

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JANUARY 7, 2020
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2020-2023 MULTI-YEAR BUDGET BUSINESS CASES FOR POTENTIAL NET LEVY REDUCTIONS

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer:

- a) The 2020-2023 Multi-Year Budget Business Cases for Potential Net Levy Reductions (Appendix A) **BE RECEIVED**;
- b) That the following recommendation **BE REFERRED** to the 2020-2023 Multi-Year Budget deliberations:

“dd) That the following 2020-2023 Multi-Year Budget Business Cases for Potential Net Levy Reductions **BE CONSIDERED**:

- i. Business Case 26 - Eliminate Curbside Christmas Tree Collection – 2020-2023 Total Investment (\$120,000); Net Levy (\$120,000)
- ii. Business Case 27 - London Public Library - Eliminate Planned Security Enhancements – 2020-2023 Total Investment (\$107,000); Net Levy (\$107,000)
- iii. Business Case 28 - London Public Library - Eliminate Planned Staffing Increase – 2020-2023 Total Investment (\$42,000); Net Levy (\$42,000)
- iv. Business Case 29 - London Public Library – Promissory Note Forgiveness - 2020-2023 Total Investment (\$912,000); Net Levy (\$717,000)
- v. Business Case 30 - London Public Library - Wi-Fi Hotspot Lending Program – 2020-2023 Total Investment (\$188,000); Net Levy (\$188,000)
- vi. Business Case 31 - Multi-Residential Sector Fee Increase for Waste Collection – 2020-2023 Total Investment \$0; Net Levy (\$900,000)
- vii. Business Case 32 - Museum London - Exhibitions and Programs Reductions - 2020-2023 Total Investment (\$236,000); Net Levy (\$236,000)
- viii. Business Case 33 - Reduce Road Network Improvements for Minor Streets – 2020-2023 Total Investment (\$3,200,000); Net Levy (\$3,200,000)
- ix. Business Case 34 - Transfer portion of Conservation Authority costs to Wastewater & Treatment Budget – 2020-2023 Total Investment (\$11,544,000); Net Levy (\$11,554,000)”

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Strategic Priorities and Policy Committee, meeting on December 17, 2019, agenda item 3.1 – Tabling of the 2020-2023 Multi-Year Budget (Tax Supported)

Strategic Priorities and Policy Committee, meeting on November 5, 2019, agenda item 2.1 – Update on the 2020-2023 Multi-Year Budget:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=68346>

Corporate Services Committee, meeting on May 28, 2019, agenda item 2.1 – Provincial Budget & Recent Proposed Legislative Changes with Financial Impacts:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=62852>

Strategic Priorities and Policy Committee, meeting on May 6, 2019, agenda item 4.1 – 2020-2023 Multi-Year Budget:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=62405>

LINK TO 2019-2023 STRATEGIC PLAN

Council's 2019-2023 Strategic Plan for the City of London identifies 'Leading in Public Service' as a strategic area of focus. The City of London's Multi-Year Budget process is a strategy to maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term.

Additionally, the 2019-2023 Strategic Plan forms the foundation for the 2020-2023 Multi-Year Budget. Council will, through the 2020-2023 Multi-Year Budget process, be able to ensure that its priorities are achieved within the financial parameters that Council establishes during its term. The 2020-2023 Multi-Year Budget will determine the pace of implementation of the 2019-2023 Strategic Plan.

BACKGROUND

On November 12, 2019, Council resolved:

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 staff report dated November 5, 2019 providing an update on the development of the 2020-2023 Multi-Year Budget BE RECEIVED for information;*
- b) *the Civic Administration BE DIRECTED to take the following actions to address anticipated tax levy pressures in the 2020-2023 Multi-Year Budget:*
 - i) *develop business cases for potential reductions within civic service areas for Council's consideration; it being noted that these business cases will be provided after tabling of the 2020-2023 Multi-Year Budget but in advance of public consultation on the budget;*
 - ii) *engage with the City's agencies, boards and commissions (ABC's) who submitted draft budgets in excess of the budget targets provided to encourage them to submit potential opportunities for reductions, in accordance with the City's format and timelines, and to be prepared to address the impacts of a reduction to their budget to achieve the budget target; ...*

This report and associated **Appendix A** provides the business cases for potential reductions referenced in parts b) i) and ii) of the above resolution.

Summary of Business Cases for Potential Net Levy Reductions (000's)

Potential Reduction # 26		Eliminate Curbside Christmas Tree Collection	
Service	Recycling and Composting		
Total 2020-2023 Potential Net Levy Reduction			(\$120)
Average Tax Levy Impact %	(0.0%)	Average Tax Payer Impact (Dollars)	(\$0.14)

The potential reduction is to eliminate the separate curbside collection of Christmas trees for 2021 and beyond (a one week service that takes place in January of each year). In addition, Christmas trees would be identified as a non-collectible item in the Municipal Waste & Resource Materials Collection By-law. This would mean that Christmas Trees would not be collected with other waste at the curb; instead Christmas trees would be accepted at the City's EnviroDepots.

Potential Reduction # 27		Eliminate Planned Security Enhancements	
Service	London Public Library		
Total 2020-2023 Potential Net Levy Reduction			(\$107)
Average Tax Levy Impact %	(0.0%)	Average Tax Payer Impact (Dollars)	(\$0.13)

Elimination of additional security planned at the London Public Library Central Branch. The London Public Library is experiencing a higher number of incidents that threaten the long-term success of this branch. Without an increased presence of security personnel, patron safety is at risk.

Potential Reduction # 28		Eliminate Planned Increase in Staffing	
Service	London Public Library		
Total 2020-2023 Potential Net Levy Reduction			(\$42)
Average Tax Levy Impact %	(0.0%)	Average Tax Payer Impact (Dollars)	(\$0.05)

Eliminate the planned additional staffing increase in 2023. However, additional staffing will be required in the future to sustain existing service levels for the growing London Public Library patron base.

