

Agenda Including Addeds

Corporate Services Committee

7th Meeting of the Corporate Services Committee

April 15, 2024

1:00 PM

Council Chambers - Please check the City website for additional meeting detail information. Meetings can be viewed via live-streaming on YouTube and the City Website.

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Métis and Inuit today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Members

Councillors H. McAlister (Chair), P. Cuddy, S. Stevenson, C. Rahman, P. Van Meerbergen

The City of London is committed to making every effort to provide alternate formats and communication supports for meetings upon request. To make a request specific to this meeting, please contact CSC@london.ca or 519-661-2489 ext. 2425.

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7. **Adjournment**

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager
Environment and Infrastructure

Subject: Expropriation of Lands – East London Link Project Phase 4

Date: April 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, with the concurrence of the Director, Construction and Infrastructure Services, and on the advice of the Director, Realty Services, approval **BE GIVEN** to the expropriation of land as may be required for the East London Link Project Phase 4, and that the following actions **BE TAKEN** in connection therewith:

- a) application be made by The Corporation of the City of London as Expropriating Authority to the Council of The Corporation of the City of London as approving authority, for the approval to expropriate the land required for the East London Link project Phase 4;
- b) The Corporation of the City of London serve and publish notice of the above application in accordance with the terms of the *Expropriations Act*;
- c) The Corporation of the City of London forward to the Ontario Land Tribunal any requests for a hearing that may be received and report such to the Council of The Corporation of the City of London for its information; and
- d) the attached Bylaw (Schedule “B”) **BE INTRODUCED** at the Council meeting on April 15, 2024, to authorize the foregoing and direct the Civic Administration to carry out all necessary administrative actions.

Executive Summary

The purpose of this report is to seek Municipal Council approval for the expropriation of lands required by The Corporation of the City of London for the East London Link Project Phase 4.

Multiple property needs have been identified to accommodate the project design and legal possession is required prior to advancing utility work and awarding the construction contract.

Several properties remain outstanding. Realty Services will continue to negotiate with the outstanding property owners in parallel with the expropriation process.

Linkage to the Corporate Strategic Plan

The following report supports the Strategic Plan through the strategic focus area of Mobility and Transportation by building new transportation infrastructure as London grows. The improvements to this corridor will enhance safety and provide convenient mobility choices for transit, automobiles, pedestrians and cyclists.

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan;
- Civic Works Committee – July 21, 2014 – Rapid Transit Corridors Environmental Assessment Study Appointment of Consulting Engineer;
- Strategic Priorities and Policy Committee – July 24, 2017 – Rapid Transit Master Plan and Business Case;
- Strategic Priorities and Policy Committee – April 23, 2018 – Bus Rapid Transit Environmental Assessment Initiative;
- Civic Works Committee – March 14, 2019 – History of London’s Rapid Transit Initiative; and
- Strategic Priorities and Policy Committee – March 25, 2019 – Investing in Canada Infrastructure Program, Public Transit Stream, Transportation Projects for Submission;
- Strategic Priorities and Policy Committee – October 28, 2019 – Investing in Canada Infrastructure Program, Public Transit Infrastructure Stream, Approved Projects;
- Civic Works Committee – January 7, 2020 – Downtown Loop and Municipal Infrastructure Improvements Appointment of Consulting Engineer
- Civic Works Committee – August 11, 2020 – East London Link Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer
- Civic Works Committee – August 11, 2020 – Wellington Gateway Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer
- Corporate Services Committee – May 23, 2023 – Expropriation of Lands – East London Link Project Phase 3
- Corporate Services Committee – July 25, 2023 – Expropriation of Lands – East London Link Project Phase 3

2.0 Discussion and Considerations

2.1 Background

The East London Link is a multi-year project that will revitalize more than 6 km of road from Downtown to Fanshawe College. The project will add transportation and transit improvements above ground, while repairing and replacing aging sewers, watermains and other underground infrastructure. The East London Link has received funding commitments from the Government of Canada and the Province of Ontario to support 10 transit and transit-supportive projects. The project has received Provincial approval of the Environmental Assessment (EA) which identified requirements for property acquisitions.

The East London Link Project was identified as a priority to deliver a critical component of London’s rapid transit system, a central component of London’s land use and transportation policy.



Figure A1 illustrates the limits of the East London Link and its four construction phases

2.2 Construction Timeline

Construction of East London Link began in 2022. Phase 1 reconstructed King Street from Wellington Street to Lyle Street with Phase 2 continuing east in 2023 along King Street, Ontario Street and Dundas Street as far as Egerton Street.

Phase 3 is a large project that will be constructed in three sub-phases. Phase 3C on Highbury Avenue and Phase 3Awest on Dundas Street will be construction in 2024 with the Highbury Bridge widening and deck replacement to be tendered later this year with for construction over 2025 and 2026.

The focus of this report is on the property needs for Phase 4 construction on Oxford Street, planned for construction in 2025.

2.2 Property Negotiations

Negotiations have been ongoing with all property owners along the Oxford Street Phase 4 segment of East London Link since the beginning of 2023. Several properties remain outstanding. As legal possession of all property requirements will be needed to commence utility work and award a construction contract, the expropriation of all outstanding property is necessary.

Realty Services continues to negotiate with the outstanding property owners in parallel with the Council approval to proceed with the expropriation process to meet the project construction timelines. This report includes (11) eleven different outstanding properties being expropriated for different property rights including fee simple, temporary and permanent easements. Of the (11) eleven properties (2) two are currently under agreement pending close. Three (3) agreements previously achieved have already closed in support of Phase 4.

Location Maps and legal descriptions of outstanding property requirements are included as Schedule A.

3.0 Financial Implications and Considerations

3.1 Compensation for Land Acquisition

Impacted property owner's compensation is protected through the expropriation legislation and Council Property Acquisition Policy. If negotiated property compensation settlements can not be achieved on an amicable basis, the compensation may be arbitrated through the Ontario Land Tribunal.

There is budget available for East London Link Project land acquisition costs relating to Phase 4 property acquisitions.

Conclusion

Construction of East London Link Phase 4 is scheduled for 2025, subject to property acquisition and other approvals. Property acquisitions need to be secured prior to commencing advance utility work and awarding the construction contract.

Commencement of the expropriation process is recommended at this time to ensure project timelines are achieved.

Realty Services will continue to negotiate with the outstanding property owners in parallel with the expropriation process.

Prepared by: Bryan Baar, Manager II, Realty Services

Submitted by: Bill Warner, AACI, Director, Realty Services

Concurred by: Jennie Dann, P.Eng., Director, Construction and Infrastructure Services

Recommended by: Kelly Scherr, P.Eng., MBA, FEC, Deputy City Manager, Environment and Infrastructure

March 25, 2024

Schedule A

Fee Simple:

1374 Oxford Street East

Part of Lot 35, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 2 on Plan 33R-21810 being Part of PIN 08105-0038(LT)

1376 Oxford Street East

Part South 1/2 Lot 8, Concession 2 (Geographic Township of London) in the City of London, County of Middlesex, designated as Part 3 on Plan 33R-21810 being Part of PIN 08105-0040(LT)

1380 Oxford Street East

Part of Lot 24, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 5 on Plan 33R-21810 being part of Part of PIN 08105-0027(LT)

1384 Oxford Street East

Part of Lot 23, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 6 on Plan 33R-21810 being Part of PIN 08105-0026(LT)

1388 Oxford Street East

Part of Lot 22, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 8 on Plan 33R-21810 being part of Part of PIN 08105-0025(LT)

1390 Oxford Street East

Part of Lot 21, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 9 on Plan 33R-21810 being Part of PIN 08105-0024(LT)

1449 Oxford Street East

Part of Lot 1, Registered Plan 703 in the City of London, County of Middlesex, designated as Part 35 on Plan 33R-21810 being Part of PIN 08106-0010(LT)

1451 Oxford Street East

Part of Lot 2, Registered Plan 703 in the City of London, County of Middlesex, designated as Part 34 on Plan 33R-21810 being Part of PIN 08106-0011(LT)

1635 Oxford Street East

Part of Lot 73, Registered Plan 19(C) (Geographic Township of London) in the City of London, County of Middlesex, designated as Part 19 on Plan 33R-21810 being Part of PIN 08108-0001 (LT)

670 First Street

Part of Lot 69, Registered Plan 19(C) (Geographic Township of London), in the City of London, County of Middlesex, designated as Part 24 on Plan 33R-21810 being Part of PIN 08107-0001 (LT)

1001 Fanshawe College Boulevard

Part of South 1/2 Lot 7, Concession 2 (Geographic Township of London), in the City of London, County of Middlesex, designated as Parts 12, 38, 39, 41, 42, and 49 on Plan 33R-21810 being Part of PIN 08105-0390(LT)

Limited Interest (Temporary Easement):

1384 Oxford Street East

Part of Lot 23, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 7 on Plan 33R-21810 being Part of PIN 08105-0026(LT)

1390 Oxford Street East

Part of Lot 21, Registered Plan 696 in the City of London, County of Middlesex, designated as Parts 10 and 11 on Plan 33R-21810 being Part of PIN 08105-0024(LT)

1449 Oxford Street East

Part of Lot 1, Registered Plan 703 in the City of London, County of Middlesex, designated as Part 36 on Plan 33R-21810 being Part of PIN 08106-0010(LT)

1451 Oxford Street East

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670 First Street

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Limited Interest (Permanent Easement):

1390 Oxford Street East

Part of Lot 21, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 11 on Plan 33R-21810 being Part of PIN 08105-0024(LT)

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Schedule B - By-law

Bill No.
2021

By-law No. L.S.P.-

A By-law to authorize and approve an application to expropriate land in the City of London, in the County of Middlesex, for the Rapid Transit East London Link Project Phase 4.

WHEREAS The Corporation of the City of London has made application to the Council of The Corporation of the City of London for approval to expropriate lands for the East London Link Project Phase 4;

THEREFORE The Corporation of the City of London, as the expropriating authority, enacts as follows:

1. An application be made by The Corporation of the City of London as Expropriating Authority, to the Council of The Corporation of the City of London as approving authority, for approval to expropriate lands for the Rapid Transit East London Link Project Phase 4; which land is more particularly described in attached Appendix "A" of this by-law.
2. The Corporation of the City of London as Expropriating Authority serve and publish notice of the application referred to in section 1 of this by-law in the form attached hereto as Appendix "B", being the "Notice of Application for Approval to Expropriate Lands," in accordance with the requirements of the *Expropriations Act*.
3. The Corporation of the City of London as Expropriating Authority forward to the Ontario Land Tribunal, any requests for a hearing that may be received in connection with the notice of this expropriation and report such to the Council of The Corporation of the City of London for its information.
4. The Civic Administration be hereby authorized to carry out all necessary administrative actions in respect of the said expropriation.
5. This by-law comes into force on the day it is passed.

PASSED in Open Council on

Josh Morgan, Mayor

Michael Schulthess, City Clerk

First Reading
Second Reading
Third Reading

APPENDIX "A"

To By-law L.S.P.-_____

DESCRIPTION OF LANDS TO BE EXPROPRIATED FOR THE EAST LONDON LINK PROJECT

Fee Simple:

1374 Oxford Street East

Part of Lot 35, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 2 on Plan 33R-21810 being Part of PIN 08105-0038(LT)

1376 Oxford Street East

Part South 1/2 Lot 8, Concession 2 (Geographic Township of London) in the City of London, County of Middlesex, designated as Part 3 on Plan 33R-21810 being Part of PIN 08105-0040(LT)

1380 Oxford Street East

Part of Lot 24, Registered Plan 696 in the City of London, County of Middlesex, designated as Part 5 on Plan 33R-21810 being part of Part of PIN 08105-0027(LT)

1384 Oxford Street East

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Limited Interest (Permanent Easement):

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APPENDIX "B"

To By-law L.S.P.- _____

EXPROPRIATIONS ACT, R.S.O. 1990, CHAPTER E.26

NOTICE OF APPLICATION FOR APPROVAL TO EXPROPRIATE LAND
Expropriations Act

IN THE MATTER OF an application by The Corporation of the City of London for approval to expropriate lands being all of the lands listed below for the purpose of the Rapid Transit East London Link Project Phase 4.

NOTICE IS HEREBY GIVEN that application has been made for approval to expropriate the following lands described as follows:

Fee Simple:

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1376 Oxford Street East

Part South 1/2 Lot 8, Concession 2 (Geographic Township of London) in the City of London, County of Middlesex, designated as Part 3 on Plan 33R-21810 being Part of PIN 08105-0040(LT)

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Any owner of land in respect of which notice is given who desires a hearing into whether the taking of such land is fair, sound and reasonably necessary in the achievement of the objectives of the expropriating authority shall so notify the approving authority in writing,

- a) in the case of a registered owner, served personally or by registered mail within thirty days after the registered owner is served with the notice, or, when the registered owner is served by publication, within thirty days after the first publication of the notice;
- b) in the case of an owner who is not a registered owner, within thirty days after the first publication of the notice.

The approving authority is:

The Council of The Corporation of the City of London
City Hall
300 Dufferin Avenue
P.O. Box 5035
London ON N6A 4L9

The expropriating authority is:

THE CORPORATION OF THE CITY OF LONDON

MICHAEL SCHULTHESS
CITY CLERK

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Subject: 2023 Year-End Operating Budget Monitoring Report

Date: April 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the 2023 Year-End Operating Budget Monitoring Report:

- a) The 2023 Year-End Operating Budget Monitoring Report for the Property Tax Supported Budget, Water Budget, and Wastewater and Treatment Budget **BE RECEIVED** for information. An overview of the net corporate positions are outlined below, noting that the year-end positions include the contributions listed in b) and c):
- i) Property Tax Supported Budget surplus of \$28.0 million.
 - ii) Water Rate Supported Budget surplus of \$3.0 million.
 - iii) Wastewater and Treatment Rate Supported Budget is balanced at year-end.

It being noted that the Property Tax, Water, and Wastewater & Treatment Budget surplus will be allocated in accordance with the Council approved Surplus/Deficit Policy.

- b) The contribution of year-end Property Tax Supported, Water Rate Supported and Wastewater and Treatment Rate Supported Budget surplus to the applicable Contingency Reserve in accordance with the Council approved Surplus/Deficit Policy **BE RECEIVED** for information:
- i) \$9.7 million to the Operating Budget Contingency Reserve, noting the balance remains under its target.
 - ii) \$1.1 million to the Water Budget Contingency Reserve, noting the balance remains under its target.
 - iii) \$0.5 million to the Wastewater and Treatment Budget Contingency Reserve, noting the balance remains under its target.

It being noted that the contributions to the respective budget contingency reserves were made to replenish these reserves that were utilized to finance the 2023 cost of statutory development charges exemptions and discounts resulting from recent legislative changes that were otherwise unfunded.

- c) The request to fund the 2023 London & Middlesex Community Housing operational deficit of approximately \$33 thousand **BE APPROVED** (see **Appendix B** for Letter of Request).

Note: The reported year-end position is subject to completion of the 2023 financial statement audit.

Executive Summary

This report provides a summary of the 2023 year-end operating results for the Property Tax Supported Budget, the Water Rate Supported Budget and Wastewater and Treatment Rate Supported Budget. The figures represent operating budget results including any net contributions or drawdowns from reserve funds as required based on

approved budgets, by-laws and/or application of policy.

The Property Tax Supported Budget realized a surplus of \$28.0 million. The surplus is primarily driven by higher than expected investment revenue due to higher interest rates than anticipated at the time of developing the 2020-2023 Multi-Year Budget.

The Water Rate Supported Budget realized a surplus of \$3.0 million primarily from higher than anticipated consumption-based revenues in the residential sector and growth in the City.

The Wastewater and Treatment Rate Supported Budget realized a balanced position at year-end. Similar to the Water Budget, the Wastewater Budget experienced higher than anticipated consumption-based revenues in the residential sector and growth in the City, however this was primarily offset by a deficit in chemical costs due to significant inflationary price increases.

The Municipal Council approved Surplus/Deficit Policy provides for the allocation of Property Tax, Water, and Wastewater and Treatment year-end surplus. Application of year-end surplus in accordance with the Surplus/Deficit Policy benefits the 2024 to 2027 Multi-Year Budget through reduced future debt issuances, one-time contributions to address future infrastructure needs and one-time contributions to the Community Investment Reserve Fund to be used as a funding source at the discretion of Municipal Council. This allocation per Policy is prudent, noting that more than \$330 million of additional property tax supported debt was approved over the 10-year capital plan (2024-2033) through the recent 2024-2027 Multi-Year Budget, and that business case #P-55 – Additional Funding to Address Infrastructure Gap was not approved through the Multi-Year Budget process.

Linkage to the Corporate Strategic Plan

Council's 2023 to 2027 Strategic Plan for the City of London identifies 'Well-Run City' as a strategic area of focus. The City of London's Multi-Year Budget development and monitoring is a strategy to align financial resources with Council's Strategic Plan and to maintain London's finances in a transparent, sustainable, and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations. On a semi-annual basis, through the Operating Budget Monitoring Report process, Civic Administration measures the results achieved against approved budgets, and recommends appropriate adjustments in line with City policies and practices. This exercise ensures the operating budget is continuously monitored and, if needed, amended to be reflective of the City's Strategic Plan.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, meeting on October 3, 2023, Agenda Item 2.2, 2023 Mid-Year Operating Budget Monitoring Report
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=103303>

2.0 Discussion and Considerations

Budget monitoring is a key component for the governance and accountability process of the 2020 to 2023 Multi-Year Budget. As part of the Multi-Year Budget for the Corporation of the City of London (the "City"), the budget monitoring and reporting process ensures that Council and the community are provided with the information to understand actual spending against the budget.

Each year Civic Administration will submit two monitoring reports to Council, the Mid-Year Operating Budget Monitoring Report and Year-End Operating Budget Monitoring

Report. In addition to these two reporting cycles, once per year the multi-year budget is updated through the Annual Budget Update (refer to **Appendix C** for the budget cycle). The monitoring reports and annual budget updates inform Council and the community of the City's progress towards achieving the approved multi-year budget targets.

The purpose of this report is to:

- Provide an overview of the financial results of the operating budgets for the Property Tax Supported Budget and Water and Wastewater and Treatment rate supported budgets.
- Provide a summary of emerging issues that may impact the 2024 to 2027 Multi-Year Budget.

3.0 Financial Impact/Considerations

3.1 2023 Property Tax Supported Operating Budget Monitoring

The City realized a surplus position of \$28.0 million for the Property Tax Supported Budget at year-end. The surplus is largely attributable to three temporary external factors outside the control of the City of London – interest rates, provisions for tax appeals & uncollectable taxes, and Green Bin implementation delays. Interest rates are influenced by Bank of Canada monetary policy and economic conditions. Provisions for tax appeals and uncollectable taxes have been influenced by the delay in MPAC reassessments. Green Bin implementation delays were driven by supplier delays in delivery of required equipment. These major factors are temporary in nature and the resulting budgetary impacts are not likely to persist long-term. Interest rates are forecasted to decrease into the future. While no timeline has been provided, it is anticipated the MPAC assessment cycle will recommence, and the Green Bin program has since been implemented.

Table 1 – Key Factors Impacting the Year-end Position (\$ millions)

| Contributing Factor | Surplus/ Deficit | % of Total Gross Budget |
|--|---------------------|----------------------------------|
| 1. Financial Management component - Investment revenue surplus - Higher interest rates and higher average cash balances than budgeted. This surplus is in addition to the \$1.4 million tax levy reduction from investment revenue approved as part of the 2023 Annual Budget Update. The Bank of Canada has raised its overnight target rate from 0.25% in March 2022 to 5.0% in July 2023, leading to 2023 rates significantly higher than was originally budgeted as part of the 2020 to 2023 Multi-Year Budget. | \$16.3m | 1.4% |
| 2. Financial Management component - Provision for Tax Appeals & Uncollectible Taxes - Significant decrease in assessment at risk and abnormal loss estimate, resulting in a lower provision for losses in 2023. This is due to lack of reassessment, which historically has resulted in increased assessment at risk, and resolution of COVID-related and large exemption appeals in place at the end of 2022. A resumption of the reassessment cycle is likely to revert assessment at risk and the corresponding provision for losses to more historical levels, as a key input into the calculation of the provision is the amount of assessment at risk. | \$5.3m | 0.5% |
| 3. Garbage & Recycling component - Green Bin surplus - delay in receiving waste collection vehicles delayed the implementation of the Green Bin program until January 15, 2024. | \$4.0m | 0.4% |
| 4. All other areas – Social & Community Support, Financial Management, Corporate Services and Roadways are some of the services areas in a surplus. Factors include | \$2.4m | 0.2% |

| Contributing Factor | Surplus/ Deficit | % of Total Gross Budget |
|--|---------------------|----------------------------------|
| impacts of external funding, lagging COVID-19 related delays in operationalizing childcare expansion spaces, transition to the new London Regional Employment Services model, higher than budgeted supplementary taxes, electricity maintenance and winter material savings respectively. These are partially offset by areas in a deficit position including Parking, Neighbourhood & Rec Services and Building Approvals primarily due to deficits in user fees and higher costs due to inflation. | | |
| Total Year-End Position | \$28.0m | 2.5% |

Subject to rounding.

The above table highlights the most significant contributing factors to the year-end position. The summary table above does not detail all factors. For a breakdown of the surplus/deficit by service grouping, refer to **Appendix A**. It should be noted that each service grouping in Appendix A may have individual services within that grouping in either surplus or deficit positions which collectively make up the service grouping total. Similarly, there may be multiple smaller factors that that comprise the total service grouping position. Budget figures in Appendix A include housekeeping transfers. As authorized by the Municipal Council approved Multi-Year Budget Policy, Civic Administration can approve transfers between accounts that are considered housekeeping in nature. These adjustments primarily include items that are budgeted centrally, and during the year are distributed to various services. Furthermore, these figures represent operating budget results including any net contributions or drawdowns from reserve funds as required based on approved budgets, by-laws and/or application of policy.

Allocation of 2023 Surplus

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Property Tax Supported Budget as follows:

- a) 50% to reduce future debt issuance, it being noted that debt reduction will reduce future years’ debt servicing costs;
- b) 25% to the Community Investment Reserve Fund to be allocated at the discretion of Municipal Council, and;
- c) 25% to the Capital Infrastructure Gap Reserve Fund (or other reserve fund to mitigate infrastructure needs at the discretion of the City Treasurer) to address future infrastructure needs.

As per Policy, the \$28.0 million surplus, will be allocated as follows:

- a) \$14.0 million to reduce future debt issuance;
- b) \$7.0 million to the Community Investment Reserve Fund, and;
- c) \$7.0 million to the Capital Infrastructure Gap Reserve Fund.

The application of year-end surplus in accordance with the Surplus/Deficit Policy is prudent given the recent approval of the City of London’s 2024-2027 Multi-Year-Budget (MYB). Within the MYB, approximately \$500M of additional debt financing has been approved over the 2024-2033 timeframe, of which approximately \$338.4M is Property Tax supported debt. The application of the Policy provides for 50% of year-end surplus to be applied as debt substitution to reduce future debt, which in turn reduces future property tax rate increases to service the debt. The recently approved MYB also did not include business case #P-55 – Additional Funding to Address Infrastructure Gap. Applying policy to year-end surplus aids in providing a contribution to the Capital Infrastructure Gap Reserve Fund and becomes even more prudent when considering that permanent additional investments have not been approved through the MYB process. This one-time contribution provides funds for this key strategic outcome in the City’s Strategic Plan, the importance of which was articulated in the MYB business case

and the City’s recently updated Capital Asset Management Plan. The application of Policy also provides a contribution to the Community Investment Reserve Fund, which can be utilized as a funding source at the discretion of Municipal Council, including initiatives linked to the Strategic Plan. After considering investments made by Municipal Council as part of the 2024-2027 Multi-Year Budget, the estimated remaining balance in this fund is approximately \$0.2 million prior to the contribution of 25% of the year-end surplus per the Policy.

3.2 2023 Water Rate Supported Operating Budget Monitoring

The 2023 Water Rate Supported Budget surplus is \$3.0 million (Table 2).

Table 2 – 2023 Year-End Position (\$millions)

| Water | Budget | Year-End Position | Year-End Surplus/ Deficit |
|------------------------------------|------------|-------------------|---------------------------|
| Revenues | 93.7 | 97.0 | 3.3 |
| Expenditures | 93.7 | 94.0 | -0.3 |
| Net Balance Surplus/Deficit | 0.0 | 3.0 | 3.0 |

Subject to rounding

The year-end position is driven by the following:

- \$3.3 million surplus in revenues, primarily from greater than budgeted water usage due to the continued higher than anticipated residential consumption and growth in the City. An extremely dry spring also contributed to higher than anticipated consumption by residential users.
- -\$0.3 million deficit in expenditures driven by various operational costs including increases in locate costs due to new Ontario regulations.

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Water Rate Supported Budget as follows:

- 50% to reduce Water future debt issuance, it being noted that debt reduction will reduce future years’ debt servicing costs, and;
- 50% to the Waterworks Reserve Fund to address future infrastructure needs.

As per Policy, the \$3.0 million surplus, will be allocated as follows:

- \$1.5 million to reduce debt;
- \$1.5 million to the Waterworks Reserve Fund.

3.3 2023 Wastewater and Treatment Rate Supported Operating Budget Monitoring

The 2023 Wastewater and Treatment Rate Supported Budget is balanced at year-end (Table 3).

Table 3 – 2023 Year-End Position (\$millions)

| Wastewater & Treatment | Budget | Year-End Position | Year-End Surplus/ Deficit |
|------------------------------------|------------|-------------------|---------------------------|
| Revenues | 117.5 | 120.3 | 2.8 |
| Expenditures | 117.5 | 120.3 | -2.8 |
| Net Balance Surplus/Deficit | 0.0 | 0.0 | 0.0 |

Subject to rounding

The year-end position is driven by the following:

- \$2.8 million surplus in revenues. Similar to Water, this is primarily due to the continued higher than anticipated residential consumption and growth in the City.

- \$2.8 million deficit in operational costs. This consists of \$2.2 million deficit in chemical cost overruns from significant cost increases due to inflation and \$0.6 million deficit from all other areas.

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Wastewater and Treatment Rate Supported Budget as follows:

- a) 50% to reduce Wastewater & Treatment future debt issuance, it being noted that debt reduction will reduce future years' debt servicing costs, and;
- b) 50% to the Sewage Works Reserve Fund to address future infrastructure needs.

Given the Wastewater and Treatment Budget is balanced at year-end, there will be no surplus allocation.

4.0 Key Issues and Considerations

4.1. Contribution to Contingency Reserves

With the passage of the More Homes, More Choice Act, 2019 (Bill 108) and the More Homes Built Faster Act, 2022 (Bill 23), changes to the Development Charges Act increased the number of development charges exemptions legislatively required to be granted for eligible types of development. Increased numbers of additional residential units, including purpose built, exemptions for non-profit housing, discounts for purpose build rental units and the Provincial defined exemption of affordable and attainable housing mean that development fees that would normally be collected from building these units now needs to be recovered from other sources. While a business case (#PL-3) was included in the 2024-2027 Multi-Year Budget to start providing a funding source for these exemptions, there was no such funding in place for the fiscal year 2023.

