	\$ Value	Page Reference
51	Transit – Conventional & Specialized (LTC)	Reduction in Service Hours	(1,188)	25; 158-163

London Transit Commission

Cost Pressures



Cost pressure - change 2010 to 2013

- Higher utility, municipal taxes re: facility costs - operating 2nd facility - up 67% or \$0.9 million
- Legislative requirements - AODA
- Demand/expectation - specialized transit service
 - registrant growth - up 31% or 1,200 registrants
 - rides - up 13% or 30,000 trips
 - service hours - up 12% or 12,000 hours
 - non accommodated trips - up 256% or 10,000 trips
 - trips per registrant - down 14% from 55 trips to 47 trips
 - contracted service delivery cost – up 23% - \$0.7 million

London Transit Commission

Cost Pressures



Cost pressure - change 2010 to 2013

- Fuel costs - up 45% or \$2.6 million
- Demand/expectation - conventional transit service
 - rides - up 10% or 2.1 million trips
 - hours - up 4% or 20,000 hours
 - rides per hour - up 6% or 2.3 trips per hr.
 - unmet service requests in excess of 200,000 hrs.
 - service quality issues
 - missed passengers (full load) complaints - up 93%
 - overcrowding complaints - up 119%
 - late schedule complaints - up 60%
 - full load counts (per AVL) – last 2 yrs. up 44%
- Personnel costs, wages & benefits - incl. OMERS premiums

Budget
2013

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London Transit Commission

Process Improvements



- Improved service capacity & lowering capacity cost/hr.
 - Conventional - increase mix of 60' vehicles - increased seated capacity by 10% at a lower operating cost per hr. of 10%
 - Specialized - move to bigger vehicles in 2013 – projected minimum increase in trips per hour 23% - significant cost avoidance
- Roof top solar panel installation – satellite facility lowering facility cost by \$150,000 per year
- 3P - inventory management, in partnership with other transit systems – annual \$150,000 parts cost savings (2013)

Budget
2013

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London Transit Commission

Process Improvements



- Continued development of Smart Bus Technology:
 - Real time service information- linking bus stop locations with IVR & webwatch
 - System monitoring & planning
- Consortium with other transit systems re bus purchases resulting in favourable pricing & delivery – supporting having a fully accessible fleet – 2 yrs. early
- Lead transit industry change to Ontario’s “no fault insurance” program for transit – reducing exposure to accident benefit claims & costs – est. \$100,000 per yr.
- Starting in 2013 phased implementation of smart card technology supporting customer convenience, fare administration cost containment & improved ridership information

Budget
2013

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London Transit Commission

Getting to Zero



Target service reductions

Service	Service Hr. Reduction	Expenditure Reduction	Revenue Reduction	Reduction in Tax Support
Conventional	25,100	\$ (1,419,800)	\$ 470,900	\$ (948,900)
Specialized	7,720	(272,200)	33,100	(239,100)
	32,820	\$ (1,692,000)	\$ 504,000	\$ (1,188,000)

Impact

- Reduced rides, 351,400 (conventional) & 17,000 (specialized)
- Further reduction in service quality:
 - higher non accommodated trip rates - specialized
 - overcrowding, missed passengers (full loads) – conventional
- Reduction future Provincial Gas Tax – est. @ \$150,000 per yr.
- Reduced access to the community by transit
- Certain areas of the City will be left without conventional transit
- Counter-productive to TMP and BRT strategy
- Elimination of 15 to 17 positions

Budget
2013

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Getting to 0.7%

Service Cuts – Corporate Initiatives



#	Service	Title/Description	\$ Value	Page Reference
52	Corporate Initiatives	Corporate Service Review: <i>A matter pertaining to labour relations & employee negotiations, personal information about identifiable individuals, including municipal employees, with respect to employment related-matters, advice or recommendations of officers & employees of the Corporation including communications necessary for that purpose, & for the purpose of providing instructions & directions to officers & employees of the Corporation</i>	(1,620)	25; 164

TOTAL VALUE OF SERVICE CUTS (3,699)

Getting to 0.7%

Service Adds



#	Service	Title/Description	\$ Value	Page Reference
53	Councillor's Offices	Council Service London Team: Increase in Administrative Support: <i>- Establishment of a Council Service London Team</i>	106	26; 165

TOTAL VALUE OF SERVICE ADDS 106

NOTE: Impact of Service Change Business Case # 54 – Additional Administrative Support occurs in 2014, \$295k.