Potential Reduction # 29		Promissory Note Forgiveness	
Service	London Public Library		
Total 2020-2023 Potential Net Levy Reduction			(\$717)
Average Tax Levy Impact %	(0.01%)	Average Tax Payer Impact (Dollars)	(\$0.84)

The London Public Library is seeking the City of London's forgiveness of a promissory note that was previously approved by Council to fund the Library's share of the Bostwick Community Centre. Nine payments of approximately \$228,000 remain outstanding on the original 10 year term of the note. Forgiveness of the note would represent a budgetary savings for the London Public Library, but a portion of these savings would be offset by forgone interest revenue for the City of London.

Potential Reduction # 30		Wi-Fi Hotspot Lending Program	
Service	London Public Library		
Total 2020-2023 Potential Net Levy Reduction			(\$188)
Average Tax Levy Impact %	(0.0%)	Average Tax Payer Impact (Dollars)	(\$0.22)

Hotspots are a service enhancement that had been implemented in 2018 and its continuation has been included in the 2020-2023 operating budget. If a budget reduction is sought and an alternative source of financing cannot be secured, the London Public Library will have to reduce or eliminate this highly successful program that has enabled London residents who cannot afford the monthly Internet subscription fee to have reliable high-speed internet service at home.

Potential Reduction # 31 Multi-Residential Sector Fee Increase for Waste Collection	
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Service	Garbage, Recycling & Composting	
Total 2020-2023 Potential Net Levy Reduction		(\$900)
Average Tax Levy Impact %	(0.02%)	Average Tax Payer Impact (Dollars) (\$1.05)

The City of London currently provides waste collection and recycling services to the majority of multi-residential (high-rise) buildings in London. Waste (garbage) collection and disposal service is provided to approximately 725 buildings representing about 56,000 units. Recycling service is provided to approximately 700 buildings representing about 54,000 units. There is a potential to increase revenue/fees for waste collection by \$150,000 per year in each of the following years 2021, 2022, 2023 (total increase of \$450,000 over 3 years).

Potential Reduction # 32 Exhibitions and Programs Reductions	
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Service	Museum London	
Total 2020-2023 Potential Net Levy Reduction		(\$236)
Average Tax Levy Impact %	(0.0%)	Average Tax Payer Impact (Dollars) (\$0.28)

Museum London's Multi-Year Budget was submitted with an average 2.8% increase over four years. Budget pressures beyond the Museum's control have necessitated this submission. As 75% of the Museum's budget is required to meet contractual obligations, this potential reduction would mean reducing or eliminating exhibitions or programs.

Potential Reduction # 33 Reduce Road Network Improvements for Minor Streets	
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Service	Roadway Planning & Design	
Total 2020-2023 Potential Net Levy Reduction		(\$3,200)
Average Tax Levy Impact %	(0.03%)	Average Tax Payer Impact (Dollars) (\$3.75)

This represents a reduction to previously planned capital investments for road improvements on minor streets. Minor streets are classified as neighbourhood streets and neighbourhood connectors. The projects delivered in this program are pavement rehabilitation on residential neighbourhood streets that are in poor condition combined with curb repairs, sidewalk upgrades and new sidewalk connections.

Potential Reduction # 34 Transfer portion of Conservation Authority costs to Wastewater & Treatment Budget	
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Service	Upper Thames River Conservation Authority / Lower Thames Valley Conservation Authority / Kettle Creek Conservation Authority	
Total 2020-2023 Potential Net Levy Reduction		(\$11,554)
Average Tax Levy Impact %	(0.12%)	Average Tax Payer Impact (Dollars) (\$13.53)

The proposed reduction would transfer the cost of the stormwater-related services provided by the Conservation Authorities to wastewater rates. A high level analysis of each of the conservation authorities' 2019 budgets was undertaken to determine, based on publicly available budget documents, what portion of the net levy is related to stormwater activities.

Please see **Appendix A** for the full business cases.

Taking into account the impact of these cases, the following table represents a summary of the potential 2020-2023 average annual tax levy increase as originally presented in the tabled 2020-2023 Multi-Year Budget:

Decision Points	Recommended	For Council's Consideration	Potential 2020-2023 Average Levy Increase
1A: Base Budget excluding Land Ambulance & Provincial Impacts	2.3%	-	2.3%
1B: Land Ambulance	0.4%	-	0.4%
2: Provincial Impacts	0.1%	0.4%	0.5%
Subtotal: Net Base Budget (Maintain Existing Service Levels)	2.8%	0.4%	3.2%
Decision Points	Administratively Prioritized	For Council's Consideration	Potential 2020-2023 Average Levy Increase
3: Potential Net Levy Reductions	-	(0.2%)	(0.2%)
4: Additional Investments	0.6%	0.7%	1.3%
Decision Points	Recommended/ Administratively Prioritized	For Council's Consideration	Potential 2020-2023 Average Levy Increase
Total Tax Levy Increase	3.4%	0.9%	4.3%

Subject to rounding.

Agencies, Boards and Commissions Submissions (ABCs)

With the exception of those that have submitted business cases, all other ABCs have advised that they will not be submitting business cases for potential reductions. The following is additional commentary/updates received from select ABCs:

London-Middlesex Community Housing (LMCH)

“LMCH has reviewed our current 2020-2023 MYB base budget submission for potential reduction opportunities and have found nothing material in nature. LMCH requires the funding as submitted to ensure we continue to provide the mandated level of service on behalf of the City and for our tenants. This includes, but not limited to, the requirement to ensure that our buildings/units are in a state of good repair and fit for occupancy. Moreover, we now understand the impact of additional cost pressures that were not incorporated into the MYB submission as it was unknown and/or not anticipated at that time. This includes a 74% increase in snow plowing and salting and 30 to 40% increase on our after-hours call-centre contract. As such, and with the approval of the Board, LMCH will not be submitting a business case for potential reductions.”