The total, unfunded exemptions that are required to be paid by the City for 2023 to “backfill” the City Services Development Charges Reserve Funds is \$16.8 million. Given there was no funding source at the time, Contingency Reserves were required to be utilized to finance these exemptions. Of the \$16.8 million total, \$9.7 million was funded from the Property Tax Operating Budget Contingency Reserve, \$1.1 million from the Water Budget Contingency Reserve, and \$6.0 million from the Wastewater Budget Contingency Reserve. Recommendation b) in this report provides for the replenishment of the Contingency Reserves to the extent that there is available surplus, noting that there is insufficient surplus in the Wastewater & Treatment budget and therefore this represents a net drawdown on its reserve.

The Province has committed to ensuring that municipalities are “made whole” for any loss of funding due to the More Homes Built Faster Act, 2022 and has stated they will engage in consultations to understand the impacts of the introduced legislation. When additional information becomes available regarding the Province’s commitment it will be brought forward to Municipal Council as part of a Committee Report and/or Annual Budget Update. Civic Administration will also continue to monitor the total amount of statutory exemptions and discounts being incurred relative to funding approved through the 2024-2027 Multi-Year Budget and will report, as necessary, on any shortfalls through future semi-annual Budget Monitoring Reports.

4.2. Request to Fund London & Middlesex Community Housing (LMCH) Deficit

The factors driving the 2023 LMCH deficit of \$33 thousand and formal request for funding are detailed in **Appendix B**. Historically, LMCH surpluses have been returned to the City while deficits have been funded by the City.

4.3. 2024 to 2027 Emerging Issues

Several services have identified potential service delivery pressures that may impact expenditures/revenues in the 2024 to 2027 Multi-Year Budget. This section describes some of the more significant issues and the measures taken to mitigate or address these issues. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below. The likelihood of each issue impacting the Multi-Year Budget is rated as high, medium, or low. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring in 2024 to 2027 is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring in 2024 to 2027 is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring in 2024 to 2027 is predicted to be less than 30%

Multiple Services – 2024 to 2027 Multi-Year Budget – Given the City recently adopted the 2024-2027 Multi-Year Budget, many of the emerging issues listed in previous reports, whether Legislative, Council Direction, or Cost/Revenue Driver, were addressed within existing base budgets or business cases presented as part of the 2024 to 2027 Multi-Year Budget and thus are now omitted from this listing.

What we are doing to mitigate/address the issue:

New emerging issues or evolving issues that arise with financial impacts that fall under these categories will be brought forward through the semi-annual monitoring reporting cycle and/or through Annual Budget Updates to the 2024 to 2027 Multi-Year Budget.

Legislative:

1. Long-Term Care, Housing Stability Services, Middlesex London Health Unit (MLHU) (High Likelihood) – Potential reduction of COVID funding – There are continued COVID-19 related expenditures to maintain resident safety for Long-Term Care, despite indications of reduced Ministry funding for this purpose into the future. Similarly, for MLHU, dedicated Ministry funding for COVID-19 costs is expected to end for 2024, with an expectation that COVID-19 related activities will become part of health units' ongoing operations. In addition, previously provided funding was made available through the Social Services Relief Fund program to support vulnerable populations through COVID-19. This funding has been relied upon to support operating costs and increases to programming, with no further funding commitments announced for 2024. The City has received additional federal Reaching Home Funding for 2023-2024, as well as increased allocations through the provincial Homeless Prevention Program (HPP), which temporarily alleviated the financial pressure to continue to fund the current service levels. However, the growing needs to support housing stability for vulnerable Londoners continue to exceed available funding through these programs.

What we are doing to mitigate/address the issue: Civic Administration is assessing current levels of COVID-19 support and looking at more cost-efficient alternative approaches for protecting residents' health in Long-Term Care. Priority setting will be required to manage the various public health needs within financial constraints faced by MLHU. Civic Administration will also continue to advocate to ensure that our Federal and Provincial partners are aware of the need for stable, predictable funding to mitigate any longer-term impacts from the pandemic, particularly related to supporting vulnerable populations.

Cost/Revenue Driver:

1. Municipal Housing & Housing Stability Services (High Likelihood) – Whole of Community System Response – On October 5, 2023, London City Council approved the first three Hubs as part of this plan. The approval of these first Hubs marks the next step in the implementation of the Health and Homelessness Whole of Community Response and a new, system-wide approach.

What we are doing to mitigate/address the issue: While some existing base funding is available through the Homeless Prevention Program and one-time funding is available from the London Community Foundation Fund for Change for establishing and operating multiple Hubs, advocacy efforts to seek funding from other levels of government will continue to secure sustainable funding for the system and to further accelerate the implementation of the plan.

Conclusion

The Property Tax and Water Budgets are in a surplus position while the Wastewater and Treatment Budgets is in a balanced position at year-end. The Property Tax surplus is largely attributable to investment revenue surplus driven by higher interest rates. The Water Budget surplus is primarily from higher than anticipated residential consumption and growth in the City. The Wastewater Budget is experiencing similar trends; however, this is offset by chemical cost overruns. All three budgets had a contribution to their respective Contingency Reserves to replenish draws related to the cost of 2023 Development Charge exemptions. Surplus positions will be allocated in accordance with the Council Approved Surplus/Deficit Policy.

Prepared by: Rick Lamon, CPA, Manager, Accounting and Reporting
and Martin Galczynski, CPA, CA, CIM, Manager,
Financial Planning and Policy

Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and
Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager,
Finance Supports

Appendix A – 2023 Year-End Financial Summary

Property Tax Supported Budget (\$ Thousands)

| Service Grouping | Gross Expenditure Budget¹ | Non-Tax Levy Revenue Budget¹ | Tax Levy (Net) Budget¹ | Year-End Net Budget Position | Year-End Surplus/Deficit |
|---|---|--|--|-------------------------------------|---------------------------------|
| | (A) | (B) | (C = A-B) | (D) | (C-D) |
| Centennial Hall | 848 | 657 | 191 | 9 | 182 |
| Arts, Culture & Heritage Advisory & Funding | 2,302 | 0 | 2,302 | 2,294 | 8 |
| Museum London | 1,927 | 0 | 1,927 | 1,927 | 0 |
| Eldon House | 308 | 0 | 308 | 308 | 0 |
| Heritage | 468 | 0 | 468 | 428 | 40 |
| Library Services | 22,129 | 0 | 22,129 | 22,129 | 0 |
| Economic Development | 8,990 | 1,528 | 7,462 | 7,320 | 142 |
| Community Improvement/BIA | 3,148 | 1,075 | 2,073 | 2,311 | -238 |
| Conventions, Meetings & Events | 678 | 0 | 678 | 678 | 0 |
| Tourism & Sports Attraction | 2,402 | 0 | 2,402 | 2,402 | 0 |
| Covent Garden Market | 0 | 0 | 0 | 0 | 0 |
| Kettle Creek Conservation Authority | 316 | 0 | 316 | 286 | 30 |
| Lower Thames Valley Conservation Authority | 72 | 0 | 72 | 73 | -1 |
| Upper Thames River Conservation Authority | 1,727 | 0 | 1,727 | 1,743 | -16 |
| Climate Change & Environmental Stewardship | 1,695 | 355 | 1,340 | 1,066 | 274 |
| Garbage Recycling & Composting | 42,604 | 16,970 | 25,633 | 20,323 | 5,310 |
| Neighbourhood & Recreation Services | 41,981 | 24,348 | 17,633 | 18,893 | -1,259 |
| Parks & Urban Forestry | 16,296 | 216 | 16,080 | 16,065 | 15 |
| Building Approvals | 9,599 | 8,486 | 1,113 | 2,201 | -1,088 |
| Planning Services | 4,846 | 264 | 4,582 | 4,503 | 79 |
| Development Services | 6,201 | 3,357 | 2,844 | 3,538 | -695 |
| Animal Services | 3,309 | 1,205 | 2,104 | 2,130 | -26 |
| By-law Enforcement & Property Standards | 3,865 | 2,563 | 1,302 | 1,369 | -67 |
| Emergency Management & Security Services | 3,790 | 67 | 3,723 | 3,915 | -192 |
| Fire Services | 71,901 | 326 | 71,575 | 71,524 | 51 |
| Police Services | 141,478 | 10,048 | 131,431 | 131,431 | 0 |
| Municipal Housing | 20,885 | 11,063 | 9,822 | 9,072 | 750 |
| Housing Development Corporation | 3,357 | 0 | 3,357 | 3,357 | 0 |
| London & Middlesex Community Housing | 14,779 | 0 | 14,779 | 14,812 | -33 |
| Long Term Care | 28,347 | 21,266 | 7,081 | 6,594 | 487 |
| Land Ambulance | 29,535 | 0 | 29,535 | 29,587 | -52 |

| Service Grouping | Gross Expenditure Budget¹ | Non-Tax Levy Revenue Budget¹ | Tax Levy (Net) Budget¹ | Year-End Net Budget Position | Year-End Surplus/Deficit |
|-------------------------------------|---|--|--|-------------------------------------|---------------------------------|
| | (A) | (B) | (C = A-B) | (D) | (C-D) |
| Middlesex-London Health Unit | 7,345 | 0 | 7,345 | 7,345 | 0 |
| Social & Community Support Services | 256,370 | 221,239 | 35,131 | 24,751 | 10,379 |
| Parking | 4,446 | 8,380 | -3,934 | -1,430 | -2,504 |
| London Transit Commission | 45,837 | 0 | 45,837 | 45,837 | 0 |
| Roadways | 58,185 | 7,352 | 50,832 | 48,760 | 2,072 |
| Rapid Transit | 87 | 80 | 7 | 531 | -525 |
| Corporate Services | 74,166 | 6,464 | 67,702 | 63,118 | 4,584 |
| Corporate Planning & Administration | 2,301 | 23 | 2,279 | 2,146 | 132 |
| Council Services | 5,269 | 898 | 4,371 | 4,549 | -178 |
| Public Support Services | 12,878 | 9,254 | 3,624 | 4,375 | -751 |
| Financial Management | 181,584 | 44,308 | 137,276 | 126,202 | 11,074 |
| Total | 1,138,250 | 401,793 | 736,458 | 708,473 | 27,985 |

Subject to rounding

Note 1: Budgets includes housekeeping transfers. As authorized by the Municipal Council approved Multi-Year Budget Policy, Civic Administration can approve transfers between accounts that are considered housekeeping in nature. These adjustments primarily include items that are budgeted centrally, and during the year are distributed to various services.

Appendix B



March 26, 2024

Anna Lisa Barbon,
Deputy City Manager, Finance Supports
City of London
300 Dufferin Avenue
PO Box 5035

RE: London and Middlesex Community Housing Funding Request Dear Anna Lisa,
London & Middlesex Community Housing is requested payment of \$33,364 to balance the Corporation's budget, based on the unaudited year-end deficit for the 2023 fiscal year.

LMCH continues to experience fluctuations in tenant rental revenue with significant increases in bad debt write off for former tenants and rent forgiveness for current tenants. This along with increased cost pressures of operations (Maintenance and Repair) have resulted in a small operating deficit.

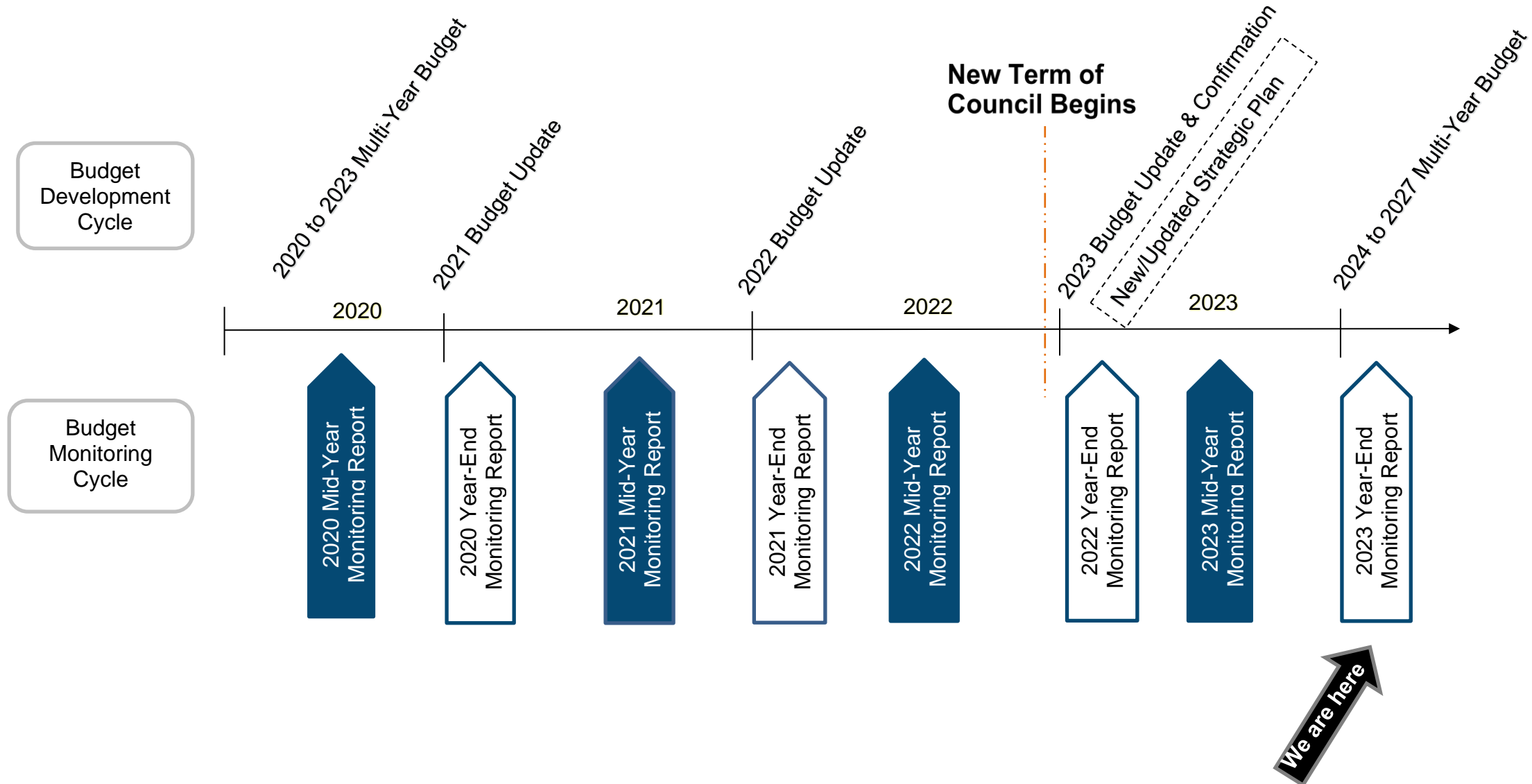
I would like to thank you for your consideration in this matter. Sincerely,

A handwritten signature in blue ink that reads 'Paul Chisholm'.

Paul Chisholm,
Chief Executive Officer
London & Middlesex Community Housing

Appendix C – Multi-Year Budget Cycle

The timeline below illustrates when Council will receive the various reports that form the 2020 to 2023 Multi-Year Budget governance and accountability process.



From: butler.chris

Sent: Thursday, April 11, 2024 4:00 PM

To: csc <csc@london.ca>

Cc: Woolsey, Heather <hwoolsey@London.ca>

Subject: [EXTERNAL] Added Agenda - Corporate Services Committee MTG April 15 - Item ## 2.2 - 2023 Operating Budget Surplus Report

City Clerks Team – Please consider this both direction & approval to distribute this E – Mail as “ Added Agenda “ for the upcoming Corporate Services Meeting – next Monday April 15 for Agenda Item # 2.2 – Consent Report on dealing with our 2023 Operating Budget Surplus .

Councillor McAllister (Chair) & Committee Council Members;

Please consider this E – Mail as both feedback and a direct customer (taxpayer) request to alter the recommendations offered up by Deputy City MGR – A. L . Barbon under the umbrella of the current City of London Surplus By-law .

Feedback to Consider ;

- That the City of London & our full Council have known since early June 2023 that due to supply chain delays in the then fully budgeted Green Bin Program; that the implementation date was delayed until at least very late 2023 . This delay was further reinforced later in 2023 , by Jay Stanford & team pushing implementation out to early 2024. If we are monitoring the budget vs actuals , why wasn't the lions share of the \$ 4.0 Million Green Program 2023 budget surplus applied as carryover to offset the same associated costs in our 2024 Operating Budget BEFORE that 2024 Budget was dropped on Council in early December 2023 ?
- Any Short Term money account available at secure Canadian Financial Institutions offered up steady 5.0 % minimum interest returns , with 24 hour notice access . Why wouldn't these unbudgeted investment returns earned by your customers (Taxpayers) from our bloated reserve funds be used to offset the 2024 Tax Payer Levy Operating Budget before that was dropped on Council in December 2023 . You needed no BOC interest forecast to execute this , as the City of London had already earned 11 months of this interest. Isn't this “ same as “ our London Hydro annual dividend is budgeted and allocated?
- Reflecting on the Well Run City reference in this consent report , it's hard to fathom how we can apply resources to continuously monitoring the Budget Vs Actual not do anything to action these forward to the next annual and have a By-law in place & a consent report that rewards zero back to taxpayers when we are challenged by 8.7 % & 8.5 % consecutive annual tax levy increases going forward.

Clear Recommendations ;

1. That someone on this Committee muster the fairness with respect to customer service to motion for a 100 % credit of the \$ 4 .0 Million in Green Bin Program 2023 surplus back to offset (credit) that same expense line in our 2024 Tax LEVY Ops budget. That's an immediate 0.5 % Tax Levy reduction in 2024. I'm not paying for this item twice people & I am a full supporter on the Green Bin program.
2. That someone on this Committee offer up a similar motion to direct a minimum of the 50 % of the \$14 Million “ windfall /un- forecasted “ Investment Returns back to taxpayers for a \$ 7.0 million total credit to our 2024 Tax Levy Ops Budget. At least 6 months of these unbudgeted windfall returns must have been recognized fully before the 2024 – 2027 budget was dropped on this Council & the public in December 2023 and should have been actioned as a carryover credit just like the COVID 19 funds.

Nobody has sent out the final 3 tax payments Council , so there is time to execute any action.

THXS for the consideration would welcome some badly needed tax relief.

Chris Butler – Waterloo St – London

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager,
Finance Supports

Subject: 2023 Year-End Capital Budget Monitoring Report

Date: April 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the 2023 Year-End Capital Budget Monitoring Report:

- a) the 2023 Year-End Capital Budget Monitoring Report **BE RECEIVED** for information, it being noted that the life-to-date capital budget represents \$3.5 billion with \$1.9 billion committed and \$1.6 billion uncommitted; it being further noted that the City Treasurer, or designate, will undertake the housekeeping budget adjustments identified in the Report, in accordance with the Multi-Year Budget Policy adopted by amending by-law No. CPOL.-45(c)-209;
- b) the capital budget adjustments in section 2.4 **BE APPROVED** to transfer available surplus funding to projects requiring additional funding:
 - i) \$650 thousand from EW384222 – Lead and Copper Water Service Replacement Program to EW1103 - Outer Drive Reservoir Demolition;
 - ii) \$600 thousand from EW384222 – Lead and Copper Water Service Replacement Program to EW110423 – Southeast Pumping Station Optimization and Renewal;
 - iii) \$428 thousand from EW383321 – Watermain Construction and Repairs to EW110423 – Southeast Pumping Station Optimization and Renewal;
- c) the status updates of active 2020 life-to-date capital budgets (2020 and prior) having no future budget requests, attached as Appendix “B”, **BE RECEIVED** for information;
- d) the following actions be taken with respect to the completed capital projects identified in Appendix “C”, which have a total of \$2.3 million of net surplus funding:
 - i) the capital projects included in Appendix “C” **BE CLOSED**;
 - ii) the following actions be taken with respect to the funding associated with the capital projects approved for closure in d) i), above:

Rate Supported

- A) pay-as-you-go funding of \$58 thousand **BE TRANSFERRED** from capital receipts;
- B) authorized but unissued debt financing of \$113 thousand **BE RELEASED** from the capital budget;
- C) uncommitted reserve fund drawdowns of \$1.3 million **BE RELEASED** back into the reserve funds which originally funded the projects;

Non-Rate Supported

- D) uncommitted reserve fund drawdowns of \$746 thousand **BE RELEASED** back into the reserve funds which originally funded the projects;
- E) other net non-rate supported funding sources of \$281 thousand **BE ADJUSTED** in order to facilitate project closings.

Executive Summary

This report provides a summary of the results related to the 2023 capital budget for the Property Tax Supported Budget, the Water Rate Supported Budget, and the Wastewater and Treatment Rate Supported Budget.

The City continues to face cost pressures associated with supply chain disruptions as well as inflation. As a result, the cost of construction has gone up significantly for many capital projects in the capital plan.

At the end of 2023 the City's life-to-date capital budget stood at \$3.5 billion; \$1.9 billion (54.8%) is committed to capital work, while \$1.6 billion (45.2%) remains uncommitted. During the calendar year 227 discrete contract awards worth \$304.6 million were awarded; 87 by Council and 140 by Civic Administration (Appendix "A"). These awards contributed to total capital spending of \$372.8 million by the end of 2023.

In addition to the update provided on the status of the City's capital budget, the capital monitoring process reviews and evaluates that status for each active capital project. This report identifies capital projects with budgets greater than three years old that have no future budget requests (Appendix "B"). These projects have a high likelihood of being closed in future iterations of this report. This report recommends closing 69 capital projects with a total budget value of \$115.8 million (Appendix "C"). If approved, the closing of completed capital projects will return a total of \$2.3 million back to their original rate and non-rate sources of financing.

This report also provides a summary of the City's debt, key capital budget financing strategies, and emerging issues that may impact the 2024-2027 capital budget.

Linkage to the Corporate Strategic Plan

Council's 2023 to 2027 Strategic Plan for the City of London identifies "Well-Run City" as one of eight strategic areas of focus. The City of London's Multi-Year Budget development and monitoring processes align the City's financial resources with Council's Strategic Plan and maintain London's finances in a transparent, sustainable, and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations. On a semi-annual basis, through the Capital Budget Monitoring Report process, Civic Administration scrutinizes each capital project's life-to-date approved budget against its realized expenditures and recommends appropriate action in line with City policies and practices. This exercise ensures the capital budget is continuously monitored and, if needed, funding released which can be used elsewhere to implement the City's Strategic Plan.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, April 11, 2023, meeting, Agenda Item # 2.2, 2022 Year-End Capital Budget Monitoring Report

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=98449>

Corporate Services Committee, meeting on July 17, 2023, Agenda Item 2.5, Council Policy Manual Review 2023

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=101216>

Corporate Services Committee, October 3, 2023 meeting, Agenda Item # 2.3, 2023 Mid-Year Capital Budget Monitoring Report.

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=103302>

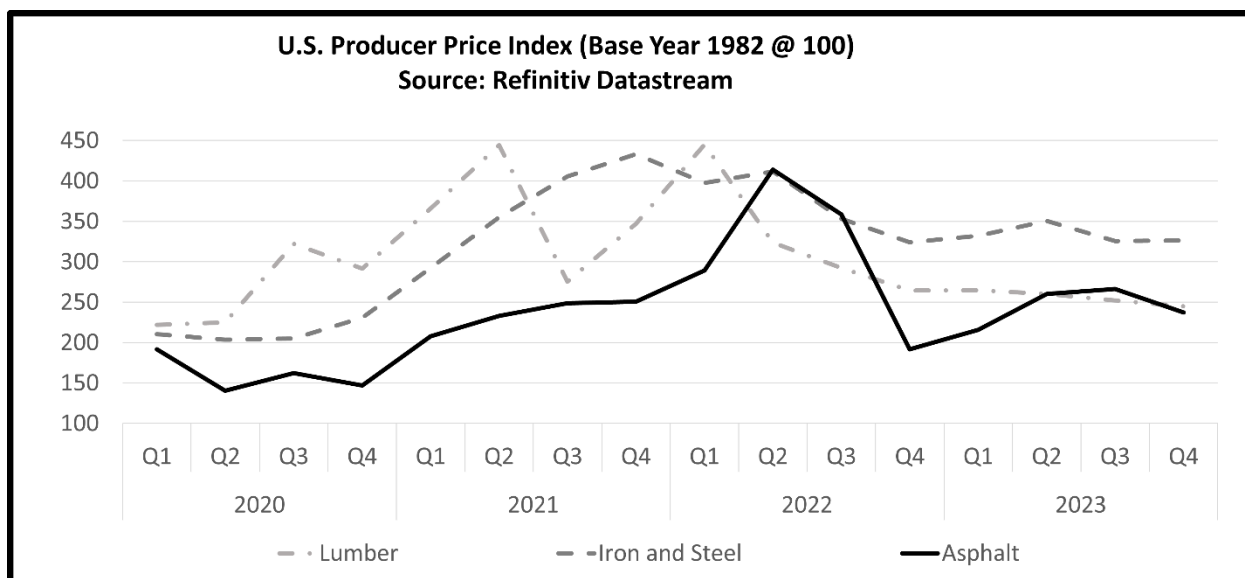
1.2 Source of Financing Terminology Defined

Within this report the terms “rate supported” and “non-rate supported” are used when referring to the sources of financing that support the City’s capital budget. Rate supported refers to property tax, and water and wastewater utility rate sources of financing (e.g., capital levy, water rates, reserve funds, debt). Non-rate supported refers to sources of financing primarily supported by development charges and in some cases contributions from parties external to the Corporation of the City of London.

