

# Strategic Priorities and Policy Committee

## Report

1st Meeting of the Strategic Priorities and Policy Committee  
December 17, 2019

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

**ABSENT:** P. Squire

**ALSO PRESENT:** M. Hayward, G. Bailey, A.L. Barbon, B. Barr, B. Card, B. Coxhead, S. Datars Bere, J. Davies, A. Dunbar, J. Fleming, M. Galczynski, M. Guzy, G. Kotsifas, L. Livingstone, P. McKague, B. Martin, J. Millson, D. O'Brien, B. O'Hagan, C. Saunders, K. Scherr, M. Schulthess, C. Smith, S. Stafford, B. Westlake-Power, P. Yeoman

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

### 1. Disclosures of Pecuniary Interest

That it BE NOTED that some Members advised of potential pecuniary interests that would be noted specifically throughout the 2020-2023 Multi-Year Budget consideration process.

### 2. Consent

#### 2.1 Review of City Services for Potential Reductions and Eliminations - Downtown and Industrial Lands Community Improvement Plans (CIPs)

Moved by: J. Helmer  
Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Planning and City Planner, the staff report dated December 17, 2019 with respect to reviewing the development charges grant programs available through the City of London's Downtown and Industrial Lands Community Improvement Plans to consider a reduced level of subsidy BE RECEIVED for information;  
it being noted that the Strategic Priorities and Policy Committee received a delegation from C. Butler with respect to this matter.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Peloza, A. Kayabaga, and S. Hillier  
Absent: (1): P. Squire

**Motion Passed (14 to 0)**

Additional votes:

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

That the request for delegation status from C. Butler BE APPROVED to be heard at this time.

Yeas: (13): M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, A. Kayabaga, and S. Hillier

Nays: (1): Mayor E. Holder

Absent: (1): P. Squire

**Motion Passed (13 to 1)**

### **3. Scheduled Items**

#### **3.1 Tabling of the 2020-2023 Multi-Year Budget (Tax Supported, Water and Wastewater and Treatment)**

That the following actions be taken with respect to the Draft 2020-2023 Multi-Year Budget, including the Tax-Supported Operating, Capital, Water and Wastewater Treatment Budgets:

a) the Draft Budget documents BE RECEIVED and BE REFERRED to the 2020-2023 Multi-Year Budget process;

b) the attached overview presentation by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer BE RECEIVED; and,

c) the City Clerk BE DIRECTED to make the necessary arrangements to schedule a second Public Participation Meeting at a Strategic Priorities and Policy Committee meeting to be held on Thursday, February 13, 2020 commencing at 6:00 PM, to receive further public input regarding the 2020-2023 Multi-Year Budget;

it being noted that the following documents were provided to the Members, and are available on the City website: the 2020-2023 Draft Tax Supported Budget; 2020-2023 Draft Water and Wastewater & Treatment Budget and 2020-2023 Draft Business Cases.

**Motion Passed**

Voting Record:

Moved by: Mayor E. Holder

Seconded by: S. Lehman

That the following actions be taken with respect to the Draft 2020-2023 Multi-Year Budget, including the Tax-Supported Operating, Capital, Water and Wastewater Treatment Budgets:

a) the Draft Budget documents BE RECEIVED and BE REFERRED to the 2020-2023 Multi-Year Budget process;

b) the attached overview presentation by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer BE RECEIVED.

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

Absent: (1): P. Squire

**Motion Passed (14 to 0)**

Moved by: J. Morgan  
Seconded by: J. Helmer

That the City Clerk BE DIRECTED to make the necessary arrangements to schedule a second Public Participation Meeting at a Strategic Priorities and Policy Committee meeting to be held on Thursday, February 13, 2020 commencing at 6:00 PM, to receive further public input regarding the 2020-2023 Multi-Year Budget.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, A. Kayabaga, and S. Hillier  
Absent: (1): P. Squire

**Motion Passed (14 to 0)**

Moved by: J. Morgan  
Seconded by: S. Lewis

That the committee recess at this time for fifteen minutes.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, A. Kayabaga, and S. Hillier  
Absent: (1): P. Squire

**Motion Passed (14 to 0)**

3.2 Delegation - Bill Rayburn, CAO, Middlesex County and Chair of the Middlesex-London Emergency Services Authority

Moved by: S. Turner  
Seconded by: S. Hillier

That the following actions be taken with respect to the 2020-2023 Middlesex-London Paramedics Services Budget, submitted by Middlesex County:

- a) the Mayor BE REQUESTED to submit a letter to Middlesex County Council seeking:
  - i) consideration that any approved increases to the Middlesex-London Paramedic Services Budget not exceed the percentage increase provided for by the Ministry of Health; and,
  - ii) the current funding ratio for the Province and the municipalities for the provision of services be maintained;
- b) the Mayor BE REQUESTED to submit a letter to the Minister of Health seeking clarification as to the level of funding that would be provided for inflationary and service level increases for the provision of paramedic services;
- c) the Civic Administration BE DIRECTED to investigate and report back through the Community and Protective Services Committee, on options that might be available to the City of London to increase the City's involvement in the management oversight and service delivery functions of the Middlesex-London Paramedic Services; and
- d) the attached presentation from the Chief Administrative Officer of the County of Middlesex and the Chair of the Middlesex-London Emergency Services Authority BE RECEIVED.

Yeas: (14): Mayor E. Holder, M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelosa, A. Kayabaga, and S. Hillier  
Absent: (1): P. Squire

**Motion Passed (14 to 0)**

**4. Items for Direction**

None.

**5. Deferred Matters/Additional Business**

None.

**6. Adjournment**

The meeting adjourns at 7:26 PM.



## Budget Tabling

### Strategic Priorities and Policy Committee

December 17, 2019

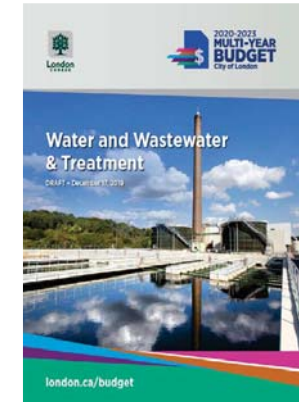


## Agenda

- Multi-Year Budget Process
- Refresher – Council Approved Budget Targets & Provincial Impacts
- Overview of the Tabled 2020-2023 Multi-Year Budget
- 2020-2023 Multi-Year Budget Decision Points
- 2020-2023 Multi-Year Budget Impact
- Linking the Budget to Tax Policy
- Key City of London Financial Principles
- Operating Budget Overview
- Capital Budget Overview
- Additional Investments Overview
- Water and Wastewater & Treatment Overview
- Key Dates & Upcoming Public Engagement
- Budget Administrative Matters