London Police Services (LPS)

LPS reviewed their budget and resubmitted an updated budget request that is reflected in the tabled 2020-2023 Multi-Year Budget. This revised submission resulted in a reduction of 15

anticipated new positions planned over the 2021-2023 period. The revised submission reduced the LPS average annual increase from 2.7% to 2.5% for the 2020-2023 Multi-Year Budget cycle.

London Transit Commission (LTC)

“In order to meet the 1.5% average annual budget target, the total conventional transit operating budget would need to be reduced by \$4.6 million, with the corresponding City of London annual investment being reduced by approximately \$2.4 million. Similarly, the total specialized transit operating budget would need to be reduced by \$2.4 million, with the corresponding City of London annual investment being reduced by approximately \$2.2 million. These operating budget reductions would require a reduction of approximately 62,000 annual service hours from the conventional service and 38,000 service hours from the specialized service.

Conventional Service Impacts include:

- *services in the peripheral areas of the city being eliminated and frequencies being reduced in other areas of the city;*
- *a loss of an estimated 1.5 million rides;*
- *less access to transit for peripheral areas of the City and reduced frequency of transit for those in the central parts of the city;*
- *a reduction of approximately 40 full-time equivalent positions; and*
- *cancellation of service improvements planned for 2020*

Specialized Service Impacts include:

- *the provision of an estimated 95,000 fewer annual rides on the specialized transit service;*
- *the rides per registrant dropping to 25.8 from 34.9 (26% reduction in access to trips);*
- *the annual non-accommodated trip rate increasing to 29% from the current 4%; and*
- *cancellation of service improvements planned for 2020*

The 2019-2023 Strategic Plan will be impacted as follows:

- *deferral of the Five Year Service Plan for conventional service, delaying significant and system wide frequency improvements as well as the expansion of services into industrial areas;*
- *cancellation of first year expenditure of Investment in Canada Infrastructure Program – Public Transit Infrastructure Stream(ICIP) funded expansion buses;*
- *deferral of the Five Year Service Plan for specialized service, resulting in a growing gap between the demand for service and what is available; and*
- *deferral of the implementation of Ridership Growth Strategy initiatives, resulting in slowed ridership growth*

These changes are not recommended by the London Transit Commission.”

CONCLUSION

As directed by Council, Civic Administration and ABCs have reviewed their submitted budgets for potential opportunities for reductions. The attached Business Cases outline the opportunities that have been submitted by Civic Administration and ABCs. These business cases will be considered as “decision point 3” during deliberations of the 2020-2023 Multi-Year Budget.

PREPARED BY:	REVIEWED & CONCURRED BY:
MARTIN GALCZYNSKI, CPA, CA MANAGER, FINANCIAL PLANNING & POLICY	KYLE MURRAY, CPA, CA DIRECTOR, FINANCIAL PLANNING & BUSINESS SUPPORT
RECOMMENDED BY:	
ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

Cc: Bryan Baar – Senior Financial Business Administrator
Jason Davies – Manager, Financial Planning and Policy
Alan Dunbar – Manager, Financial Planning and Policy
John Milson – Senior Financial Business Administrator

APPENDIX A – Business Cases for Potential Net Levy Reductions



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET BUSINESS CASE # 26 – Eliminate Curbside Christmas Tree Collection

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Eliminate Curbside Christmas Tree Collection
SERVICE(S): Recycling and Composting – Environmental & Engineering Services
LEAD: Kelly Scherr, Managing Director, Environmental and Engineering Services & City Engineer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	\$0	(\$40)	(\$40)	(\$40)	(\$120)
Annual Net Incremental Tax Levy	\$0	(\$40)	\$0	\$0	(\$40)
Estimated Tax Levy Impact %	0.0%	(0.01%)	0.0%	0.0%	0.0% (Average)
Estimated Tax Payer Impact (Dollars) ¹	\$0	(\$0.19)	(\$0.19)	(\$0.19)	(\$0.14) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

ELIMINATE CURBSIDE CHRISTMAS TREE COLLECTION

OVERVIEW OF POTENTIAL REDUCTION:

Currently, after several weeks of use, Londoners can place their Christmas tree at the curb during the dedicated collection week or take them to the drop off depot. This potential reduction is to eliminate the separate curbside collection of Christmas trees (a one week service that takes place in January of each year). In addition, Christmas trees would be identified as a non-collectible item in the Municipal Waste & Resource Materials Collection By-law. This would mean that Christmas Trees would not be collected with other waste at the curb; rather they would continue to be treated as an item of value and diverted from the landfill. Londoners would be able to bring their Christmas trees to one of 4 EnviroDepots. Or they could be held until the Green Week collection service starts up in late March.

POTENTIAL IMPACT ON THE COMMUNITY:

This service is available to about 65% of London households that have curbside collection service (about 120,000 households, noting that most multi-residential high-rise buildings do not permit real trees inside the units). Of this percentage, between 8% and 15% (about 10,000 to 20,000) households use the annual service. These households will be required to use the same or similar method to dispose their Christmas tree as they initially used to pick up their Christmas tree.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

A service reduction may be viewed negatively and not consistent with the Plan's expected result: "Increase community and resident satisfaction of their service experience with the City". However, some will view this positively with respect the Plan's expected result: "Maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term".

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000's)	\$ -	\$ -	\$ -	\$ -



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
 BUSINESS CASE # 27 – Eliminate Planned Security Enhancements

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Eliminate Planned Security Enhancements
SERVICE(S): London Public Library
LEAD: Michael J. Ciccone, Chief Executive Officer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	\$0	(\$21)	(\$43)	(\$43)	(\$107)
Annual Net Incremental Tax Levy	\$0	(\$21)	(\$22)	\$0	(\$43)
Estimated Tax Levy Impact %	0.0%	0.0%	0.0%	0.0%	0.0% (Average)
Estimated Tax Payer Impact (Dollars) ¹	\$0	(\$0.10)	(\$0.20)	(\$0.20)	(\$0.13) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

ELIMINATE PLANNED SECURITY ENHANCEMENTS: POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

London Public Library's (LPL) Central Library is a key cultural anchor in the downtown core and is located at the heart of Dundas Place. It is the flagship branch of LPL, offering a number of services not available at other LPL locations, including the Wolf Performance Hall. LPL is open to all London residents regardless of age, income, ability, or background. Over 700,000 Londoners visit each year to use the free community space, collections, resources, job training, literacy and digital literacy programs, accessibility supports, and other services.