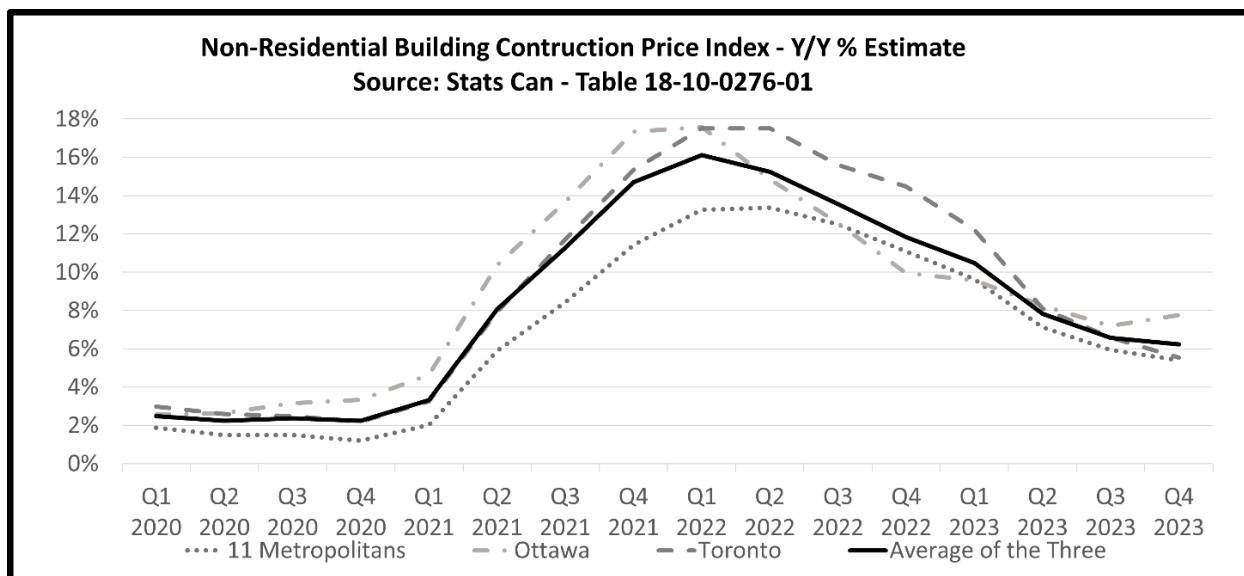
2.0 Discussion and Considerations

2.1 Financial Impacts – Inflation and Capital Project Impacts

Throughout the 2020 to 2023 Multi-Year Budget period, inflationary impacts were significant. Supply chain issues and increased demand for certain raw materials as a result of the global pandemic and other economic factors caused many capital projects in the approved capital plan to experience inflationary pressures. The U.S. Producer Price Index (Figure 1 – sourced via Refinitiv) is the official monthly measure of producer prices in the United States, and a good comparator of trends being experienced in Canada. It measures average changes in prices received by domestic producers for their outputs like lumber, iron and steel, and asphalt; the prices for lumber, iron and steel, and asphalt have increased 10%, 55% and 24% respectively over the Q1 2020 (beginning of the last multi-year budget) to the Q4 2023 period. Similarly, Statistics Canada tracks various input prices through the Industrial Product Price Index (IPPI). Since the beginning of 2020 through to December 31, 2023, the price of lumber and other wood products has increased 24% and primary ferrous metal products (e.g. steel) have increased 37%. The Statistics Canada Industrial Product Price Index does not specifically include asphalt. Clearly, therefore, substantial price increases for various materials utilized in construction projects have been experienced, not only in Canada but across North America and the world. It is important to highlight the volatility of these prices of raw materials, which can make budgeting and planning capital works extremely challenging.



Higher input costs are contributing to increases seen in the costs of construction. The Building Construction Price Indexes tracked by StatsCan are a quarterly measure of change in prices that contractors charge to construct a range of new commercial, institutional, industrial (ICI) and residential buildings. Of particular importance to the City of London is the Non-Residential Building Construction Price Index, which is presented for the Q1 2020 to Q4 2023 period.



This graph represents a striking change in the construction environment since the approval of the 2020 to 2023 Multi-Year Budget. However, raw material prices are starting to show signs of moderation; comparing the high prices in Q1 2022 to Q4 2023 the reported Canadian IPPI shows a decrease in lumber prices of 40% and a decrease in the price of ferrous metal products of 9%. Although raw material costs are still elevated well beyond what was estimated in the prior 2020 to 2023 Multi-Year Budget, they are trending in a positive direction. Where they ultimately level out is still very much uncertain. Similarly, the Non-Residential Construction Price Index has shown moderation from its highs of late 2021 and early 2022. However, construction prices continue to escalate at a year-over-year rate well in excess of pre-pandemic levels.

While inflation may be showing signs of further easing (albeit still at elevated levels), it should be noted that long term construction price deflation (i.e. falling construction prices) is very rare and typically only seen during significant economic downturns.

Currently known inflationary pressures that impacted capital projects were considered and incorporated into the approved 2024 to 2033 Capital Plan approved via the 2024 to 2027 Multi-Year Budget. Civic Administration will continue to monitor inflationary pressures and the impact they could have on delivery of the Plan. The expectation is that there will be less volatility in inflationary pressures than was witnessed in the 2020 to 2023 Multi-Year Budget period.

Should budget changes be required, these adjustments would be included in future capital budget requests in the budget process or via the regular Council committee meeting cycle.

2.2 2023 Life-To-Date Capital Budget Activity and Revisions

As a year progresses, reports are presented to Council to approve major contract awards and proceed with capital projects. Each report includes a Source of Financing document (SofF) attached as an appendix. Most awards are within the approved capital budget, but some awards require budget adjustments as detailed in the SofF. Budget adjustments may also result from the application of assessment growth funding, receipt of senior government funding and other revenue sources such as insurance proceeds and private drain connections.

Other capital project awards proceed under administrative authority granted by the Procurement of Goods and Services Policy; details on these approvals are provided in an annual report from the Purchasing and Supply Division.

Table 1 summarizes 2023 life-to-date capital budget adjustments by Tax Supported, Wastewater and Treatment, and Water budgets. Appendix “A” provides details on the source of these adjustments.

Table 1 – 2023 Capital Budget Life-To-Date Revisions as of December 31, 2023 (\$Thousands)

| Budget | 2023 Life-to-Date Approved Budget (as of January 1, 2023) | 2023 Council Budget Adjustments | 2023 Administrative Budget Adjustments | 2023 Life-to-Date Approved Budget (as of December 31, 2023) |
|---------------|---|---------------------------------|--|---|
| Tax Supported | 2,346,542 | 24,714 | 13,991 | 2,385,247 |
| Wastewater | 770,382 | 4,036 | 4 | 774,421 |
| Water | 288,867 | 1,545 | 6 | 290,418 |
| Total | 3,405,790 | 30,295 | 14,001 | 3,450,086 |

Subject to rounding.

As of December 31, 2023, there were 227 discrete contract awards worth \$304.6 million (87 were awarded by Council and 140 were awarded administratively). Table 2 summarizes the 2023 contract awards by Tax Supported, Wastewater and Treatment, and Water budgets. Appendix “A” provides details on all Council approved contract awards.

Table 2 – 2023 Capital Budget Contract Awards as of December 31, 2023 (\$Thousands)

| Budget | Council Approved Contract Awards | Administration Approved Contract Awards | Total Awards |
|---------------------------|----------------------------------|---|----------------|
| Tax Supported | 137,736 | 52,508 | 190,244 |
| Wastewater | 50,542 | 34,534 | 85,076 |
| Water | 14,183 | 15,103 | 29,286 |
| Total | 202,461 | 102,145 | 304,606 |
| Number of Contract Awards | 87 | 140 | 227 |

Subject to rounding.

The increase in volume and amount of administratively approved contract awards has resulted from the Council approved increase in internal approval thresholds from \$3 million to \$6 million on January 31, 2022.

2.3 2023 Life-To-Date Capital Budget Status

A summary of the 2023 life-to-date capital budget, including the committed and uncommitted amounts, is summarized in Table 3. This information is essential for budget monitoring to ensure that spending is being managed within the approved budget.

Table 3 – 2023 Life-To-Date Capital Budget Details as of December 31, 2023 (\$Thousands)

| Budget | Classification | Approved Budget ¹ | Actual and Commitments ² | Uncommitted to Date ² | Percent Committed |
|---------------|---------------------|------------------------------|-------------------------------------|----------------------------------|-------------------|
| Tax Supported | Lifecycle | 612,812 | 412,487 | 200,325 | 67.3% |
| Tax Supported | Growth | 1,041,287 | 469,048 | 572,240 | 45.0% |
| Tax Supported | Service Improvement | 731,147 | 276,885 | 454,263 | 37.9% |
| Tax Supported | Sub-Total | 2,385,246 | 1,158,420 | 1,226,828 | 48.6% |
| Wastewater | Lifecycle | 259,911 | 214,978 | 44,933 | 82.7% |

| | | | | | |
|-------------|----------------------------|------------------|------------------|------------------|-------|
| Wastewater | Growth | 366,930 | 216,610 | 150,320 | 59.0% |
| Wastewater | Service Improvement | 147,580 | 73,794 | 73,787 | 50.0% |
| Wastewater | Sub-Total | 774,421 | 505,382 | 269,040 | 65.3% |
| Water | Lifecycle | 194,228 | 155,295 | 38,932 | 80.0% |
| Water | Growth | 85,961 | 65,087 | 20,874 | 75.7% |
| Water | Service Improvement | 10,230 | 5,787 | 4,443 | 56.6% |
| Water | Sub-Total | 290,419 | 226,169 | 64,249 | 77.9% |
| City | Total | 3,450,086 | 1,889,970 | 1,560,116 | |
| City | Percentage of Total | 100.0% | 54.8% | 45.2% | |

Subject to rounding.

Table Notes:

(1) Totals are for active projects only. Projects approved to be closed during the 2023 Mid-Year and 2022 Year-End Capital Monitoring Reports are deducted from this table.

(2) Once a capital project has an approved budget, spending or commitments may not be made for several years, for example, longer term projects like multi-purpose recreation centres.

After a review of all active (currently tendered and in-progress) capital projects (excluding projects recommended to be closed as identified in Appendix “C”), it has been determined that the following projects are projected to be over budget by more than \$50 thousand upon project completion:

EW1103 - Outer Drive Reservoir Demolition – Additional budget is required as the Outer Drive Reservoir Demolition project costs have significantly increased due to construction cost inflation, site constraints and the requirement to return the building lot to a "buildable" status. Additional funding will be required based on the consultant’s estimate which was provided in January 2024, thus not available during the 2024-2027 Multi-Year Budget development period.

EW110423 – Southeast Pumping Station Optimization and Renewal – Additional budget is required to accommodate high priority leak repairs, replace variable frequency drives, and make necessary repairs for floor and wall joint leakage. Additional funding will be required based on the consultant’s estimate which was provided in January 2024, thus not available during the 2024-2027 Multi-Year Budget development period.

Appendix “B” contains a status update for capital projects with budgets greater than three years old (2020 and prior) that have no future budget requirements/activity. Appendix “B” provides the status of specific active capital projects that would be targeted as a high likelihood for project closure, it being noted that projects recommended to be closed are contained in Appendix “C” (see Section 2.5 of this report).

2.4 Capital Budget Housekeeping and Adjustments

On July 17, 2023, Council approved the Council Policy Manual Review, which includes the Multi-Year Budget Policy. Included in the policy is authorization for the City Treasurer or designate to make budget adjustments considered “housekeeping” in nature. These adjustments do not have a material impact on the capital plan. Reporting housekeeping budget adjustments of significance through the budget monitoring process, which occurs twice per year, allows more timely disclosure of capital budget adjustments to Council and the community, better reflects operational requirements, and keeps the capital budget in a more current state. **For year-end 2023 there are no**

significant capital budget housekeeping items to disclose, any items that required adjustment were included in the 2024-2027 Multi-Year Budget.

However, during the year-end review process two needs, as well as available funding, were identified in the Water capital budget. As a result, Council approval, via recommendation b) in this report, is requested for the following budget adjustments:

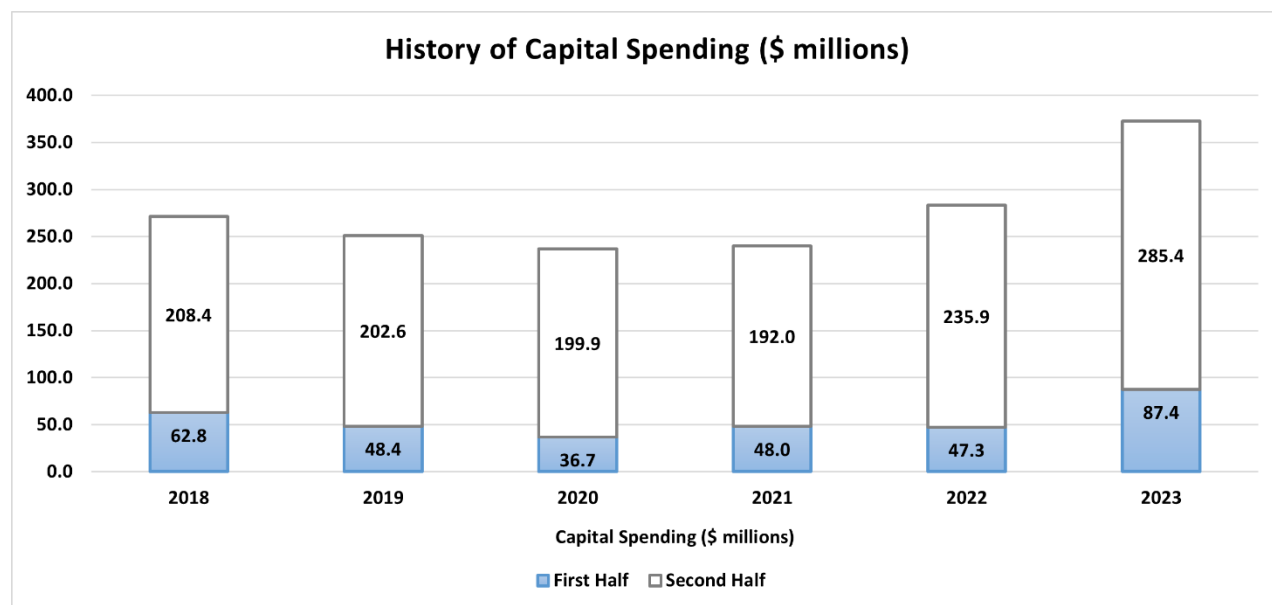
EW1103 - Outer Dr Reservoir Demolition – Transfer \$650,000 of available surplus funding from the Lead and Copper Program (EW384222) to accommodate the additional budget required. This budget adjustment will enable this work to advance and contract award(s) for this scope of work will be brought forward in accordance with the City’s Procurement of Goods and Services Policy.

EW110423 – Southeast Pumping Station Optimization and Renewal –Transfer \$600,000 of available surplus funding from the Lead and Copper Program (EW384222) to accommodate high priority leak repairs and variable frequency drive replacements. Also transfer \$428,379 of available surplus funding from the Watermain Construction and Repairs (EW383321) account to address repairs related to floor and wall joint leakage. These budget adjustments will enable this work to advance and contract award(s) for this work will be brought forward in accordance with the City’s Procurement of Goods and Services Policy.

2.5 Capital Cash Flow

Capital spending each year is not the same as the capital budget for that year. Spending on capital projects can extend several years after the budget is approved by Council. Spending within a given year is therefore a layering of several capital projects approved in various years and at various stages. Total capital spending tends to be greater during the latter part of the year as construction invoices are received, approved, and paid. This information is important for the timing of debt issuances, reserve fund drawdowns and cash flow management decisions.

As of December 31, 2023, **total capital spending was \$372.8 million** compared to \$283.2 million in 2022 (Figure 3 below).



2.6 Completed (Closed) Capital Projects

Civic Administration continues to undertake reviews to close capital projects in a timely manner to ensure the life-to-date capital budget is accurately stated and savings, if any, are returned to their original funding source for future budget utilization. As a result of these reviews, this report recommends closing 69 projects with a total budget value of \$115.8 million. The completed projects that are recommended to be closed were under budget by \$2.3 million in total (Table 4 \$1,315.8 + Table 5 \$1,027.9). The rate and non-rate source of financing impacts of closing the completed capital projects is summarized

in Table 4 and 5 below. For a detailed listing of each completed capital project refer to Appendix “C”.

Table 4 – Completed Capital Projects Rate Supported Sources of Financing to be Released (\$Thousands)

| Budget | Capital Levy | Debt | Reserve Funds | Total |
|---------------|--------------|--------------|----------------|----------------|
| Tax Supported | -58.1 | 113.2 | 65.0 | 120.1 |
| Wastewater | 0.0 | 0.0 | 26.3 | 26.3 |
| Water | 0.0 | 0.0 | 1,169.4 | 1,169.4 |
| Total | -58.1 | 113.2 | 1,260.7 | 1,315.8 |

Subject to rounding.

Table 5 – Completed Capital Projects Non-Rate Supported Sources of Financing to be Released (\$Thousands)

| Budget | Reserve Funds | Debt | Other ¹ | Total |
|---------------|---------------|------------|--------------------|----------------|
| Tax Supported | 746.3 | 0.0 | 104.2 | 850.5 |
| Wastewater | 0.0 | 0.0 | 177.4 | 177.4 |
| Water | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 746.3 | 0.0 | 281.6 | 1,027.9 |

Subject to rounding.

Table 4 and Table 5 Notes:

(1) Represents non-City funding sources such as proceeds from external contributors.

In total, the capital project closing exercise, if approved, will release, and transfer uncommitted rate and non-rate reserve fund drawdowns of \$2.01 million, of which, \$1.26 million relates to rate supported reserve funds and \$0.75 million relates to non-rate supported reserve funds. The details of these pending reserve fund drawdown releases are outlined in Table 6 and 7 below.

Table 6 – Completed Capital Projects Rate Supported Reserve Fund Drawdowns to be Released (\$Thousands)

| Reserve Fund | Amount |
|-------------------------------------|----------------|
| Economic Development Reserve Fund | 64.6 |
| Urban Forestry Renewal Reserve Fund | 0.4 |
| Sewage Works Renewal Reserve Fund | 26.3 |
| Water Works Renewal Reserve Fund | 1,169.4 |
| Total | 1,260.7 |

Subject to rounding.

Table 7 – Completed Capital Projects Non-Rate Supported Reserve Fund Drawdowns to be Released (\$Thousands)

| Reserve Fund | Amount |
|--|--------------|
| City Services Reserve Fund Roads | 792.4 |
| Parking Facilities Renewal Reserve Fund ¹ | -46.1 |
| Total Non-Tax/Rate Supported Reserve Fund Impacts | 746.3 |

Subject to rounding.

Table 7 Note:

(1) TS4209 Improved Parking Technology went over budget by \$46 thousand and requires an additional drawdown from the Parking Facilities Renewal Reserve Fund to close the project.

2.7 Capital Budget Financing Strategies – Capital Levy

The overarching capital financing strategy for capital levy, also referred to as pay-as-you-go financing, is to first apply this funding source to lifecycle renewal capital budgets as the purpose of projects in this classification is to maintain existing infrastructure. An administrative target was previously set to eliminate debt financing on lifecycle renewal projects. In 2023 the administrative target of 0% debt financing for lifecycle renewal projects was achieved, meaning lifecycle renewal projects are now completely financed from a combination, based on need and affordability, of capital levy and drawdowns from the City's many Capital Asset Renewal and Replacement reserve funds.

2.8 Capital Budget Financing Strategies – Reserve Funds

Obligatory reserve funds are primarily used as a source of financing for growth projects. Discretionary reserve funds are primarily used as a source of financing for lifecycle renewal and service improvement projects where appropriate reserve funds and sufficient balances exist.

Obligatory and discretionary reserve funds are categorized as follows:

OBLIGATORY

- 1) **City Services Development Charges (DC)** – dictated by the DC by-law.
- 2) **Parkland** – cash-in-lieu of parkland dedication through the Parkland Conveyance and Levy By-law (CP-9) according to the Planning Act (Section 51.1).
- 3) **Canada Community-Building Fund** – previously known as Federal Gas Tax, funds received under the Municipal Funding Agreement for Transfer of Canada Community-Building Fund Revenues.

DISCRETIONARY

- 1) **Capital Asset Renewal and Replacement** – to support renewal and replacement of existing assets.
- 2) **Capital Asset Growth** – to support Development Charges incentive programs and Industrial Land Development Strategy.
- 3) **Specific Projects and New Initiatives** – to support specific planned projects (e.g., economic development, affordable housing, community improvement grants and loans).
- 4) **Contingencies/Stabilization and Risk Management** – to provide contingency funding for specific risk areas.

Obligatory and discretionary reserve funds are controlled by municipal by-laws and the City's Reserve and Reserve Fund Policy.

Civic Administration provides three separate annual reports on the status of the various reserves and reserve funds that are held. These reports are typically provided in the late spring / early summer time period and include:

- Reserve and Reserve Fund Monitoring and Housekeeping Report
- Annual Report on Development Charges Reserve Funds and Development Charges Monitoring (legislated)
- Parkland Reserve Fund Annual Financial Statement (legislated)

2.9 Capital Budget Financing Strategies – Debt

A summary of the projected debt levels for 2023 is detailed in Table 8 below.

This table does not include approximately \$500M of additional debt financing that was approved over the 2024 to 2033 (Capital Plan) timeframe during the 2024-2027 Multi-Year Budget, of which approximately \$338.4M is Property Tax supported debt.

Table 8 – 2023 Debt Level as of December 31, 2023 (\$Thousands)

| Category | 31-Dec-22 | Issued in 2023 | Retired in 2023 | Dec 31, 2023 ⁽¹⁾ | Authorized 2023 | Total Potential |
|-------------------------------------|----------------|----------------|-----------------|-----------------------------|-----------------|-----------------|
| Property Taxes | 109,738 | 8,314 | 23,186 | 94,866 | 303,225 | 398,091 |
| Wastewater | 19,456 | - | 4,239 | 15,217 | 432 | 15,649 |
| Water | 108 | - | 108 | - | - | - |
| Rate Supported Reserve Funds | 1,656 | - | 1,166 | 490 | - | 490 |
| Joint Water Boards – City’s Share | 5,338 | - | 1,525 | 3,842 | 2,094 | 5,937 |
| City Services Reserve Funds | 82,514 | 13,186 | 12,970 | 82,730 | 116,487 | 199,217 |
| Other - Reserve Fund ⁽²⁾ | - | - | - | - | 9,000 | 9,000 |
| Total | 218,809 | 21,500 | 43,194 | 197,145 | 431,239 | 628,384 |

Subject to rounding. City of London only, excludes debt of consolidated entities.

Table Note:

(1) Outstanding debt level is subject to completion of 2023 financial statement audit.

(2) Tourism Infrastructure Reserve Fund, which is funded through Municipal Accommodation Tax.

(3) Outstanding debt is for the City of London only and excludes debt of consolidated entities.

The City’s Debt Management Policy was last amended by Council on July 25, 2023 (amending by-law No. CPOL.-48(b)-196). The policy establishes strategies for the management of the City’s debt program. These strategies are outlined in table 9 below.

Table 9 – Debt Management Strategies to Limit and Reduce Authorized Debt

| Strategy | Target | Where Are We? / Results |
|--|---|--|
| Avoid the use of debt financing for lifecycle renewal projects | 0% debt financing in the lifecycle renewal budget | 2023 results: 0% debt |
| Limiting debt financing in the budget by way of an internal debt cap | Limit debt servicing as a percentage of property tax revenue at or below 7.5%, Limit debt servicing as a percentage of Water or Wastewater rate revenue at or below 10%. | 2023 results: Property Tax 4.3%, Wastewater 4.1%, Water 0.1% |
| Reducing authorized debt as prescribed by the Surplus/Deficit and Assessment Growth Policies | No specified targets, policies direct 50% of any operating surplus and 50% of excess assessment growth funding be applied to reduce authorized debt | 2023 year-end operating result: \$14.0 ¹ million. 2024 ¹ assessment growth result: \$3.2 million. |
| Release surplus debt financing from the capital budget | No specified target, subject to available surplus | 2023 year-end capital results: \$113 thousand. |
| Maintaining a strong credit rating | Aaa (Stable) | 2023 result: Aaa (Stable) |

Table Note:

(1) As outlined in the 2023 Year-End Operating Monitoring Report and the 2024 Assessment Growth Allocation Report

3.0 Emerging Issues

This section of the report provides information on emerging issues that may impact the capital budget in 2024 and beyond. Within this section, each emerging issue is assigned a likelihood, which estimates the issue's probability of impacting the budget in 2024. These likelihoods are categorized as high, medium, and low, and are defined as follows:

- High – likelihood of the issue impacting the 2024 and beyond period is predicted to be greater than 60%.
- Medium – likelihood of the issue impacting the 2024 and beyond period is predicted to be between 30% and 60%.
- Low – likelihood of the issue impacting the 2024 and beyond period is predicted to be less than 30%.

PROPERTY TAX

Infrastructure Funding

Investing in Canada Infrastructure Program (ICIP) - Public Transit Stream (PTS)

The City of London was approved for ten transit related projects under this program for a total project cost of \$375 million, with \$103.1 million from the Government of Ontario, \$123.8 million from the Government of Canada and the balance of funding, approximately \$148 million, coming from municipal and other sources. Construction on most Public Transit Stream funded projects has started, with construction continuing in 2024 and beyond. The program deadline for construction is 2033.

On January 23, 2024, Municipal Council approved an application to decommit to one of the ten projects, Oxford Street/Wharncliffe Road Intersection Improvements, and apply the funding to the Wellington Gateway project. Federal approval for this decommitment is pending.

On February 29, 2024, Municipal Council approved the 2024-2027 Multi-Year Budget which included an additional \$174.2 million of municipal financing to complete the three ICIP-PTS supported rapid transit projects: Wellington Gateway, East London Link, and the Downtown Loop.

Two additional applications for ICIP-PTS funding are currently being considered by the Provincial and Federal governments:

1. Active Transportation – In late December 2023, London received final approval for all seven applications for active transportation projects submitted under Intake 3 of the Public Transit Stream. The total project value is \$40.0 million, including a \$29.3 million contribution from the federal and provincial governments. Projects include on-road cycling facilities, pedestrian crossings, boulevard bike lane renewal, intersection accessibility compliance, improvements across bridge pinch points, bike parking and south branch TVP extension.
2. London Transit Commission (LTC) – Highbury Facility

After approval of the ten projects discussed above and the active transportation projects submitted in February 2022, London had \$119.3 million remaining in allocated Federal and Provincial funding. This funding was earmarked for the planned North and West corridors of the rapid transit system but not yet submitted for consideration.

The Federal Budget 2022 accelerated the submission date for Intake 4 of the Public Transit Stream to March 31, 2023. In December 2022, Council approved re-allocating London's remaining ICIP-PTS funding to replacing the LTC Highbury Facility as this facility had reached its useful life and the application could meet the revised Intake 4 submission date.

The cost estimate for the entire project is \$332.5 million, including design, consulting, and cost escalation, with an estimated 2025 construction start. The project was broken into two smaller projects to maximize use of available funding

and mitigate the taxpayer impact. Project 1 is estimated at \$199.5 million and was submitted for ICIP-PTS funding in late December 2022. Approval is pending. Project 2 is estimated at \$133.0 million. Funding in 2029 was approved by Municipal Council as part of the 2024-2027 Multi-Year Budget, noting that new transit funding programs may be available before Project 2 proceeds.

Investing in Canada Infrastructure Program (ICIP) - Community, Culture and Recreation Infrastructure Stream

This stream supports community infrastructure priorities. The City of London was approved for two projects under this stream. A \$2.0 million project for Labatt Park was completed in December 2023. A \$1.9 million project for Carling Heights Optimist Community Centre (CHOCC) is scheduled to start September 2025 and be completed October 2026.

Strategic Priorities Infrastructure Fund

In September 2022, London was approved for a \$4.2 million project for several upgrades at Foxfield Park, including a new spray pad and field house with accessible washrooms, a regulation size lit and irrigated premier grass soccer field, upgrades to existing park pathway, park lighting, parking facilities, and multi-use courts for tennis, pickle ball and basketball. Council approved the transfer payment agreement for this project in March 2023. The project started in June 2023 and is scheduled to end in November 2024.