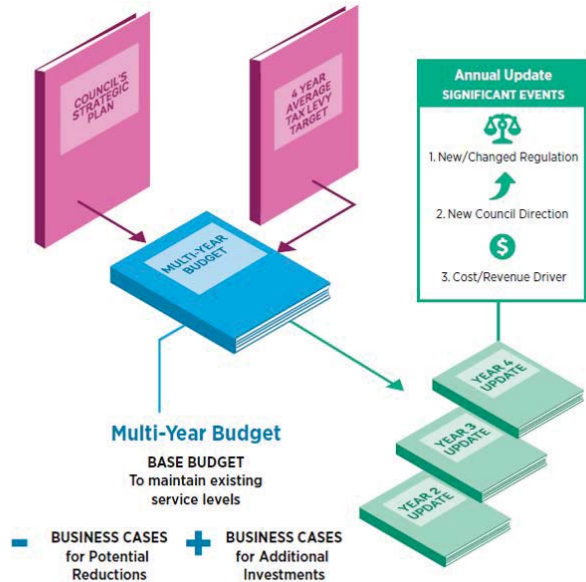


## Budget Documents



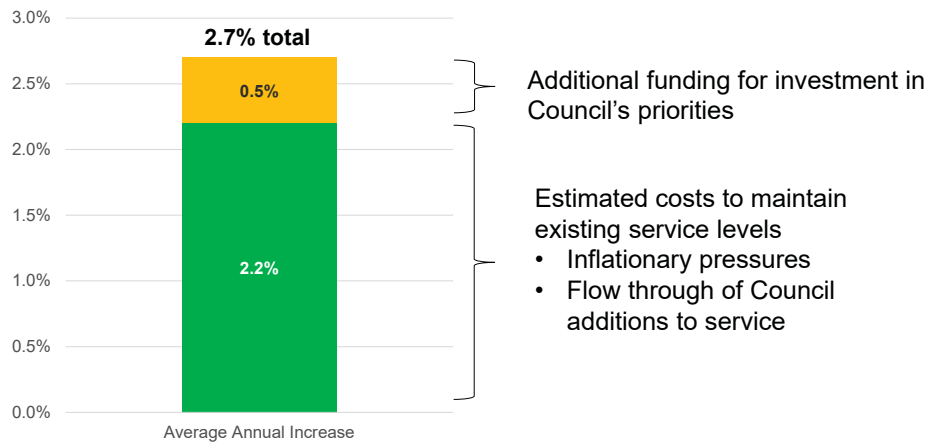
## Multi-Year Budget Process

# The Multi-Year Budget Cycle at the City of London



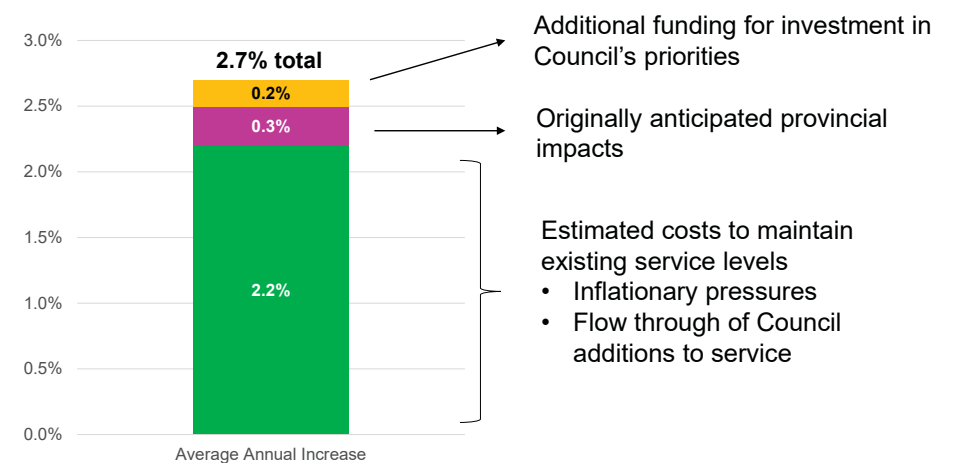
## Refresher – Council Approved Budget Targets & Provincial Impacts

## Council-Approved 2020-2023 Multi-Year Budget Target (May 2019)



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

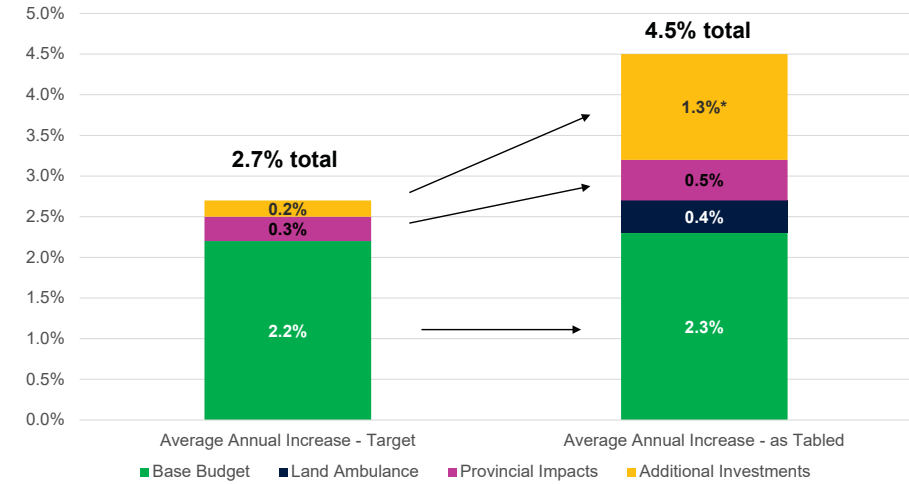
## Originally Anticipated Impact of Provincial Changes (June 2019)



Provincial impacts were expected to limit the capacity for additional investments

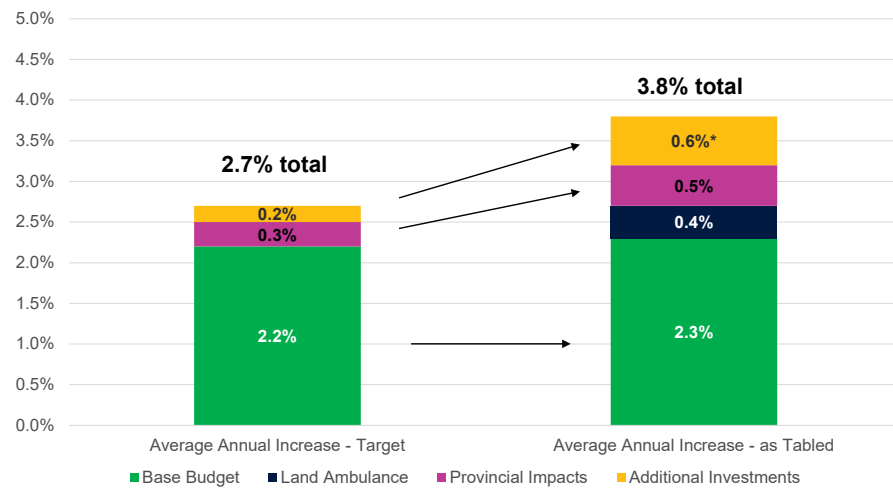
## Overview of Tabled 2020-2023 Multi-Year Budget

## Summary of Tabled Budget



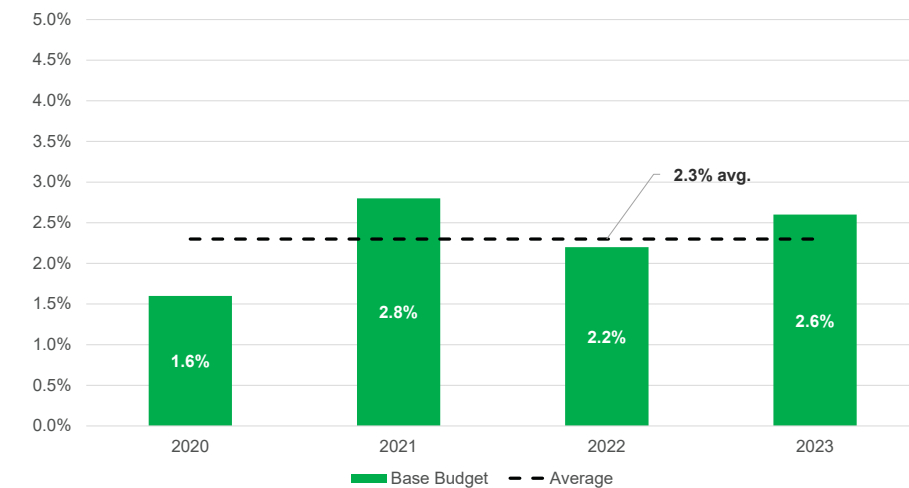
\* If **all** Additional Investment Business Cases are approved.

## Summary of Tabled Budget

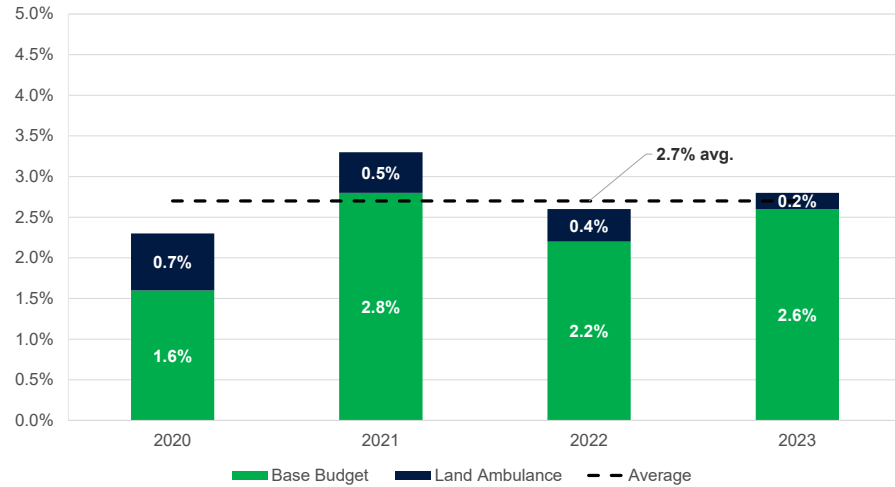


\* If **Administratively Prioritized** Additional Investment Business Cases are approved.