For years, the LPL has contracted security services to ensure a safe space for all. The majority of the security services relate to the Central Library in downtown London located within Citi Plaza. Similar to other downtown businesses and community organizations, the LPL is experiencing a higher number of incidents that threaten the long-term success of this branch. For instance, a decline in public attendance, reduced staff morale, an increase in health & safety issues and a weakening ability to attract entertainment, culture and arts offerings. As a result, the 2020-2023 operating budget for the LPL includes a gradual increase to security services. The hope is that additional security, along with other internal measures and community partnerships, will help reduce the number of incidents that threaten the long-term success of the Central Library.

POTENTIAL IMPACT ON THE COMMUNITY:

Without an increased presence of security personnel, patron safety is at risk. The LPL has already received numerous complaints from the public regarding the illegal activities, violent behaviour, vandalism and drug/alcohol consumption at the Library. This trend will only escalate if inadequately addressed. The LPL strives to create a safe and welcoming environment for all members of the public and part of this solution is more security. In addition, the health and safety of the LPL staff are at higher risk, due to the increasing number of interactions with individuals struggling with homelessness and mental health issues in the downtown core. The implementation of the Core Area Action plan may mitigate some of these potential impacts.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

Additional security at the LPL contributes to the accomplishment of the following priorities, as outlined in the City of London's *2020-2023 Strategic Plan*:

- Londoners have access to services and supports that promote well-being, health, and safety in their neighbourhoods and across the City;
- London's neighbourhoods have a character and sense of place.

Without additional security, the LPL will experience:

- Limited ability to grow the Library's attendance, circulation and membership due to public perceptions and the fear of coming downtown;

- Reduction in the number of school and/or community group visits at the Central Library to access specialized resources, such as the London Room and the Labs, due to concerns of student safety using our facilities, including public washrooms;
- Unable to strengthen the LPL’s position in the community for cultural development in the areas of music, arts, etc.;
- Weakening ability to build sustainability as people are afraid to attend events at the Wolf Performance Hall due to safety concerns; and
- Decrease in meeting room rentals, as clients, especially corporate clients, have experienced negative interactions with members of our community who are experiencing homelessness and mental health episodes.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000's)	\$ -	\$ -	\$ -	\$ -



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
 BUSINESS CASE # 28 – Eliminate Planned Staffing Increase

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Eliminate Planned Staffing Increase
SERVICE(S): London Public Library
LEAD: Michael J. Ciccone, Chief Executive Officer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	\$0	\$0	\$0	(\$42)	(\$42)
Annual Net Incremental Tax Levy	\$0	\$0	\$0	(\$42)	(\$42)
Estimated Tax Levy Impact %	0.0%	0.0%	0.0%	(0.01%)	0.0% (Average)
Estimated Tax Payer Impact (Dollars) ¹	\$0	\$0	\$0	(\$0.20)	(\$0.05) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

ELIMINATE PLANNED INCREASE IN STAFFING: POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

Increasingly the London Public Library (LPL) is becoming a vital resource for individuals, newcomers, neighbourhoods and community organizations. As a result, there is a higher demand placed on the LPL staff and resources. Additional staffing was included in the 2020-2023 operating budget to help address this growing demand throughout the City. If further operating budget reductions are sought, the LPL will explore internal efficiency opportunities over the next four years in hopes of continuing to meet the needs of the community. However, additional staffing will be required in the future to sustain existing service levels for the growing LPL patron base.

POTENTIAL IMPACT ON THE COMMUNITY:

The LPL staff provides essential programming, community outreach events, literacy and information services. The loss of additional staff will limit the LPL's ability to provide a strong community presence, especially in high needs areas of the City. For instance, supporting and attending community events and running LPL programs, such as the TD Summer Reading Club. Existing community partnerships will need to be reevaluated as the LPL staff will not be able to sustain this level of commitment. In addition, internal and external programming will need to be reviewed as staff will be required to support more "transactional" library services such as maintaining the collection and lending.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

With additional staffing, the LPL will continue to accomplish the priorities outlined in the City of London's *2020-2023 Strategic Plan*:

- Londoners have access to the supports they need to be successful;
- Londoners are engaged and have a sense of belonging in their neighbourhoods and community;
- Londoners have access to services and supports that promote well-being, health, and safety in their neighbourhoods and across the City;
- London's neighbourhoods have a character and sense of place.

In terms of specific programming impacted, the community outreach programs within the City of London wouldn't be expanded (possibly even reduced) in the future if an additional FTE was not approved.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	(1.0)
Full-Time Equivalents Cost (\$000's)	\$ -	\$ -	\$ -	(\$42)



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
BUSINESS CASE # 29 – Promissory Note Forgiveness

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Promissory Note Forgiveness
SERVICE(S): London Public Library
LEAD: Michael Ciccone, Chief Executive Officer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	(\$171)	(\$176)	(\$182)	(\$188)	(\$717)
Annual Net Incremental Tax Levy	(\$171)	(\$5)	(\$6)	(\$6)	(\$188)
Estimated Tax Levy Impact %	(0.03%)	0.0%	0.0%	0.0%	(0.01%) (Average)
Estimated Tax Payer Impact (Dollars) ¹	(\$0.80)	(\$0.82)	(\$0.85)	(\$0.88)	(\$0.84) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