Green and Inclusive Community Buildings Program (GICB)

With the GICB program, the federal government allocated \$1.5 billion for retrofits, repairs or upgrades of existing buildings and the construction of new public buildings. On May 12, 2022, London was approved for \$2.2 million for the Kinsmen Arena Deep Energy Retrofit. Council approved the contribution agreement in March 2023 and work is proceeding. London submitted another application for a similar project for Nichols Arena for \$2.4 million of funding. Approval for this application is pending.

Active Transportation Fund

London was approved for a \$2.0 million project under the Active Transportation Fund to extend the City's active transportation system by connecting the Stoney Creek Pathway from Windermere Road to the Thames Valley Corridor and on to the City's core. This project is scheduled to start in June 2025 and be completed by December 2025.

Likelihood of Impact on 2024 Budget - High

Affordable Housing

Roadmap to 3,000 Units Plan

On December 7, 2022, Municipal Council approved the "Roadmap to 3,000 Affordable Units" (Roadmap), a plan to achieve the Council endorsed target of 3,000 units by 2026. The Roadmap proposes a variety of tools, plans, investments, and approaches to advance action plans. Municipal sources of financing were approved to implement the Roadmap, noting that a variety of funding sources, particularly various City reserves and reserve funds, were utilized to fund the capital portion of the plan.

On January 24, 2023, Council approved a revision to the plan to redirect approved funding to projects that are shovel-ready for government funding or partnerships when they are available.

Rapid Housing Initiative (RHI)

London was approved for all three rounds of RHI funding under the Major Cities Stream.

1. RHI Round 1 - \$7.5 million was contributed to 122 Baseline Rd which was complete and occupied in early 2022.
2. RHI Round 2 - \$10.8 million was directed to 403 Thompson Rd which was completed and occupied in October 2023.

3. RHI Round 3 - On April 4, 2023, Council approved the application of \$8.9 million from for 345 Sylvan St., which will also utilize some “Roadmap” funding. This project began construction in spring 2023 and is scheduled for completion and occupancy in September 2024.

Housing Accelerator Fund

On September 13, 2023, London was the first municipality in Canada to be approved under the Housing Accelerator Fund (HAF), a federal program to encourage housing supply growth and enhance certainty in development approvals. To secure funding, London had to demonstrate how HAF funds would achieve additional housing units beyond what would otherwise be achieved without HAF funding. HAF funds must be spent on implementing a series of housing acceleration initiatives and any remaining funding can be used to support affordable housing, housing-related infrastructure, and community-related infrastructure.

London received up to \$74.1 million, with a housing target of 2,187 additional units between 2024-2026. These units are over and above the 9,432 units anticipated over the next three years based on London’s recent unit construction average. This funding will advance the City’s Housing Pledge to facilitate and accelerate the housing supply of 47,000 units by 2031. The allocation of funds includes \$28.1 million for plan initiatives and financial incentives, \$20.0 million for investments in affordable housing, \$12.3 million for investments in housing-related infrastructure, and \$13.7 million for investments in community-related infrastructure that supports housing.

The HAF program is 100% federally funded by CMHC. The City is not required to provide any portion of the costs of delivering this service, but appropriate monitoring safeguards must be put in place to ensure the targets are met.

Likelihood of Impact on 2024 Budget - High

Zero-Emission Bus Implementation Plan and Funding

On February 10, 2022, the Federal Government announced \$14.9 billion over the next eight years to support public transportation projects across Canada. On August 10, 2022, the Minister of Infrastructure and Communities announced a \$2.75 billion Zero Emission Transit Fund, a five year national program to help communities to support the purchase of 5,000 zero emission public transit and school buses and associated infrastructure.

The Zero Emission Transit Fund will support both Planning and Design Projects including studies, modelling and feasibility analysis, and Capital Projects including buses, charging and refueling infrastructure. Infrastructure Canada will provide direct funding contributions to support planning and capital projects and will also work with the Canada Infrastructure Bank which will provide flexible financing solutions through a \$1.5 billion Zero Emission Bus initiative.

On August 25, 2021, the London Transit Commission received preliminary information from the Canadian Urban Transit Research and Innovation Consortium (CUTRIC) on the Zero-Emission Bus (ZEB) Implementation Strategy they are conducting for London. The approach recommends ten 40’ battery electric buses and related charging infrastructure including three high-powered overhead charging units (installed at facility or on-road) and four low-powered plug-in charging units (installed at facility). Municipal Council approved a \$26.0 million business case as part of the 2022 Budget Update to support this strategy, including required facilities work to upgrade the grid connection, install the required charging equipment, and retrofit facilities to accommodate the zero-emission buses. This business case was developed on the assumption that up to 50% of the costs of the initiative will be pursued through the Zero Emission Transit Fund.

On May 25, 2022, the LTC approved a recommendation from LTC Administration to approve in principle the ZEB fleet implementation and rollout plan and use the plan to support funding applications as determined in cooperation with Civic Administration. These applications would be submitted to the above two programs, among others.

Municipal Council did not approve the business case in the 2024-2027 Multi-Year Budget to support LTC’s zero-emission fleet implementation but is proceeding with the previously approved pilot project to acquire ten electric buses with charging

infrastructure. The joint procurement for this project should close in mid 2024 and delivery is estimated for late 2025.

Likelihood of Impact on 2024 Budget – High

Corporate Asset Management Plan

In August 2019, Municipal Council approved the 2019 Corporate Asset Management Plan (AMP), an update to the 2014 AMP, which is compliant with O. Reg 588/17 for directly owned City assets. On October 17, 2023, the 2023 Corporate Asset Management Plan was released which showed that the City of London owns and maintains assets with a replacement value of approximately \$28.5 billion and that the City manages its infrastructure to keep it in generally 'Good' condition. Projected spending on lifecycle assets will be more than \$1.8 billion over ten years resulting in an infrastructure investment gap of roughly \$879.2 million over the cumulative 10-year period of 2023 to 2032.

To address the infrastructure gap, the City will seek funding through different financial strategies including pursuing funding from external sources, incorporating reinvestment rate concepts through assessment growth, and continuing to utilize one-time funding where available. Municipal Council did not approve business case #P-55 in the 2024-2027 Multi-Year Budget to support maintaining / decreasing the infrastructure gap.

Likelihood of Impact on 2024 Budget – High

More Homes, More Choice Act (Bill 108), More Homes Built Faster Act (Bill 23)

With the passage of the More Homes, More Choice Act, 2019 (Bill 108) and the More Homes Built Faster Act, 2022 (Bill 23), changes to the Development Charges Act increased the number of development charges exemptions legislatively required to be granted for eligible types of development. Increased numbers of additional residential units, including purpose built, exemptions for non-profit housing, discounts for purpose build rental units and the Provincial defined exemption of affordable and attainable housing mean that development fees that would normally be collected from building these units now needs to be recovered from other sources. While a business case (#PL-3) was included in the 2024-2027 Multi-Year Budget to start providing a funding source for these exemptions, there was no such funding in place for the fiscal year 2023.

The total, unfunded exemptions required to be paid by the City for 2023 to “backfill” the City Services Development Charges Reserve Funds is \$16.8 million (includes water and wastewater). Given there was no funding source at the time, Contingency Reserves were required to be utilized to finance these exemptions. Of the \$16.8 million total, \$9.7 million was funded from the Property Tax Operating Budget Contingency Reserve, \$1.1 million from the Water Budget Contingency Reserve, and \$6.0 million from the Wastewater Budget Contingency Reserve. Recommendation b) in the 2023 Year-End Operating Monitoring Report provides for the replenishment of the Contingency Reserves to the extent that there is available surplus, noting that there is insufficient surplus in Wastewater & Treatment budget and therefore represents a net drawdown on its reserve.

The Province had committed to ensuring that municipalities are “made whole” for any loss of funding due to the More Homes Built Faster Act, 2022 and has stated they will engage in consultations to understand the impacts of the introduced legislation, however, no funding commitments have been made to date. When additional information becomes available regarding the Province’s commitment it will be brought forward to Municipal Council as part of a Committee Report and/or Annual Budget Update. Civic Administration will also continue to monitor the total amount of statutory exemptions and discounts being incurred relative to funding approved through the 2024-2027 Multi-Year Budget and will report, as necessary, on any shortfalls through future semi-annual Budget Monitoring Reports.

Likelihood of Impact on 2024 Budget - High

Climate Emergency Action Plan

On April 24, 2019, Municipal Council declared a climate emergency. On November 26, 2019, Council approved a series of actions to be completed to address the climate emergency, including the development of a Climate Emergency Action Plan (CEAP) and the creation and implementation of a Climate Emergency Evaluation Tool (now referred to as the Climate Lens Process). Several progress updates were provided in 2020 and 2022 leading up to the February 8, 2022, Strategic Priorities and Policy Committee Draft Climate Emergency Action Plan report. As outlined in that report, many actions listed within the CEAP Workplans in 2022 and 2023 can be implemented within existing budgets and by utilizing existing City resources. However, investment in climate action over the full term of the CEAP (to 2050) by the City, businesses and residents is anticipated to be significant; some investments are anticipated to align with, augment and sometimes replace planned future spending. It is anticipated that many CEAP investments may result in opportunities for net operating savings.

Civic Administration developed a detailed Climate Change Investment and Implementation Plan for the CEAP initiatives requiring additional funding, including the scope, timing, and pace of CEAP investments, which in turn provided input into the City's 2023-2027 Strategic Plan and 2024-2027 Multi-Year Budget, as well as future strategic plans and multi-year budgets. The investment required to support all initiatives in the CEAP cannot be borne entirely by the City of London. Support from federal and provincial partners will be critical to ensuring the successful implementation of many initiatives.

With the 2024-2027 Multi-Year Budget, Council approved funding to advance the Climate Emergency Action Plan. \$1.5 million was approved to support the Home Retrofit program, as well as an annual \$1.0 million contribution to the Climate Change Investment Fund, and \$10,000 annually for the Transportation Management Association.

Likelihood of Impact on 2024 Budget - High

WASTEWATER & WATER

Infrastructure Funding (Wastewater)

Disaster Mitigation and Adaptation Fund

On October 13, 2020, the Federal Government announced that London was approved for funding under the Disaster Mitigation and Adaptation Fund (DMAF) program to support the construction of flood protection measures at the Greenway and Adelaide Wastewater Treatment Plants. The overall project cost is estimated at \$49.5 million, with the maximum federal share of all project related expenses totalling \$19.8 million (40%). The contribution agreement was approved by Council in early 2022 and work is proceeding.

On March 3, 2023, London was approved for an additional \$3.6 million of DMAF funding for another application. With another \$5.5 million from the City, for a total value of \$9.1 million, this project will reconstruct the Broughdale Dyke which protects 191 properties within the floodplain including residential, institutional, and recreational areas. An environmental assessment in 2016 recommended extending and raising the dyke from a 100-year flood elevation to a 250-year flood level elevation. The contribution agreement was approved by Council in May 2023.

Housing-Enabling Water Systems Fund

On November 9, 2023, The Government of Ontario launched the Housing-Enabling Water Systems Fund (HEWSF), committing \$200 million over three years to help municipalities repair, rehabilitate and expand critical drinking water, wastewater and stormwater infrastructure. This new funding will help promote growth and enable housing opportunities. Further, on March 21, 2024, the Ontario government announced an additional \$625 million will be committed to the HEWSF, bringing to the total funding allocation to \$825 million. Applications for this program will be accepted until April 19, 2024. Civic Administration is exploring potential projects that may be eligible for HEWSF funding and working towards applying before the deadline.

Likelihood of Impact on 2024 Budget – High

Corporate Asset Management Plan 2023 Update (Water; Wastewater)

The City of London's 2023 Corporate Asset Management Plan identified that the value of the City's water, wastewater, and stormwater systems is \$20.7 billion and represents 73% of the replacement value of the City's assets. The 2023 Corporate Asset Management Plan identified the following infrastructure gaps (as of 2022) related to water, stormwater, and wastewater infrastructure: Water does not have an infrastructure gap, Sanitary has an infrastructure gap of \$57.7 million and Stormwater has an infrastructure gap of \$9.2 million. Infrastructure gap is a value that represents the need for major lifecycle repairs, or eventual replacement of new infrastructure. The water, wastewater, and stormwater portion of the City's overall infrastructure gap to maintain current levels of service is a relatively small proportion at 7% of the City's total infrastructure gap to maintain current levels of service.

Based on this update and given the present asset information, the projected investment suggested in the 20-year plan is appropriate. Staff will continue to monitor the infrastructure gap and will act if necessary. Staff will continue to monitor the sanitary and stormwater infrastructure gap including undertaking study work to provide higher quality information to better quantify the infrastructure gap moving forward.

Likelihood of Impact on 2024 Budget – High

Greenway Incinerator Rebuild – Solids Disposal Costs

The incinerator rebuild is expected to result in increased solids disposal costs. It is expected that funds are available to cover these costs, but if certain solids disposal strategies are found to not be possible, the costs could escalate to a level that exceeds available budgets. The risk covers the period from May 2024 to the first quarter of 2025.

Staff are exploring various private service providers who can provide multiple options for solids disposal. By establishing multiple service providers, the risk would be reduced.

Likelihood of Impact on 2024 Budget – High

Excess Soils (Water; Wastewater)

Ministry (MECP) Regulation (406/19) has a new framework for the excavation, removal, and transport of "excess soils" between two or more sites. This new framework is now in effect and it will apply to most construction projects that generate "excess soil." There is some uncertainty to what extent the costs of our capital projects will be impacted. As a result, the City should anticipate potential pressures on the Water/Wastewater capital plans.

City Staff are working with the Heavy Construction Industry to understand the potential impact of these changes on costs moving forward. In addition, City Staff are working with the Engineering Consulting community to promote the reuse of soils during capital projects. As part of the 2024 to 2027 Multi-Year Budget development process, a new capital project was established to construct a new facility for handling in-house wet excess soils to meet regulatory requirements.

Likelihood of Impact on 2024 Budget – High

Impacts from Bill 93 (Water; Wastewater)

Bill 93 and its legislative changes have significantly increased the City's costs related to providing utility locates through contracted vendor(s). A new utility locate contract entered in March 2023 escalated Water Operations' and Sewer Operations' respective operating budgets by approximately \$1.6 million each, based on 2023 volume requirements.

As part of the 2024 to 2027 Multi-Year Budget process, legislative business cases for Water Operations and Sewer Operations were approved by Municipal Council to internalize locate services. To maintain compliance with the Ontario Underground Infrastructure Notification System Act, as amended by Bill 93, an internalized locate service delivery model is being developed with implementation to begin transitioning in April 2024. Currently the City contracts this work out and has seen these costs increase

substantially when initiating the most recent competitive bidding process. To deliver better service, the legislative business cases requested additional investment to develop a team within the organization to deliver these services more efficiently and at a more efficient cost.

Likelihood of Impact on 2024 Budget – High

Watermain Breaks (Water)

Surface restoration of watermain breaks occurring on arterial roads during the winter season requires additional operational effort, unexpected costs, and timely and costly acquisition of asphalt for roadway reinstatement.

This is being mitigated by the annual watermain rehabilitation, replacement, and leak detection programs systematically replacing problematic watermains. These programs proactively identify compromised infrastructure which is then scheduled for replacement prior to the winter months. A proactive valve exercising program has also been developed to ensure that valves operate reliably during emergency responses, to quickly control flows and potentially lessen damage.

Likelihood of Impact on 2024 Budget - Low

Canada-Ontario Lake Erie Action Plan (Wastewater)

The Great Lakes Water Quality Agreement requires the United States and Canada to reduce phosphorus levels that contribute to algal blooms in Lake Erie by 40% based on levels measured in 2008. The Thames River Watershed has been identified as a priority watershed. The final Canada-Ontario Lake Erie Action Plan was issued by the Federal government in February 2018. The plan includes a series of specific actions to be undertaken by the City of London that were endorsed by Council in Q4-2017. The timing and funding of these actions is directly linked with the availability of federal and provincial funding. Staff will continue to monitor the availability of funding and will submit applications for this work at every opportunity.

Likelihood of Impact on 2024 Budget – Low

Conclusion

Key items included in the 2023 Year-End Capital Budget Monitoring Report include the following:

The 2023 life-to-date capital budget:

- \$1.9 billion (54.8%) of the \$3.5 billion 2023 life-to-date capital budget is committed, leaving \$1.6 billion (45.2%) of approved capital funding uncommitted.
- A status update for active 2020 life-to-date capital budgets (2020 and prior) that have no future budget requests is provided in Appendix “B”.

A total of 69 completed capital projects with a total budget value of \$115.8 million and surplus of \$2.3 million are recommended to be closed with surplus funding returned to the original source of financing (Appendix “C”).

Inflationary and emerging issues were identified that may impact the capital budget in the 2024 period and beyond. Civic Administration will continue to monitor these issues and report back to Council and the community in a timely manner, noting that the known impacts were incorporated in the approved 2024 to 2027 Multi-Year Budget.

Prepared by: Ken Clarke, CPA, CMA, MBA Manager II, Accounting and Reporting Financial Planning and Policy

Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Cc: Jason Davies – Manager III, Financial Planning and Policy
Ian Collins – Director, Financial Services
John Millson – Senior Financial Business Administrator
Jeff Millman – Senior Financial Business Administrator

Attachments:

Appendix A - 2023 Capital Budget Activity (Life-To-Date December 31, 2023)

Table 1 - 2023 Council Awards Details (via Council approved Source of Financing documents)

| Source of Financing Number | Date of Committee Award | Service Program | Description | Awarded Amount | Budget Adjustments |
|----------------------------|-------------------------|--|---|----------------|--------------------|
| 23001 | 2023-01-10 | Wastewater and Treatment | RFP-2022-271 2023 Cured in Place Pipe (CIPP) Sewer Lining Program | 5,910,296 | 0 |
| 23002 | 2023-01-31 | Culture Services | Permanent City of London Indigenous Artwork Collection | 100,000 | 100,000 |
| 23003 | 2023-01-10 | Wastewater and Treatment | East London Link and Municipal Infrastructure Improvements Phase 2 | 13,438,206 | 0 |
| 23003 | 2023-01-10 | Water | East London Link and Municipal Infrastructure Improvements Phase 2 | 2,939,271 | 0 |
| 23003 | 2023-01-10 | Transportation Services | East London Link and Municipal Infrastructure Improvements Phase 2 | 2,327,326 | 988,532 |
| 23004 | 2023-01-10 | Planning and Development Services | Single Source Procurement - SS-2022-316 Orientation Gateway Markers | 134,456 | 0 |
| 23008 | 2023-01-31 | Wastewater and Treatment | RFT-2022-248 Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) | 2,578,995 | 0 |
| 23008 | 2023-01-31 | Water | RFT-2022-248 Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) | 3,540,699 | 0 |
| 23008 | 2023-01-31 | Transportation Services | RFT-2022-248 Rapid Transit Implementation – Wellington Street from Queens Avenue to the Thames River (South Branch) | 24,733,871 | 1,828,938 |
| 23009 | 2023-01-31 | Wastewater and Treatment | Consultant Contract Services Increase for the Stanton Drain Trunk Sewer Replacement Project | 30,440 | 0 |
| 23010 | 2023-01-31 | Protective Services | Single Source Procurement - London Fire Department Battery Operated Extrication Equipment | 680,245 | 0 |
| 23011 | 2023-01-31 | Protective Services | Single Source Procurement - London Fire Department Stabilization Rescue Struts | 62,157 | 0 |
| 23012 | 2023-01-30 | Wastewater and Treatment | Property Acquisition - Hyde Park Community Stormwater Management | 206,223 | 0 |
| 23013 | 2023-01-31 | Protective Services | Single Source Procurement - London Fire Department Call Handling Software | 430,556 | 0 |
| 23014 | 2023-01-30 | Transportation Services | Property Acquisition, Wellington Gateway Rapid Transit Project | 518,758 | 0 |
| 23018 | 2023-01-31 | Corporate, Operational and Council Services | Single Source Procurement – Purchase of Ravo Street Sweepers | 2,057,688 | 0 |
| 23023 | 2023-02-22 | Transportation Services | Contract Amendment - Detailed Design for Bradley Avenue Extension - Wharcliffe Road South to Jalna Boulevard | 298,793 | 0 |
| 23024 | 2023-02-21 | Corporate, Operational and Council Services | RFT-2022-247 Solarwinds Orion Network Performance Monitoring System | 105,565 | 0 |
| 23025 | 2023-02-22 | Parks, Recreation and Neighbourhood Services | RFP2022-306 Hyde Park Village Green Natural Playground Equipment and Rubber Safety Surfacing | 152,443 | 0 |
| 23026 | 2023-02-22 | Wastewater and Treatment | RFP-2022-245 Pollution Prevention Control Plan (PPCP) Update Study | 306,134 | 0 |
| 23028 | 2023-02-21 | Corporate, Operational and Council Services | Single Source Procurement - SS22-284 Personal Computing and Services | 1,009,298 | 0 |
| 23029 | 2023-02-22 | Protective Services | Single Source Procurement - SS-2023-037 London Fire Department - Engine and Aerials | 7,368,528 | 3,255,061 |
| 23033 | 2023-02-21 | Transportation Services | Property Acquisition, Wellington Gateway Rapid Transit Project | 497,036 | 0 |
| 23034 | 2023-02-21 | Corporate, Operational and Council Services | Single Source Procurement - SS-2023-031 Cognos Modernization Phase II | 564,401 | 0 |
| 23040 | 2023-02-22 | Parks, Recreation and Neighbourhood Services | RFP-2022-308 - Design, Supply and Installation of Typical Playground Equipment for Multiple Parks | 337,725 | 0 |
| 23051 | 2023-03-21 | Wastewater and Treatment | White Oak Road Upgrades - Construction Administration | 126,994 | 0 |
| 23051 | 2023-03-21 | Transportation Services | White Oak Road Upgrades - Construction Administration | 241,420 | 0 |
| 23052 | 2023-03-21 | Wastewater and Treatment | RFT-2023-001 Southdale Road West and Colonel Talbot Roundabout | 585,611 | 0 |
| 23052 | 2023-03-21 | Water | RFT-2023-001 Southdale Road West and Colonel Talbot Roundabout | 103,392 | 0 |
| 23052 | 2023-03-21 | Transportation Services | RFT-2023-001 Southdale Road West and Colonel Talbot Roundabout | 8,660,501 | 0 |
| 23053 | 2023-03-21 | Wastewater and Treatment | RFT-2022-315 2023 Infrastructure Renewal Program - Quebec Street | 4,335,659 | 0 |
| 23053 | 2023-03-21 | Water | RFT-2022-315 2023 Infrastructure Renewal Program - Quebec Street | 1,443,447 | 0 |
| 23053 | 2023-03-21 | Transportation Services | RFT-2022-315 2023 Infrastructure Renewal Program - Quebec Street | 1,212,793 | 0 |
| 23054 | 2023-03-21 | Wastewater and Treatment | RFT-2022-319 2023 Infrastructure Renewal Program - Paardeberg Crescent, Flanders | 2,656,887 | 0 |
| 23054 | 2023-03-21 | Water | RFT-2022-319 2023 Infrastructure Renewal Program - Paardeberg Crescent, Flanders | 1,348,980 | 0 |
| 23054 | 2023-03-21 | Transportation Services | RFT-2022-319 2023 Infrastructure Renewal Program - Paardeberg Crescent, Flanders | 3,480,804 | 0 |
| 23056 | 2023-03-21 | Wastewater and Treatment | Single Source Procurement - Planned Rebuild of Incinerator Systems at Greenway Wastewater Treatment Plant | 5,108,352 | 3,440,914 |

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Table 1 - 2023 Council Awards Details (via Council approved Source of Financing documents)

| Source of Financing Number | Date of Committee Award | Service Program | Description | Awarded Amount | Budget Adjustments |
|----------------------------|-------------------------|--|--|----------------|--------------------|
| 23059 | 2023-03-21 | Wastewater and Treatment | Contract Price Increase: Infrastructure Renewal Program - Lorne Ave and Churchill and Manitoba | 179,200 | 0 |
| 23059 | 2023-03-21 | Water | Contract Price Increase: Infrastructure Renewal Program - Lorne Ave and Churchill and Manitoba | 82,324 | 0 |
| 23059 | 2023-03-21 | Transportation Services | Contract Price Increase: Infrastructure Renewal Program - Lorne Ave and Churchill and Manitoba | 54,950 | 0 |
| 23060 | 2023-03-21 | Housing, Social and Health Services | 345 Sylvan Street - Rapid Housing Initiative, Round 3 Project | 17,540,102 | 0 |
| 23061 | 2023-03-20 | Corporate, Operational and Council Services | RFP-2202-154 Network Refresh and Secondary Data Center Portfolio Management Service | 334,989 | 0 |
| 23062 | 2023-03-21 | Environmental Services | Award of Construction Administration Services, Landfill Gas Flaring Facility Development at the W124 Landfill Site | 221,349 | 0 |
| 23066 | 2023-04-12 | Transportation Services | Oxford Street West and Gideon Drive Intersection Improvements | 497,506 | 0 |
| 23068 | 2023-04-12 | Protective Services | RFP-2022-309 Prime Consulting Services for the New Fire Station No. 15 | 428,700 | 0 |
| 23069 | 2023-04-12 | Wastewater and Treatment | 2023 Infrastructure Renewal Program and Huron Street Steel Watermain Cathodic Protection Project | 664,357 | 12,859 |
| 23069 | 2023-04-12 | Water | 2023 Infrastructure Renewal Program and Huron Street Steel Watermain Cathodic Protection Project | 494,115 | 0 |
| 23069 | 2023-04-12 | Transportation Services | 2023 Infrastructure Renewal Program and Huron Street Steel Watermain Cathodic Protection Project | 121,573 | 0 |
| 23070 | 2023-04-12 | Wastewater and Treatment | Greenway and Adelaide Wastewater Treatment Plants Climate Change Resiliency | 156,060 | 0 |
| 23071 | 2023-04-12 | Wastewater and Treatment | RFT-2023-015 Fanshawe Park Road & Richmond Street Intersection Improvements | 472,033 | 0 |
| 23071 | 2023-04-12 | Water | RFT-2023-015 Fanshawe Park Road & Richmond Street Intersection Improvements | 1,601,451 | 0 |
| 23071 | 2023-04-12 | Transportation Services | RFT-2023-015 Fanshawe Park Road & Richmond Street Intersection Improvements | 14,114,540 | 0 |
| 23074 | 2023-04-12 | Environmental Services | Single Source Procurement - SS-2023-099 Material Recovery Facility Baler Refurbishment | 218,844 | 0 |
| 23078 | 2023-04-12 | Environmental Services | RFP-2022-105 Procurement of Green Bin Containers and Delivery Services | 4,060,275 | 0 |
| 23079 | 2023-04-11 | Transportation Services | Settlement Agreement, Wharncliffe Road Widening Project | 208,191 | 0 |
| 23080 | 2023-04-11 | Transportation Services | Property Acquisition, Future Road Widening and Improvements | 226,775 | 0 |
| 23090 | 2023-05-02 | Parks, Recreation and Neighbourhood Services | Carling Heights Optimist Community Centre and McMahan Park Engagement Results | 0 | 200,000 |
| 23094 | 2023-05-02 | Wastewater and Treatment | Consultant Fee Increase: Tributary 12 Construction | 84,741 | 0 |
| 23108 | 2023-05-24 | Wastewater and Treatment | Dingman Creek Pumping Station Consulting Fees Value Increase | 471,174 | -174,302 |
| 23109 | 2023-05-24 | Wastewater and Treatment | RFT-2023-016 Dingman Drive Improvements | 640,508 | 0 |
| 23109 | 2023-05-24 | Water | RFT-2023-016 Dingman Drive Improvements | 107,532 | 0 |
| 23109 | 2023-05-24 | Transportation Services | RFT-2023-016 Dingman Drive Improvements | 10,069,296 | 0 |
| 23113 | 2023-05-24 | Protective Services | Single Source Procurement - London Fire Department Bunker Gear | 323,292 | 0 |
| 23116 | 2023-06-13 | Transportation Services | RFT-2023-083 Traffic Signal Rebuild for Wonderland Road S at Village Green Avenue and at Teeple Terrace | 958,048 | 0 |
| 23120 | 2023-05-30 | Housing, Social and Health Services | SS-2023-120 Single Source: Supportive Housing Model at 403 Thompson Road | 161,715 | 0 |
| 23121 | 2023-06-12 | Planning and Development Services | RFP-2023-018 ESA Lands Asset Plan and Data Management Tool | 182,551 | 0 |
| 23122 | 2023-06-13 | Wastewater and Treatment | Stormwater Infrastructure and Channel Remediation Projects | 699,357 | 0 |
| 23123 | 2023-06-13 | Water | Contract Price Increase: RFT-2022-016 Springbank Reservoirs 1 & 3 Roof Membrane Replacement and Repairs Project | 1,526,031 | 1,544,664 |
| 23124 | 2023-06-13 | Wastewater and Treatment | Funding to Support UTRCA Capital/Maintenance Projects and City Watercourse Monitoring Program | 334,486 | 0 |
| 23125 | 2023-06-13 | Protective Services | Single Source Procurement - SS-2023-172 London Fire Department Request for Fire Apparatuses | 8,028,811 | 8,028,811 |
| 23127 | 2023-06-13 | Protective Services | Single Source Procurement - London Fire Department Request for a Decontamination Pod | 368,763 | 368,763 |
| 23128 | 2023-06-12 | Transportation Services | Property Acquisition, East London Link Rapid Transit Project | 151,020 | 0 |