The Road to Zero - Recap



29 Business Cases to get to **2.5%**:

ADD BACKS	\$ (2,354)
USER FEES	+ \$ (421)
SERVICE CUTS	+ \$ (5,683)
<hr/>	
	\$ (8,458)

26 Business Cases to get to **0.7%**:

CAPITAL PROGRAM REDUCTIONS	\$ (4,702)
SERVICE CUTS	+ \$ (3,699)
SERVICE ADDS	106
<hr/>	
	\$ (8,295)

Future impact...

\$4.7M capital reduction in 2013 equates to \$47M reduction over 10 years.

CHANGE THE CONTRIBUTION = CHANGE THE PLAN

Budget 2013

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Protective Service Pressures

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Cost Pressures



	2012 Revised Budget \$	2013 Submitted Budget \$	\$ Increase/ (Decrease)	Tax Levy Impact
Culture Services	\$21.9	\$22.3	\$0.4	0.1%
Economic Prosperity	\$8.4	\$8.4	\$(0.04)	0.0%
Environmental Services	\$16.4	\$16.5	\$0.1	0.0%
Parks, Recreation, and Neighbourhood Services	\$28.2	\$28.2	\$0.03	0.0%
Planning & Development Services	\$4.8	\$4.9	\$0.2	0.0%
Protective Services	\$145.6	\$152.9	\$7.3	1.6%
Social & Health Services	\$71.3	\$68.4	\$(2.9)	(0.6%)
Transportation Services	\$53.6	\$54.8	\$1.3	0.3%
Corporate, Operational, and Council Services	\$117.2	\$122.4	\$5.2	1.1%
BUDGET AS SUBMITTED	\$467.4	\$478.9	\$11.5	2.5%

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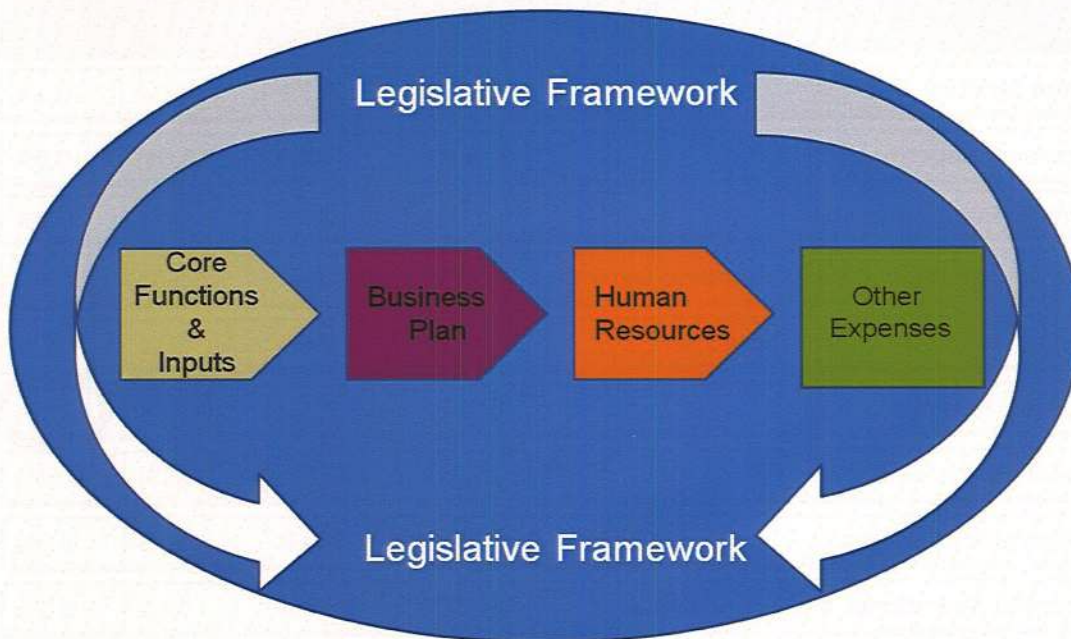
London Police Service



2013 Budget
Information Session
January 9, 2013

Budget
2013

Building the Budget



Budget
2013

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Business Plan Summary (\$000)



