

**Report to
Rapport au:**

**Council
au Conseil**

4 November 2020 / 4 novembre 2020

**Submitted on November 4, 2020
Soumis le 4 novembre 2020**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2020-FSD-FIN-0023

SUBJECT: 2021 DRAFT OPERATING AND CAPITAL BUDGETS

**OBJET: BUDGETS PRÉLIMINAIRES DE FONCTIONNEMENT ET
D'IMMOBILISATIONS DE 2021**

REPORT RECOMMENDATIONS

- 1. That City Council receive and table the Draft 2021 Operating and Capital Budgets at its meeting of November 4, 2020 for subsequent consideration by Council sitting in Committee of the Whole to be held December 9, 2020.**

2. **That City Council refer the relevant portions of the 2021 Operating and Capital Budgets to each Standing Committee of Council, IT Sub-Committee and the Transit Commission for their consideration and recommendation to Council sitting in Committee of the Whole to be held December 9, 2020.**

RECOMMANDATIONS DU RAPPORT

1. **Que le Conseil municipal reçoive et dépose les budgets provisoires de fonctionnement et d'immobilisations de 2021 à sa réunion du 4 novembre 2020 et qu'il les examine subséquemment en comité plénier le 9 décembre 2020.**
2. **Que le Conseil municipal transmette les parties pertinentes des budgets de fonctionnement et d'immobilisations de 2021 à chaque comité permanent du Conseil, au Sous-comité de la technologie de l'information et à la Commission du transport en commun pour que ces derniers les examinent subséquemment et formulent des recommandations au Conseil en comité plénier le 9 décembre 2020.**

EXECUTIVE SUMMARY

This report provides a high-level summary and overview of the Draft 2021 Tax and Rate Supported Operating and Capital Budgets, tabled at City Council on November 4, 2020. This report summarizes these budgets at the highest level, while the budget books for each Standing Committee provide detailed changes in each service area.

The 2021 Draft Operating and Capital Budget adheres to Council's direction of setting an overall municipal tax increase at 3 per cent, and that the rate-supported budget be set in accordance with the approved 2017 Long Range Financial Plan (LRFP) V – Water, Wastewater and Stormwater supported programs.

The 2021 Draft Budget demonstrates a continued commitment to important investments in physical and social infrastructure, keeping residents safe and secure, supporting affordable living and housing, enhancing prosperity and fostering widespread economic growth and development, protecting the environment, and quality of life in communities across Ottawa. The 2021 Draft Budget is an affordable approach for responsible growth, mobility and housing, and ensures a balance of affordability and fiscal responsibility while maintaining a prudent approach to long-term financial stability. Consistent with this prudent approach, the budget includes the COVID-19 related budget pressures expected in 2021. These budget pressures are shown separately

within each service area, due to the one-time nature of these costs. We have also assumed that both the Province of Ontario and the Government of Canada, having much broader fiscal capacity, will continue to support municipalities in offsetting these extraordinary one-time costs.

After the 2021 Draft Budget is tabled on November 4, 2020, the next phase of consultation begins with public delegations at Standing Committee, Transit Commission and Board budget meetings. The draft budget will be available online and reference copies of the budgets will be available in the City's libraries and client service centres.

Council will consider the final 2021 Draft Budget, sitting as Committee of the Whole, on December 9, 2020.

RÉSUMÉ

Le présent rapport est un sommaire général et un survol des budgets de fonctionnement et d'immobilisations provisoires de 2021 financés par les taxes et les redevances et déposés au Conseil municipal le 4 novembre 2020. Il résume globalement ces budgets, tandis que les documents budgétaires de chaque comité permanent fournissent des détails sur les changements dans chacun des secteurs.

Le budget provisoire de fonctionnement et d'immobilisations de 2021 est conforme à la directive du Conseil de fixer à 3 % l'augmentation globale de la taxe municipale et à celle d'établir le budget financé par les redevances en fonction du Plan financier à long terme V – Programmes relatifs à l'eau, aux eaux usées et aux eaux pluviales financés par les tarifs (approuvé en 2017).