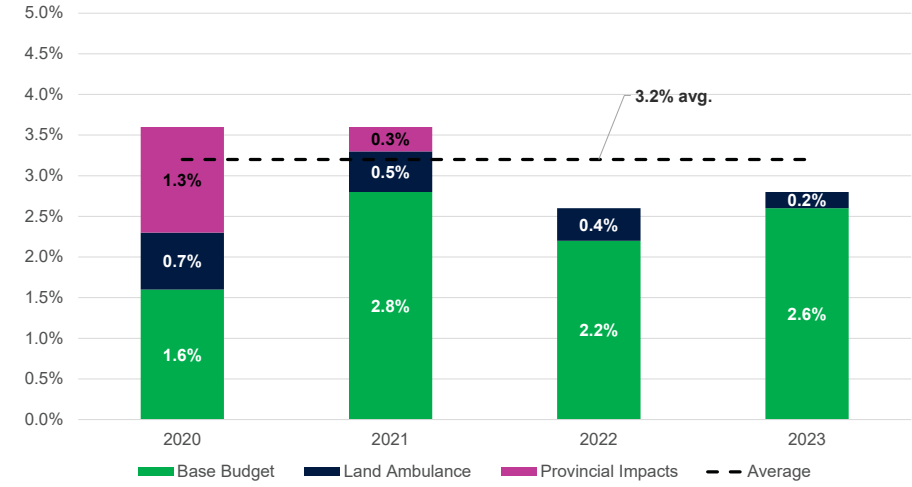
## Base Budget Excluding Land Ambulance & Provincial Impacts



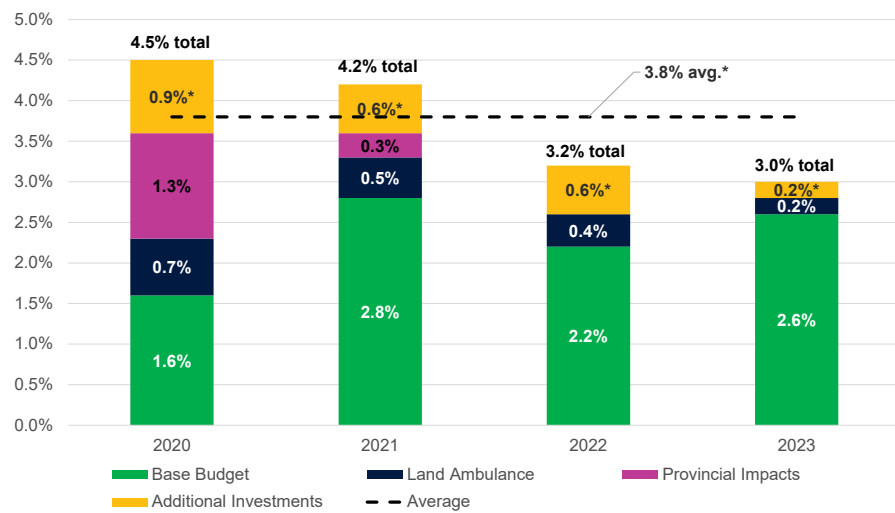
## Base Budget Including Land Ambulance



## Base Budget Including Land Ambulance & Provincial Impacts



## Total Budget Impact with Administratively Prioritized Additional Investment Business Cases



\* If **Administratively Prioritized** Additional Investment Business Cases are approved.

## 2020-2023 Multi-Year Budget Decision Points



## 2020-2023 Multi-Year Budget Decision Points (pg. 34)

Decision Point	Recommended	For 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%
<b>Subtotal: Net Base Budget (Maintain Existing Service Levels)</b>	<b>2.8%</b>	<b>0.4%</b>	<b>3.2%</b>
Decision Point	Administratively Prioritized	For Consideration	Potential 2020-2023 Average Levy Increase
3: Potential Net Levy Reductions	TBD	TBD	TBD
4: Additional Investments	0.6%	0.7%	1.3%
Decision Point	Recommended / Administratively Prioritized	For Consideration	Potential 2020-2023 Average Levy Increase
<b>Total Tax Levy Increase</b>	<b>3.4%</b>	<b>1.1%</b>	<b>4.5%</b>

## Measures Already Taken to Minimize Proposed Tax Levy Increase (pg. 35)

Reduction	2020-2023 Average Tax Levy Impact*
Debt Servicing Costs	-0.3%
Reserve Fund Contributions (reductions outlined in Oct. 28 <sup>th</sup> SPPC report)	-0.1%
Anticipated Position Vacancy Savings	-0.1%
Elimination of Planned 2023 Increase to Capital Levy	-0.1%
Adjustments by Civic Service Areas	-0.0%
London Police Service Reduction to Original Budget Request	-0.0%
<b>Total Reductions Included in 2020-2023 Multi-Year Budget</b>	<b>-0.7%</b>

\* Rounded to the nearest one-tenth of one percent.

Represents approx. \$4.3M/year of average annual savings.

Average annual tax levy increase for the Base Budget (including Land Ambulance and Provincial Impacts) would have been 3.9% instead of 3.2% without these adjustments.

## Decision Point 3: Opportunities for Potential Net Tax Levy Reductions

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:*

[...]

*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;*

**Business Cases to support potential tax levy reduction opportunities will be included in a report to the Strategic Priorities and Policy committee at the Jan. 7<sup>th</sup> 2020 meeting**

## Decision Point 4: Additional Investments (pg. 41)

Decision Point	Administratively Prioritized	For Consideration	Potential 2020-2023 Average Levy Increase
4: Additional Investments	0.6%	0.7%	1.3%

- There are **25** additional investment business cases included in the Business Case package; some have multiple parts
- Recognizing the budgetary pressures facing the City, Civic Administration has categorized these business case as "administratively prioritized" and "for consideration"
- The "administratively prioritized" category is aimed at maintaining the previous guidance of approx. 0.5% to be invested in new initiatives as per May 2019 target-setting report
- **Notwithstanding Civic Administration's categorization, Council can choose to approve any of these 25 business cases**

## 2020-2023 Multi-Year Budget Impact & Comparisons

## Average Taxpayer Impact – Budget to Maintain Existing Service Levels

### Budget to Maintain Existing Service Levels (Recommended Base Budget + Provincial Impacts for Council's Consideration)

IMPACT TO RATE PAYERS	2019	2020	2021	2022	2023	2020-2023 AVERAGE
<b>AVERAGE ASSESSED RESIDENTAL PROPERTY VALUE: 241,000</b>						
Total Potential Increase		3.6%	3.6%	2.6%	2.8%	3.2%
Additional Cost for Base Budget		103	107	78	88	94
Total Potential Cost of Municipal Services	2,842	2,945	3,052	3,130	3,218	3,086

Subject to rounding.

Includes Decision Points 1A, 1B & 2

## Average Taxpayer Impact – Including Administratively Prioritized Additional Investments

### Maintain Existing Service Levels + Additional Investments Administratively Prioritized

IMPACT TO RATE PAYERS	2019	2020	2021	2022	2023	2020-2023 AVERAGE
<b>AVERAGE ASSESSED RESIDENTAL PROPERTY VALUE: 241,000</b>						
Total Potential Increase		4.6%	4.2%	3.2%	3.0%	3.8%
Additional Cost for Base Budget		103	107	78	88	94
Additional Investments: Administratively Prioritized		26	20	20	8	19
Total Additional Impact:		129	127	98	96	113
Total Potential Cost of Municipal Services	2,842	2,971	3,098	3,196	3,292	3,139

Subject to rounding.