Business Plan Goals	Cost
Provide London with a Safe and Secure Community	\$67,322
Protect and Assist Vulnerable Persons in our Community	919
Continue Efforts to Deliver Cost Efficient and Cost Effective Service	5,505
Provide a Quality Work Environment Attaining the Highest Level of Professionalism and Accountability to our Community	3,677
Strengthen Communications, Community Outreach and Partnerships	2,612
Other Support	11,197
Total	\$91,231

Budget
2013

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Budget Summary (\$000)



2012 Revised Budget	\$88,042
2013 Starting Point	\$ 0
<hr/>	
Initial Submissions (5.6%)	\$4,912
Reductions (2.0%)	<u>(\$1,723)</u>
Increase (3.6%)	\$ 3,189
2013 Recommended	\$91,231

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Budget Development Adjustments (\$000)



	Submissions	Reductions	Recommended
Personnel	4,238	(608)	3,630
Administrative	53	(54)	(1)
Financial Expenses	364	(355)	9
Purchased Services	254	(74)	180
Supplies	60	(165)	(105)
Equipment	(1)	(89)	(90)
Sub-Total	4,968	(1,345)	3,623
Revenue	(56)	(378)	(434)
Total	4,912	(1,723)	3,189
Percentage	5.6%	(2.0%)	3.6%

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Cost Pressures



➤ Investment in Human Resources	\$291,919
➤ WSIB Increase	200,000
➤ Paid Time Increase	53,890
➤ Group Benefit Premiums	61,726
➤ Line Items/Special Projects	2,500,000

Budget
2013

Process Improvements



- Deployment Practices
 - Beat patrol plan
 - Match resources/schedules
- Alternative Reporting
 - Police reporting centre
 - Telephone resource centre
 - On-line reporting

Budget
2013

Process Improvements



- Mental Health Strategies
- Tiered Response
- False Alarm Reduction Policy
- Pre-charge Diversion
- Fleet Management
- Co-operative Purchasing Group
- 3rd Party Funding

Budget
2013

Getting to Zero: Reduction Impacts



Percentage Increase	Incremental Reduction	Cumulative Reduction
3.6%	0	0
3.0%	17	17
2.0%	13	30
1.0%	12	42
0.0%	11	53

Budget
2013

Getting to Zero: Reduction Impacts



- Crimestoppers
- Family Consultants
- Crime Prevention/School Safety
- Secondary School Resource Officers
- Community Foot Patrol
- Community Oriented Response Unit

Budget
2013



2013 Budget

For further information visit: www.police.london.ca

OR

Email us at: budget2013@police.london.ca

Additional Revenue

Assessment Growth



Assessment Growth	\$millions	%
REVISED Assessment Growth (January 9, 2013)	\$6.8	1.43%
Required for growth in services	\$(1.8)	(0.4%)
Excess Assessment Growth Funding	\$5.0	1.0%