Le budget provisoire de 2021 démontre un engagement ferme à investir substantiellement dans l'infrastructure physique et sociale de la Ville, dans la sécurité des résidents, dans des conditions de vie et de logement abordables, dans l'accroissement de la prospérité, dans le développement et la croissance économique généralisés, dans la protection de l'environnement et dans la qualité de vie de la population d'Ottawa. Il constitue une approche abordable pour la croissance responsable, la mobilité et le logement et concilie l'abordabilité des services et la responsabilité financière, tout en maintenant une approche prudente au chapitre de la stabilité financière à long terme. En vertu de cette stratégie, le budget tient compte des contraintes budgétaires prévues en 2021 en raison de la COVID-19. Ces pressions budgétaires sont indiquées séparément pour chaque secteur d'activité, étant donné la non-récurrence de ces coûts. Nous avons également présumé que la province de l'Ontario et le gouvernement du Canada, ayant une capacité fiscale beaucoup plus

importante, continueront à aider les municipalités à compenser ces coûts ponctuels extraordinaires.

Une fois le budget provisoire de 2021 déposé le 4 novembre prochain, la prochaine phase de consultation commencera par des délégations du public aux réunions budgétaires des comités permanents, des conseils d'administration et de la Commission du transport en commun. Le budget provisoire sera affiché en ligne et l'on pourra s'en procurer des exemplaires dans les bibliothèques de la Ville et les centres du service à la clientèle.

Le Conseil municipal examinera le budget provisoire une dernière fois avant son adoption le 9 décembre 2020, en comité plénier.

BACKGROUND

On December 5, 2018, Council approved a Term of Council budget process as part of the 2018-2022 Council Governance Review report ([ACS2018-CCS-GEN-0028](#)). The adopted recommendation for the 2018-2022 Term of Council process for the tax and rate supported budgets largely mirrors the budget process approved by the previous Council.

On October 14, 2020, the following guidelines were approved by Council as part of the 2021 Budget Direction, Timeline and Consultation Process report ([ACS2020-FSD-FIN-0022](#)):

- a. That the municipal tax increase be set no greater than 3 per cent overall including:
 - The City-Wide tax levy, which includes funding for Library and Public Health, be increased by no more than 2.5 per cent for 2021 and that Council request that the Library and Public Health Boards develop their draft budgets based on their *pro rata* share of this tax increase.
 - The Ottawa Police Services levy be increased by no more than 3 per cent and that Council request that the Police Services Board develop their draft budget based on this tax increase.
 - That the Transit levy be increased by 4.6 per cent which includes a \$5 million increase to the contribution to capital to replace the cancelled Provincial Gas Tax increase.
- b. That the taxation revenues generated from new properties (assessment

growth) be estimated at 1.5 per cent of current taxation for 2021 and that Council request that the Police, Public Health and Library Boards and the Transit Commission develop their draft budgets within this allocation.

- c. That all City user fees and charges are to increase in accordance with the direction outlined in the Fiscal Framework or the Long-Range Financial Plan V, including incremental COVID-19 cost recovery.
- d. That the Garbage Fee be increased in accordance with the approved Solid Waste Residential Collections Contracts report and to address the capital investments required for this service per the four-year capital spending plan.
- e. That the 2021 Capital Budget be developed in accordance with the direction outlined in the 2019 Development Charge Background Study, Long Range Financial Plan V and Fiscal Framework.
- f. That the Rate-Supported 2021 Draft Budget be developed in accordance with the approved 2017 Long Range Financial Plan V – Water, Wastewater and Stormwater supported programs.