Appendix A - 2023 Capital Budget Activity (Life-To-Date December 31, 2023)

Table 1 - 2023 Council Awards Details (via Council approved Source of Financing documents)

| Source of Financing Number | Date of Committee Award | Service Program | Description | Awarded Amount | Budget Adjustments |
|----------------------------|-------------------------|--|--|----------------|--------------------|
| 23138 | 2023-07-18 | Transportation Services | RFP-2023-141 Design, Fabrication, Delivery, Installation and Maintenance of Wayfinding Signage for City of London Downtown Westside Plan | 127,557 | 0 |
| 23139 | 2023-07-18 | Transportation Services | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 1,051,769 | 0 |
| 23139 | 2023-07-18 | Transportation Services | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 319,641 | 0 |
| 23139 | 2023-07-18 | Transportation Services | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 118,771 | 0 |
| 23139 | 2023-07-18 | Water | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 59,978 | 0 |
| 23139 | 2023-07-18 | Wastewater and Treatment | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 92,027 | 0 |
| 23139 | 2023-07-18 | Transportation Services | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 16,175 | 0 |
| 23139 | 2023-07-18 | Transportation Services | Western Road and Sarnia Road/Philip Aziz Avenue Corridor and Intersection Improvements Detailed Design | 16,032 | 0 |
| 23141 | 2023-07-18 | Transportation Services | RFP 2023-097 Streetscape Master Plan for Dundas Street | 162,714 | 0 |
| 23144 | 2023-07-18 | Water | Vauxhall Wastewater Treatment Plant Refurbishment Stage 1 | 176,569 | 0 |
| 23147 | 2023-07-18 | Wastewater and Treatment | Contract Price Increase: 2022 Sewer Lining | 34,390 | 0 |
| 23148 | 2023-07-18 | Water | Appointment of Consulting Engineers for the Infrastructure Renewal Program | 576,941 | 0 |
| 23148 | 2023-07-18 | Wastewater and Treatment | Appointment of Consulting Engineers for the Infrastructure Renewal Program | 865,414 | 0 |
| 23157 | 2023-08-15 | Transportation Services | Contract Price Increase: Victoria Bridge - Temporary Modular Bridge | 152,640 | 0 |
| 23158 | 2023-08-14 | Housing, Social and Health Services | Property Acquisition - Roadmap to 3000 Affordable Housing Units and Parkland Acquisition | 4,995,679 | 0 |
| 23158 | 2023-08-14 | Parks, Recreation and Neighbourhood Services | Property Acquisition - Roadmap to 3000 Affordable Housing Units and Parkland Acquisition | 1,188,445 | 1,188,445 |
| 23159 | 2023-08-15 | Water | 2024/2025 Infrastructure Renewal Program | 168,478 | 0 |
| 23159 | 2023-08-15 | Wastewater and Treatment | 2024/2025 Infrastructure Renewal Program | 252,718 | 0 |
| 23160 | 2023-08-15 | Wastewater and Treatment | Contract Price Increase: Churchill Avenue and Manitoba Street | 21,624 | 0 |
| 23160 | 2023-08-15 | Water | Contract Price Increase: Churchill Avenue and Manitoba Street | 13,992 | 0 |
| 23160 | 2023-08-15 | Transportation Services | Contract Price Increase: Churchill Avenue and Manitoba Street | 15,264 | 0 |
| 23161 | 2023-08-15 | Wastewater and Treatment | RFT-2023-030 Watermain Cleaning and Lining Services | 6,613,189 | 0 |
| 23168 | 2023-08-15 | Wastewater and Treatment | Greenway and Adelaide Wastewater Treatment Plants Climate Change Resiliency Consulting Fees Value Increase | 966,476 | 0 |
| 23169 | 2023-08-14 | Transportation Services | Property Acquisition - Wellington Gateway Project | 1,448,715 | 0 |
| 23171 | 2023-08-14 | Transportation Services | Property Acquisition - Wellington Gateway Project | 1,720,679 | 0 |
| 23185 | 2023-09-11 | Transportation Services | Property Acquisition - Wellington Gateway Project | 895,774 | 0 |
| 23187 | 2023-09-12 | Transportation Services | 2024 Stormwater Management Remediation Project | 127,551 | 0 |
| 23188 | 2023-09-12 | Corporate, Operational and Council Services | SS-2023-233 Single Source Purchase of Cured in Place Pipe (CIPP) Lining Trailer | 30,529 | 0 |
| 23188 | 2023-09-12 | Wastewater and Treatment | SS-2023-233 Single Source Purchase of Cured in Place Pipe (CIPP) Lining Trailer | 79,474 | 0 |
| 23194 | 2023-10-03 | Protective Services | SS-2023-252 New Fibre Network Service Installation for Fire Station No.15 | 115,854 | 0 |
| 23195 | 2023-10-04 | Transportation Services | RFP20-29 and RFP20-28 due to Excess Soils Regulation Rapid Transit Implementation – Consultant Design Contract Increase | 566,513 | 0 |
| 23196 | 2023-10-04 | Corporate, Operational and Council Services | SS-2023-232 Single Source Purchase of Hydro Excavator | 752,825 | 0 |
| 23197 | 2023-10-04 | Parks, Recreation and Neighbourhood Services | Capital Needs at City of London Golf Courses | 0 | 1,625,000 |
| 23199 | 2023-10-03 | Economic Prosperity | Budweiser Gardens Proposed Expansion | 0 | 9,000,000 |
| 23200 | 2023-10-24 | Protective Services | Capital Needs for Purchase of Next Generation 9-1-1 Communication System | 524,064 | 0 |
| 23203 | 2023-10-24 | Environmental Services | Greenway/Adelaide Waste Water Treatment Plans Climate Change Resiliency Equip Preselection | 2,448,048 | 0 |
| 23204 | 2023-10-24 | Wastewater and Treatment | Greenway WWTR Plant Planned Rebuild of Incinerator Systems | 1,108,254 | |

Appendix A - 2023 Capital Budget Activity (Life-To-Date December 31, 2023)

Table 1 - 2023 Council Awards Details (via Council approved Source of Financing documents)

| Source of Financing Number | Date of Committee Award | Service Program | Description | Awarded Amount | Budget Adjustments |
|----------------------------|-------------------------|-----------------------------------|--|----------------|--------------------|
| 23205 | 2023-10-24 | Wastewater and Treatment | Oxford WWTR Plant Membrane Replacement | 330,720 | 0 |
| 23211 | 2023-12-05 | Transportation Services | River Road Pavement & Drainage Improvement Detailed Design & Construction Administration | 318,587 | 0 |
| 23212 | 2023-11-13 | Protective Services | Property Acquisition - London Police Services | 2,609,047 | 0 |
| 23213 | 2023-11-13 | Planning and Development Services | Property Acquisition - Westminster Drive | 4,350,404 | 4,350,404 |
| 23216 | 2023-12-06 | Planning and Development Services | Recruitment, Retention and Accommodation of Planning & Development and Building Staff | 0 | 1,100,000 |
| 23218 | 2023-12-03 | Transportation Services | Settlement Agreement, Wharcliffe Road Widening Project | 417,216 | 0 |
| 23219 | 2023-12-05 | Wastewater and Treatment | White Oaks Complete Corridor Design from Wharcliffe to Exeter Road Consulting Services Award | 508,235 | 508,235 |
| 23221 | 2023-12-05 | Wastewater and Treatment | Overflow Notification Portal - Single Source Procurement | 628,606 | 0 |
| 23222 | 2023-12-05 | Wastewater and Treatment | Emergency Procurement of Replacement Pumps for Hazeldon Pumping Station | 55,555 | 247,918 |
| | | | | 202,461,742 | 37,614,242 |

Appendix A - 2023 Capital Budget Activity (Life-To-Date December 31, 2023)

Table 2 - 2023 Council Approved Budget Adjustments Details (via Council approved reports with no accompanying Source of Financing document)

| Budget | Description | |
|---------------------------------------|---|-------------------|
| Property Tax | 2023 Assessment Growth | 962,232 |
| Property Tax | Adjustments resulting from the various Council approved reports | 18,451,563 |
| Property Tax ¹ | Adjustments resulting from the various Council approved releases in the 2023 Mid-Year Capital Monitoring Report | -7,541,240 |
| Water ¹ | Budget moved to future period through Growth Management Implementation Strategy (included in 2024-2027 Multi Year Budget) | -4,844,716 |
| Water ¹ | Adjustments resulting from the various Council approved releases in the 2023 Mid-Year Capital Monitoring Report | -4,847,449 |
| Wastewater and Treatment | Adjustments resulting from the various Council approved reports | 2,930,431 |
| Wastewater and Treatment ¹ | Adjustments resulting from the various Council approved releases in the 2023 Mid-Year Capital Monitoring Report | -12,430,526 |
| Total | | -7,319,705 |

Notes:

1) Negative figures reflects the net impact of funds released as approved in the 2023 Mid-Year Capital Monitoring Report as well as changes realized from GMIS.

Appendix A - 2023 Capital Budget Activity (Life-To-Date December 31, 2023)

Table 3 - Council Approved Awards and Budget Adjustments Summary (Including Tab 2)

| Budget | Awarded Amount | Budget Adjustments |
|---|--------------------|--------------------|
| Property Tax Budget | 137,736,147 | 24,714,249 |
| Wastewater and Treatment Budget | 50,542,395 | 4,035,624 |
| Water Budget | 14,183,200 | 1,544,664 |
| Subtotal Council Awards and Budget Adjustments | 202,461,742 | 30,294,537 |

Table 4 - Administrative Awards and Budget Adjustments Summary

| Budget | Awarded Amount | Budget Adjustments |
|--|--------------------|--------------------|
| Property Tax Budget | 52,507,881 | 13,990,884 |
| Wastewater and Treatment Budget | 34,533,643 | 4,000 |
| Water Budget | 15,103,304 | 6,172 |
| Subtotal Administrative Awards and Budget Adjustments¹ | 102,144,827 | 14,001,056 |

Notes:

1) Civic Administration source of financing awards are in accordance with the Procurement of Goods and Services Policy and are reported annually through that process.

Table 5 - Combined Council Approved and Administrative Awards and Budget Adjustments Summary

| Budget | Awarded Amount | Budget Adjustments |
|---|--------------------|--------------------|
| Property Tax Budget | 190,244,028 | 38,705,133 |
| Wastewater and Treatment Budget | 85,076,038 | 4,039,624 |
| Water Budget | 29,286,504 | 1,550,836 |
| Total Council Approved, Administrative Awards and Budget Adjustments | 304,606,569 | 44,295,593 |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|--------------|-------------------------------|---------------------|------------------------|-----------------|------------|-------------|---------------------|---|
| ES2436 | WEEPING TILE DISCONNECTION | Service Improvement | Environmental Services | 1,151,936 | 19,015 | 1,132,921 | Q1 2025 | Funding is in place to cover cost for 100% funded residential weeping tile disconnection program to mitigate basement flooding. Covid restrictions prevented the implementation of this program which requires entry into residential homes to undertake work. Regarding the future of this program, a consultant has been hired to investigate and identify a priority and implementation strategy through work within the Pollution Prevention and Control Plan (PPCP) Master Plan update study. The PPCP project is currently ongoing, and the consultant's report is expected to be available in July 2024. If a suitable implementation program is not identified, a portion of available funds may be recommended to be redirected to other means of basement flooding/sewer overflow mitigation through the budget update process. |
| ES2476 | ELLIOT-LAIDLAW REMEDIATION | Life Cycle Renewal | Environmental Services | 200,000 | 290 | 199,710 | 2026 | Project had been delayed but works are now identified to be completed to the channel in 2024. |
| ES2681 | MUD CREEK EAST BR STORMWATER | Growth | Environmental Services | 9,259,800 | 8,916,411 | 343,389 | Q2 2024 | Phase 1B construction complete in 2022 with a subsequent warranty period. Phase 1 project split into two sub-phases for construction. Phase 1A construction was completed in 2021 with end of warranty in 2022. Phase 1B under warranty until Q2 2024. |
| ES2685 | GREENWAY PCP TREATMENT | Growth | Environmental Services | 44,446,418 | 44,000,655 | 445,763 | Q4 2024 | Greenway expansion contract complete. Final commitments relate to implementation of next phase of Greenway upgrade. |
| ES3020-HP6 | SWM FACILITY - HYDE PARK NO 6 | Growth | Environmental Services | 2,416,700 | 2,416,697 | 3 | Q4 2025 | Both Phase 1 projects were constructed in 2023 with end of warranty in Q4 2025. Phase 2 of Hyde Park assignment A and B will be completed over the next few years. |
| ES3020-PD2 | SWM FACILITY-PINCOMBE DRAIN 2 | Growth | Environmental Services | 2,456,700 | - | 2,456,700 | Q4 2024 | Money to be retained for anticipated construction claims by the Developer. Timing for claim submission is dependent on the owner's timing. The actual final costs are unknown at this time. Partial or all of the funds will be used. The initial estimate from the Subdivision Agreement is \$1,520,424. |
| ES3020-RVBTC | SWM FACILITY - RIVER BEND | Growth | Environmental Services | 13,906,700 | 11,899,922 | 2,006,778 | Q4 2024 | The temporary SWM Facility was decommissioned and is now substantially complete and in warranty period. Funding to remain to support monitoring and erosion sediment controls until subdivision is built out. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|---------|--------------------------------|---------------------|------------------------|-----------------|-----------|-------------|---------------------|--|
| ES3021 | LAND (EXPROPRIATION) | Growth | Environmental Services | 900,000 | 577,868 | 322,132 | Q4 2024 | 2014-2019 DC Land Acquisition Account. Uncommitted funds to be used for upcoming SWM DC Land needs in the Hyde Park Area. |
| ES3045 | HORTON SANITARY SEWER UPGRADES | Life Cycle Renewal | Environmental Services | 480,000 | 221,332 | 258,668 | Q4 2025 | Further evaluation is required to determine if works can be included in the future Horton/Wharncliffe Road Intersection Improvements project. |
| ES3074 | TRUNK SEWER UPGRADES | Life Cycle Renewal | Environmental Services | 1,800,000 | 1,454,684 | 345,316 | Q4 2024 | New initiatives associated with engineering and specialized maintenance is underway to address deficiencies in select trunk sewers. |
| ES3083 | INFILL & INTENSIFICATION | Growth | Environmental Services | 1,450,122 | 1,391,012 | 59,110 | Q3 2024 | There are increasing pressures on infill/intensification and the remaining budget is required. |
| ES3087 | HURON INDUSTRIAL PARK SERVICE | Service Improvement | Environmental Services | 1,122,673 | 1,042,458 | 80,215 | Q4 2025 | Funds will be utilized for the design and tendering of any engineering for servicing Huron blocks. |
| ES3097 | VAUXHALL-POTTERSBUrg | Service Improvement | Environmental Services | 6,000,000 | 5,892,131 | 107,869 | 2026 | Project needs to remain open as further related projects need to be completed which will use up this variance (there are multiple capital projects related to the various elements of the Potts-Vaux interconnection strategy). |
| ES3099 | POTTERSBUrg-VAUXHALL WWTP | Life Cycle Renewal | Environmental Services | 3,976,996 | 1,185,795 | 2,791,201 | 2026 | Construction currently underway. Expected completion by Q2 2025, warranty period to go until 2026. |
| ES3203 | HYDE PARK-STANTON DRAIN | Growth | Environmental Services | 287,500 | 4,070 | 283,430 | Q4 2025 | This project was initiated in Q3 2021 to meet the ultimate drainage configuration of the Hyde Park Addendum (EA completed in 2020). Land negotiations ongoing and should be resolved this year. |
| ES4418 | INFLOW AND INFILTRATION | Growth | Environmental Services | 300,000 | - | 300,000 | Q4 2025 | Account funds are to be used to fund future Inflow & Infiltration studies and initiatives. |
| ES5133 | POTTERSBUrg/VAUXHALL TRANSFER | Growth | Environmental Services | 5,000,000 | 488,757 | 4,511,243 | 2026 | Project will be re-initiated now that Vauxhall upgrades (phase 1) are underway. |
| ES5145 | SANITARY SEWER INTERNAL | Growth | Environmental Services | 446,625 | 190,700 | 255,925 | Beyond | Account funds are used to pay developer claims over time related to sanitary sewer oversizing. There's no end date to the project account. Claims can be made any time by the developer. Account needs to remain open since there are two files with open claims that are developer led works (33M-706,33M-753). |
| ES5146 | INFILL & INTENSIFICATION | Growth | Environmental Services | 614,805 | 613,773 | 1,032 | Q4 2024 | Account needs to remain open for more infill and intensification work. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|---------|--------------------------------|---------------------|------------------------|-----------------|------------|-------------|---------------------|--|
| ES5252 | KL1B KILALLY GROWTH AREA | Growth | Environmental Services | 494,600 | 443,813 | 50,787 | Q4 2024 | Waiting for developer to make a final claim. There is still a small remaining claim left to complete the seasonal surface works for this trunk which should be no more than \$50,000. |
| ES5264 | WONDERLAND PUMPING STATION | Growth | Environmental Services | 5,000,000 | 5,000,003 | (3) | Q2 2025 | Construction completion expected Q2 2024, warranty to Q2 2025. |
| ES5272 | GREENWAY WWTP ORGANIC RANKINE | Service Improvement | Environmental Services | 11,000,000 | 10,912,459 | 87,541 | Q4 2024 | Delay due to equipment failure. Further services may be required upon start-up. |
| ES5402 | BIOSOLIDS MASTER PLAN | Growth | Environmental Services | 400,000 | 401,411 | (1,411) | Q4 2024 | Study to be finalized Spring 2024, report by end of year. |
| ES5427 | PRE-ASSUMPTION MONITORING | Growth | Environmental Services | 1,000,000 | 678,112 | 321,888 | Q4 2025 | Future projects needs are anticipated to be required by updated Ministry monitoring requirements anticipated to be released in 2024. |
| ES5428 | INFILL & INTENSIFICATION NODES | Growth | Environmental Services | 2,263,961 | 2,263,961 | 0 | 2028 | Annual DC Program to construct storm sewers in the Built Area. To stay open until the next DC study. |
| ES5429 | STORM SEWER INTERNAL | Growth | Environmental Services | 5,920,674 | 5,085,284 | 835,390 | 2028 | Annual DC program for Developer Claims on Oversized Storm Sewer construction. To stay open until next DC Study. |
| ES5520 | COMMUNITY GROWTH TRUNK STORM | Growth | Environmental Services | 3,030,480 | 267,894 | 2,762,586 | 2028 | Annual DC program for Developer Claims on Trunk Storm Sewer construction. |
| ES6066 | DINGMAN PUMPING STATION HEADER | Life Cycle Renewal | Environmental Services | 500,000 | 431,558 | 68,442 | Q4 2024 | This project will be to study, design and modify the header pipe used to convey sewage to and from the Dingman Pumping Station to the Dingman Storage Facility and force main. Construction mostly complete. Some deficiencies may require further geotechnical analysis work. |
| ES6074 | POTTERSBURG WWTP CSO AND INLET | Life Cycle Renewal | Environmental Services | 1,821,504 | 1,716,308 | 105,196 | Q4 2025 | Pumping Station design project postponed slightly. This project remains available for support as required. |
| ES6610 | UWRF TRANSITION TO CSRF-SWM | Growth | Environmental Services | 7,514,300 | 5,277,081 | 2,237,219 | Q4 2024 | Account used to address Stormwater Urban Works Reserve Fund (UWRF) claims and deficiencies at assumed stormwater management ponds (UWRF facilities). Timing of some of these projects are at the discretion of the developers, however it is anticipated that remaining projects will be completed by Q4 2024. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|--------------|--------------------------------|---------------------|------------------------|-----------------|-----------|-------------|---------------------|--|
| ESSWM-DCNLP9 | SWM FACILITY DINGMAN CREEK | Growth | Environmental Services | 6,476,927 | 5,138,373 | 1,338,554 | 2026 | This work is to support the future construction on Col. Talbot Road. |
| ESSWM-FH1 | SWM FACILITY-FOX HOLLOW | Growth | Environmental Services | 3,700,000 | 3,531,805 | 168,195 | Q4 2024 | Additional remediation work along with additional Consultant inspections required. |
| ESSWM-LPH | SWM FACILITY-LONDON | Growth | Environmental Services | 3,954,100 | 568,204 | 3,385,896 | Q2 2025 | Project to undertake the design and construction of the proposed SWM servicing works. Design and Construction Administration has been awarded. |
| ESSWM-PD3 | SWM FACILITY-PINCOMBE DRAIN | Growth | Environmental Services | 2,553,859 | 2,533,692 | 20,167 | Q2 2024 | Consultant still involved with the restoration plan. Additional invoices pending. |
| ESSWM-PDR | SWM FACILITY-PINCOMBE DRAIN | Growth | Environmental Services | 4,300,000 | 74,096 | 4,225,904 | Q4 2025 | Schedule delay, just in time process and development application to dictate the timing of the project. |
| ESSWM-PKR | SWM FACILITY - PARKER | Growth | Environmental Services | 5,387,486 | 4,212,486 | 1,175,000 | Q4 2024 | Account to remain open as there is still outstanding land purchase required for the SWM Block. |
| ESSWM-SC2 | SWM FACILITY-STONEY CREEK NO 2 | Growth | Environmental Services | 1,599,000 | 929,281 | 669,719 | Q4 2024 | The land acquisition budget is to remain. Payment to the Developer for SWM block will not be processed/paid until 25% of the building permits in the subdivision have been issued. |
| EW1103 | OUTER DR RESERVOIR DEMOLITION | Service Improvement | Environmental Services | 250,000 | - | 250,000 | Q4 2024 | Additional budget is required as the Outer Drive Reservoir Demolition Project costs have significantly increased due to construction cost increases, site constraints and the requirement to return to the building lot to "buildable" status so that residential development will be possible on the site once demolition is complete. Additional funding required based on consultants estimate. |
| EW3313 | SOUTH LONDON WATER SERVICING | Growth | Environmental Services | 500,000 | 367,048 | 132,952 | 2027 | Project largely complete but will be kept open to provide input into Development Charges Background Study. |
| EW3525 | CATHODIC PROTECTION PROGRAM | Life Cycle Renewal | Environmental Services | 4,175,000 | 4,025,796 | 149,204 | Q4 2025 | Deficiencies still being addressed under this program. |
| EW3527 | ASSET MAINTENANCE MANAGEMENT | Service Improvement | Environmental Services | 1,700,000 | 1,389,995 | 310,005 | Q4 2024 | Phase 1 implementation complete. Additional phases of enhancements to proceed shortly. |
| EW3541 | EMPS - SCADA UPGRADE | Life Cycle Renewal | Environmental Services | 900,000 | 161,884 | 738,116 | Q4 2024 | SCADA equipment replacement and software upgrades have been delayed. Work scheduled in conjunction with partnering municipalities' needs and Regional Water Supply. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|---------|------------------------------|---------------------|------------------------|-----------------|------------|-------------|---------------------|--|
| EW3564 | MCCORMICK PARK RESERVOIR | Life Cycle Renewal | Environmental Services | 250,000 | 246,518 | 3,482 | Q4 2025 | Work on storm pond remains for 2024. Additional work and unforeseen conditions caused an extension of the project time. The work is expected to be completed in 2024, with warranty extending into 2025. |
| EW3614 | SE PUMPING STATION-RESERVOIR | Growth | Environmental Services | 55,728,118 | 55,506,073 | 222,045 | Beyond | Project account for ongoing upgrades at Southeast Reservoir and Pumping Station. |
| EW3619 | WHITE OAK PUMPING STATION | Service Improvement | Environmental Services | 700,000 | 561,624 | 138,376 | Q2 2024 | Schedule delay due to weather. Project will commence in Spring 2024 where final asphalt, grading and commissioning will occur. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|-----------|--------------------------------|---------------------|-------------------------------|-----------------|-----------|-------------|---------------------|---|
| EW3628 | EXPANSION OF SOUTHEAST | Growth | Environmental Services | 2,700,000 | 2,261,607 | 438,393 | Q4 2024 | Construction work to date is complete. May be some additional work remaining depending on outcome of the South and West Servicing Study. |
| EW3709 | GREEN VALLEY RD WATERMAIN - | Growth | Environmental Services | 151,000 | 103,815 | 47,185 | Q4 2024 | Minor deficiency work to be completed. |
| EW3818 | WATERMAIN INTERNAL OVERSIZING | Growth | Environmental Services | 785,562 | 616,956 | 168,606 | Beyond | Watermain oversizing is a growth funded annual program to support the oversizing of watermains within new subdivisions. The work is designed and constructed by the developer and claimed back from the City through the provisions outlined in a subdivision agreement. The timing of expenditures is based on the development approval process and the construction plans of individual developers. |
| GG1034 | DEVELOPMENT CHARGES CONSULTING | Growth | Financial Management | 850,000 | 683,024 | 166,976 | Q4 2024 | Funding is for DC process consultant, for carry over policy matters related to the 2021 DC Study. |
| GG1318 | CORE AREA INFORMED RESPONSE | Service Improvement | Housing, Social & Health Serv | 124,000 | 74,139 | 49,861 | Q2 2024 | Vehicles on backorder. |
| GG1781 | REPLACEMENT OF 6 ROOFTOP HVAC | Life Cycle Renewal | Economic Prosperity | 279,600 | - | 279,600 | Q4 2025 | In the process of completing with required roof repairs. |
| ID1110 | TRAFALGAR INDUSTRIAL PARK | Service Improvement | Economic Prosperity | 4,062,233 | 3,847,656 | 214,577 | Q4 2025 | Park is fully assumed for operational costs. Some lots remain to be sold so the possibility of future capital expenses remains until all lots are sold. |
| ID1150FCS | FOREST CITY SOUTH INDUSTRIAL | Service Improvement | Economic Prosperity | 250,000 | 230,584 | 19,416 | Q4 2024 | External works capital project on Wilton Grove Road is complete. Awaiting contractor to complete deficiencies. Review status at end 2024. |
| ID1167 | FOREST CITY IND PARK | Service Improvement | Economic Prosperity | 4,202,798 | 3,468,517 | 734,281 | Q4 2025 | Park is fully assumed for operational costs. Some lots remain to be sold so the possibility of future capital expenses remains until all lots are sold. |
| ID1170 | HURON INDUSTRIAL PARK | Service Improvement | Economic Prosperity | 6,012,553 | 5,782,332 | 230,221 | Q4 2025 | Contractor completed work to bring Innovation Park to assumption level. Awaiting of completion of warranty prior to closure of project. |
| ID1265 | SKYWAY IND PARK-PHASE II | Service Improvement | Economic Prosperity | 1,959,902 | 1,973,668 | (13,766) | Q4 2025 | Amendment to be completed to account for miscalculation on material quantities on vendor side to address negative project variance. |