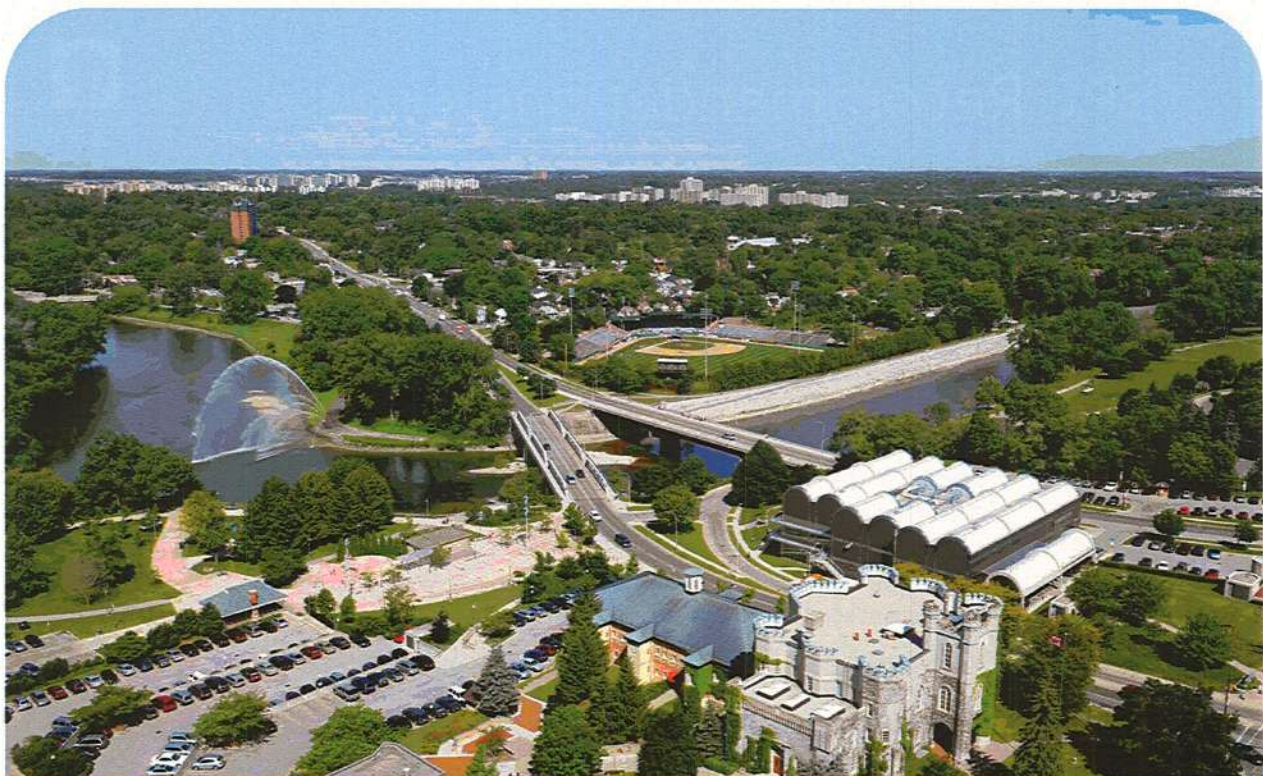
Assessment Growth Policy – Excess assessment growth will be applied:

- 50% to debt reduction
- 50% to economic development or tax levy reduction

Assessment Growth allocated to Economic Development / Tax Levy Reduction	\$2.5	(0.5%)
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Budget
2013

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IEPC & Other Considerations

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IEPC & Other Considerations



1. IEPC recommendations and how they could be funded
2. Other budget considerations and how they could be funded:
 - a) Normal School
 - b) Overnight Parking (lost revenue)
 - c) New Grant Requests
 - d) Resources for economic development
3. Future budget considerations

Budget 2013

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IEPC Recommendations (\$ millions)



Proposal	Description	Ops Cost 2013
Kilmer	Development of lands at 111 Horton St. No capital funds required <u>but</u> potential cost to relocate London Hydro.	\$0.0
Grand Theatre *	Development of performing arts space. No capital funds required but cost to donate parking lot at 185 Queens Ave (estimated value \$2.2 million due to lost parking revenue).*	\$0.2*
Music London *	Development of performing arts space. Total capital request \$10 m*	\$1.0*
Industrial Lands Development Strategy	Develop strategically located serviced lands for LEDC to market. Total capital request \$40 m	\$4.0
Medical Research Fund	Funding for medical research to leverage support from private and government sources. Total request \$10 m	\$1.0
Employment Program Strategy	Joint proposal from Employment Sector Council London Middlesex (ESCLM) and London Middlesex Immigrant Employment Council (LMIEC). Total request \$0.2 m	\$0.1
	Total including Grand Theatre Required	\$5.3
	Total including Music London Required	\$6.1

* Only one performing arts space will be going forward. Community consultation will be included as part of the decision making process.

Budget 2013

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IEPC Recommendations

Funding Options



- **Increase Taxes** – necessary for immediate cash or to cover debt service payments
- **Cut Services** – this would require service cuts beyond those already included in “The Path to Zero”
- **Debt Financing** – this will increase taxes in future years and/or impact other services
- **Asset Sale/Disposal** – this is a longer term solution and may have some initial cost associated with it

Budget
2013

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IEPC Recommendations

Funding Recommendations



London Hydro

- \$70 million note payable @ 6% = \$4.2M operating contribution
- **Report of the Ontario Distribution Sector Review Panel, 2012** released and recommends the following:

Many municipalities hold promissory notes from their LDCs that were taken out at the time of the utilities' transformation into corporations under the OBCA. These notes have frequently continued to bear the higher interest rates that were common at the time. Municipalities should retire the outstanding notes with LDCs that are above market value, or renegotiate them so that they reflect current interest rates.