The 2021 draft budgets tabled at Council on November 4 are presented by Standing Committees, Boards and the Transit Commission. They consist of the following documents:

City Departmental Submission

- Finance and Economic Development Committee
- Agriculture and Rural Affairs Committee
- Community and Protective Services Committee
- Transportation Committee
- Planning Committee
- Standing Committee on Environmental Protection, Water and Waste Management
- Audit Committee
- Information Technology Sub-Committee

Boards and Transit Commission

- Ottawa Police Services Board
- Ottawa Public Library Board
- Ottawa Board of Health
- Committee of Adjustment
- Crime Prevention Ottawa Board
- Transit Commission

This report provides an overview of all the draft budgets being tabled at Council. The 2021 Draft Operating and Capital Budget Summaries for all Standing Committees, Boards and the Transit Commission are attached as Documents 1 and 2 to this report.

DISCUSSION

2021 Draft Budget Overview

TAX-SUPPORTED SERVICES

The 2021 Draft Budget tabled on November 4, 2020 achieves Council's objective of an overall municipal tax increase of 3 per cent.

Council also approved a budget direction requiring all local Boards and the Transit Commission to be assigned a pro-rated share of the increase in property tax revenues from the estimated growth in assessment. Council requested that Boards and the Transit Commission to develop their 2021 draft budget within their allocations.

The budgets tabled on November 4, 2020 comply with the approved recommendations as per the Proposed 2021 Budget Directions, Timeline and Consultation Process report ([ACS2020-FSD-FIN-0022](#)), with one exception. Ottawa Public Health's base budget pressures exceeded the proposed allocation of 2.5 per cent plus the 1.5 per cent for growth by \$240,000, requiring a shift from the City-Wide tax target to OPH. This amount is minimal and has no impact on the overall 3 per cent tax increase, it shifts 0.02 per cent from City-Wide and increases the OPH tax target to 3.6 per cent versus the Council direction of 2.5 per cent. In order to maintain existing base services and to account for the adjustment for potential 2021 cost of living, increments, benefit adjustments and the increase in facility costs related to inflation on compensation, hydro, security and maintenance contracts OPH requires an additional \$240,000 in order to avoid having to make program reductions to balance the base budget.

OVERALL OPERATING BUDGET ESTIMATES/PROJECTED TAXATION

The 2021 draft budgets include \$78.1 million in net additional tax. These taxes are being raised from an overall municipal tax increase of 3 per cent, which includes all Tax-Supported City services, Police and Transit. Table 1 below shows the estimated impact on an urban and rural home and commercial property at the average assessed value.

Table 1 - Property Tax Impacts (in dollars)

	Urban Home	Rural Home	Commercial Property
	Average Assessment: \$415,000	Average Assessment: \$415,000	Average Assessment: \$460,000
2020 Taxation	\$3,842	\$3,161	\$7,692
2021 Increases			
City-Wide	\$63	\$60	\$126
Police	\$19	\$19	\$38
Transit	\$33	\$9	\$67
Total \$ Change	\$115	\$88	\$231
% Change	3.0%	2.8%	3.0%

These estimated increases are based on the current draft budget's funding requirements. The actual increases on the property tax bill will depend on the Council-adopted budget, assessment data from the Municipal Property Assessment Corporation (MPAC), and any changes to tax policy adopted by Council before tax rates are finalized.

Full-Time Equivalent

The draft budgets being tabled include the number of full-time equivalent (FTE) positions that are required to deliver City services. The 2021 budget does include the estimated temporary resource requirements in all areas that may continue to be impacted by physical distancing regulations. In line with our prudent approach, there are no new permanent FTEs proposed in the 2021 budget except for paramedics and police. The budget includes funding for temporary staff, to address expected staffing requirements for COVID-19, one-time initiatives or growth. For all services (including Rate-Supported), the total number of budgeted full-time equivalent staff positions that are required to deliver services for City Operations, the Boards and Transit Commission

in 2021 is 15,629.31 budgeted FTE staff positions. This represents a net increase of 21 FTEs when compared to 2020. Table 2 below outlines the 2021 budgeted FTE request.