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| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|-----------|--------------------------------|---------------------|-------------------------------|-----------------|-----------|-------------|---------------------|---|
| ID2058 | INNOVATION PARK-SWR OVERSIZING | Growth | Environmental Services | 8,265,000 | 8,265,001 | (1) | Q4 2025 | Ongoing ILDS. Review status in 2025. Projects come about based on need and development of parcels. |
| ID2058-3A | INNOVATION PARK - SEWER | Growth | Environmental Services | 315,000 | 315,001 | (1) | Q4 2024 | Contractor completed work to bring Innovation Park to assumption level. Waiting on outstanding commitments to be closed. |
| ID2095A | HURON INDUSTRIAL LANDS SWMF | Growth | Environmental Services | 4,604,676 | 4,794,382 | (189,706) | Q4 2024 | Construction administration for Huron Industrial Lands SWMF. Awaiting end of project prior to closure of project. |
| ID2095OXF | OXFORD BUSINESS PARK | Growth | Environmental Services | 325,872 | 193,289 | 132,583 | Q4 2024 | Awaiting potential claim related to onsite treatment device as part of development. Review status in Q4 2024. |
| MU1200 | FLEET RADIO REPLACEMENT | Life Cycle Renewal | Transportation Services | 625,000 | - | 625,000 | Q4 2025 | The project is currently on hold pending review of legislation regarding the current exemption for transit authorities to use hand held communication devices. To date this exemption keeps extending but nothing permanent has been granted. Note the current radios have exceeded their useful life and are in need of replacement. |
| MU1210 | FARE PROCESSING EQUIPMENT | Life Cycle Renewal | Transportation Services | 1,495,000 | - | 1,495,000 | Q4 2025 | The need to replace current fare boxes, that are at the end of their useful life, along with the ability to further integrate fare processing capabilities remains significant. LTC had deferred the commencement of the project in order to fully implement the smart card program. Hardware impacts from the vendor, along competing priorities has further added to the delay. |
| PD1015 | SOUTH STREET CAMPUS REDEV | Service Improvement | Planning&Development Services | 155,000 | 144,229 | 10,771 | 2026 | To support the implementation of heritage interpretation, following the completion of construction. |
| PD1102 | REVIEW OF ENVIRONMENTAL | Service Improvement | Planning&Development Services | 50,000 | - | 50,000 | Q1 2025 | Consultant support to undertake biennial review of Environmental Management Guidelines. |
| PD1107 | CLIMATE EMERGENCY ACTION PLAN | Service Improvement | Environmental Services | 50,000 | - | 50,000 | Q2 2025 | This community engagement project as part of CEAP is being refined in light of the 2024-2027 MYB. |
| PD112918 | DOWNTOWN STREET TREE PLANTING | Life Cycle Renewal | Parks,Rec&Neighbourhood Serv | 523,779 | 411,641 | 112,138 | Q4 2024 | Remaining budget will be used for Contract for downtown planting in Fall 2024. |
| PD1143 | ENHANCE Highbury AVENUE | Service Improvement | Parks,Rec&Neighbourhood Serv | 37,500 | - | 37,500 | Q4 2024 | Budget will be used for empty areas near Summerside subdivision, will be coordinated with Parks Planning. |
| PD1145 | PLACEMAKING DESIGN GUIDELINES | Service Improvement | Planning&Development Services | 100,000 | 76,612 | 23,388 | 2028 | Long-term goal to prepare placemaking design guidelines. |

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| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|-----------|--------------------------------|---------------------|-------------------------------|-----------------|-----------|-------------|---------------------|--|
| PD1213 | ARCHAEOLOGICAL MASTER PLAN | Life Cycle Renewal | Planning&Development Services | 75,000 | 70,941 | 4,059 | Q1 2025 | Archaeological Management Plan implementation. |
| PD1215 | BACK TO THE RIVER | Service Improvement | Parks,Rec&Neighbourhood Serv | 950,000 | 844,668 | 105,332 | Q4 2024 | One River EA surplus funds. Will be used to support One River EA River Management projects (detailed design for Ph 2 paddling access points). |
| PD1382-15 | NEW NEIGHBOURHOOD PARKS | Growth | Parks,Rec&Neighbourhood Serv | 260,000 | 227,077 | 32,923 | 2026 | Remaining funds set aside for capital claims at Victoria on River; development assumed but claim not yet submitted. |
| PD138218 | NEW NEIGHBOURHOOD PARKS | Growth | Parks,Rec&Neighbourhood Serv | 150,000 | 127,481 | 22,519 | Q4 2024 | Remaining funds will be spent in 2024. |
| PD2043-11 | 2011 NEW MAJOR OPEN SPACE | Growth | Parks,Rec&Neighbourhood Serv | 482,047 | 437,177 | 44,870 | Q4 2024 | Hyde Park Open Space funding for pathway at CP Crossing off Sarnia. Construction to be completed in 2024. |
| PD2043-15 | NEW MAJOR OPEN SPACE NETWORK | Growth | Parks,Rec&Neighbourhood Serv | 641,049 | 641,049 | 0 | Q4 2025 | Parent Account: Remaining funding set aside to support Construction Administration for Stoney Creek Pathway extension. |
| PD2082 | MEADOWLILY AREA PLANNING STUDY | Growth | Planning&Development Services | 520,000 | 520,001 | (1) | Q4 2024 | To examine servicing options for the Meadowlily area. |
| PD2152 | PLANNING COMPREHENSIVE ZONING | Growth | Planning&Development Services | 1,000,000 | 921,433 | 78,567 | Q2 2025 | Project to prepare a new comprehensive zoning by-law to implement The London Plan. Timelines amended upon receiving HAF (Housing Accelerator Fund) to focus on implementation of changes through current by-law and delay comprehensive by-law amendments. |
| PD2162 | NEW URBAN CIVIC SPACES | Growth | Planning&Development Services | 2,106,436 | 172,654 | 1,933,782 | 2026 | Funding for Old Victoria Hospital Lands Civic Space. Design completed. Coordinating construction with respect to adjacent Indwell housing project to avoid damage. |
| PD2400 | PARK FARM TRUST FUND | Life Cycle Renewal | Planning&Development Services | 91,287 | 80,386 | 10,901 | Beyond | Trust account to support the preservation for Park Farm. |
| PD2633 | DEVELOPMENT OF INFORMATION | Service Improvement | Housing, Social & Health Serv | 416,860 | 260,376 | 156,484 | Q4 2024 | Following Council's endorsement of the November 2023 Staff report, steps have been taken to close out activities related to financial obligations relating to the Housing Collaborative Initiative(HCI) and any existing contracts will not be renewed. The final payments may straddle into early 2024 as determined by the conditions outlined in the HCI Consortium Agreement and other agreements. |

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|---------|-------------------------------|---------------------|-------------------------------|-----------------|------------|-------------|---------------------|--|
| PD3023 | 5-YEAR OFFICIAL PLAN REVIEW & | Life Cycle Renewal | Planning&Development Services | 650,000 | 511,085 | 138,915 | 2026 | Required to complete comprehensive review by January 2027, work underway to bring to Council in phases starting in 2024. |
| PP1025 | INTERFACE & MOBILE DATA | Service Improvement | Protective Services | 1,039,203 | 467,758 | 571,445 | Q4 2025 | Schedule delay working with vendor and determining needs. Moving forward with suppression/incidents, fire prevention, HR, GPS and activities and scheduling modules. ICO does not have a product to support our needs for inventory so working with ITS to research other opportunities. |
| PP4473 | POLICE TIME AND ATTENDENCE | Service Improvement | Protective Services | 150,000 | - | 150,000 | Q4 2025 | The time and attendance project is delayed until workload and staffing demands allow the project to be initiated, along with additional approved funding through the MYB. |
| RC1035 | DUNDAS PLACE STOREFRONT | Service Improvement | Economic Prosperity | 75,000 | 48,965 | 26,035 | 2027 | Ongoing annual program for maintenance & repair of Dundas Place Field House building fit-out and fixtures. |
| RC2021 | MASTER PLAN SUBSTUDIES | Growth | Parks,Rec&Neighbourhood Serv | 150,000 | 78,350 | 71,650 | Q4 2024 | Used for various sub-studies related to the Parks & Rec Masterplan including items such as User Fee review / framework, Play your way finance assistance program and the waiving of fees for rec facilities. |
| RC2205 | T-BLOCK REPLACEMENT STORAGE | Service Improvement | Parks,Rec&Neighbourhood Serv | 850,000 | - | 850,000 | 2026 | This project is aligned with the capital work to be completed at Carling Heights Optimist Community Centre in 2026 (kitchen and elevator). |
| RC2608 | GLEN CAIRN ARENA | Service Improvement | Parks,Rec&Neighbourhood Serv | 683,400 | 70,835 | 612,565 | Beyond | Special Project Set Up for the Glen Cairn - Decommission and renovation. Working with Neighborhood and Community-Wide Services on next steps in project scope finalization. |
| RC2612 | SILVERWOODS ARENA | Service Improvement | Parks,Rec&Neighbourhood Serv | 2,226,200 | 28,850 | 2,197,350 | Beyond | Special Project Set Up for the Silverwood - Decommission & Renovation - working with Neighborhood and Community-Wide Services / Parks Planning on finalizing project charter for Silverwood Redevelopment project. Project to commence in 2024. |
| RC2755 | SOUTH WEST MULTI-PURPOSE REC | Growth | Parks,Rec&Neighbourhood Serv | 54,588,465 | 54,218,839 | 369,626 | 2026 | Required to be open for deficiencies. |
| RC3464 | NORTHWEST BRANCH LIBRARY | Growth | Culture Services | 6,686,000 | - | 6,686,000 | Beyond | There is limited land available in the northwest that meets the Library's specific requirements within the service area. The Library is interested in pursuing another partnership opportunity with the City of London. |

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|---------|--------------------------------|---------------------|-------------------------------|-----------------|------------|-------------|---------------------|---|
| RC3466 | SOUTHEAST BRANCH LIBRARY | Growth | Culture Services | 5,118,000 | - | 5,118,000 | Beyond | A new library to replace the current Pond Mills branch. This project has been delayed in hopes of partnering with the City of London and working within their timelines. |
| RC3467 | LSA 13 - SOUTHEAST COLLECTIONS | Growth | Culture Services | 250,000 | - | 250,000 | Beyond | Additional collections required for a new location built in Southeast London. |
| RC3468 | LSA 12-NORTHWEST COLLECTIONS | Growth | Culture Services | 250,000 | - | 250,000 | Beyond | Additional collections required for a new location built in Northwest London. |
| SH1100 | DAYTIME RESTING SPACES | Service Improvement | Housing, Social & Health Serv | 1,100,000 | - | 1,100,000 | Q4 2025 | Delay in securing land for project. |
| SH1101 | NEW HOUSING UNITS W SUPPORTIVE | Service Improvement | Housing, Social & Health Serv | 5,000,000 | 4,000,000 | 1,000,000 | Q3 2024 | Ongoing. Affordable Housing. Scheduled for occupancy and matching for additional units at 744 Dundas in September 2024. |
| SW6030 | LANDFILL SITE PROPERTY ACQN | Life Cycle Renewal | Environmental Services | 13,804,992 | 13,777,418 | 27,574 | Beyond | This is the historical account where funding for purchasing strategic properties around the W12A landfill was provided via the Sanitary Landfill Reserve Fund. Remaining funds to be used in the future. |
| SW6035 | LANDFILL GAS UTILIZATION | Service Improvement | Environmental Services | 4,000,000 | 78,921 | 3,921,079 | Beyond | FIT Contract cancelled July 16, 2018. Funds will be used for new projects for the beneficial use of captured landfill gas such as the production of Renewable Natural Gas. Now that the pandemic restrictions have eased, this project has been impacted by supply chain issues coupled with high costs. City staff are waiting for a finalized Terms Sheet to be provided. We expect to receive this by mid-2024, funds cannot be committed until these negotiations are complete. |
| SW6051 | MUNICIPAL WASTE STUDY | Life Cycle Renewal | Environmental Services | 2,807,638 | 2,390,622 | 417,016 | Q4 2024 | Capital funds required to facilitate the Individual Environmental Assessment for the Residual Waste Disposal Strategy. This is a four to five year project. Completed EA was submitted to MECP in February 2022; to date the Minister has not made a decision on the EA, the timing and decision is outside of the City's control and funds need to remain in the account until permit is secured. |
| TS1031 | LONG TERM CORRIDOR PROTECTION | Growth | Transportation Services | 500,000 | 493,294 | 6,706 | 2027 | There are a few ongoing studies under this account: Hamilton/Gore EA and Bostwick EA. |
| TS1038 | TRANSPORTATION DEVELOPMENT | Growth | Transportation Services | 250,000 | 201,048 | 48,952 | 2028 | Provincial changes to the DC Act have pushed back the project schedule. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|----------|--------------------------------|---------------------|--------------------------------|-----------------|------------|-------------|---------------------|---|
| TS1039 | TRANSPORTATION MASTER PLAN | Growth | Transportation Services | 100,000 | 79,703 | 20,297 | Q4 2024 | Funding for the Mobility Master Plan. |
| TS1040 | TRANSPORTATION MASTER PLAN | Growth | Transportation Services | 750,000 | 747,097 | 2,903 | Q4 2024 | Funding for the Mobility Master Plan. |
| TS1041 | TRANSPORTATION IMPACT STUDIES | Growth | Transportation Services | 300,000 | 187,972 | 112,028 | Q4 2024 | Various transportation and traffic studies. |
| TS1135 | DUNDAS FLEXIBLE STREET | Service Improvement | Transportation Services | 30,053,669 | 28,625,394 | 1,428,275 | Beyond | Legal ongoing dispute. |
| TS1346 | CORPORATE ASSET MANAGEMENT DEV | Life Cycle Renewal | Corporate, Oper & Council Serv | 1,863,895 | 850,256 | 1,013,639 | Q4 2025 | The CAM project includes a total of seven (7) work units, a contract was executed for the first six (6) units over the past years. The final work unit number 7 is significant and includes implementation of all five asset management modules across the remaining 9 service areas included in the scope of the CAM project estimated at a cost of approx. \$1million. Unit 6 restarted on June 2021 and Scheduled to be completed by Q4 2024 while the Final unit 7 of the project is scheduled to start by Q4 2024 with completion date by 2026. |
| TS1350 | CORPORATE ASSET MGMT SOFTWARE | Life Cycle Renewal | Corporate, Oper & Council Serv | 360,000 | 156,336 | 203,664 | Q4 2024 | Phased implementation of Brightly (formerly Assetic) software is well underway for Transportation and Mobility , Parks and Forestry & Recreation and Sport services. This will be followed by full implementation across the City providing CAM the ability to optimize the City Capital budget across all the service areas. The Assetic's system was used in developing the City's 2023 Asset Management Plan and it is now working to manage timing of maintenance/renewal. Assetic's decision making module (Predictor) is used for the City's Core Assets (Water, Wastewater, and Transportation), the majority of Facilities (Recreation and Corporate Facilities) and other service areas such as Fleet and Fire Department. |
| TS1355-2 | WHARNCLIFFE RD IMPROVEMENTS | Growth | Transportation Services | 6,563,750 | 374,337 | 6,189,413 | 2028 | Project will await Mobility Master Plan and future Multi Year Budget approval. |
| TS1371 | ROAD CLASS OVERSIZING | Growth | Transportation Services | 164,091 | 92,896 | 71,195 | Q4 2024 | Budget required for future DC Claims. |
| TS1410 | HURON STREET UPGRADES | Growth | Transportation Services | 1,794,400 | 1,767,698 | 26,702 | Q4 2024 | Minor landscaping issues left to be resolved. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|----------|--------------------------------|---------------------|-------------------------|-----------------|------------|-------------|---------------------|--|
| TS1475-2 | FANSHAWE RD EAST WIDENING-PH 2 | Growth | Transportation Services | 13,360,000 | 13,099,939 | 260,061 | Q4 2024 | Remaining work to be completed this year. |
| TS1484 | SARNIA WIDENING-WONDERLAND TO | Growth | Transportation Services | 10,209,820 | 10,202,914 | 6,906 | Q4 2024 | Outstanding construction issues. |
| TS1490 | WILTON GROVE ROAD UPGRADES | Growth | Transportation Services | 12,551,000 | 12,315,142 | 235,858 | Q4 2024 | Phase 2 is complete. Wilton Grove Phase 1, minor deficiency work still to be completed. |
| TS1496-2 | SUNNINGDALE RD WIDENING - PH 2 | Growth | Transportation Services | 3,915,847 | 3,915,847 | (0) | Q4 2025 | Imperial Oil pipeline relocation is a significant schedule and budget risk. Construction not expected before 2024. |
| TS1523-1 | BRADLEY AVE EXTENSION-PHASE 1 | Growth | Transportation Services | 12,264,375 | 7,739,356 | 4,525,019 | Q4 2025 | Active legal issue ongoing. |
| TS1621-1 | VETERANS MEMORIAL PKY - | Growth | Transportation Services | 12,376,900 | 8,789,036 | 3,587,864 | Q4 2024 | Minor landscaping issues left to be resolved. |
| TS1633 | ADVANCED LAND ACQUISITION | Growth | Transportation Services | 1,640,000 | 56,090 | 1,583,910 | Beyond | Budget to be retained for future projects. |
| TS1651 | MINOR ROADWORKS-CHANNELIZATION | Growth | Transportation Services | 3,477,525 | 3,135,454 | 342,071 | Q4 2024 | Program for Developer claims. |
| TS1652 | MINOR RD WORKS-MISC WORKS | Growth | Transportation Services | 89,100 | 8,904 | 80,196 | Q4 2024 | Program for Developer claims. |
| TS1653 | MINOR RD WORKS - SIDEWALKS | Growth | Transportation Services | 925,847 | 464,628 | 461,219 | Q4 2024 | Project is used for sidewalks on new development. Budget will be used on projects in 2024. |
| TS1654 | MINOR RD WORKS - STREETLIGHTS | Growth | Transportation Services | 1,767,171 | 1,091,262 | 675,909 | Beyond | Active commitments. Account used for Developer related works. |
| TS1655 | MINOR RD WORKS-NEW TRAFFIC | Growth | Transportation Services | 1,546,880 | 478,115 | 1,068,765 | Q4 2025 | Active commitments. Account used for Developer related works. |
| TS1656 | MINOR RD WORKS-ROUNDBOUTS | Growth | Transportation Services | 450,000 | 416,831 | 33,169 | Q4 2024 | Minor deficiency work, in warranty period. |
| TS1748 | DUNDAS PLACE - TVP ACTIVE | Service Improvement | Transportation Services | 4,000,000 | 3,562,951 | 437,049 | Q4 2025 | Phase 2 of Dundas TVP Connection project was completed with significant delays that triggered Liquidated Damages. Warranty period ended in Q4 2022, but there is outstanding additional work to be addressed in 2024/2025. |
| TS1766 | BRADLEY AVENUE EXTENSION | Life Cycle Renewal | Transportation Services | 500,000 | 502,656 | (2,656) | Q4 2025 | Outstanding legal issues. |
| TS2170 | BRADLEY FROM OLD VICTORIA | Growth | Transportation Services | 2,350,000 | 805,058 | 1,544,942 | Q4 2025 | Possible work to cover Development Charges roadworks associated with a future Innovation Park Phase 5 on Bradley Ave. |
| TS4078 | TRAFFIC MANAGEMENT CENTRE PH 1 | Growth | Transportation Services | 830,000 | 619,847 | 210,153 | 2027 | Remaining funds to be used for non-eligible PTIS work. |

Appendix B - Summary of 2020 Life-To-Date Capital Budgets Having No Future Budget Requests

| Project | Project Description | Classification | Service Program | 2020 LTD Budget | Committed | Uncommitted | Expected Completion | Explanation |
|---------|------------------------------|---------------------|-------------------------|-----------------|-----------|-------------|---------------------|---|
| TS4165 | URBAN INTERSECTIONS | Growth | Transportation Services | 1,616,000 | 1,578,804 | 37,196 | Q4 2025 | Keep account open for upcoming projects. |
| TS4213 | PUC PARKING LOT 12 | Life Cycle Renewal | Transportation Services | 400,000 | 250,678 | 149,322 | Q2 2024 | Material/Product availability has delayed the project from being completed, due to COVID-19 global product supply issues. |
| TS4216 | PARKING & ENFORCEMENT SYSTEM | Life Cycle Renewal | Transportation Services | 690,000 | 142,956 | 547,044 | Q2 2024 | Vendor is working to provide an iOS upgrade to current Android only Parking Enforcement system. Currently in a test environment with other municipalities. |
| TS5031 | TRANSPORTN DEMAND MNG | Service Improvement | Environmental Services | 390,773 | 324,124 | 66,649 | Q4 2025 | Budget to be used for Transportation Demand Management including Transportation Management Association (approved as part of the Climate Emergency Action Plan). |
| TS6020 | ACTIVE TRANSPORTATION | Life Cycle Renewal | Environmental Services | 300,000 | 78,874 | 221,126 | Beyond | Annual program for non-roadway cycling infrastructure identified in the Transportation Master Plan 2030 and Cycling Master Plan. This Annual Program will be further addressed during the Mobility Master Plan. |

Appendix C – Completed Capital Projects (as of December 31, 2023)

Table 1 - Tax Supported Budget Completed Capital Projects

| | Classification | Approved Budget | Actual | Surplus / (Deficit) | Comments (For Variance Greater Than \$50,000) | Tax Supported Capital Levy | Tax Supported Debt | Tax Supported Reserve Fund | Non-Tax Supported Reserve Fund | Non-Tax Supported Debt | Non-Tax Supported Other |
|---|-------------------|-----------------|-----------|---------------------|--|----------------------------|--------------------|----------------------------|--------------------------------|------------------------|-------------------------|
| PD2181-15 New Sportspark | Growth | 157,156 | 157,156 | 0 | | | | | | | |
| PD218116 New Sportspark | Growth | 595,123 | 595,123 | 0 | | | | | | | |
| PK223019A Riverbend Field House New Field House | Growth | 45,712 | 45,712 | 0 | | | | | | | |
| TS1328 Intersection - Hamilton Rd and Egerton Street (Optimization) | Growth | 1,718,800 | 1,540,823 | 177,977 | Surplus due to savings in project materials and supplies | | 22,247 | | 155,730 | | |
| TS1576 Intersection-Exeter-Wellington Improvements | Growth | 3,590,000 | 2,862,369 | 727,631 | Surplus due to savings in project materials and supplies | | 90,954 | | 636,677 | | |
| TS5910 UWRF Transition to CSRF-Roads | Growth | 1,700,054 | 1,700,054 | 0 | | | | | | | |
| EP1784 Covent Garden Market Parking Garage Painting | Lifecycle Renewal | 102,000 | 0 | 102,000 | Capital Project not required as this work will be completed in approved 2024-2027 MYB Business Case P66 Covent Garden Market Parking Garage Repairs. | | | | | | 102,000 |
| GG1620-15 Dearness Major Upgrades | Lifecycle Renewal | 441,090 | 441,090 | 0 | | | | | | | |
| IT301021B Sharepoint Migration | Lifecycle Renewal | 50,551 | 50,551 | 0 | | | | | | | |
| IT3010E Xalt Software Application London Fire | Lifecycle Renewal | 49,929 | 49,929 | 0 | | | | | | | |
| IT3010G Storybook Gardens Subsite | Lifecycle Renewal | 45,792 | 45,792 | 0 | | | | | | | |
| IT3010H CRM Cloud Migration - Microsoft ESWO | Lifecycle Renewal | 50,453 | 50,453 | 0 | | | | | | | |
| IT3022B BR Firewall Equip Upgrade | Lifecycle Renewal | 196,247 | 196,247 | 0 | | | | | | | |
| IT3022C Fiber Remediation and Redundancy | Lifecycle Renewal | 73,952 | 73,952 | 0 | | | | | | | |
| ME201701 Vehicles and Equipment Replacement-TCA | Lifecycle Renewal | 4,878,744 | 4,878,744 | 0 | | | | | | | |
| ME201901 Vehicle and Equipment Replacement-TCA | Lifecycle Renewal | 5,613,016 | 5,613,016 | 0 | | | | | | | |
| MU113622 Existing Facility Upgrade | Lifecycle Renewal | 500,000 | 500,000 | 0 | | | | | | | |
| PD2045 Invasive Species Management Strategy | Lifecycle Renewal | 700,000 | 699,592 | 408 | | | | 408 | | | |

Appendix C – Completed Capital Projects (as of December 31, 2023)