Budget
2013

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IEPC Recommendations

Funding Recommendations



1. Require London Hydro to renegotiate loan on open market and return \$70 million principle to City of London. In addition, the following actions should be approved:
 - a. INCREASE tax levy from rates by 0.9% or \$4.2 million to replace the lost interest from London Hydro.
 - b. Invest full \$70 million with the banks investment group and direct interest earned to economic development reserve fund to help fund the above plan.
 - c. Request London Hydro increase the annual dividend to reflect the reduction in interest cost and direct this increase in dividend to the economic development reserve fund.

2. Review the potential sale or disposal of “assets that are owned by the municipality and provide non-core services, as deemed by Council.” (*Report on Capital Assets & Revenue Alternatives*, Nov 8, 2011)

3. Use \$2.5 million from assessment growth to fund IEPC on an on-going basis

Budget
2013

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Other Considerations (\$ millions)



Proposal	Description	Ops Cost 2013
Normal School	Purchase and renovate Normal School for use by YMCAWO. Total capital cost required \$13.2 m in 2013 (Ops Cost = debt service payment)	\$1.6
Overnight Parking	Overnight parking rates included in budget overturned by Council in December 2012 (\$85,000 impact in 2013; \$260,000 impact ongoing)	\$0.3
Grant Requests	New requests for grants through budget process (see following slide)	\$0.5
Economic Development Resources	Additional staff/consulting to handle economic development analysis and implementation.	\$0.4
	Total	\$2.8

Budget
2013

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Other Considerations

Unfunded Grant Requests (\$ millions)



Service	Title/Description	\$ Value	Page Reference
Unfunded Grant Requests	<p>Additional funding requests, both operating and capital, need to be considered by Council as part of the overall tax rate increase since there is no funding source identified within existing service budget targets.</p> <p><i>Organizations requesting funds include:</i></p> <ul style="list-style-type: none"> - African Community Council - Council for London Seniors - Employment Sector Council - Learning Disabilities Association of Ontario - London Block Parent - London Celebrates Canada - My Sister's Place (WOTCH Community Mental Health Services) - South London Neighbourhood Resource Centre - Street Connection - West Park Church 	\$0.55	Section B -1; 955 – 958

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Other Considerations

Funding Recommendations



1. **Normal School** - increase the tax levy by \$1.6 million to cover debt servicing costs
2. **Overnight Parking** – increase the tax levy by \$0.3 million to offset lost revenue.
3. **Grants** – do not adjust budget
4. **Resources for economic development** – increase levy by \$0.4 to provide for necessary consulting and/or staff resource.

Future Year Considerations

(\$ millions)



Proposal	Description	Cost 2014	Cost 2015	Total Cost (10 years)
Bus Rapid Transit	Implementation of bus rapid transit – requires matching provincial and federal funding	\$0	\$1.1	\$89.3
Dundas – Flexible Street	Capital plan to convert to flexible street – currently underfunded. Reported to Civic Works in May 2012. Council requesting action in two to three years	\$5.0	\$5.0	\$10.0
Ontario Works Decentralization	Move Ontario Works operations from downtown to the community		Unknown	
South Street Campus Lands	Potential infrastructure costs that will require “bridge financing” until the lands are sold		Unknown	
School Site Acquisitions?	Potential purchase of surplus schools		Unknown	
Komer Tech Group	Work with group to establish high-tech incubator		Unknown	

Budget 2013

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IEPC Overview



	\$ Increase/ (Decrease)	Tax Levy Impact
Cost of IEPC Initiatives (<i>Industrial Land, Medical Research Fund, Employment Program Strategy, Performing Arts Space</i>)	6.1	1.3%

Source of Funding:		
• Assessment Growth	2.5	(0.5%)
• Interest Revenue from re-investment of \$70 million	2.5	(0.5%)
• Re-negotiate dividend from London Hydro	1.1	(0.3%)
Total Source of Funding	6.1	(1.3%)