Table 2: Budget FTE Request

Departments	2021 Budget FTE Request
Finance Services	0
Community & Social Services	-7
Emergency & Protective Services	14
Recreation, Cultural & Facility Services	0
Public Works & Environmental Services	0
Planning, Infrastructure & Economic Development	0
Transportation Services	-15
Innovative Client Services	0
Ottawa Public Library	-1
Ottawa Police Service	30
Ottawa Public Health	0
Total	21

The 2021 budget FTE requests support growth in front-line services. The increase is for 14 new paramedics and 30 officers for expanded service delivery; of which the cost for additional paramedics is 50 per cent funded by the Province. There is a decrease in FTEs in Transit due to efficiencies in the bus refurbishment program, in Child Care due to efficiencies and to accommodate the increased 50-50 municipal administrative cost share mandated by the Province; and in Library Services due to the elimination of late fees and associated transactional effort.

2021 Tax-Supported Budget

OPERATING BUDGET

The total 2021 tax-supported operating expenses are projected to be \$3.52 billion, a \$156.7 million increase over 2020. Operating expenses are funded through property taxes (53 per cent), payments in lieu of property taxes (5 per cent), federal and provincial grants (24 per cent), fees and service charges (13 per cent) and other miscellaneous revenue sources (5 per cent).

A summary of the 2021 budgetary requirements shown by Standing Committee, the Boards and Transit Commission is provided in Document 1. Table 3 below outlines changes to the 2021 budget expense estimates and the source of their funds. For the

Available Funding

GROWTH IN TAX ASSESSMENT AND TAX INCREASES: \$78.9 MILLION

Taxes raised from new developments are projected to increase by 1.5 per cent in 2021, which will provide an additional \$26.2 million in tax revenues. The revenues generated from the proposed 3 per cent tax increase is \$52.7 million.

USER FEES /REVENUE INCREASES /PROVINCIAL COST SHARING: \$17.7 MILLION

The draft budget increases user fees in line with the increased cost to deliver services, in accordance with the Fiscal Framework approved by Council. Revenues from all other sources are reviewed annually to determine if they require adjustment. The user fees and revenue adjustments together are projected to generate \$16.4 million.

Included in the \$16.4 million are annual increases across all departments to users' fees and an increase to the Solid Waste single family and multi residential fee as per the new collection contracts and to address the increasing capital requirements for this service detailed in the four-year spending plan. A temporary COVID-19 surcharge of 1.95 per cent has been included in the recreational fees to recover the additional cost of delivering these services in a pandemic. This surcharge will only be included in the fees for as long as social distancing regulations continue.

Revenue from the Automated Speed Enforcement (ASE) cameras is budgeted at \$6 million and an increase of \$1.8 million from 10 additional red-light cameras are budgeted, \$1.2 million of which will be transferred to Police Services.

The 2020 budget assumed a Transit fare increase of 2.5 per cent. As per the motion approved by Council in February 2020, Council delegated authority to the City Manager, in consultation with the General Manager of the Transportation Services Department, to determine the effective date of the 2020 fare changes once service on O-Train Line 1 has improved to the City's satisfaction. The assessment of the system performance is not completed and therefore 2020 fares are expected to remain frozen until the end of 2020 and needs to be funded from other sources. In order to preserve the fare increase revenue base and eliminate the year over year compounding effect of the 2020 fare freeze a one-time contribution from reserves is included in the 2021 budget while staff seek a permanent funding source in 2021. The 2.5 per cent 2021 Transit fare increase is effective January 1 and is based on 2019 rates. Transit user fee and revenue increases total \$5.8 million and do not include service growth adjustments due to

reduced ridership expected in 2021. The fare increase represents less than a ten-cent increase per day on an Adult Monthly Pass.

Consistent with Council direction in 2020, the daily rate for patio fees remains at zero dollars in 2021 in consideration of the likely COVID-19 impacts to businesses. The financial impact of this measure is included in the overall COVID-19 pressures.

Federal/Provincial cost sharing increases of \$1.3 million are projected for paramedics, public health and police services.

Funding Pressures

BASE ADJUSTMENTS: -\$2.3 MILLION

The base adjustments to City service budgets include an additional \$3.8 million for Transit costs to improve service reliability, offset by a reduction in Presto fees of \$2.6 million due to lower ridership, a \$1.5M reduction in energy costs due to LED conversion, \$0.6 million increase in a facilities contract, \$5.4 million from the increase in insurance, and a \$5.0 million reversal of one-time allocations provided in the 2020 budget.