PROMISSORY NOTE FORGIVENESS: POTENTIAL REDUCTION

(\$000's):	2020	2021	2022	2023	2020-2023 TOTAL	2024-2029 TOTAL
Annual Expenditures – Debt Servicing Savings – London Public Library	(\$228)	(\$228)	(\$228)	(\$228)	(\$912)	(\$1,140)
Annual Revenues – Interest Earned – City of London	\$57	\$52	\$46	\$40	\$195	\$103
Net Tax Levy Impact	(\$171)	(\$176)	(\$182)	(\$188)	(\$717)	(\$1,037)

OVERVIEW OF POTENTIAL REDUCTION:

At its February 24, 2015 meeting, Municipal Council approved a *Memorandum of Understanding* between the City of London, the YMCA of Western Ontario and the London Public Library (LPL) Board with respect to a joint venture to construct and operate a community centre, recreation centre and a public library branch in Southwest London (formally renamed the “Bostwick Community Centre”). In order to participate in this project, the LPL sold the former Westmount Branch Library building and land located at 3200 Wonderland Road South for \$2,638,980 in 2017. Unfortunately, this created a funding shortfall, as the LPL’s total share of the Southwest Joint Venture amounted to \$4,576,813. As a result, Municipal Council approved a ten year promissory note between the City of London and the LPL for \$1,917,507 at its June 26, 2018 meeting (\$4,576,813 less the sale proceeds of \$2,638,980 and \$20,326 in interest earned). The promissory note bears interest payable at a fixed rate of 3.258% per annum; for an approximate total annual payment of \$228,000 commencing on March 1, 2019.

Upon entering into this Agreement, the LPL’s repayment was to be funded through a combination of a draw-down from the Library Facilities, Vehicle and Equipment Reserve Fund and a budgeted annual contribution from the operating budget. However, a draw-down from a reserve fund should be considered a one-time source of financing and is unsustainable for future long-term payments.

As per the *Public Libraries Act*, the majority of services provided by the LPL must be free of charge and accessible to everyone in the community. While this greatly benefits the community, it limits the LPL’s ability to raise funds in order to repay the loan. While traditionally a major source of public library

revenue, fines collected for overdue materials are now being considered a punitive measure that places barriers to access on users with limited means and is slowly being abandoned as a practice. Public libraries that have eliminated fines have seen an increase in the number of users of their services. Currently, the LPL does not collect fines from children 12 and under and is examining the possibility, through the identification of efficiencies, cost-savings and additional revenue options, of going completely fine free in the future.

POTENTIAL IMPACT ON THE COMMUNITY:

It is projected that in 2019, over 2.5 million Londoners will visit LPL’s 16 branches and over 4 million will access the LPL’s services virtually. In addition, 3.5 million items will be borrowed from its collections, 25,000 new users will register for cards, over 15,000 programs will be offered and be attended by over 200,000 users. If the LPL is required to meet the annual promissory note financial obligations and reduce the overall operating budget to the 1.5% target, the LPL will be forced to reduce the number of programs for all ages, delay important technology upgrades, struggle to sustain our collections, and possibly reduce hours of operation. Hence the services that Londoners have come to appreciate (and depend on in some cases) are at risk.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

By forgiving the loan, the LPL will continue to accomplish the priorities outlined in the City of London’s *2020-2023 Strategic Plan*:

- Londoners have access to the supports they need to be successful;
- Londoners are engaged and have a sense of belonging in their neighbourhoods and community;
- Londoners have access to services and supports that promote well-being, health, and safety in their neighbourhoods and across the City;
- London’s neighbourhoods have a character and sense of place.

However, without the loan forgiveness, the LPL’s ability to accomplish these priorities will be negatively impacted, if not eliminated, due to public service cuts within the organization.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000’s)	\$ -	\$ -	\$ -	\$ -



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
 BUSINESS CASE # 30 – Wi-Fi Hotspot Lending Program

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Wi-Fi Hotspot Lending Program
SERVICE(S): London Public Library
LEAD: Michael J. Ciccone, Chief Executive Officer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	(\$47)	(\$47)	(\$47)	(\$47)	(\$188)
Annual Net Incremental Tax Levy	(\$47)	\$0	\$0	\$0	(\$47)
Estimated Tax Levy Impact %	(0.01%)	0.0%	0.0%	0.0%	0.0% (Average)
Estimated Tax Payer Impact (Dollars) ¹	(\$0.22)	(\$0.22)	(\$0.22)	(\$0.22)	(\$0.22) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

WI-FI HOTSPOT LENDING PROGRAM: POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

The Ontario Ministry of Heritage, Sport, Tourism and Culture Industries awarded a grant to the London Public Library (LPL) in 2018 to purchase and offer a Wi-Fi Hotspot Lending Program (“Hotspot”) to the public. The need and intent was to break down the divide between those who can and cannot afford regular high-speed internet access:

- Students who may not have the technology at home to access the online resources and help they need to succeed;
- Newcomers to Canada who need assistance quickly finding helpful connections and language resources;
- Seniors who are on a fixed income that need access to key government resources and to stay connected with loved ones, and
- Adults who are unable to afford internet at home to learn new skills, find cultural enrichment and have access to the technology and knowledge now needed to communicate, find employment and fully participate in our society.

The pilot project began in June 2018. Initially, the Hotspots cost approximately \$50 each for the hardware plus a \$50/month subscription fee (per Hotspot) for airtime. The Hotspots are loaned to library patrons for 3 weeks. The Hotspot Internet signal is very strong and can be used by several family members at one time.

Due to the overwhelming popularity of the Hotspots, the LPL Fund Development team piloted a fundraising project in the Fall of 2018 to raise funds for the “Connect Project.” A direct mail campaign was sent to over 10,000 Library users asking them to contribute to purchasing Wi-Fi Hotspots that are loanable from the Library. The campaign raised \$30,000 that allowed for the additional purchase of 25 Hotspots to this pilot project in January 2019. The intent was to raise the necessary funds to purchase the devices and see what the circulation rate was in order to determine the success of the program.

As a result, the Hotspots are a service enhancement that was not included in the previous four year budget and has been included in the 2020-2023 operating budget for the LPL. If a budget reduction is sought and an alternative source of financing cannot be secured, the LPL will have to reduce or eliminate this highly successful program.