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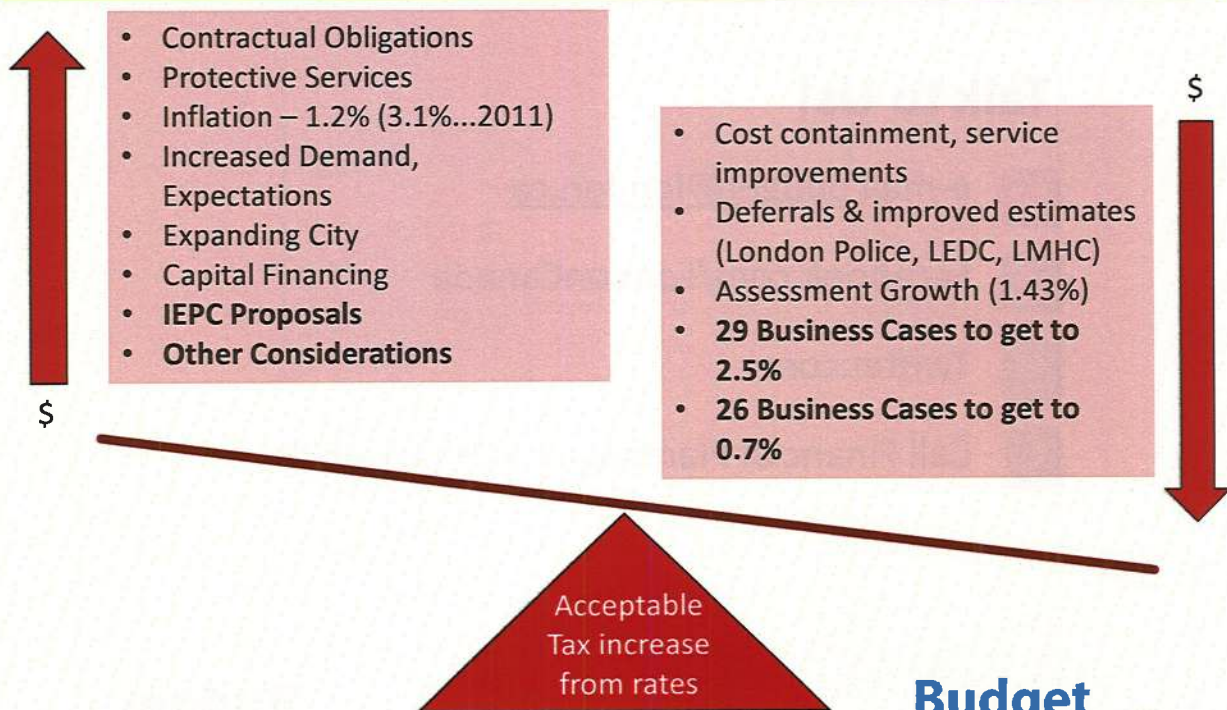
2013 Tax Levy Overview



	2012 Revised Budget \$	2013 Submitted Budget \$	\$ Increase/ (Decrease)	Tax Levy Impact
Maintain Existing Service Levels Dec 4, 2012	467.4	\$487.4	\$20.0	4.3%
Service Change Options for Council Consideration toward 2.5%			(8.5)	(1.8%)
Tax Levy Increase Submitted by Administration Dec 4, 2012			11.5	2.5%
Further Service Change Options for Council Consideration toward ZERO			(8.3)	(1.8%)
Possible Tax Levy Increase assuming <u>all</u> business cases accepted			3.2	0.7%
Investment and Economic Prosperity Committee:				
• London Hydro \$70 million note called			4.2	0.9%
Other Considerations:				
• Normal School			1.6	0.3%
• Overnight Parking			0.3	0.1%
• Economic Development Resources (staffing/ consulting resources)			0.4	0.1%
POSSIBLE TAX LEVY INCREASE			\$9.7	2.1%

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2013 Budget



Budget Workshops



STATION / ACTIVITY

Budget Basics: Introduction
Priority Pole
Ask the City Treasurer
Comment Corner
Your Voice
Budget Basics: Learn & Share, Concept Based
Visualizing the Budget
Speakers Corner
Twitter Wall - #BudgetLdn13

WHEN: Saturday, January 12, 2013
9:00-11:00 am • 1:00-3:00 pm

WHERE: Top of the Hall, City Hall Cafeteria



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Feedback



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