MAINTAIN SERVICES: \$79.2 MILLION

Inflation of \$2.9 million associated with funding capital projects and inflationary increases of \$16.8 million relate to changes in fuel pricing, purchased services, contracts and provincially legislated programs have been included in the budget. In addition, compensation, benefit increases from contract settlements and legislative changes to Canada Pension Plan require \$47.5 million in 2021. \$1.245 million is included for Automated Speed Enforcement operating costs in 2021 and a one-time contribution of \$4 million to the Road Safety Speed Enforcement capital program. There is an increase to the solid waste contribution to capital of \$1.75 million to address the increasing capital requirements for this service. Transit Services also includes a \$5 million increase to the contribution to capital to replace the cancelled provincial gas tax increase. There is also an additional \$420,000 for the EquiPass and Community Pass subsidy which includes \$235,000 for the 2.5 per cent fare increase and \$185,000 to freeze these fares to 2019 fare prices.

GROWTH NEEDS: \$22.4 MILLION

The cost of growth includes an additional 10 crossing guards, and 10 new red-light camera installations have been included in the budget. It also includes \$1.5 million for

new pavement marking materials and \$1.25 million for 14 new paramedics to address higher call volumes.

Making budget contingency plans Transit Services has not included any increase in service hours due to the expected continuing reduced in ridership in 2021. The Ottawa Police Service is requesting an additional \$5.8 million to hire 30 new officers and for the annualization of the 2020 new hires. There is also a \$6 million increase to the City-Wide contribution to capital per the Long-Range Financial Plan.

SERVICE INITIATIVES/EFFICIENCIES: -\$2.7 MILLION

Police services initiatives relate to the integration of back office functions and optimization of operational processes. The City will continue the staffing and discretionary spending pause in 2021, including reducing program costs, which could reduce expenditures by \$27.3 million.

COVID-19 PRESSURES: \$153.5 MILLION

The budget includes the COVID-19 related budget pressures expected in 2021. These budget pressures are shown separately within each service area, due to the one-time nature of these costs. We have also assumed that these costs will be offset by funding from senior levels of government. If this funding does not materialize, the City has developed financial mitigation strategies implemented in 2020 to help fund these pressures, but additional operational and financial mitigation measures including service reductions and deferral of capital spending may be required to supplement these. The discretionary spending and hiring pauses will continue in 2021 to assist in lowering expenses and mitigating these pressures. Staff have conducted a thorough review of financial mitigation measures and has leveraged those that do not have a front-line service impact to absorb base budget pressures, offset growth-related pressures and certain COVID-19 costs. Budget reduction strategies have been initiated in parallel to this budget process should the need be required. These will be implemented and where warranted brought forward for Council consideration if offset funding from senior levels of government does not fully address 2021 COVID-19 budget pressures. Further mitigation measures will have impacts on reserves, capital projects and service levels.

If the funding from senior levels of government is secured, then there may be flexibility to release some of those capital funds back to the capital envelope. COVID-19 pressures for City services are expected to be \$56.6 million, \$22.5 million for OPH, \$1.6 million for police services and \$72.8 million for Transit. OPH COVID-19 pressures are assumed to be fully funded by the Province. Transit COVID-19 related budget pressures

are funded until the end of March 2021. Transit also has some backstop funding from deferred capital projects but not enough to cover the overall projected deficit. Additional measures would need to be put in place if government funding is not available for Transit to the end of the year in 2021. Transit has commenced this work should these measures be necessary.