POTENTIAL IMPACT ON THE COMMUNITY:

LPL has 75 Hotspots for loan to the public. Since the introduction of the service in June 2018, the Hotspots have been in high demand, having been borrowed 1,096 times (each device is on loan for 3 weeks.) As of November 2019, there are 163 holds on the devices – as soon as one is checked in, it goes right back out. As designed, the Hotspots have enabled London residents who cannot afford the monthly Internet subscription fee to have reliable high-speed internet service at home.

Some success stories from users of the Hotspot program:

- Ashley, a recent graduate, cannot afford Internet at home due to student loan debt. She relies on the Hotspots to have Internet access at home, even if only for 3 weeks.
- Courtney was one of the first borrowers of the new Hotspots available for loan from the Library. She's a Fanshawe student who did not have any Internet access at home. She uses this device to help her connect to the people she loves the most; her family. Courtney works on weekends to support her studies and attends classes during the week, making it very difficult for her to visit her family and home outside of London. Not being able to afford a phone means she doesn't get to talk to her Mom as often as she would like. She's going to make up for it by connecting online when a Hotspot is available.
- Dave has not been able to find a permanent position. He takes temporary assignments with long hours. He does not earn enough to afford Internet access at home. Due to the nature of his shift schedule, he often cannot get to the Library to use the computers to assist with his job search. Having access to the Internet provided by the Hotspot means that he can search for work and submit applications at whatever hour of day he can find time.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

The Wi-Fi Hotspot lending program allows the LPL to continue to accomplish the following priorities, as outlined in the City of London's 2020-2023 Strategic Plan;

- Londoners have access to the supports they need to be successful;
- Londoners are engaged and have a sense of belonging in their neighbourhoods and community;

Without this program, Londoners will continue to experience the digital divide that the Hotspots have helped to alleviate. The Hotspots have been borrowed 1,096 times during the course of the project. However, this statistic does not fully capture the success of the program as several people within the same home can use the same Hotspot at the same time for the 3 week loan period.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000's)	\$ -	\$ -	\$ -	\$ -



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
BUSINESS CASE # 31 – Multi-Residential Sector Fee Increase for Waste Collection

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Multi-Residential Sector Fee Increase for Waste Collection
SERVICE(S): Garbage, Recycling & Composting – Environmental & Engineering Services
LEAD: Kelly Scherr, Managing Director, Environmental and Engineering Services & City Engineer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	\$0	(\$150)	(\$300)	(\$450)	(\$900)
Annual Net Incremental Tax Levy	\$0	(\$150)	(\$150)	(\$150)	(\$450)
Estimated Tax Levy Impact %	0.0%	(0.02%)	(0.02%)	(0.02%)	(0.02%) (Average)
Estimated Tax Payer Impact (Dollars) ¹	\$0	(\$0.70)	(\$1.41)	(\$2.11)	(\$1.05) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

INCREASE FEES FOR WASTE COLLECTION (MULTI-RESIDENTIAL SECTOR): POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

The City of London currently provides waste collection and recycling services to the majority of multi-residential (high-rise) buildings in London. Waste (garbage) collection and disposal service is provided to approximately 725 buildings representing about 56,000 units. Recycling service is provided to approximately 700 buildings representing about 54,000 units.

Waste collection and disposal is provided twice per week for the majority of larger buildings. Some buildings do manage to have just one collection per week. Buildings owners are responsible for either renting bins from the City or providing their own. Promotion, education and awareness is provided by the City. The annual net cost for waste collection in 2018 was approximately \$1.2 million with approximately \$440,000 recovered in bin rental fees (\$25 per bin per month) and second pick-up fees (\$4.50 per unit per year or approximately 9 cents per pick-up for the second pick-up). There is no separate direct charge for waste disposal. Based on the above details, building and condo owners pay directly about 37% of the cost of collection and if waste disposal fees were included, the amount would be about 22%. The remainder of waste collection and disposal costs are paid for by taxes (which includes a portion of taxes paid by building and condo owners). The table below provides the estimated direct cost recovery if the increase fees are approved:

Table 1 – Estimated Multi-Residential Cost Recovery

	2019	2020	2021	2022	2023
Waste Collection	37%	37%	47%	58%	70%
Waste Collection & Disposal	22%	22%	29%	36%	43%

Recycling collection is provided once per week. Building and condo owners are responsible for providing (including payment of) recycling carts. Recycling collection, processing and marketing of recyclable materials is provided by the City (under contract). Promotion, education and awareness is provided by the City. The annual net recycling cost in 2018 was \$280,000 or approximately \$5 per unit. In 2019, this is expected to increase to \$450,000 or approximately \$8 per unit. There are no direct payments made by building and condo owners towards collection, processing and marketing for recycling. Net recycling costs are paid for by taxes (which includes a portion of taxes paid by building and condo owners).

There is a potential to increase revenue/fees for waste collection by \$150,000 per year in each of the following years 2021, 2022, 2023 (total increase of \$450,000 over 3 years).

Additional cost recovery details and a methodology for recovering costs would be worked out with building and condo owners in 2020 and approved by

Council for implementation in 2021. Based on the experience the last time increased cost recovery was discussed (i.e. the addition of an additional pick-up fee for the second pick-up), approximately 6 months will be required to develop and discuss a methodology with the various stakeholders. During these discussions, the potential role of charging for a portion of recycling services could be considered to offset some fees for garbage collection and disposal.