Includes Decision Points 1A, 1B, 2 & 4 (Admin. Prioritized)

## Average Taxpayer Impact – Including All Additional Investments

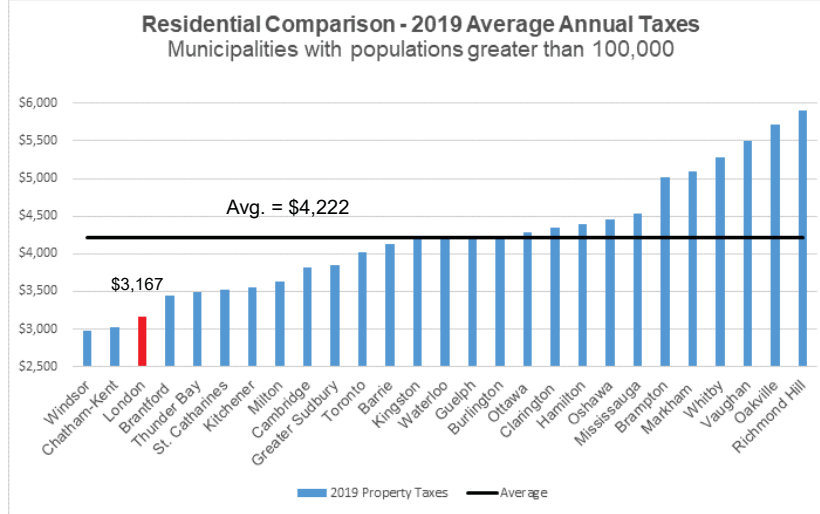
### Maintain Existing Service Levels + All Additional Investments

IMPACT TO RATE PAYERS	2019	2020	2021	2022	2023	2020-2023 AVERAGE
<b>AVERAGE ASSESSED RESIDENTAL PROPERTY VALUE: 241,000</b>						
Total Potential Increase		6.0%	4.8%	3.6%	3.4%	4.5%
Additional Cost for Base Budget		103	107	78	88	94
Additional Investments: Administratively Prioritized		26	20	20	8	19
Additional Investments: For Consideration		40	19	15	15	22
Total Additional Impact:		169	146	113	111	135
Total Potential Cost of Municipal Services	2,842	3,011	3,157	3,270	3,381	3,205

Subject to rounding.

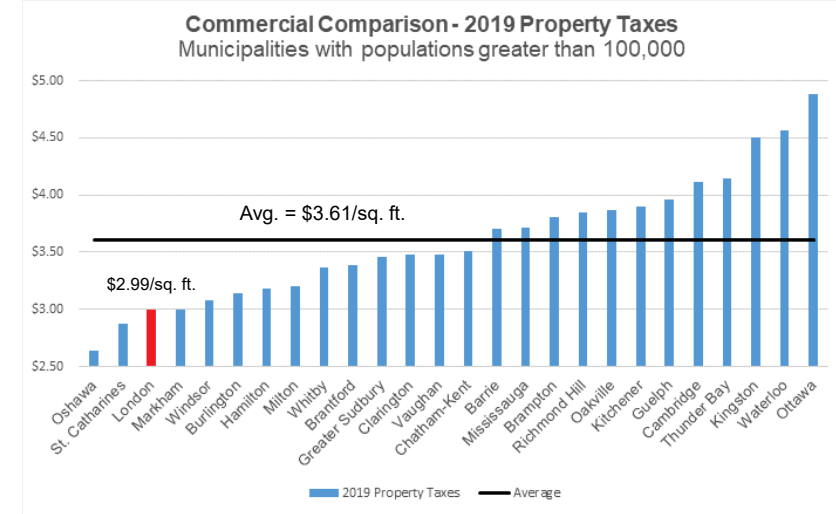
Includes Decision Points 1A, 1B, 2, 4

## How Does London Compare – Residential (pg. 29)



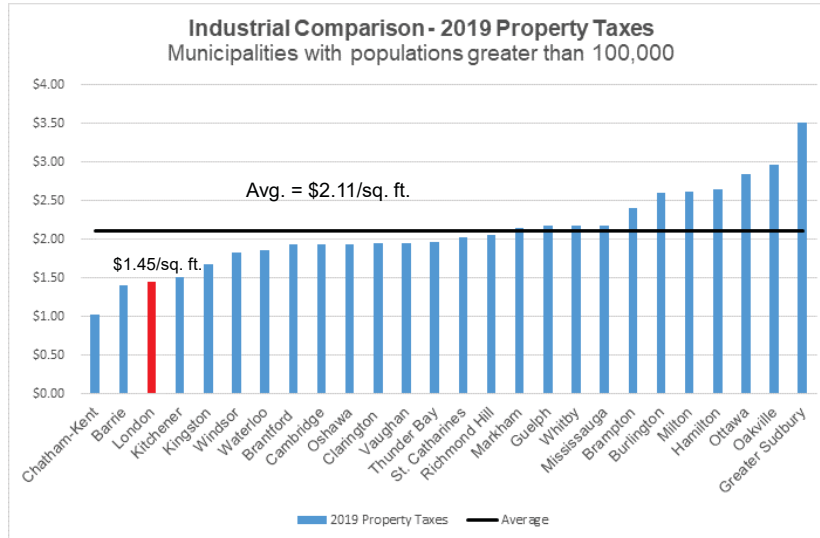
Source: 2019 BMA Study - BMA's average residential taxes figure is calculated by dividing the total assessment for the residential property codes by the number of properties in those codes.

## How Does London Compare – Commercial (pg. 29)



Source: 2019 BMA Study - Office Building Class – Selection was focused on buildings in prime locations within the municipality. Comparison of taxes on a per square foot of gross leasable area basis.

## How Does London Compare – Industrial (pg. 29)



Source: 2019 BMA Study - Standard Industrial – Under 125,000 sq. ft. Comparison of taxes on a per square foot of floor area basis.

Linking the Budget to Tax Policy

## Tax Policy

- The actual year over year tax levy increase for a particular property is determined by multiple factors, only two of which are controlled by the City:

- |                |   |  |
|----------------|---|--|
| Controllable   | { | <ul style="list-style-type: none"> <li>Council approved budget increase</li> <li>Council approved tax policy</li> </ul>  |
| Uncontrollable | { | <ul style="list-style-type: none"> <li>Education tax policy (Provincial)</li> <li>Change in assessed value of the property (determined by MPAC – an independent not-for-profit corporation)</li> <li>Other Provincial legislation (e.g. introduction of new classes, requirements for the capping of increases, etc.)</li> </ul> |

- If the assessed value of a property increases more or less than the class average, the increase will change accordingly
- Tax policy is approved separately **after** budget approval

## Impact of Tax Policy Decisions – 2016-2019 Multi-Year Budget (pg. 30)

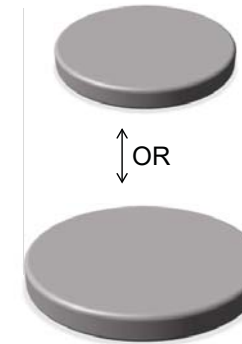
BEFORE TAX POLICY DECISIONS	2016	2017	2018	2019	Avg.
Net Property Tax Supported Budget Increase	2.5%	2.9%	2.8%	2.7%	2.7%

AFTER TAX POLICY DECISIONS (including Education Tax)	2016	2017	2018	2019	Avg.
Residential	2.2%	1.1%	1.3%	1.2%	1.5%
Multi-Residential	2.7%	1.6%	1.8%	1.6%	1.9%
Commercial	0.7%	6.2%	4.8%	4.5%	4.1%
Industrial	0.3%	(1.3%)	0.6%	0.9%	0.1%

The budget process is only one element that determines the tax impact on a particular property in a given year

## Budget vs. Tax Policy - Illustrated

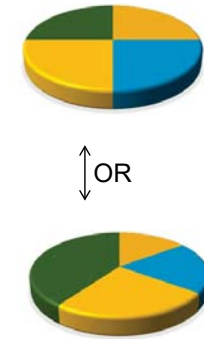
### NET EXPENDITURE BUDGET



“How big is the pie?”

Aggregate amount to be funded by taxpayers

### TAX POLICY



OR

“How is the pie sliced?”

Between property classes: residential, multi-residential, commercial, industrial, etc.

## Key City of London Financial Principles

## Key Financial Principles (pg. 22)

- View tax levy requirements on a long term basis (four year average) rather than focusing solely on a short-term annual basis.
- Council should avoid taking on services/programs where there is pressure to “fill in” for services/programs that have been reduced or discontinued by other levels of government.
- Use one-time money for one-time costs.
- Alternate sources of revenue should be considered to cover only those expenses that are linked to them. If the revenue disappears, so does the expense.

## Key Financial Principles (pg. 22) – cont'd

- Ensure Reserves and Reserve Funds are kept at an adequate level
- Strategic use of reserves/reserve funds to phase in expenditure impacts over a four-year budget, if necessary, should be removed, at minimum, by the last year of the Multi-Year-Budget period.