Table 1 - Tax Supported Budget Completed Capital Projects

| | Classification | Approved Budget | Actual | Surplus / (Deficit) | Comments (For Variance Greater Than \$50,000) | Tax Supported Capital Levy | Tax Supported Debt | Tax Supported Reserve Fund | Non-Tax Supported Reserve Fund | Non-Tax Supported Debt | Non-Tax Supported Other |
|---|-------------------|-----------------|------------|------------------------|--|----------------------------------|--------------------------|-------------------------------------|--------------------------------------|------------------------------|-------------------------------|
| PD224322 Maintain Environmentally Significant Areas | Lifecycle Renewal | 221,165 | 221,165 | 0 | | | | | | | |
| PK128220P Pawnee Park | Lifecycle Renewal | 100,777 | 100,777 | 0 | | | | | | | |
| PK302020I Hyde Park Village Green PH 2 | Lifecycle Renewal | 90,286 | 90,286 | 0 | | | | | | | |
| PP112319 Replace Firefighter Equipment | Lifecycle Renewal | 434,529 | 434,529 | 0 | | | | | | | |
| PP429121 Police Misc Equipment Purchase | Lifecycle Renewal | 1,127,376 | 1,127,376 | 0 | | | | | | | |
| PP429122 Police Misc Equipment Purchase | Lifecycle Renewal | 558,854 | 558,854 | 0 | | | | | | | |
| PP440621 Police Storage Server | Lifecycle Renewal | 300,000 | 300,000 | 0 | | | | | | | |
| SW604016 Landfill Gas Collection | Lifecycle Renewal | 954,328 | 954,328 | 0 | | | | | | | |
| TS1218 Blackfriars Bridge Rehabilitation Active Transportation - PTIF | Lifecycle Renewal | 1,500,000 | 1,499,708 | 292 | | -1,945 | | | | | 2,237 |
| TS144619 Road Networks Improvements (Main) | Lifecycle Renewal | 13,495,087 | 13,495,087 | 0 | | | | | | | |
| TS176317 Bridges Major Upgrades | Lifecycle Renewal | 2,965,966 | 2,965,966 | 0 | | | | | | | |
| TS176319 Bridges Major Upgrades | Lifecycle Renewal | 7,439,982 | 7,439,982 | 0 | | | | | | | |
| TS301418 Road Network Improvements (Local and Rural) | Lifecycle Renewal | 8,865,067 | 8,865,067 | 0 | | | | | | | |
| TS303718 Sidewalk Repairs and Replacement | Lifecycle Renewal | 1,319,306 | 1,319,306 | 0 | | | | | | | |
| TS618120 Salt and Sand Dome LCR | Lifecycle Renewal | 266,864 | 266,864 | 0 | | | | | | | |
| TS618121 Salt and Sand Dome LCR | Lifecycle Renewal | 25,816 | 25,816 | 0 | | | | | | | |
| TS618122 Salt and Sand Dome LCR | Lifecycle Renewal | 355,094 | 355,094 | 0 | | | | | | | |
| TS620019 Operation Facilities | Lifecycle Renewal | 1,009,269 | 1,009,269 | 0 | | | | | | | |
| UF123522 Street Tree Planting | Lifecycle Renewal | 410,662 | 410,662 | 0 | | | | | | | |

Appendix C – Completed Capital Projects (as of December 31, 2023)

Table 1 - Tax Supported Budget Completed Capital Projects

| | Classification | Approved Budget | Actual | Surplus / (Deficit) | Comments (For Variance Greater Than \$50,000) | Tax Supported Capital Levy | Tax Supported Debt | Tax Supported Reserve Fund | Non-Tax Supported Reserve Fund | Non-Tax Supported Debt | Non-Tax Supported Other |
|--|---------------------|-------------------|-------------------|---------------------|---|----------------------------|--------------------|----------------------------|--------------------------------|------------------------|-------------------------|
| UF123523 Street Tree Planting | Lifecycle Renewal | 479,704 | 479,704 | 0 | | | | | | | |
| COVIDIT Covid-19 IT Devices | Service Improvement | 664,958 | 729,504 | -64,546 | Variance due to more devices purchased than anticipated | -64,546 | | | | | |
| COVIDVAC Covid-19 Vaccine Centres | Service Improvement | 384,914 | 384,914 | 0 | | | | | | | |
| DH1100 Dearness Home Auditorium Expansion | Service Improvement | 2,240,000 | 2,240,000 | 0 | | | | | | | |
| GG1730HB Retention of Heritage Buildings, Colborne Buildings and Memorial Childrens Hospital | Service Improvement | 500,000 | 490,664 | 9,336 | | 9,336 | | | | | |
| GG1730PHB Decommissioning of South St Campus Lands-Phase B | Service Improvement | 2,380,000 | 2,322,546 | 57,454 | Surplus due to favourable tendering | | | 57,454 | | | |
| PD1050 Development and Implement Wayfinding Plan | Service Improvement | 100,000 | 92,845 | 7,156 | | | | 7,156 | | | |
| PD1076 TVP - North Branch (OMCC) | Service Improvement | 3,144,947 | 3,144,947 | 0 | | | | | | | |
| PK1110 Hyde Park Village Green | Service Improvement | 750,000 | 749,830 | 170 | | 170 | | | | | |
| PP4471 Police Leasehold Improvements | Service Improvement | 2,000,000 | 1,999,962 | 38 | | 38 | | | | | |
| SW6047 Material Recovery Facility | Service Improvement | 22,731,803 | 22,732,142 | -339 | | -339 | | | | | |
| TS1753 Boulevard Bicycle Path Improvements | Service Improvement | 1,100,000 | 1,100,869 | -869 | | -869 | | | | | |
| TS4209 Improved Parking Technology | Service Improvement | 300,000 | 346,096 | -46,096 | | | | | -46,096 | | |
| Total | | 98,725,373 | 97,754,761 | 970,612 | | -58,155 | 113,201 | 65,018 | 746,311 | 0 | 104,237 |

Appendix C – Completed Capital Projects (as of December 31, 2023)
Table 2 - Wastewater and Treatment Budget Completed Capital Projects

| | Classification | Approved Budget | Actual | Surplus / (Deficit) | Comments (For Variance Greater Than \$50,000) | Rate Supported Capital Levy | Rate Supported Debt | Rate Supported Reserve Fund | Non-Rate Supported Reserve Fund | Non-Rate Supported Debt | Non-Rate Supported Other | |
|-------------|---|---------------------|------------------|---------------------|---|---|---------------------|-----------------------------|---------------------------------|-------------------------|--------------------------|----------------|
| ES302519A | Downtown Sewer Separation - Wastewater Servicing Built Area Works | Growth | 1,270,254 | 1,270,254 | 0 | | | | | | | |
| ES302519F | Dingman Dr Site Plan Reconstruction - Wastewater Servicing Built Area Works | Growth | 207,562 | 207,562 | 0 | | | | | | | |
| ES543619A | Downtown Sewer Separation - Storm Sewer Built Area Works | Growth | 1,156,430 | 1,156,430 | 0 | | | | | | | |
| ID2095HURC1 | Huron Industrial Park Area C1 | Growth | 6,207 | 6,207 | 0 | | | | | | | |
| ID2095HURC2 | Huron Industrial Park Area C2 | Growth | 6,208 | 6,208 | 0 | | | | | | | |
| ID2095HURC3 | Huron Industrial Park Area C3 | Growth | 2,684 | 2,684 | 0 | | | | | | | |
| ID2095HURC4 | Huron Industrial Park Area C4 | Growth | 22,628 | 22,628 | 0 | | | | | | | |
| ES253220 | Stormwater Treatment Remediation Program | Lifecycle Renewal | 804,943 | 804,943 | 0 | | | 26,283 | | | | |
| ES483418 | Municipal Drain Maintenance | Lifecycle Renewal | 197,979 | 20,590 | 177,389 | Surplus due to small number of requests for maintenance in 2018 | | | | | 177,389 | |
| ES508420 | WWTP Optimization and Renewal | Lifecycle Renewal | 1,789,060 | 1,789,060 | 0 | | | | | | | |
| ES209223 | Basement Flooding Grant Program | Service Improvement | 536,871 | 536,871 | 0 | | | | | | | |
| ES246419 | Combined Sewer Separation | Service Improvement | 3,207,481 | 3,207,481 | 0 | | | | | | | |
| ES304020 | Minor Surface Flooding Mitigation | Service Improvement | 229,343 | 229,343 | 0 | | | | | | | |
| ES5020 | Sewer Operations Equipment - Stormwater | Service Improvement | 317,928 | 317,928 | 0 | | | | | | | |
| | | | 9,755,578 | 9,578,189 | 177,389 | | 0 | 0 | 26,283 | 0 | 0 | 177,389 |

Appendix C – Completed Capital Projects (as of December 31, 2023)

Table 3 - Water Budget Completed Capital Projects

| Project | Classification | Approved Budget | Actual | Surplus / (Deficit) | Comments (For Variance Greater Than \$50,000) | Rate Supported Capital Levy | Rate Supported Debt | Rate Supported Reserve Fund | Non-Rate Supported Reserve Fund | Non-Rate Supported Debt | Non-Rate Supported Other |
|--|-------------------|------------------|------------------|---------------------|---|-----------------------------|---------------------|-----------------------------|---------------------------------|-------------------------|--------------------------|
| EW162721 Residential Meter Replacement | Lifecycle Renewal | 1,228,800 | 1,223,931 | 4,869 | | | | 4,869 | | | |
| EW3526 Arva Pumping Station Annual Capital Replacement | Lifecycle Renewal | 1,875,189 | 1,875,189 | 0 | | | | | | | |
| EW371718 Inspect Trunk Concrete Pressure Pipes | Lifecycle Renewal | 2,509,565 | 2,509,565 | 0 | | | | | | | |
| EW371721 Watermain Condition Inspection and Monitoring | Lifecycle Renewal | 101,587 | 101,587 | 0 | | | | | | | |
| EW384223 Lead and Copper Water Services Replacement | Lifecycle Renewal | 1,610,613 | 446,111 | 1,164,502 | Work completed as planned, remaining funds not required | | | 1,164,502 | | | |
| Total | | 7,325,754 | 6,156,383 | 1,169,371 | | 0 | 0 | 1,169,371 | 0 | 0 | 0 |

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon,
Deputy City Manager, Finance Supports

Subject: Year 2024 Tax Policy

Date: April 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to property taxation for 2024:

- a) the attached proposed by-law (Appendix 'A') being a by-law setting tax ratios for property classes in 2024, in accordance with Sub-sections 308(4) and 308.1(4) of the *Municipal Act, 2001* BE INTRODUCED at the Municipal Council meeting to be held on April 23, 2024, it being noted that the 2024 Municipal Tax Ratio By-Law has been prepared reflecting the equalization of the average property tax increase in residential and multi-residential classes with no change to other tax ratios;
- b) the attached proposed by-law (Appendix 'B') being a by-law levying tax rates for property classes in 2024, in accordance with Sections 307 and 312 of the *Municipal Act, 2001* BE INTRODUCED at the Municipal Council meeting to be held on April 23, 2024; and,
- c) that Civic Administration BE REQUESTED to invite the Municipal Property Assessment Corporation to provide an update at the May 6, 2024 meeting of the Corporate Services Committee on municipal property assessment in the Province of Ontario.

Executive Summary

The 2024 Tax Policy for the City of London is shaped by announcements and decisions made by the Province. Provincial property tax decisions for 2024 include maintaining the same education rates and continuing to delay reassessment pending a review of the property assessment and taxation system. In the absence of reassessment, which would potentially create property tax shifts between classes, the commercial, industrial, and multi-residential tax ratios cannot be increased using revenue neutral ratios. The decisions available for the 2024 Tax Policy will be either to keep the tax ratios the same as 2023 or to lower one or more of the other tax ratios; commercial, industrial, and/or multi-residential. Civic Administration has prepared the 2024 Tax Policy which will equalize the average property tax increase for residential and multi-residential property classes. This results in a slight decrease in the multi-residential tax ratio while still remaining competitive in comparison with municipal peers.

Linkage to the Corporate Strategic Plan

Council's 2023 - 2027 Strategic Plan for the City of London identifies "Well-Run City" as a strategic area of focus. The information contained in this report would assist in developing tax policy to align with Council priorities of the Strategic Plan by supporting London's competitiveness through prudent and equitable fiscal policy. The tax policy achieves this result by focusing on equity within and between property tax classes and examining alternatives in a transparent manner.

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Corporate Services Committee, February 18, 2020, Consent Item 2.5, Future Tax Policy – Possible Directions
- Corporate Services Committee, January 15, 2024, Consent Item # 2.9, Assessment Growth for 2024, Changes in Taxable Phase-in Values, and Shifts in Taxation as a Result of Reassessment
- Corporate Services Committee, February 26, 2024, Consent Item # 2.3, 2024 Tax Policy Expectations

1.2 Tax Policy Guiding Principles

Tax Policy looks at how the municipality chooses to allocate the amount of property taxes to be collected for municipal purposes as set out in the tax levy approved by Municipal Council through the budget process.

The guiding principles for the City of London's Tax Policy are equity, economic development, transparency, and administrative efficiency.

The tax policy follows the equity principle by focusing on equity and fairness within and between property tax classes.

The tax policy is an effective tool as it can help ensure the City has a competitive property tax system which can impact business retention and the diversification of economic development.

Tax policy achieves transparency when decisions and alternatives are examined in an open and public manner which is understandable to taxpayers.

When considering any change to the property tax system, such as an optional property tax class, it is important to ensure administrative efficiency and cost effectiveness can be maintained.

1.3 Tax Levy versus Tax Policy

In March 2024, the Municipal Council approved the amount of funding required to be raised by municipal property taxes for the 2024 fiscal year, \$812,742,626. Tax Policy, using tax ratios, allocates the property taxes to be collected for municipal purposes across the various property classes in the municipality; residential, multi-residential, farm, pipelines, managed forests, commercial, and industrial. To use an analogy, the tax levy identified as part of budget approval determines the size of the pie, and tax policy determines the size of each piece of pie according to class. In most years, assessment changes alter the size of each piece and tax ratios are adjusted to achieve the optimal size for each class. In the absence of reassessment, the pieces for each class are essentially the same as the previous year.

1.4 Definition of the Term "Tax Ratio"

Tax ratios compare the tax rate for municipal purposes in a particular property class to the residential class. The ratio for the residential class is deemed to be 1.00. A tax ratio of 2.00 would therefore indicate a municipal tax rate twice the residential municipal tax rate. Education tax rates are set by the Province and are not dependent on tax ratios approved by municipal Council. Under subsection 308(4) of the *Municipal Act, 2001* all single tier municipalities are required to pass a by-law each year to establish tax ratios for the year.

1.5 London’s Tax Ratios, Provincial Thresholds and Municipal Comparisons

In reviewing the tax policy for 2024, it should be noted that none of the property classes in the City of London have tax ratios that are above the Provincial thresholds. The only property class in London that was ever above the Provincial threshold was the industrial class. Council moved the industrial ratio down to the threshold for the 2001 taxation year. When establishing tax ratios from 2006 through 2023, Council has maintained the policy of not permitting tax ratios in any property class to exceed Provincial thresholds. As a result, no property classes are limited to increases at half of the residential rate increase.

Schedule “A”, attached, summarizes the tax ratios for municipalities with populations greater than 110,000 included in the 2023 Municipal Study prepared by BMA Management Consulting Inc. London has a commercial tax ratio that is at the median for the group and 7.2% above the average. The multi-residential ratio is below the median by 8.4% and below the average by 1.5%. The industrial tax ratio is below the median by 13.4% and below the average by 16.8%.

For 2023, the only cities to reduce ratios in the multi-residential, commercial, and industrial classes had ratios above the provincial thresholds in those classes.

The tax ratios in effect for the year 2023 and their proximity to the Provincial thresholds or averages established in 2001, as well as the Provincial targets or allowable ranges can be summarized as follows:

| | City of London 2023 Tax Ratio | Provincial Threshold/Average (O.Reg. 73/03) | Provincial Targets/Allowable Ranges (O.Reg. 386/98) |
|-----------------------|----------------------------------|---|--|
| Commercial | 1.910000 | 1.98 | 0.6 to 1.1 |
| Industrial | 1.910000 | 2.63 | 0.6 to 1.1 |
| Multi-Residential | 1.709600 | 2.00 | 1.0 to 1.1 |
| Pipeline | 1.713000 | N/A | 0.6 to 0.7 |
| Farm | 0.102820 | N/A | N/A |
| Residential | 1.000000 | N/A | N/A |
| New Multi-Residential | 1.000000 | N/A | 1.0 to 1.1 |

Schedule “D” attached, provides comparative information on how different municipalities tax the various major property classes. This information comes from the 2023 BMA Municipal Study and includes municipalities with populations greater than 110,000. The last column of Schedule “D” is a theoretical calculation that shows the tax increase that would be required in the residential property class in each municipality if all property classes had a tax ratio of 1.0. The data indicates that the theoretical adjustment for the City of London would be close to the middle of the group without giving special weighting to Toronto to reflect its much larger size. The City of London’s tax ratios are in the average range and not unusual when compared to other major centres in the Province.

1.6 Revenue Neutral Ratios and Reassessment

Since values for different classes of property rarely change at a uniform rate, the share of assessment shifts between classes during each reassessment. If residential class values increase at a rate greater than the municipality as a whole, a tax shift primarily impacting the residential class will result. Provincial legislation prohibits municipalities from increasing non-residential tax ratios which are outside of the allowable ranges. However, since 2009, municipalities have been permitted to mitigate tax shifts due to equity changes from reassessment by adopting transition tax ratios that achieve a revenue neutral effect. This may result in an increase to non-residential tax ratios provided they do not exceed established thresholds. As stated in the property tax

decisions letter from the province for the 2023 taxation year, this flexibility is now permanent.

On March 25, 2020, the City was advised that the Province postponed reassessment which means that property assessment for the 2021 taxation year would continue to be based on the same valuation date that was in effect for the 2020 taxation year. That valuation date was January 1, 2016. As per the “Assessment Growth for 2024, Changes in Taxable Phase-Values, and Shifts in Taxation as a Result of Reassessments” reported to the Corporate Services Committee on January 15, 2024, based on information provided by the Municipal Property Assessment Corporation (MPAC), no changes in total phase-in values for taxable properties will occur in 2024. In the letter sent from the Ministry of Finance outlining property decisions for 2024, no timeline for reassessment was provided. Further, the 2024 Ontario Budget released on Tuesday March 26, 2024, reconfirmed this.

The assessments provided by MPAC are meant to provide “Current Value Assessment” for all properties. Due to the normal 4-year phase-in of reassessments, the actual current value is usually higher than the assessed current value by year four. As we enter the eighth year since reassessment, the actual current value, based on reported sales, is significantly higher than the assessed current value. Since sales analysis is one of the main inputs used by MPAC in the assessment of residential properties, it is anticipated that, when reassessment resumes, the current value assessment will closely reflect the actual current value of residential properties. However, a significant increase in assessed value does not necessarily mean a large increase in property taxes as assessed value is only one input when calculating the property tax bill.

The other input when calculating the property tax bill is the property tax rate. The municipal portion of the property tax bill is based on the amount of money to be raised based on the municipal budget (the tax levy). If the weighted assessment for the City of London is significantly higher, and the tax levy is only slightly higher, the residential property tax rate will need to be lower to collect the appropriate amount of tax revenue. Using an example where the average assessment increase is 30% and the tax levy increase is 5%, we can illustrate the impact to residential properties. In this scenario, a property with a 30% increase in assessed value would have a property tax bill with a municipal portion which is 5% higher. A property with a 20% increase in assessed value would have a property tax bill with a municipal portion which is less than 5% higher. A property with a 40% increase in assessed value would have a property tax bill with a municipal portion which is more than 5% higher.

1.7 Review of Tax Policy is an Annual Requirement

Subsection 308(4) of the *Municipal Act, 2001* requires that all single tier municipalities “shall pass a by-law in each year to establish the tax ratios for that year for the municipality”. Tax ratios determine the distribution of tax levy between the different property classes.

Every four (4) years a general reassessment of the Province occurs in accordance with section 19.2 of the Assessment Act with 2021 through 2024 being exceptions. Although reassessments have no effect on the total amount of the tax for any year, reassessments can affect the way the tax burden is distributed between the different property classes.

The setting of tax ratios permits municipal councils to control the way tax burden is distributed between property classes. Tax ratios need to be reviewed every year to determine how the current year’s tax burden is being imposed on the different property classes and how the tax ratios in each year compare to the level of tax ratios in other municipal jurisdictions in the Province. The setting of tax ratios by municipal councils is subject to legislation contained in part VIII of the *Municipal Act, 2001* and various regulations filed in accordance with that part of the Act.

Provincial tax policy with respect to education property taxation is also relevant to tax policy determination at the municipal level. Each year the Ministry of Finance for the Province sends a letter to all municipalities in the Province advising them of any changes to municipal tax policy restrictions on municipalities. The Province also normally provides in that letter information about provincial education property tax rates and education property tax policy decisions. This information was received by the City on January 19, 2024, from the Ministry of Finance. The information in this annual letter is relevant to tax ratio setting at the municipal level and this has been included as part of the Year 2024 Education Tax Rates report.

Due to the assessment freeze continuing for 2024, there are no assessment-related tax shifts, and the use of revenue neutral ratios is not relevant. Provincial tax policy with respect to education property taxation has resulted in significant savings in the education portion of property taxes for the commercial and industrial classes since 2021.

2.0 Discussion and Considerations

2.1 Possible Directions identified in the 2024 Tax Policy Expectations report to Corporate Services Committee on February 26, 2024

In the above referenced report, four possible directions were identified. They were as follows:

1. Maintain tax ratios in the three main non-residential classes at their current levels.
2. Adjust ratios on an annual basis to mitigate assessment related tax increases in property classes (possibly giving priority to the multi-residential property class).
3. Reduce all the non-residential tax ratios in a gradual way (possibly giving priority to the multi-residential property class), and/or
4. Focus only on lowering the multi-residential tax ratio over a period of time.

These directions have guided City of London Tax Policy over the years. Outlined below is an overview of the 2024 tax policy recommendation and alternatives presented for consideration as outlined in detail on Schedule 'B'. Note, as there is no reassessment of property values until at least 2025, 'direction' #2 is not an applicable consideration.

Civic Administration Recommendation

- Equalize the average property tax increase in residential and multi-residential property classes, which results in a slight reduction in the multi-residential tax ratio. This recommendation is in keeping with 'direction' #4 where the focus is on only lowering the multi-residential ratio over a period of time.

Alternative 'A'

- No changes are made to tax ratios, tax ratios for 2024 are kept the same as they were in 2023. This alternative is in keeping with 'direction' #1 where tax ratios in the three main non-residential classes are maintained at their current levels.

Alternative 'B'

- Equalize the average property tax increase in residential, and multi-residential classes while reducing the tax ratios for multi-residential, commercial, and industrial property classes. This alternative is in keeping with 'direction' #3 where all the non-residential tax ratios are reduced in a gradual way.

Alternative 'C'

- Reduce the commercial and industrial property class tax ratios to the average commercial ratio of 1.78 while equalizing the average increase in residential and

multi-residential property classes where the multi-residential ratio is also reduced. This alternative is in keeping with 'direction' #3.

Alternative 'D'

- Reduce only the multi-residential ratio to 1.5 and equalize the municipal tax increase in residential and all other classes. This alternative is in keeping with 'direction' #4, however this creates a more significant tax shift to other classes.

2.2 Civic Administration Tax Policy Recommendation Explanation

2.2.1 Tax Ratio Recommendation – Multi-residential Property Class

As shown in Schedule "A", the multi-residential ratio in the City of London is below the average and the median when compared to the other municipalities listed. In December 2016, the Provincial Ministry of Finance issued a letter indicating that the Province had concerns with respect to the taxation of multi-residential properties, and it was their intention to study the issue and consult with various stakeholders beginning early 2017. In the letter, the Province indicated its intention to restrict tax increases in the multi-residential property class in 2017, in any municipality where the 2017 tax ratio was greater than 2.0. London was not subject to this restriction since its tax ratio was below the 2.0 level. The same tax ratio restriction for the multi-residential property has been in place since 2018 and is in place for 2024.

In the property tax decision letter for 2023, the Ministry of Finance, referencing *Ontario's Housing Supply Action Plan 2022-2023*, emphasized that the provincial government has committed to consulting with municipalities on potential approaches to reduce the current property tax burden on multi-residential apartment buildings. This is similar to the approach used in 2016 which resulted in reducing the multi-residential ratio threshold to 2.0. A new round of consultation may trigger a further reduction to the multi-residential ratio threshold.

Since the year 2000, the City has decreased its multi-residential tax ratio from 2.3852 to 1.70960 in 2023. This has been the result of adopting a long-term policy to equalize non-residential tax ratios, and also to equalize municipal tax increases in the residential and multi-residential property classes in particular years. In 2015, the City equalized non-residential tax ratios. From 2016 – 2020, and 2023, the City annually equalized municipal tax increases in the residential and multi-residential property classes and decreased the multi-residential property class tax ratio below the commercial and industrial levels.

In 2017, the Province implemented a new multi-residential property class which has created a situation where multi-residential properties are being taxed on a long-term basis at very different levels based on nothing more than the date of construction. This would seem to contradict the basic principle of equity in the tax policy. All properties within the same property class should pay the same tax rate. The planned consultation by the province may address the current inequity in multi-residential properties. In response to anticipated reductions in the multi-residential ratio threshold, Council may wish to consider adopting a policy to adjust the tax ratio for the multi-residential property class to the new construction level gradually over an extended period of time. The justification for this approach would be to establish equity within the property class so that all properties would be subject to the same tax rate on their market value. The approach would need to be gradual to mitigate the effect on other property classes.

For 2024, due to the delayed reassessment, tax increases in the multi-residential and residential classes for municipal purposes are already equalized. A slight reduction to the multi-residential ratio is required to achieve equalization including education using the same ratios as 2023 for all other classes. This is reflected in the first column identified as "Recommendation" on Schedule "B", which adjusts the multi-residential tax ratio to 1.703743 with no changes to the other property tax class ratios.

2.2.2 Tax Ratio Recommendation – Commercial and Industrial

Schedule “A” attached, summarizes the tax ratios for municipalities with populations greater than 110,000 included in the 2023 Municipal Study prepared by BMA Management Consulting Inc. Schedule “A” shows the tax ratios for the three main non-residential property classes – Commercial, Industrial, and Multi-residential. In 2015, the City of London achieved a long-term objective identified in September 2011 of lowering and equalizing the tax ratios in the main non-residential property classes. Over a four (4) year period, the City adjusted all the main non-residential tax ratios to a level of 1.95. The City gradually reduced the ratios for the commercial and industrial property classes from 2017 to 2020. As shown in Schedule “A”, the City of London arguably has a competitive advantage as both the multi-residential and industrial class ratios are below the provincial average and median.

The information in Schedule “A” shows that, in 2023, only four other municipalities reduced the multi-residential, commercial, and/or industrial ratios. Toronto reduced all business class ratios, Hamilton reduced the multi-residential and industrial ratios, Greater Sudbury reduced industrial ratios, and Thunder Bay reduced the multi-residential and commercial ratios. The ratios for the City of London, which reduced the multi-residential ratio, are still lower and more competitive than each of the four municipalities that saw decreases in 2023.

For 2024, it is recommended that Commercial and Industrial tax ratios continue to be maintained at a uniform level. It would seem there is no reasonable justification for taxing industrial properties at higher rates than commercial properties, as was a past practice prior to 2015. The Province has accepted the validity of this position in the setting of education tax rates for commercial and industrial properties. Starting in 2017, the Province established equal education property tax rates for commercial and industrial properties and has continued this practice for the 2024 taxation year.