POTENTIAL IMPACT ON THE COMMUNITY:

Londoners living in multi-residential buildings currently pay taxes indirectly through rental fees to the building owner. Londoners living in condominium buildings pay taxes directly to the City. In a rental building, it is not known at this time how these increased fees would be handled and/or passed along to tenants. In a condominium, these fees would likely increase condo maintenance fees then be charged back to each condo owner. These additional costs will have various impacts across London on London businesses, tenants and condo owners.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

A service reduction may be viewed negatively and not consistent with the Plan’s expected result: “Increase community and resident satisfaction of their service experience with the City”. However, some will view this positively with respect to the Plan’s expected result: “Maintain London’s finances in a transparent and well-planned manner to balance equity and affordability over the long term”.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000’s)	\$ -	\$ -	\$ -	\$ -



**2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
BUSINESS CASE # 32 – Exhibitions and Programs Reductions**

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Exhibitions and Programs Reductions
SERVICE(S): Museum London
LEAD: Brian Meehan, Executive Director

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	(\$24)	(\$47)	(\$71)	(\$94)	(\$236)
Annual Net Incremental Tax Levy	(\$24)	(\$23)	(\$24)	(\$23)	(\$94)
Estimated Tax Levy Impact %	0.0%	0.0%	0.0%	0.0%	0.0% (Average)
Estimated Tax Payer Impact (Dollars) ¹	(\$0.11)	(\$0.22)	(\$0.33)	(\$0.44)	(\$0.28) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

EXHIBITIONS AND PROGRAMS REDUCTIONS: POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

Museum London's Multi-Year Budget was submitted with an average 2.8% increase over four years. Budget pressures beyond the Museum's control have necessitated a submission of an annual increase of \$23,500 (\$94,000 over 4 years) above the 1.5% target set by Council. The submitted budget is to maintain current services and the increase is largely comprised of: a \$20,000 increase in the City of London Facilities fee-for-service agreement with the Museum; a decrease of \$23,000 in the Ontario Arts Council annual grant; and a decrease in the Museum's endowment fund contribution in order to meet the conditions defined by the fund.

As 75% of the Museum's budget is required to meet contractual obligations, reducing the budget to meet the 1.5% target would mean reducing or eliminating exhibitions or programs.

POTENTIAL IMPACT ON THE COMMUNITY:

Any reductions could erode the core business of the Museum and, by not offering activities and events that encourage access by the widest and most diverse audience, draw fewer visitors. There would be less access to art and artifacts of local and regional historical significance and less space for local artists. Reductions to exhibitions and programming could jeopardize funding opportunities from other sources as well as compromise partnership relationships and future opportunities to collaborate with other organizations.

1. Marking Museum London's 80th Anniversary

In 2020, Museum London celebrates a pair of important milestones: the 80th anniversary of the establishment of Museum London, and the 40th anniversary of completion of the Museum's distinct building at the Forks. Plans were underway to mark these anniversaries with an important exhibition in the fall of 2020, and an accompanying publication. The purpose of the exhibition and publication would be to celebrate the Museum's art collection, its history, and the vital and multigenerational involvement of the London community in building and sustaining the collection. A reduction of budget would impact the Museum's ability to properly mark the community's involvement in the institution's collection history.

2. Collaborative Projects with other Community Institutions

In 2021, Museum London is planning to launch a major exhibition and publication, *GardenShip and State: Art and the Environment* with Western University's Department of Visual Arts. The exhibition brings together contemporary artists, curators, and academics to examine how art can help create and disseminate knowledge about the complex intertwining of socio-cultural and ecological systems in the age of climate change. The exhibition brings together 18 Indigenous and settler collaborators from London and across the country, toward a major exhibition of work by contemporary local and national artists. A reduction of budget would affect the Museum's ability to commit its full resources to this ambitious and timely project. In 2021, Museum London is

also planning to collaborate with the Grand Theatre, in celebration of the Grand’s 120th anniversary. The exhibition would be the first to focus on the Grand’s rich history, with specific focus being given to the shadowy Ambrose Small, the mercurial London theatre magnate who disappeared suddenly and without a trace in December 1919. Small remains a fascinating and popular figure today, both within London and beyond. Museum London had also been exploring opportunities to commission a London artist, or artists, to work in creative collaboration with the Grand on a major theatrical production about Ambrose Small. A reduction of budget would affect the Museum’s ability to contribute to this important cross-institutional partnership.

3. Exhibition Space Dedicated to Local Artists

In 2020, Museum London is planning to launch a new exhibition series entitled *Spotlight* in the flex space gallery that focuses exclusively on local emerging artists and under-recognized senior artists. Featuring the work of three or four artists each year, *Spotlight* would highlight the contributions of young curators, writers, and cultural workers, likewise drawn from the community. The purpose of *Spotlight* is to ensure the work of local living artists whose work may not yet be in the collection have opportunity to showcase their work to the community. A reduction of budget would require the Museum to revisit this exhibition programming initiative.

4. Regional Loans

When it is safe to do so, Museum London is proud to make its visual art and material culture collections available to other institutions. These borrowers range from major institutions like the National Gallery of Canada and Art Gallery of Ontario to small local sister institutions, such as The Royal Canadian Regiment Museum and the Elgin County Museum. Toward ensuring the visual arts and material culture of London are accessible to as many audiences as possible, Museum London has made every effort to make costs associated with loans modest, if not non-existent, especially for the smaller local and regional organizations. A reduction of the budget would require the Museum to revisit this policy.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

Strengthening Our Community: reducing or eliminating some exhibitions or programs reduces access to inclusive and diverse community-focused art and history exhibitions and interpretive programming.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000's)	\$ -	\$ -	\$ -	\$ -



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET
 BUSINESS CASE # 33 – Reduce Road Network Improvements for Minor Streets

BUSINESS CASE TYPE: Potential Net Levy Reduction
DESCRIPTION: Reduce Road Network Improvements for Minor Streets
SERVICE(S): Roadway Planning & Design
LEAD: Kelly Scherr, Managing Director, Environmental and Engineering Services & City Engineer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	(\$800)	(\$800)	(\$800)	(\$800)	(\$3,200)
Annual Net Incremental Tax Levy	(\$800)	\$0	\$0	\$0	(\$800)
Estimated Tax Levy Impact %	(0.13%)	0.0%	0.0%	0.0%	(0.03%) (Average)
Estimated Tax Payer Impact (Dollars) ¹	(\$3.75)	(\$3.75)	(\$3.75)	(\$3.75)	(\$3.75) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

REDUCE ROAD NETWORK IMPROVEMENTS FOR MINOR STREETS: POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

This business cases represents a reduction to previously planned capital investments for road improvements on minor streets. Minor streets are classified as neighbourhood streets and neighbourhood connectors. The projects delivered in this program are pavement rehabilitation on residential neighbourhood streets that are in poor condition combined with curb repairs, sidewalk upgrades and new sidewalk connections.