## Key Financial Principles (pg. 22) – cont'd

- When approving new initiatives, consider the total cost of the project, cash flow, operating costs after the initial completion of capital requirements, and the benefits to the community.
- Avoid taking on more/new services without reviewing business cases and considering long term exit strategies.
- The City of London should determine its own capital priorities. New infrastructure programs introduced by the federal and/or provincial governments should be assessed relative to the capital needs and priorities of the City and ability to fund these initiatives.

## Operating Budget Overview

## Decision Point 1A: Base Budget Excluding Land Ambulance & Provincial Impacts (pg. 36)

### Decision Point 1A: 2020-2023 Multi-Year Base Budget (\$000's)

**\*\*Excludes Land Ambulance & Provincial Budget Impacts\*\***

Service Program	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2020 - 2023 Net Increase/ (Decrease)	2020 - 2023 Average Annual Net % Increase/ (Decrease)
Culture	25,349	26,134	26,677	27,121	27,591	2,242	2.1%
Economic Prosperity	11,770	11,037	10,628	10,219	9,794	(1,976)	-4.5%
Environmental Services	22,886	24,719	26,403	26,535	26,733	3,846	4.0%
Parks, Recreation & Neighbourhood Services	36,886	37,133	37,290	37,470	37,636	750	0.5%
Planning & Development Services	8,807	9,051	9,187	9,282	9,247	440	1.2%
Protective Services	179,928	185,760	190,282	195,037	198,795	18,867	2.5%
Social & Health Services <sup>1</sup>	51,583	52,508	53,682	54,841	55,848	4,265	2.0%
Transportation Services	72,884	74,223	76,056	77,009	78,128	5,244	1.8%
Corporate, Operational & Council Services	66,076	66,707	67,710	68,800	69,475	3,399	1.3%
Financial Management	113,923	112,345	118,423	123,671	133,323	19,400	4.1%
<b>TOTAL</b>	<b>590,093</b>	<b>599,617</b>	<b>616,338</b>	<b>629,983</b>	<b>646,570</b>	<b>56,477</b>	<b>2.3%</b>
<b>Annual \$ Net Increase/ (Decrease)</b>		<b>9,524</b>	<b>16,721</b>	<b>13,645</b>	<b>16,587</b>		<b>14,119</b>
<b>Annual % Net Increase/ (Decrease)</b>		<b>1.6%</b>	<b>2.8%</b>	<b>2.2%</b>	<b>2.6%</b>		<b>2.3%</b>

Subject to rounding.

Notes

1. Social & Health Services excludes Land Ambulance.

## Decision Point 1B: Land Ambulance (pg. 36)

### Decision Point 1B: Land Ambulance (\$000's)

Service	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2020 - 2023 Net Increase/ (Decrease)	2020 - 2023 Average Annual Net % Increase/ (Decrease)
Land Ambulance	16,443	20,812	24,461	27,275	29,312	12,869	15.8%
<b>Annual \$ Net Increase/ (Decrease)</b>		<b>4,368</b>	<b>3,649</b>	<b>2,815</b>	<b>2,037</b>		<b>3,217</b>
<b>Annual % Net Increase/ (Decrease)</b>		<b>26.6%</b>	<b>17.5%</b>	<b>11.5%</b>	<b>7.5%</b>		<b>15.8%</b>

Subject to rounding.

Represents an average annual tax levy impact of approx. 0.4%

## Decision Point 2A: Recommended Provincial Impacts (pg. 37-38)

### Decision Point 2A: Summary of Provincial Budget Impacts Recommended (\$000's)

Service Program	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Parks, Recreation & Neighbourhood Services	-	-	392	404	410
Social & Health Services	-	610	610	610	610
<b>TO TAL</b>	<b>-</b>	<b>610</b>	<b>1,002</b>	<b>1,013</b>	<b>1,019</b>

Subject to rounding.

Represents an average annual tax levy impact of approx. 0.1%

## Decision Point 2B: Provincial Impacts For Consideration (pg. 38-39)

### Decision Point 2B: Summary of Provincial Budget Impacts for Consideration (\$000's)

Service Program	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Culture	-	14	14	14	14
Environmental Services	-	147	150	152	154
Parks, Recreation & Neighbourhood Services	-	75	1,705	1,705	1,705
Protective Services	-	639	639	639	639
Social & Health Services	-	1,212	1,488	1,737	1,812
Transportation Services	-	5,482	5,482	5,482	5,482
<b>TO TAL</b>	<b>-</b>	<b>7,568</b>	<b>9,477</b>	<b>9,727</b>	<b>9,805</b>

Subject to rounding.

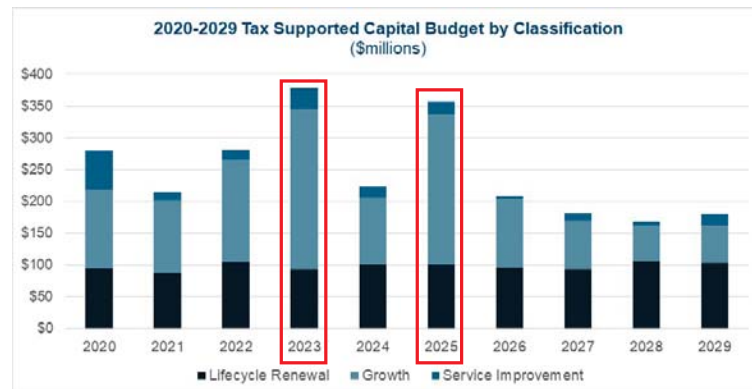
Represents an average annual tax levy impact of approx. 0.4%

## Capital Budget Overview

## Capital Budget Overview (pg. 43)

Capital Budget (\$ millions)	2020-2023 Multi-Year Budget	2020-2029 Capital Plan
Lifecycle Renewal	\$380 (33%)	\$978 (40%)
Growth	\$651 (56%)	\$1,293 (52%)
Service Improvement	\$122 (11%)	\$199 (8%)
<b>Total</b>	<b>\$1,153</b>	<b>\$2,471</b>

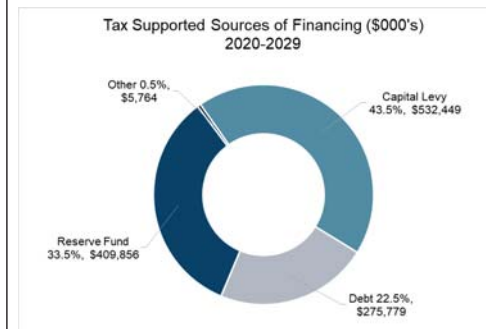
## Capital Budget Overview (pg. 43)



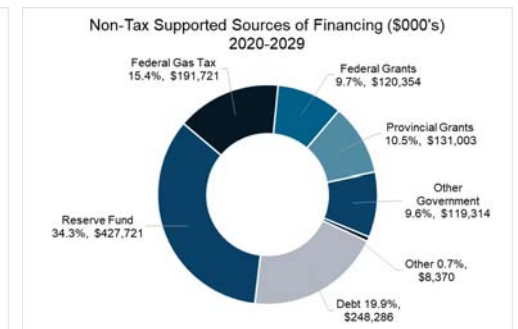
Larger capital plans in 2023 and 2025 primarily attributable to:

- Funding for 2 new Multi-purpose Recreation Centre (Northwest - \$25M; Southeast - \$12M) in 2023
- Significant Transportation projects (Rapid Transit, Sunningdale widening projects, etc.)