2021 Draft Capital Budget and 2022-2024 Capital Forecast

The capital program requirements for 2021 and forecasts for 2022 to 2024 were developed in accordance with the Council-approved Transportation Master Plan, Infrastructure Services Master Plan, 2019 Development Charges Background Study and Long-Range Financial Plan V for both Tax and Rate supported services. Debt funding, used to fund eligible components of the capital program requirements, will be used in accordance with Long Range Financial Plan V and Fiscal Framework. The \$58 million one-time increase in Federal Gas Tax revenue received in 2019 is being allocated to the infrastructure renewal gap for roads, bridges and active transportation. Of the \$58 million, \$20 million was allocated in the 2020 capital budget, \$19 million is included in the 2021 Draft budget and the remaining \$19 million is to be allocated in 2022 capital budget. The City will continue to increase the contribution to capital to bring funding closer to achieve a “state of good repair”, as identified in the Council Approved Long-Range Financial Plan V.

Debt and Reserves

The City funds its capital program through a combination of tax funds from reserves, development charges on the growth portion of eligible projects and grants from senior levels of government and debt.

Council’s approved Fiscal Framework guidelines limit the use of debt as follows:

- The increase in debt servicing for non-legacy projects will not be greater than one-quarter of 1 per cent of taxes from property.
- Additional debt is permitted for legacy projects.
- Principal and interest for tax supported debt is not to exceed 7.5 per cent of own source revenues.

The capital program developed and tabled with Council adheres to these principles.

2021 Draft Capital Budget – Tax-Supported

The capital authority requested for tax-supported capital works in 2021 is \$562.7 million. This includes the tax-supported component of the integrated water, wastewater and roads program, and the draft capital submissions from the Police and Library Boards. The water and wastewater capital projects, which are funded entirely from water, wastewater and stormwater revenues, development charges and debt, are presented later in this report. The total combined capital authority being requested for rate and tax in 2021 is \$780.7 million.

The integrated program of works requires funding from both tax-supported (City-Wide Capital Reserve Fund or tax-supported debt) and rate-supported sources (Water, Wastewater or Stormwater Capital Reserve Funds or rate-supported debt). Although these projects have both tax and rate funding components, they are included in the Transportation Committee’s budget book as they fall under its legislative mandate. Table 4 below shows the tax-supported portion of the integrated program.

Table 4: 2021 Tax-Supported Capital Program Funding Summary (in thousands of dollars)

2021 Request	Renewal of City Assets	Growth	Regulatory/ Service Enhancements	Grand Total
Total Authority	\$316,765	\$163,153	\$82,779	\$562,697
Funding Requirement				
Revenue	\$571	\$7,772	\$550	\$8,893
Reserves	\$241,165	\$39,828	\$60,229	\$341,322
Development Charges (Cash/Debt)	\$0	\$99,096	\$0	\$99,096
Debt Funding	\$75,029	\$16,457	\$22,000	\$113,486
Total	\$316,765	\$163,153	\$82,779	\$562,697

2021 Draft Rate-Supported Operating Budget

RATE-SUPPORTED SERVICES

The 2021 Draft Rate Budget is consistent with the Long-Range Financial Plan V approved by Council in September 2017. The Rate-Supported 2021 Draft Budget, which includes water, wastewater and stormwater services, was developed within the Council-adopted revenue increases: 3 per cent for water, 4 per cent for wastewater and 12 per cent for stormwater with an overall average revenue increase of 4.8 per cent for rate supported services. The overall revenue increase is raised in part from additional revenues brought in from new accounts, which reduces the increase required from existing users of the system. As a result, the impact on the average bill will be an increase of 4.5 per cent. The average water bill will increase by \$37 per year or \$3.08 per month.

In the new rate structure, which was implemented in 2019, 20 per cent of the revenue raised is from a fixed charge based on the size of the water meter, with the remaining 80 per cent raised based on the forecasted consumption. The revenue projections for 2021 use water consumption projections of 81.4 million cubic metres. The stormwater fee is a fixed fee based on the property type, service area and service type.

The user rates, service charges and growth in new accounts fund the operating requirements of the water, wastewater and stormwater system, and provides the funds for capital works either as cash financing or repayment of debt.

The impact of the change in rates on a household with an average consumption of 180 cubic meters of water per year is identified in Table 5.