The 2019 Corporate Asset Management Plan identifies a Transportation Services infrastructure gap of \$223.6 M, or 39% of the total corporate infrastructure gap. Within the transportation assets are 2,000 lane-km of minor roads which have a replacement value of over \$900 M. A quarter of these minor streets are in poor condition and require near-term rehabilitation. While the magnitude of the transportation infrastructure gap is significant, progress has been made managing the gap due to strategic investments in the past Multi-Year Budget. The gap has been reduced by 18% when compared to the value calculated in the 2013 State of the Infrastructure Report.

The recent infrastructure gap investments increased the funding for minor street improvements to enable a larger program and earlier construction of projects planned in the multi-year program. This business case represents a reduction in the program of an average of two neighbourhood street projects annually.

POTENTIAL IMPACT ON THE COMMUNITY:

The condition of neighbourhood streets influences resident satisfaction with community infrastructure. Reductions to funding reduces the quality of roads and leads to an increase in roughness, cracking, potholes and accessibility. Delayed rehabilitation also interrupts a cost effective lifecycle plan which may require more expensive reconstruction sooner than necessary, leading to an increase in the Transportation Services infrastructure gap. Without these investments, the operating budget related to operations and maintenance will increase as the assets deteriorate.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

London has adopted a Strategic Plan that identifies Building a Sustainable City as a priority. Managing the infrastructure gap for all assets is an expected result. Reducing the previously identified investments that target the infrastructure gap will slow the progress being made on the management of the transportation infrastructure gap.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000's)	\$ -	\$ -	\$ -	\$ -



2020 – 2023 CITY OF LONDON MULTI-YEAR BUDGET BUSINESS CASE # 34 –

Transfer portion of Conservation Authority costs to Wastewater & Treatment Budget

BUSINESS CASE TYPE: Potential Net Levy Reduction

DESCRIPTION: Transfer portion of Conservation Authority costs to Wastewater & Treatment Budget

SERVICE(S): Upper Thames River Conservation Authority / Lower Thames Valley Conservation Authority / Kettle Creek Conservation Authority / Wastewater & Treatment

LEAD: Kelly Scherr, Managing Director, Environmental & Engineering Services and City Engineer

Business Case Tax Levy Impact (\$000's)	2020	2021	2022	2023	2020-2023 TOTAL
Annual Net Requested Tax Levy	(\$2,788)	(\$2,854)	(\$2,921)	(\$2,991)	(\$11,554)
Annual Net Incremental Tax Levy	(\$2,788)	(\$66)	(\$67)	(\$70)	(\$2,991)
Estimated Tax Levy Impact %	(0.46%)	(0.01%)	(0.01%)	(0.01%)	(0.12%) (Average)
Estimated Tax Payer Impact (Dollars) ¹	(\$13.06)	(\$13.37)	(\$13.69)	(\$14.01)	(\$13.53) (Average)

Note 1: Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of future tax policy).

TRANSFER PORTION OF CONSERVATION AUTHORITY COSTS TO WASTEWATER & TREATMENT BUDGET: POTENTIAL REDUCTION

OVERVIEW OF POTENTIAL REDUCTION:

The proposed reduction would transfer the cost of the stormwater-related services provided by the Conservation Authorities to wastewater rates. A high level analysis of each of the conservation authorities 2019 budgets was undertaken to determine, based on publicly available budget documents, what portion of the net levy is related to stormwater activities. The portions of the Conservation Authorities' levies related to stormwater include:

<p><i>Lower Thames Valley Conservation Authority</i></p> <ul style="list-style-type: none"> • Flood Control Structures • Erosion Control 	<p><i>Upper Thames River Conservation Authority</i></p> <ul style="list-style-type: none"> • Water and Information Management • Watershed Planning, Research, Monitoring
<ul style="list-style-type: none"> • Flood Forecasting and Warning • Technical Studies • Watershed Monitoring • Thames Mouth Debris Removal • Phosphorus Reduction 	<p><i>Kettle Creek Conservation Authority</i></p> <ul style="list-style-type: none"> • Flood Forecasting and Warning • Dam Maintenance • Subwatershed Rehabilitation • GIS and Data Management

Based on this analysis it is estimated that 60% of the Conservation Authority levy could be funded through Wastewater & Treatment rates.

POTENTIAL IMPACT ON THE COMMUNITY:

The proposed reduction represents a financial policy decision to transfer stormwater-related Conservation Authority costs from the tax-supported budget to user fees (wastewater rates). The change would require a corresponding increase in the wastewater rates which were approved by Council on November 26, 2019. These costs are not currently reflected in the tabled multi-year + wastewater budget.

The Wastewater & Treatment rate increases proposed in the tabled budget would need to be amended to:

January 1, 2020	April 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
2.5%	3.5%	2.5%	2.5%	2.5%

Increasing the wastewater rates in April 2020 by a further 3.5% would mean the average residential wastewater customer will pay an additional \$16 per year.

IMPLICATIONS FOR THE 2019-2023 STRATEGIC PLAN:

There will be no impact to any priorities outlined in the 2020-2023 Strategic Plan as the overall funding for the Conservation Authorities' levies will not change as a result of this business case.

Staffing Table

Staffing Summary (Cumulative Changes)	2020	2021	2022	2023
# of Full-Time Employees Impacted	-	-	-	-
# of Full-Time Equivalents Impacted	-	-	-	-
Full-Time Equivalents Cost (\$000's)	\$-	\$-	\$-	\$-