## Capital Budget Sources of Financing (pg. 43)

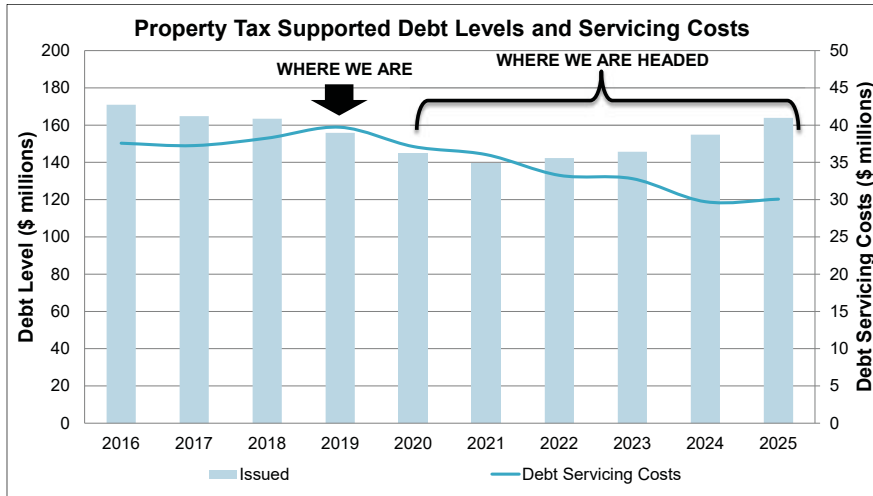


~50% of 2020-2029  
capital plan



~50% of 2020-2029  
capital plan

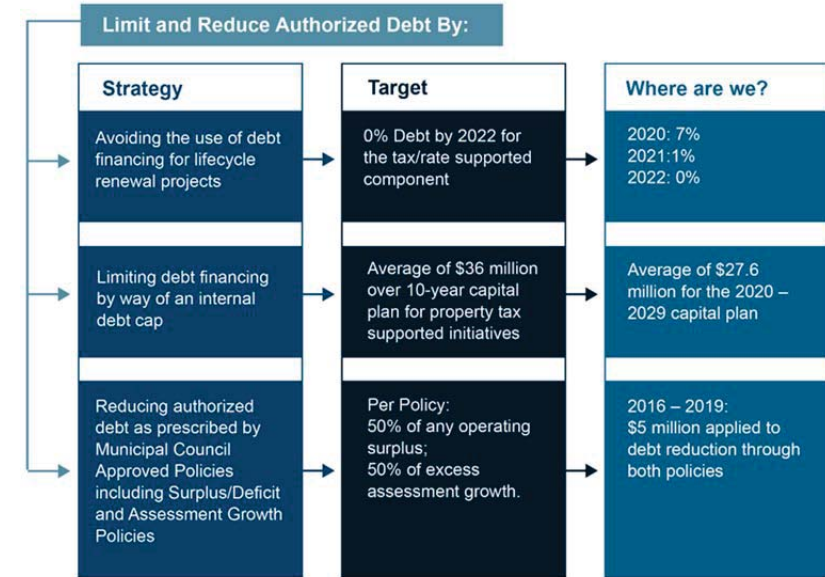
## Debt Highlights – Projected Debt Levels & Debt Servicing Costs (pg. 158)



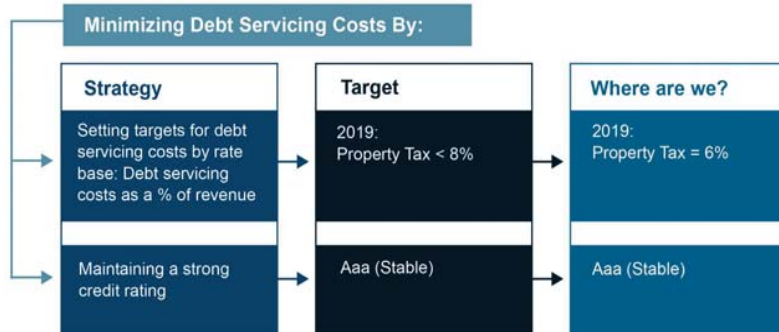
10-year average tax supported capital plan increased >30% compared to 2016, yet forecasted 2025 debt levels are similar to the amount of outstanding debt in 2018

Illustrates our prudent debt management practices

## Debt Highlights – Strategies for Prudent Debt Management (pg. 161)



## Debt Highlights – Strategies for Prudent Debt Management – cont'd



## Reserves & Reserve Funds Highlights (pg. 152)

Tax Supported Contributions Summary (\$000's)	2019 Revised	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2020-2023 Total
Total Tax Supported Contributions	57,886	55,991	56,386	57,515	58,522	228,414
Year-Over-Year Incr./(Decr.)	N/A	(1,895)	395	1,128	1,007	636

Tax supported contributions to reserve funds have only marginally increased to support a much larger capital plan

Capital Budget Lifecycle Renewal Budget Financed by Reserve Funds (\$000's)	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2020-2023 Total
Lifecycle Renewal (LCR) Budget	94,606	87,569	104,886	93,154	380,214
Reserve Fund Financing	28,064	25,797	33,501	30,386	117,748
% of Budget Financed by Reserve Funds	30%	29%	32%	33%	31%

We continue to prioritize the use of reserve funds and capital levy (pay-as-you-go) financing instead of debt for the lifecycle renewal capital plan



## Additional Investments Overview

## Additional Investments – Potential Tax Levy Impact

Business Cases (\$000's)	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2020-2023 Average % Inc/(Dec)
Administratively Prioritized ☐	5,563	9,805	14,164	15,927	
Tax Levy % Increase	0.9%	0.6%	0.6%	0.2%	0.6%
For Consideration ☐	8,549	12,703	15,812	19,028	
Tax Levy % Increase	1.4%	0.6%	0.4%	0.4%	0.7%
<b>Total Potential \$ Tax Levy Increase</b>	<b>14,112</b>	<b>22,508</b>	<b>29,976</b>	<b>34,955</b>	
<b>Total Potential % Tax Levy Increase</b>	<b>2.3%</b>	<b>1.2%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>1.3%</b>

Subject to rounding.

## Additional Investments – Administratively Prioritized

#	BUSINESS CASES (\$000's)	GROSS INVESTMENT REQUESTED	
		2020-2023	2024-2029
<b>Decision Point 4A: ADDITIONAL INVESTMENTS ADMINISTRATIVELY PRIORITIZED</b>			
1	60% Waste Diversion Action Plan	17,600	39,000
2	Affordable Housing Community Improvement Plan	4,772	1,218
3	Back to the River: Part A) Forks with outlook	12,403	-
	Part B) One River Environmental Assessment Management Implementation	1,250	2,000
	Part C) Soho Environmental Assessment	500	-
	City of London Infrastructure Gap - Part A	3,000	6,000
4A	Climate Emergency Declaration: Part A - Develop Climate Emergency Action Plan (CEAP)	50	-
6	Coordinated Informed Response	6,703	10,428
7A	Core Area Action Plan - Part A	16,385	15,880
8	Dearness Home Auditorium Expansion	2,456	510
9	Fanshawe College Innovation Village	3,000	-
10A	HDC Funding for Affordable Housing - Part A	850	3,000
11	Information Systems: Part A) Development Application Tracking Software	3,900	1,300
	Part B) Human Capital Management System	1,230	1,098
12	LMCH Infrastructure Gap	15,518	36,852
13	Master Accommodation Plan	13,000	134,377
14	Operations Master Plan 2020	5,118	14,704
15	Subsidized Transit Program	3,608	6,435
16	T-Block Replacement / New Storage Building	901	102
<b>TOTAL ADMINISTRATIVELY PRIORITIZED</b>		<b>112,244</b>	<b>272,904</b>

Business cases are listed in alphabetical order

## Additional Investments – For Consideration

#	BUSINESS CASES (\$000's)	GROSS INVESTMENT REQUESTED	
		2020-2023	2024-2029
<b>Decision Point 4B: ADDITIONAL INVESTMENTS FOR CONSIDERATION</b>			
4B	City of London Infrastructure Gap - Part B	17,563	92,940
5B	Climate Emergency Declaration Part B - Implementation of CEAP Immediate Actions	1,295	1,890
	7B	Core Area Action Plan - Part B	9,775
10B	HDC Funding for Affordable Housing - Part B	2,800	4,800
17	Community Improvement Plan: Part A) Community Building Projects	160	300
	Part B) Land Acquisition	400	600
18	LMCH - Co-Investment with CMHC	20,229	22,258
19	LMCH Operating Staffing & Security	6,941	14,347
20	London Public Library - Collections	600	900
21	Regeneration of Public Housing	5,250	15,000
22	Smart City Strategy	466	1,248
23	Street Light Local Improvement	832	1,401
24	Wifi in Recreation Facilities for the Public	155	-
25	Winter Maintenance Program Support	4,220	7,440
<b>TOTAL FOR CONSIDERATION</b>		<b>70,686</b>	<b>177,554</b>
<b>TOTAL BUSINESS CASES</b>		<b>182,930</b>	<b>450,458</b>