Table 5: Rate Annual Bill Impacts (in dollars)

	Urban Connected			Rural Non-Connected		
Area	2020	2021	% Change	2020	2021	% Change
Water	\$360	\$371	2.9%	\$0	\$0	0.0%
Wastewater	\$319	\$332	3.8%	\$0	\$0	0.0%
Storm	\$141	\$155	10.1%	\$70	\$77	10.1%
Total	\$820	\$857	4.5%	\$70	\$77	10.1%
\$ Change		\$37			\$7	

The changes to the 2021 budget estimates and the source of their funds are shown by category in the following table.

Table 6: Operating Budget Changes in Rate Operations (in millions of dollars)

	Water	Wastewater	Stormwater	Total
Available Funding:				
Rate/User Fee Increase	\$5.2	\$5.8	\$6.6	\$17.6
Funding Pressures:				
Maintain Services	\$4.4	\$3.0	\$1.3	\$8.7
Growth	\$0.2	\$0.2	\$0.0	\$0.4
Capital Contributions	\$0.6	\$2.6	\$5.3	\$8.5
Total	\$5.2	\$5.8	\$6.6	\$17.6

Available Funding

Based on the 2021 consumption levels and the Council-approved revenue increases, the rate increases for 2021 will generate additional revenues of \$17.6 million, \$5.2 million for water, \$5.8 million for wastewater, and \$6.6 million for stormwater services.

Funding Pressures

MAINTAINING EXISTING PROGRAMS AND SERVICES: \$8.7 MILLION

The increase is primarily a result of projected labour contract settlements, increments, and increases in the cost of benefits.

GROWTH TO PROGRAMS AND SERVICES: \$0.4 MILLION

The increase is primarily a result of increasing base funding to manage system growth in line with the Long-Range Financial Plan V.

CAPITAL CONTRIBUTIONS: \$8.5 MILLION

An overall increase to the contribution to capital of \$8.5 million, supports the capital-intensive nature of delivering rate supported services with assets that last for multiple generations.

2021 Water, Wastewater and Stormwater Capital Program

The capital authority requested for 2021 is \$218 million. This includes the rate-funded component of the integrated road, water and sewer program. A list of the proposed work for 2021 is included in the draft budget.

Table 7: 2021 Rate-Supported Capital Program Funding Summary (in thousands of dollars)

2021 Request (\$000)	Renewal of City Assets	Growth	Regulatory/ Service Enhancements	Grand Total
Total Authority	\$197,564	\$19,917	\$500	\$217,981
Funding Requirement				
Revenue	\$250	\$0	\$0	\$250
Reserves	\$148,764	\$6,058	\$500	\$155,322
Development Charges (Cash/Debt)	\$628	\$9,026	\$0	\$9,654
Debt Funding	\$47,922	\$4,833	\$0	\$52,755
Total	\$197,564	\$19,917	\$500	\$217,981

Infrastructure renewal makes up 91 per cent of the total 2021 Rate-Supported Capital Budget. The Capital Budget is funded from water, wastewater and stormwater reserves, development charges, new debt and government grants. In 2021, annual debt repayments for water, wastewater and stormwater services will be 13 per cent of the City's own source revenues for these service areas. This is within the 15 per cent debt limit established by Council for rate-supported programs.

Budget Reviews and Consultation

The draft operating and capital budget documents for each Committee will be reviewed by the Chair and Vice Chairs of each Committee as part of the agenda review meetings, with input from the General Manager(s) of the respective departments.

All Standing Committees of Council along with the Transit Commission, Police Services Board, Library Board, Board of Health, and Advisory Committees, will hold meetings to consider the 2021 draft budget for their respective areas and receive public delegations.

City residents have various ways they can provide input on the draft budget. Residents are encouraged to provide feedback directly to their local Ward Councillor. Many Councillors also hold public budget consultations to collect feedback from their constituents. This year, public consultations began in October and continue into November across the City. Input from these sessions is forwarded to the Mayor and City Manager for their consideration. Residents can also submit questions and comments on the Draft 2021 Budget through the City's public engagement website [Engage Ottawa](#).

