PARKS, RECREATION & NEIGHBOURHOOD SERVICES
2016 - 2019 Multi-Year Budget

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<tbody>
<tr>
<td>Neighbourhood &amp; Recreation Services</td>
<td>18,538,345</td>
<td>18,978,260</td>
<td>64,022,158</td>
<td>19,274,889</td>
<td>65,045,942</td>
<td>20,399,486</td>
<td>1,699,008</td>
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<td>Parks &amp; Urban Forestry</td>
<td>11,182,257</td>
<td>11,762,020</td>
<td>12,299,468</td>
<td>12,248,468</td>
<td>12,573,934</td>
<td>12,684,038</td>
<td>1,072,853</td>
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<td>Total Budget as Submitted</td>
<td>29,720,602</td>
<td>30,740,280</td>
<td>76,321,626</td>
<td>31,523,357</td>
<td>32,597,908</td>
<td>33,083,524</td>
<td>2,771,861</td>
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Net Inc. / (Dec.) $  
783,077  1,074,551  485,616  426,617
Net Inc. / (Dec.) %  
2.5%  3.4%  1.5%  1.3%

2016 - 2019 Average Annual Net Percentage Increase/(Decrease): 2.2%

Major Issues With Respect To The 2016 - 2019 Multi-Year Budget:

Neighbourhood & Recreation Services - A legislated minimum wage increase of 2.27% in 2016, combined with an anticipated 2% increase annually in 2017-2019, is resulting in an increase to casual labour expenditures.

Further increases in Aquatics are due to wage pressures relating to lifeguard recruitment and retention. Wages to lifeguards have been increased over the next three years with an emphasis in 2016 in order to attract and retain sufficient staff to meet programming needs.

Casual labour FTE’s have increased in Community Centres, Community Recreation & Leisure, Arenas, Storybook Gardens & Special Events to better meet increasing customer expectations, inclusion needs and safety supervision issues.

The recreation subsidy to assist with access to programs has increased by 20% in 2016 and 5% annually for 2017-2019, in order to align with recent trends and meet increasing need for financial assistance. This program provides access to recreation opportunities for low income individuals and families.

The budget for Community Grants is proposed to increase by an average of approximately $80k/year from 2016-19 in order to build funding for the Capital and Innovation stream of the new municipal granting process endorsed by Council in 2015.

Council approved an increased allocation of $280,000 for Community Grants in order to build the Capital and Innovation stream of the new municipal granting process at a faster pace.
Implementation of the Council-approved replacement program registration software (Active Net) by external host provider to sustain and improve security and customer service aspects of the system will result in additional cost pressures starting in 2017.

Anticipated annual increases in utility costs for recreation facilities range from 6.8% - 10.1%, resulting in significant budgetary pressures.

Modest increases to user fees were implemented to partially offset the above expenses to mitigate the budget increase.

The fee structure for swimming lessons has been modified to recognize and differentiate the product offerings based on value received and duration. Fees have been adjusted to more accurately reflect the differing lesson lengths and number of classes in various sessions.

**Strategic Investments 2016-2019 results in an increase in budget of $750,000:** Council approved funding to implement the next phase of the London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020 (Strategic Investment #13).

**Parks & Urban Forestry** - Budget increases are being driven by annualized salary, wages and fringe benefits costs based on existing employment agreements.

Increased land management costs for environmentally significant areas have also been incorporated into the 2016-2019 budget as a result of approximately 30 Ha of additional land managed by the Upper Thames River Conservation Authority (UTRCA) each year.

**Strategic Investments 2016-2019 results in an increase in budget of $1,628,920:** Council approved funding of $1,055,000 under the Urban Forest Strategy for increased pruning and maintenance of the City's street, park and woodland trees (Strategic Investment #3) and funding of $573,920 under the Winter Maintenance Strategy for snow clearing from park pathways (Option G) and the Thames Valley Pathway System (Option H) (Strategic Investment #17).