Business cases are listed in alphabetical order

## Water and Wastewater & Treatment Overview

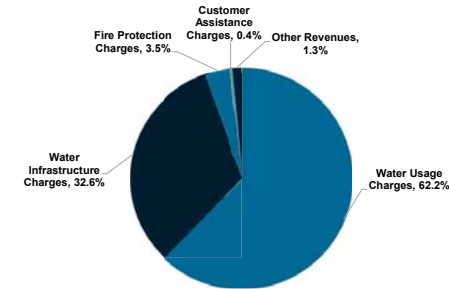
## Water Budget - Overview

2020-2023 Multi-Year Budget (\$000's)

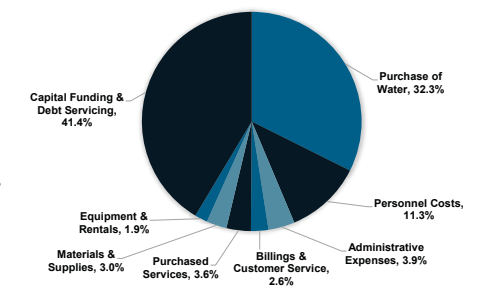
Water	2019 Approved Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2020 - 2023 Average Annual % Increase/Decrease
<b>Water Rate Increase</b>	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Water Proposed Budget	79,896	84,739	87,488	90,530	93,695	-
<b>Increase Over Prior Year Budget (\$)</b>	2,766	4,843	2,750	3,041	3,166	-
<b>Increase Over Prior Year Budget (%)</b>	2.9%	6.1%	3.2%	3.5%	3.5%	4.1%

Subject to rounding.

REVENUE BUDGET - WATER  
FOUR YEAR AVERAGE (2020-2023)



EXPENDITURE BUDGET - WATER  
FOUR YEAR AVERAGE (2020-2023)



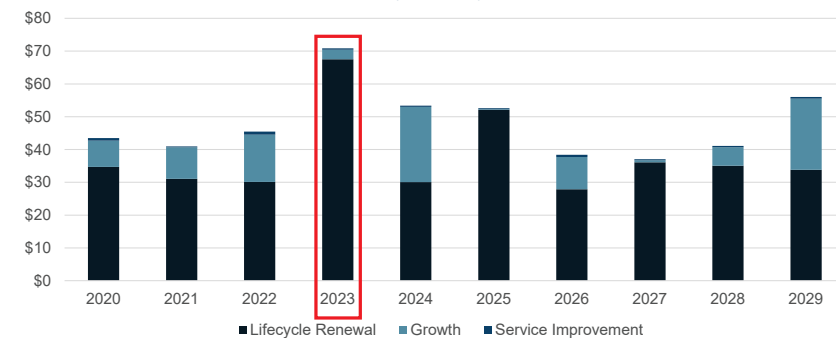
## Water Capital Budget Summary

**Water Capital Budget**  
(\$ millions)

	2020-2023 Multi-Year Budget	2020-2029 Capital Plan
Lifecycle Renewal	\$163 (81%)	\$378 (79%)
Growth	\$35 (18%)	\$96 (20%)
Service Improvement	\$2 (1%)	\$5 (1%)
<b>Total</b>	<b>\$201</b>	<b>\$479</b>

## Water Capital Budget Summary

2020-2029 Water Capital Budget by Classification  
(\$ millions)



Increase in 2023 is due to the project to replace & expand the Springbank Reservoir #2

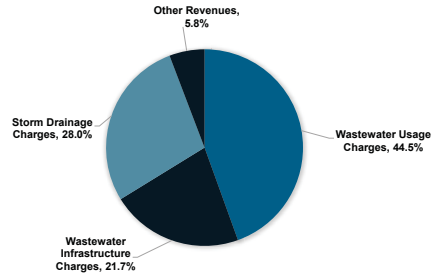
# Wastewater Budget - Overview

## 2020-2023 Multi-Year Budget (\$000's)

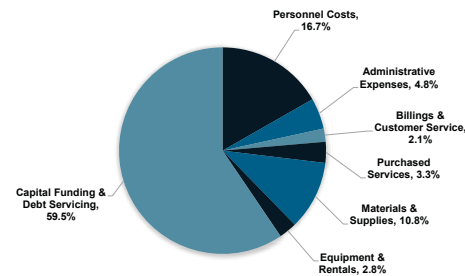
Wastewater & Treatment	2019 Approved Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2020 - 2023 Average Annual % Increase/ Decrease
<b>Wastewater &amp; Treatment Rate Increase</b>	<b>3.0%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>
Wastewater & Treatment Proposed Budget	98,182	103,712	107,083	110,747	114,553	-
<b>Increase Over Prior Year Budget (\$)</b>	<b>2,766</b>	<b>5,530</b>	<b>3,371</b>	<b>3,664</b>	<b>3,806</b>	<b>-</b>
<b>Increase Over Prior Year Budget (%)</b>	<b>2.9%</b>	<b>5.6%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.9%</b>

Subject to rounding.

### REVENUE BUDGET - WASTEWATER FOUR YEAR AVERAGE (2020-2023)



### EXPENDITURES BUDGET - WASTEWATER FOUR YEAR AVERAGE (2020-2023)



# Wastewater Capital Budget Summary

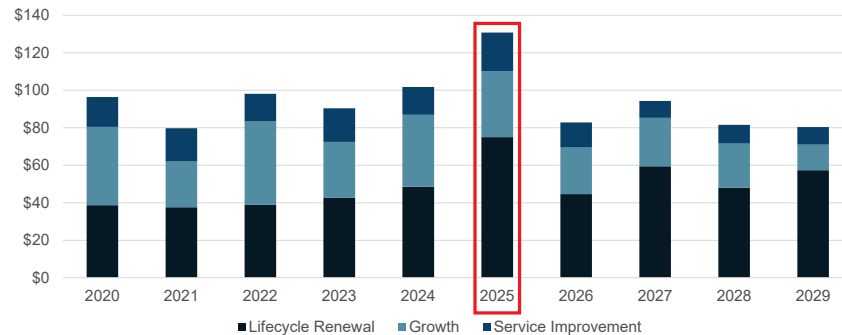
## Wastewater & Treatment Capital Budget (\$ millions)

2020-2023 Multi-Year Budget  
2020-2029 Capital Plan

Lifecycle Renewal	\$158 (43%)	\$491 (52%)
Growth	\$141 (39%)	\$302 (32%)
Service Improvement	\$66 (18%)	\$144 (15%)
<b>Total</b>	<b>\$365</b>	<b>\$936</b>

# Wastewater Capital Budget Summary

## 2020-2029 Wastewater & Treatment Capital Budget by Classification (\$ millions)



Increase in 2025 is due to significant infrastructure renewal projects including:

- City Centre Servicing Strategy Phase 8 – York St. (Colborne to William)
- Clarke Road (Oxford to Huron)
- Pottersburg Trunk – Phase 3

## Key Dates & Upcoming Public Engagement

## Key Dates in the Budget Process

What / Where	Date
Tabling of the 2020-2023 Multi-Year Budget	December 17 SPPC at 4:00pm
Report on Potential Net Levy Reductions including Business Cases	January 7 SPPC at 4:00pm
Report on Pre-Tabling Budget Public Engagement Feedback	January 7 SPPC at 4:00pm
Public Participation Meeting	January 23 SPPC at 4:00pm
2020-2023 Multi-Year Budget Review SPPC at 9:30am	January 30 January 31 February 6 February 7 February 13 February 14
Final Approval of the 2020-2023 Multi-Year Budget	March 2 Council at 4:00pm

## Public Engagement Activities

Description	Date
Social Media Continuation	Ongoing through February
Business Case Survey on <i>GetInvolved.London.ca</i>	Launching Dec. 18th
Budget Open House Session Goodwill Industries, 255 Horton St. E.	January 11 10:00am – 12:00pm
Community Meeting with London Environmental Network Goodwill Industries, 255 Horton St. E.	January 13 6:00pm – 8:00pm
Budget Open House Session Goodwill Industries, 255 Horton St. E.	January 15 6:00pm – 8:00pm
Community Meeting with the Urban League Location TBD	January 16 5:30pm – 7:30pm
Public Participation Meeting	January 23 SPPC at 4:00pm
Ward Meetings	As Requested

## Budget Administrative Matters

## Requests in Preparation for Budget Deliberations

- Please reach out to the appropriate Managing Director with any questions you wish to ask regarding the 2020-2023 Multi-Year Budget
  - Ensures that an answer will be available
  - Also ensures that the right person will be in attendance to respond
- If you are planning to propose any amendments, please circulate those **in advance**
- If you are planning to declare a conflict on particular parts of the budget, please advise the City Clerk and City Treasurer **in advance** so that the budget recommendations can be separated accordingly
- Info sessions will be scheduled in January to provide an opportunity for Councillors to ask questions of Finance staff – further details to come