Once the 2021 Draft Budget is tabled, all budget documents are posted on [Ottawa.ca](#) and available in hard copy at public libraries and client service centers.

The Draft Budgets will be reviewed by the respective Standing Committees, Boards, Transit Commission and Advisory Committees at public meetings held from November through December 3. Residents can attend these meetings and provide input by registering to speak as a public delegation. The schedule for these meetings is listed below in Table 8.

Table 8 – Proposed 2021 Budget Meeting Schedule

Board of Health - Budget Tabling	Monday, November 2	5 pm
Public Library Board - Budget Tabling	Tuesday, November 3	5 pm
Police Services Board (special meeting) – Budget Tabling	Wednesday, November 4	8:30 am
Council – Budget Tabling (special meeting) <ul style="list-style-type: none"> • City Services • Transit Services • Police Services* • Library Services* • Public Health* • Committee of Adjustment • Crime Prevention *In addition to this Council meeting, the Boards and Transit Commission hold their own meetings to table their budgets	Wednesday, November 4	10 am
Transit Commission (special meeting) – Budget Tabling	Wednesday, November 4	30 mins after

		Council ends
Arts, Culture, Heritage & Recreation Advisory Committee	Tuesday, November 10	6:30 pm
Environmental Stewardship Advisory Committee	Tuesday, November 12	6:30 pm
French Language Services Advisory Committee	Thursday, November 16	6:30 pm
Standing Committee on Environmental Protection, Water & Waste Management	Tuesday, November 17	9:30 am
Accessibility Advisory Committee	Tuesday, November 17	6:30 pm
Transit Commission	Wednesday, November 18	9:30 am
Community & Protective Services Committee	Thursday, November 19	9:30 am
Police Services Board	Monday, November 23	4 pm
Audit Committee	Tuesday, November 24	9:30 am
Planning Committee	Thursday, November 26	9:30 am
IT Sub-Committee	Monday, November 30	9:30 am
Board of Health	Monday, November 30	5 pm
Finance & Economic Development Committee	Tuesday, December 1	9:30 am
Public Library Board	Tuesday, December 1	5 pm
Transportation Committee	Wednesday, December 2	9:30 am
Agriculture & Rural Affairs Committee	Thursday, December 3	9:30 am
Council – Budget Consideration / Adoption	Wednesday, December 9	9:30 am

**Meeting dates and times are subject to change and the discretion of the respective Chair*

Council will meet on December 9, 2020 to consider the Draft Budget and any recommendations from the budget meetings held by the Committees, Boards, Transit Commission, and Advisory Committees, and will then adopt the 2021 Budget.

RURAL IMPLICATIONS

This report is City wide report and no specific rural implications are associated with this report.

CONSULTATION

The public was notified of the budget process through the meetings advertisement in community newspapers and on Ottawa.ca, and the publication of the agenda. Public delegations may be received by the Committee.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a City-wide report and does not require comments by ward councillors.

ADVISORY COMMITTEE(S) COMMENTS

There are no advisory committee comments.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's [Comprehensive Asset Management \(CAM\) Program](#) objectives. The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

FINANCIAL IMPLICATIONS

The financial implications are outlined in this report.

ACCESSIBILITY IMPACTS

The City of Ottawa is committed to providing equal treatment to people with disabilities with respect to the use and benefit of City services, programs, goods and facilities in a manner that respects their dignity and that is equitable in relation to the broader public. This commitment extends to residents, visitors and employees with visible or non-visible, and permanent or temporary disabilities.

TERM OF COUNCIL PRIORITIES

This report supports the City's on-going commitment to financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1 – 2021 Draft Operating Budget Summaries

Document 2 – 2021 Draft Capital Budget Summaries

Document 3 – 2021 Draft Operating and Capital Budgets Books by Standing
Committee, Boards, Commission

DISPOSITION

The Draft Budgets will be reviewed by the respective Standing Committees, Boards, Transit Commission and Advisory Committees at public meetings held from November through December 3. The recommendations stemming from these reviews will be forwarded for Council consideration at the meeting on December 9.