



## 2020 to 2023 Business Plan

### Service: Other Related Financing

**\$0.08**

Cost per day for the average rate payer (2020 to 2023)

**0.95%**

Percentage of the 2020 to 2023 City of London Net Property Tax Supported Budget

#### Who we are:

- Other Related Financing accounts for personnel and legal contingencies, retiree benefits, corporate insurance, reserves, tax rebates and write-offs, and professional fees (such as external audit).
- In addition, revenue that is corporate in nature such as grants and subsidies, investment income, and other taxation such as grants in lieu, supplementary taxes and other general income is accounted for in this service.

#### What we do:

- This service includes costs that are not appropriately classified elsewhere but are nevertheless critical to the functioning of the Corporation.
- Additionally, the various sources of revenue contained in this service fund a significant portion of the Corporation's total expenditure budget, which would otherwise be funded through the property tax levy.

#### Why we do it:

- Different cost and revenue components of this service are mandatory, essential and traditional in nature.

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2020	2021	2022	2023	2020 to 2023 TOTAL
Gross Operating Expenditures	\$31,520	\$44,579	\$48,579	\$57,017	<b>\$181,695</b>
Other Revenues	-\$39,583	-\$38,527	-\$38,737	-\$38,949	<b>-\$155,796</b>
<b>Net Tax Levy Supported Operating Budget</b>	<b>-\$8,063</b>	<b>\$6,052</b>	<b>\$9,842</b>	<b>\$18,068</b>	<b>\$25,899</b>
Total Capital Expenditures	\$0	\$0	\$0	\$0	<b>\$0</b>
Full-Time Equivalents (FTE's)	0	0	0	0	N/A

Reflects 2020 to 2023 Council Approved Budget - January 12, 2021.

The following section provides an overview of the key activities the service plans to undertake from 2020 to 2023 to implement the Corporation's 2019 to 2023 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

### Service Highlights 2020 to 2023

- Establish target balances for all reserves and monitor progress against those targets on an ongoing basis.
- Continue to phase out reliance on the Operating Budget Contingency Reserve (OBCR) as a permanent source of funding for the operating budget.
- Continue to actively monitor potential personnel-related and legal contingencies to ensure sufficient funding is available as required.
- Implement the investment strategy aimed at maximizing investment returns (interest income) while still ensuring adherence to statutory requirements, preservation of capital, and maintenance of liquidity.

### Risks and Challenges Anticipated in 2020 to 2023

- Considerable investments are anticipated through the 2020-2023 Multi-Year Budget in order to implement Council's 2019 to 2023 Strategic Plan. Balancing the need for community investment with the Corporation's financial policies and principles will be of paramount importance.
- Interest rates continue to remain at historically low levels. While this is beneficial when it comes to issuing debt to finance the City's capital projects, generating acceptable returns on the City's financial assets is challenging. Continued efforts will be undertaken to optimize the City's investment returns within the parameters of the City's approved Investment Policy.

The service directly supports the following components of the Corporation's 2019 to 2023 Strategic Plan:

### Leading in Public Service

The City of London is a leader in public service as an employer, a steward of public funds, and an innovator of services.

**Expected Result:** Maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term.

**Strategy:**

- Continue to ensure the strength and sustainability of London's finances. (LPS-22)

Metric	2019	2020	2021	2022	2023
47 consecutive years the Aaa credit rating is maintained.	43	44	45	46	47

**Strategy:**

- Establish and monitor targets for reserves and reserve funds. (LPS-23)

Metric	2019	2020	2021	2022	2023
100% of reserve and reserve fund targets established and monitored.	35%	35%	15%	10%	5%

**Strategy:**

- Maximize investment returns, adhering to the City's investment policy. (LPS-24)

	2019	2020	2021	2022	2023
25 bps (basis points) excess actual investment returns compared to the relevant market benchmarks.	5 bps	5 bps	5 bps	5 bps	5 bps

**Strategy:**

- Review and update the City's financial strategic planning, principles, and policies. (LPS-25)

Metric	2019	2020	2021	2022	2023
100% of Strategic Financial Plan update completed.	10%	35%	55%	0%	0%

**Other reference information and links:**

- [Multi-Year Budget and related information from City of London Website](#)

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