2020-2023  
**MULTI-YEAR  
BUDGET**  
City of London

-  [LondonCanada](#)
-  [#Cityoflondonont](#)
-  [@CityofLdnOnt](#) [#LdnBudget](#)
-  [budget@london.ca](mailto:budget@london.ca)
-  [getinvolved.london.ca](http://getinvolved.london.ca)



# Land Ambulance Draft Budget Update

December 17, 2019

## Presentation Overview

- Background
- Current and Future Challenges
- Financial implications
- Opportunities
- Next steps

## Background



- Service Transfer From the Province in 1998
    - Consolidated Municipal Service Manager
  - Our Service philosophy
    - No boundaries
  - Service history
- Governance Structure
  - Unprecedented Innovative Unique Accommodations From Day One
    - Management Oversight Committee (MOC)
      - Base hospital
      - City
      - County
    - 24/7 Station decision
    - Separate Authority
    - No dedicated stations
    - Service agreements

## Land Ambulance Agreements

### **Prior to 2013**

- 100% weighted assessment

### **2013 and 2017 Agreements**

- 85% weighted assessment ratio
- 15% call volume ratio



## The Impact of the Formulas

- Provincial funding ratio
- Call volume ratio
- Assessment ratio
  
- A change in any one of these ratios or a combination of ratios will have varying degrees of impact on the cost to either municipality
- It is very easy for there to be a substantial shift in costs between the three funders without any increase in the land ambulance budget



## Information Provision

- In October of this year, we met with the City's Finance Department to provide them with an overview of
  - 2020- 2023 draft budget
  - Risks
  - Pressures
  - Potential variability in provincial funding
  - The impact of delaying the replacement of capital resources
  
- In November, we met with the City Manager and Treasurer to provide an update on the 2020 -2023 draft budget
  
- This was the same approach that was used during the last 4 year budget cycle





## Budgeting Concerns

- No crystal ball for significant factors
- Budget timetable
- Four-Year Process does not consistently allow for significant system changes/responsiveness
- Expectations

## 2020 Budget Pressures

- A number of external pressures beyond our control will require an increase to our administrative estimated 2020 budget (15.9%)
  - Call volume growth
  - Offload Delays
  - Provincial funding uncertainty
  - Presumptive Legislation for (PTSD)
  - Dispatch triage
  - Overdue Capital Investments
  - Cross-border usage
  - Sanctioned and unsanctioned events



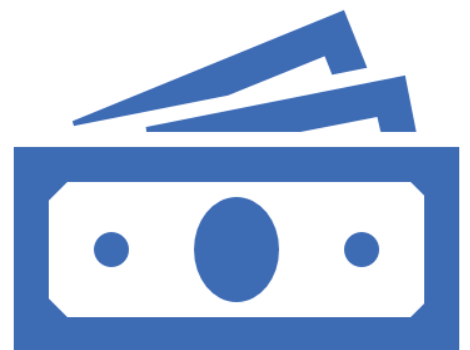


## Call Volume Increases

- Call volume has increased dramatically so far in 2019 (9.5%)
- The predicted increase that we budgeted for was 3.3%
- We are on track to have a calendar year increase of 10.3% increase in call volumes
- We are budgeting for a 6.3% increase in call volumes next year
- Investments in front line resources have not kept pace with call volume increases

## Offload Delays

- Several initiatives
  - Offload nurses
  - Direct transfer
  - Emergency room restructuring
- The cost of offload delays
  - \$2M per year in additional resource requirements



## Systemic Factors

- Triaging of dispatch calls
- Population Increase
  - 5<sup>th</sup> fastest growing census area
- Shift in demographics
  - Aging population
- Increased number of mental health and substance abuse calls



## Operational Challenges

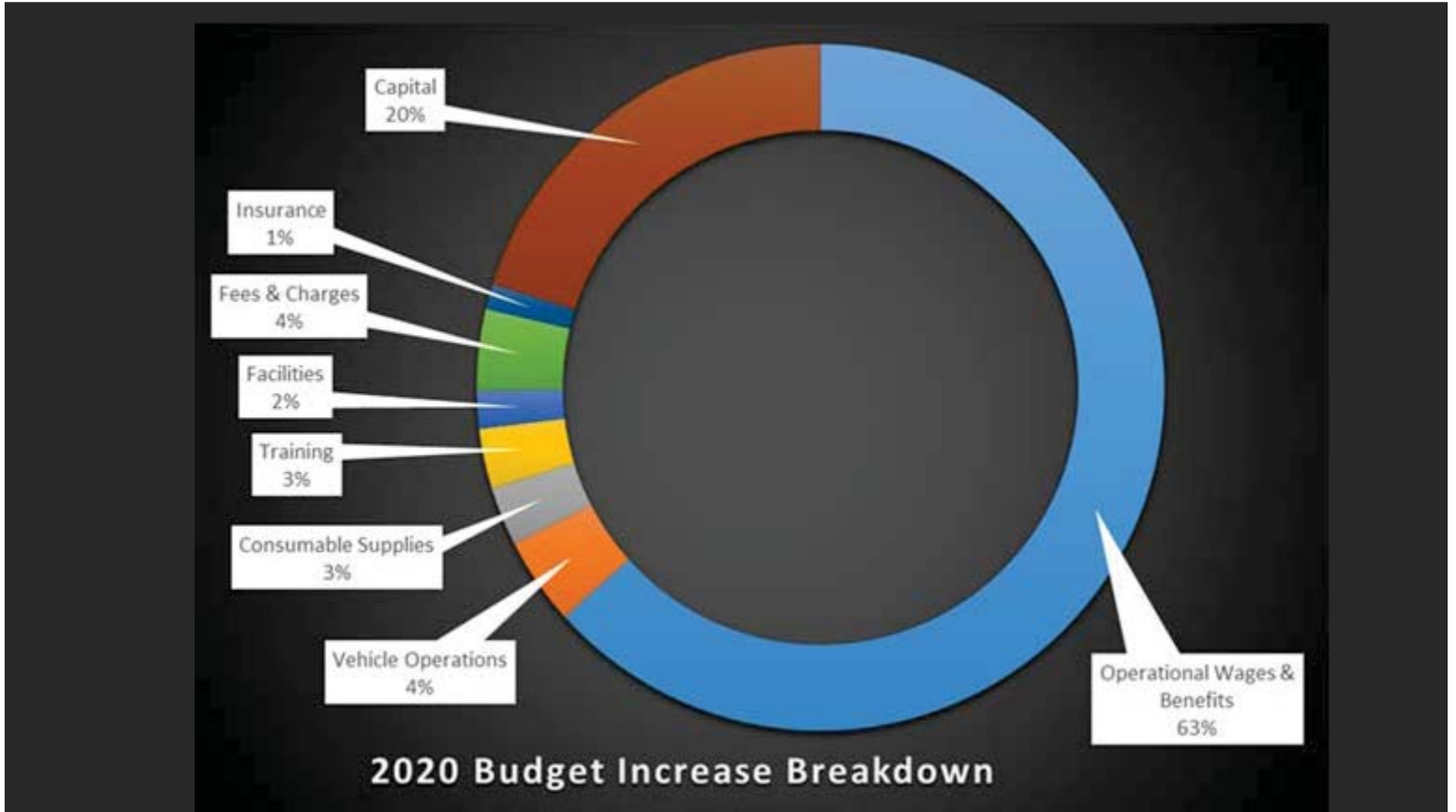
- Special events
  - Several urban special events both sanctioned and non-sanctioned have put increased pressure on the system
- Delayed capital purchases
- Anticipated wage increases
- Code zero
  - The cost of non-MLPS ambulances
  - Risk mitigation

## Putting the Land Ambulance Budget in Perspective



## 2020 Draft Budget Highlights

- Addition of 2-24 hour vehicles in 2020
- Replacement of operational capital resources
- Investment in system support and oversight
- Increases to reflect costs of insurance, facilities, medical supplies
- Investment in training and risk mitigation strategies




## The Path Forward

- Promotion of common solutions
  - Control of dispatch
  - Off-load delay investments
  - Pooling
  - Policies
  - Land Ambulance Review
- Working together
  - MOC
    - Understanding the risk
    - Work together on solutions
- Investment together for cost control and service improvement for our residents

Questions