For 2024, the ongoing pause on reassessments means the commercial and industrial tax ratios are already at a level to equalize municipal tax increases in the commercial and residential property classes. This is illustrated in the “average tax increases in property classes excluding education” cell under the “Alternative A” column on Schedule “B” attached. Normally, to achieve this the commercial and industrial ratios would be set at what is generally described as a revenue neutral level. If no ratio adjustment is made, the average municipal tax increase in all classes would be 8.54% as indicated on Schedule “C”, attached. Schedule “A” indicates that the City of London commercial tax ratio in 2023 was above the average level although at the median level for the group.

At the 2023 Municipal Finance Officers Conference (MFOA), a presentation by Municipal Tax Equity Consultants (MTE) identified concerns related to the extended period of frozen assessment. While the actual impacts are unknown, it is anticipated that there will be significant tax shifts once reassessment occurs. For municipalities with high commercial and industrial class ratios, there is concern that mitigating the tax shift using revenue neutral ratios may trigger a levy restriction if it causes commercial/industrial ratios to exceed the Provincial threshold. While the City of London has lowered the commercial and industrial ratios over time, further lowering these tax ratios could potentially provide greater flexibility at the time of a future reassessment. The greater the commercial tax ratio is below 1.98, the greater the flexibility for the municipality in future years. Enacting direction #3, shown in section 2.1, would result in a reduction to commercial and industrial ratios.

It is unknown what impact the new assessed values will have on the various property tax classes. If, for example, residential values increase significantly more than commercial and industrial values, revenue neutral ratios, whose permitted use is now permanent, may be required which would result in an increase to commercial and industrial ratios which would lead to a larger increase if those ratios were reduced prior to the reassessment. Due to the unknown impact of future assessment values, it is recommended that Direction # 4 is employed for 2024 which is to equalize the average

property tax increase which includes education in the residential and multi-residential classes while maintaining all other non-residential ratios at the current levels.

2.2.3 Tax Ratio Recommendation – New Multi-residential Property Class

On July 5, 2017, the Minister of Finance signed a regulation requiring all municipalities to establish a new multi-residential property class with a tax ratio range between 1.0 and 1.1. The regulation applied to any multi-residential property in Ontario built or converted from a non-residential use, pursuant to a building permit issued after April 20, 2017. In accordance with this regulation, the City of London established a new multi-residential property class with a ratio of 1.0 in 2017. It is recommended that this ratio be continued for 2024. Since the creation of a new multi-residential property class, of the 565 multi-residential properties in the City of London, 28 properties are classified under the new multi-residential ratio.

On March 26, 2024, the 2024 Ontario Budget announcement included a goal to encourage the development of purpose-built rental properties by providing municipalities with the flexibility to offer a reduced municipal property tax rate on new multi-residential rental properties. A letter received from the Ministry of Finance on April 4, 2024, provided additional details pertaining to this announcement. Municipalities will be able to offer this type of tax reduction through the adoption of an optional new multi-residential property subclass. As this information was just received, further review will be required prior to providing a full analysis, it may be appropriate to consider adopting this flexibility in a future tax policy. The impacts of this new flexibility will be the subject of a future report. Currently, the City's New Multi Residential ratio is the lowest it can be in accordance with the allowable ranges set forth in Ontario Regulation 386/98.

This announcement appears to support the commitment to reduce the current property tax burden on multi-residential apartment buildings illustrated in Section 2.2.1 but it is unclear whether further measures will be taken at the conclusion of the property assessment and taxation review.

2.2.4 Tax Ratio Recommendation - Farm Property Class

The tax ratio for the farm property is set in accordance with Section 308.1 of the *Municipal Act, 2001*. Under the provisions of that Sec. 308.1, the ratio is automatically reset to 0.25 every year unless the municipality sets it at a lower level by by-law each year. The farm property class is a very small class in the City of London, and changes in the tax ratio for the farm class have no significant impact on any other property classes. In the past, the City has always followed a policy of setting the farm property class tax ratio at a level that would result in the farm class receiving the average municipal tax increase, subject to the 0.25 maximum in the legislation. After a review of farm tax ratios and farm tax rates in the Province and in the vicinity of London this policy was discontinued for 2020. It is recommended that the tax ratio for farmland in 2024 be the same as 2023 which was 0.102820.

In December 2017, the Ministry of Finance issued a letter indicating that beginning in 2018 it would permit the option of a 75% tax rate reduction on the first \$50,000 of assessment related to qualifying non-farm commercial activity at a farm property. At the time of the 2018 property tax billing, MPAC had not provided the City of London with a list of any eligible properties and the City did not utilize this option. The assessment roll provided by MPAC indicates that only two (2) roll numbers in the City qualify for this special tax reduction. Participation in the program, however, is not recommended. Only two (2) properties qualify, and tax mitigation is already being provided to farmland property owners through the establishment of tax ratios. The tax reduction on two (2) properties would be less than \$2,000.

2.2.5 Tax Ratio Recommendation - Landfill Property Class

The City of London does not have any taxable property in the Landfill property class. It is recommended that a ratio be established each year, however, at the maximum permitted by legislation. Council would still have the ability to set a ratio at a lower level, at any point in time, in the future at its discretion if and when taxable assessment came into existence in the City. This approach will maximize the flexibility for ratio setting in this property class in the future. The maximum ratio permitted by legislation in 2024 is 3.425937 (Revenue neutral ratio x 1.05 or 3.262797x 1.05).

2.2.6 Tax Ratio Recommendation - Pipeline

Unlike the commercial, industrial, and multi-residential classes, the Province has not set any threshold tax ratio level or levy restriction with respect to the pipeline class. However, there are significant restrictions on increases in pipeline tax ratios set out in section 308 of the *Municipal Act, 2001*. It is therefore recommended that the tax ratio for the pipeline class not be changed for the year 2024.

2.2.7 Summary of Tax Ratio Recommendations for 2024

In summary, for 2024 Civic Administration are recommending Council choose to equalize the average increase in residential and multi-residential property classes, including education, with no change to other property class ratios as shown under "Recommendation" on Schedule "B". Schedule "B" indicates the alternative tax ratios and the average % increases in taxes in the various property classes, both including and excluding the education component of the property tax bill. In most years, there is a reassessment phase-in which results in varying increases to property taxes across all property classes. Adjustments to ratios have occurred in the past to equalize tax increases across classes. In the absence of reassessment for 2024, no adjustments to tax ratios are required to equalize tax increases across property classes for the municipal portion. A slight reduction to the multi-residential ratio is required to equalize the average municipal tax increase in residential and multi-residential classes, including education. Equalizing the residential and multi-residential ratios in 2024 results in an average tax increase of 7.66% in these classes. This approach would allow commercial and industrial properties to continue to experience the full benefit of the education tax reduction implemented by the Province in 2021 with an average tax increase of 6.33% in 2024. As announced in the 2024 Provincial property tax decision letter, assessments will continue to be based on current value as of January 1, 2016, until at least 2025.

For preparation of the 2024 Municipal Tax Ratio By-Law, Civic Administration has prepared the By-Law (Appendix A) utilizing equalization of the residential and multi-residential tax increase with no change to other tax class ratios which recognizes the deferred reassessment and potential future assessment impacts.

2.3 Property Tax Rate Calculation Adjustment

In 2024, the Province is permitting an optional technical adjustment in the calculation of levy increases required to be disclosed on tax bills (Ontario Regulation 75/01). The option would be appropriate in situations where the municipality has not adequately included provisions for future losses from assessment appeals, and similar adjustments in tax levies and budgets of previous years. This is not currently the situation in the City of London and we do not recommend the selection of this option.

2.4 Ongoing Reductions in Business Education Taxes

Municipalities do not have a direct impact in setting education tax rates. Education tax rates are set by the Province and provided to the Municipality historically in early spring. Municipalities have little control over the rates established. However, in April 2005, London City Council passed a resolution requesting that the Minister of Finance for the Province of Ontario "review the entire process for setting education property tax rates

for business properties and that education tax rates for properties in the City of London be lowered to a level consistent with other municipalities in the Province”.

The persistent advocacy of London City Council was rewarded when, as part of the 2020 Provincial Budget, the Province announced that business education tax rates across the Province will be reduced to 0.88% in 2021. This means that cities like London will no longer be at a disadvantage based on provincial education property tax policy. As a result, education tax rates for business properties were reduced in 2021. For business properties where building permits were applied for before March 22, 2007, the business education tax rate for 2021 decreased from 1.25% to 0.88%. For business properties where building permits were applied for after March 22, 2007, the business education tax rate for 2021 decreased from 0.98% to 0.88%. The majority of business properties in the City of London had building permits applied for before the March 22, 2007, date and were eligible to receive the larger decrease. This rate reduction impacts both the commercial and industrial property classes. It is anticipated that, starting in 2021 and continuing in 2024, the reduction in BET will save commercial and industrial businesses in London \$20.95 million annually.

3.0 Financial Impact/Considerations

3.1 Tax Policy Has No Impact on Budget or Levy

Estimated revenues and expenditures are established during the budget process. The tax levy for 2024 has been set at \$812,742,626. The role of the tax policy is to determine how that levy is distributed between the various property tax classes.

4.0 Key Issues and Considerations

4.1. Tax Policy 2024 Schedules

Schedule “A”, attached, is a very important schedule. It shows how London’s tax ratios compare to other municipalities in the Province. This schedule indicates that the City of London’s current tax ratios are competitive with other major cities in Ontario.

Schedule “B” attached, shows the various options recommended for Council’s consideration with respect to setting 2024 tax ratios. The schedule shows the average % increase in each property class, both including and excluding the education component of the property tax. Schedule “B” also shows the ratios required to implement each identified alternative. The result of the delayed reassessment is that municipal portion of tax increases for all property classes, using current ratios, are equalized at 8.54%. Civic Administration has prepared the 2024 Municipal Tax Ratio By-Law using the option to equalize the residential and multi-residential tax increase with no change to other tax class ratios.

Schedule “C” attached, shows the municipal tax impact by property class for 2024 based on the property tax levy change with no change in tax ratios.

Schedule “D” attached, illustrates the shift in tax burden using tax ratios for comparable municipalities with population greater than 110,000 in 2023. The right most column shows the implied adjustment that would be required to the residential tax rate if all ratios were changed to 1.0.

4.2 Re-assessment Delayed

Beginning with the 2008 current value assessment base, assessment increases were phased in over a four-year cycle. The phase-in process was implemented to provide an additional level of property tax stability and predictability. Any value decreases take effect immediately rather than being phased-in.

The province-wide reassessment by MPAC and subsequent four (4) year phase-in, scheduled to begin in 2021, has been deferred. The assessment roll provided by MPAC for use in calculating the 2024 property tax rates is based on a valuation date of January 1, 2016. Consultation will be performed by the Province to help determine the details and timing of the next assessment update. The new reassessment may result in tax shifts between property classes in a pattern that is different from the previous four (4) year cycle. It is not yet known what valuation date will be used for the next reassessment.

Representatives from MPAC could attend the Corporate Services Committee meeting scheduled for May 6, 2024, to provide any available updates and answer questions related to assessment. Note, as part of the 2024 Ontario Budget, reassessment is delayed until a review of the property assessment and taxation system is complete, focussing on 'fairness, affordability, business competitiveness, and modernized administration tools'.

4.3 Future Tax Policies

While assessment has been frozen for 2024, reassessments will occur in the future. The nature and timing of the reassessment remains unknown. In setting 2024 tax policy, it is important to recognize the potential tax shifts which may occur during the next assessment.

Moving forward, based on what is known to date, Civic Administration will continue to bring forward Tax Policy options for Municipal Council consideration in keeping with the four (4) directions that have been identified in this report, being mindful of the impact of reassessment and competitiveness of tax ratios in comparison with other Ontario municipalities.

Conclusion

The Ministry of Finance, in a letter to municipal treasurers, identified property tax decisions for the 2024 taxation year. These decisions include maintaining the same education rates as 2023, and a continued delay to reassessment pending a review of property assessment and taxation.

A delayed reassessment of property values has resulted in no assessment-based shifts and a municipal increase of 8.54% for all property classes if there are no changes to ratios. As no details are yet established for the next assessment, future impacts including tax shifts are unknown. As the province has indicated an intention in 2023 to reduce the property tax burden on multi-residential properties, it is recommended that the City of London follow the "Recommendation" column in Schedule "B" which is to gradually reduce the multi-residential ratio while equalizing the residential and multi-residential tax increase with no change to other tax class ratios. The result is a municipal increase of 8.19% for the multi-residential class and 8.56% for all other classes. When the education tax rate is factored in, the overall recommended property tax increase for residential and multi-residential property owners would be 7.66%, and 6.33% for commercial and industrial classes.

Prepared by: Joseph McMillan, CPA, CGA, Division Manager,
Taxation and Revenue

Submitted by: Ian Collins, CPA, CMA, Director, Financial Services

Recommended by: Anna Lisa Barbon, CPA, CGA,
Deputy City Manager, Finance Supports

APPENDIX "A"

Bill No.
2024

By-law No.

A by-law setting tax ratios for property classes in 2024.

WHEREAS section 308 of the *Municipal Act, 2001*, as amended, provides that the council of every single tier municipality in each year shall pass a by-law in each year to establish the tax ratios for that year for the municipality;

THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

2024 MUNICIPAL TAX RATIO BY-LAW

1. The tax ratios as set out in column 3 of Schedule "A" of this by-law are hereby established for 2024 taxation.

Definitions - Realty Tax Classes and Realty Tax Qualifiers

2. For purposes of this by-law, Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) under the Ontario Fair Assessment System (OFAS) are defined in Schedule "B" of this by-law and are indicated in the first two characters of the codes in column 2 of Schedule "A" of this by-law. Where there is more than one code in column 2 of Schedule "A" the codes are separated by a comma.

Administration of By-law

3. The administration of this by-law is assigned to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.

Commencement

4. This by-law comes into force on the day it is passed.

PASSED in Open Council on April 23, 2024

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –

SCHEDULE "A"
By-law No.

MUNICIPAL TAX RATIOS

| COLUMN 1 | COLUMN 2 | COLUMN 3 |
|--|-----------------|---------------------------------|
| ABBREVIATED RATEABLE PROPERTY DESCRIPTION | CODE | YEAR 2024 TAX RATIOS |
| com taxable farmland 1 | c1n, c0n | 0.750000 |
| com taxable farmland 2 | c4n | 1.910000 |
| Commercial small scale on farm | C7n | 1.910000 |
| commercial taxable – hydro | chn | 1.910000 |
| commercial taxable vacant - hydro | cjn | 1.910000 |
| commercial taxable - excess - hydro | ckn | 1.910000 |
| commercial taxable tenant of Province | cpn | 1.910000 |
| com taxable | ctn | 1.910000 |
| com taxable excess land | cun | 1.910000 |
| com taxable vacant land | cxn | 1.910000 |
| office bldg taxable – hydro | dhn | 1.910000 |
| office bldg taxable | dtn | 1.910000 |
| office bldg taxable excess land | dun | 1.910000 |
| farmland taxable fp | ffp | 0.102820 |
| farmland taxable fs | ffs | 0.102820 |
| farmland taxable no support | Ftn | 0.102820 |
| farmland taxable ep | ftep | 0.102820 |
| farmland taxable es | ftes | 0.102820 |
| parking lot taxable | Gtn | 1.910000 |
| industrial taxable farmland 1 | i1n | 0.750000 |
| industrial taxable farmland 2 | i4n | 1.910000 |
| industrial taxable – hydro | ihn, isn | 1.910000 |
| industrial taxable-hydro- excess land | ikn | 1.910000 |
| industrial taxable | itn | 1.910000 |
| industrial taxable excess land | iun | 1.910000 |
| industrial taxable vacant land | ixn | 1.910000 |
| large industrial taxable | Ltn | 1.910000 |
| large industrial excess land | Lun | 1.910000 |
| multi-res taxable farmland 1 ns | m1n | 0.750000 |
| multi-res taxable farmland 1 ep | m1ep | 0.750000 |
| multi-res taxable farmland 1 es | m1es | 0.750000 |
| multi-res taxable farmland 1 fp | m1fp | 0.750000 |
| multi-res taxable farmland 1 fs | m1fs | 0.750000 |
| multi-res taxable farmland 2 ep | m4ep | 1.709600 |
| multi-res taxable fp | mtfp | 1.703743 |
| multi-res taxable fs | mtfs | 1.703743 |
| multi-res taxable ep | mtep | 1.703743 |
| multi-res taxable es | mtes | 1.703743 |
| multi-res taxable n | mtn | 1.703743 |
| pipeline taxable | ptn | 1.713000 |
| res/farm taxable 1 fp | r1fp | 0.750000 |
| res/farm taxable 1 fs | r1fs | 0.750000 |
| res/farm taxable farmland 1 ep | r1ep | 0.750000 |
| res/farm taxable farmland 1 es | r1es | 0.750000 |
| res/farm taxable farmland 2 ep | r4ep | 1.000000 |
| res/farm taxable -hydro fp | rhfp | 1.000000 |
| res/farm taxable-hydro fs | rhfs | 1.000000 |
| res/farm taxable-hydro ep | rhep | 1.000000 |
| res/farm taxable-hydro es | rhes | 1.000000 |
| res/farm taxable fp | rtfp | 1.000000 |

SCHEDULE "A" CONTINUED
By-law No.
MUNICIPAL TAX RATIOS

| COLUMN 1 | COLUMN 2 | COLUMN 3 |
|--|----------|-------------------------|
| ABBREVIATED RATEABLE PROPERTY DESCRIPTION | CODE | YEAR 2024 TAX RATIOS |
| res/farm taxable fs | rfs | 1.000000 |
| res/farm taxable ns | rtn | 1.000000 |
| res/farm taxable ep | rtep | 1.000000 |
| res/farm taxable es | rtes | 1.000000 |
| shopping centre taxable | stn | 1.910000 |
| shopping centre excess land | sun | 1.910000 |
| managed forest taxable fp | tftp | 0.250000 |
| managed forest taxable fs | tffs | 0.250000 |
| managed forest taxable ep | ttep | 0.250000 |
| managed forest taxable es | ttes | 0.250000 |
| Landfill taxable | ht | 3.425937 |
| New multi-residential taxable | nt | 1.000000 |

**SCHEDULE “B”
By-law No.**

**Definitions of
Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) Under OFAS**

| Realty Tax Class (RTC) | Description | Realty Tax Qualifier (RTQ) | Description |
|------------------------|-------------------------------------|----------------------------|---|
| A | Theatre | A | Taxable: General Vacant Land |
| C | Commercial | B | Taxable: General Excess Land |
| D | Office Building | D | Taxable: Education Only |
| E | Exempt | F | Payment-In-Lieu: Full |
| F | Farm | G | Payment-In-Lieu: General |
| G | Parking Lot | H | Taxable: Shared Payment-in-Lieu |
| I | Industrial | J | Taxable: Vacant Land, Shared Payment-in-Lieu |
| L | Large Industrial | K | Taxable: Excess Land, Shared Payment-in-Lieu |
| M | Multi-Residential | M | Taxable: General |
| N | New Multi-Residential | P | Taxable Tenant of Province |
| O | Other | Q | Payment-in-Lieu: Full Excess Land, Taxable Tenant of Province |
| P | Pipeline | T | Taxable: Full |
| Q | Professional Sports Facility | U | Taxable: Excess Land |
| R | Residential | V | Payment-in-Lieu: Full Excess Land |
| S | Shopping Centre | W | Payment-In-Lieu: General Excess Land |
| T | Managed Forest | X | Taxable: Vacant Land |
| U | Utility Transmission / Distribution | Y | Payment-In-Lieu: Full Vacant Land |
| W | Railway Right-of-Way | Z | Payment-In-Lieu: General Vacant Land |
| H | Landfill | 0, 1 | Taxable: Farmland 1 |
| | | 2 | Payment-In-Lieu: Full, Farmland 1 |
| | | 3 | Payment-In-Lieu: General, Farmland 1 |
| | | 4 | Taxable: Farmland II |
| | | 5 | Payment-In-Lieu: Full, Farmland II |
| | | 6 | Payment-In-Lieu: General, Farmland II |
| | | 7 | Taxable commercial small scale on farm |

Note that each RTC will be applied in combination with an appropriate RTQ.

All Realty Tax Classes and Realty Tax Qualifiers are letters or numbers.

Where there is more than one Realty Tax Class or Realty Tax Qualifier in a column they are separated by a comma.

APPENDIX “B”

Bill No.
2024

By-law No.

A by-law levying tax rates for property classes in 2024.

WHEREAS subsection 291(1) of the Municipal Act, 2001 provides that a municipality may prepare and adopt a budget covering a period of two to five years in the first year to which the budget applies or in the year immediately preceding the first year to which the budget applies;

AND WHEREAS subsection 284.16(1) of the Municipal Act, 2001 provides that the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality;

AND WHEREAS the Mayor prepared a proposed multi-year budget for the years 2024-2027 for The Corporation of the City of London on January 31, 2024 and presented it to members of Council, the Clerk and made it available for the public;

AND WHEREAS the proposed budget was deemed adopted by the municipality on March 1, 2024;

AND WHEREAS the budget for 2024 provided that \$812,742,626 would be raised on all rateable property in the local municipality by its general local municipality levy;

AND WHEREAS subsection 312(2) of the Municipal Act, 2001 provides that for the purposes of raising the general local municipality levy, a local municipality shall, each year pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the local municipality rateable for local municipality purposes;

AND WHEREAS subsection 307(1) of the Municipal Act, 2001 provides that all taxes shall, unless expressly provided otherwise, be levied upon the whole of the assessment for real property or other assessments made under the Assessment Act according to the amounts assessed and not upon one or more kinds of property or assessment or in different proportions;

AND WHEREAS the Municipal Council has deemed it appropriate to establish a Multi-Year Budget for The Corporation of the City of London for the period 2024 to 2027;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. In accordance with section 312(2) of the *Municipal Act, 2001*, the Municipal Council of The Corporation of the City of London enacts a general local municipality levy for 2024 in the amount of \$812,742,626.

2024 Tax Rates

2. The tax rates set out in column 4 of Schedule “A” of this by-law are hereby levied in 2024 for the 2024 general local municipality levy on all of the assessment.

Definitions- Realty Tax Classes and Tax Qualifiers

3. For purposes of this by-law, Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) under the Ontario Fair Assessment System (OFAS) are defined in Schedule “B” of this by-law and are indicated in the first two characters of the codes in column 2 of Schedule “A” of this by-law. Where there is more than one code in column 2 of Schedule “A” the codes are separated by a comma.

Tax on Certain Institutions

4. A tax or other amount payable on the 1st day of July, 2024, is hereby levied upon every university, college, institution, school, hospital or other facility described in section 323 of the Municipal Act, 2001, as amended, at the maximum rate for each student, place or bed, as the case may be, under that section.

Administration of By-law

5. The administration of this by-law is assigned to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.

6. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on April 23, 2024

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading -
Second Reading -
Third Reading -

SCHEDULE "A"
By-law No.

Municipal Tax Rates

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 |
|--|-----------------|-----------------------------|-----------------------------------|
| ABBREVIATED RATEABLE PROPERTY DESCRIPTION | CODE | YEAR 2024 TAX RATIOS | YEAR 2024 GENERAL TAX RATE |
| com taxable farmland 1 | c1n | 0.750000 | 1.065095% |
| com taxable farmland 2 | c4n | 1.910000 | 2.712441% |
| commercial small scale on farm business | c7n, c0n | 1.910000 | 2.712441% |
| commercial taxable - hydro | chn | 1.910000 | 2.712441% |
| commercial taxable vacant -hydro | cjn | 1.910000 | 2.712441% |
| commercial taxable - excess - hydro | ckn | 1.910000 | 2.712441% |
| commercial taxable tenant of Province | cpn | 1.910000 | 2.712441% |
| commercial taxable | ctn | 1.910000 | 2.712441% |
| commercial taxable excess land | cun | 1.910000 | 2.712441% |
| commercial taxable vacant land | cxn | 1.910000 | 2.712441% |
| office bldg taxable - hydro | dhn | 1.910000 | 2.712441% |
| office bldg taxable | dtn | 1.910000 | 2.712441% |
| office bldg taxable excess land | dun | 1.910000 | 2.712441% |
| farmland taxable fp | ftfp | 0.102820 | 0.146017% |
| farmland taxable fs | ffs | 0.102820 | 0.146017% |
| farmland taxable no support | ftn | 0.102820 | 0.146017% |
| farmland taxable ep | ftep | 0.102820 | 0.146017% |
| farmland taxable es | ftes | 0.102820 | 0.146017% |
| parking lot taxable | gtn | 1.910000 | 2.712441% |
| industrial taxable farmland 1 | i1n | 0.750000 | 1.065095% |
| industrial taxable farmland 2 | i4n | 1.910000 | 2.712441% |
| industrial taxable - hydro | ihn | 1.910000 | 2.712441% |
| industrial generating station | isn | 1.910000 | 2.712441% |
| industrial taxable - hydro- el | ikn | 1.910000 | 2.712441% |
| industrial taxable | itn | 1.910000 | 2.712441% |
| industrial taxable excess land | iun | 1.910000 | 2.712441% |
| industrial taxable vacant land | ixn | 1.910000 | 2.712441% |
| large industrial taxable | Ltn | 1.910000 | 2.712441% |
| large industrial excess land | Lun | 1.910000 | 2.712441% |
| multi-res taxable farmland 1 ns | m1n | 0.750000 | 1.065095% |
| multi-res taxable farmland 1 ep | m1ep | 0.750000 | 1.065095% |
| multi-res taxable farmland 1 es | m1es | 0.750000 | 1.065095% |
| multi-res taxable farmland 1 fp | m1fp | 0.750000 | 1.065095% |
| multi-res taxable farmland 1 fs | m1fs | 0.750000 | 1.065095% |
| multi-res taxable farmland 2 ep | m4ep | 1.703743 | 2.419530% |
| multi-res taxable fp | mtfp | 1.703743 | 2.419530% |
| multi-res taxable fs | mtfs | 1.703743 | 2.419530% |
| multi-res taxable ep | mtep | 1.703743 | 2.419530% |
| multi-res taxable es | mtes | 1.703743 | 2.419530% |
| multi-res taxable n | mtn | 1.703743 | 2.419530% |
| new multi-res taxable ntfp | ntfp | 1.000000 | 1.420126% |
| new multi-res taxable ntfs | ntfs | 1.000000 | 1.420126% |
| new multi-res taxable ntep | ntep | 1.000000 | 1.420126% |
| new multi-res taxable ntes | ntes | 1.000000 | 1.420126% |
| new multi-res taxable ntn | ntn | 1.000000 | 1.420126% |
| pipeline taxable | ptn | 1.713000 | 2.432676% |
| res/farm taxable 1 fp | r1fp | 0.750000 | 1.065095% |
| res/farm taxable 1 fs | r1fs | 0.750000 | 1.065095% |
| res/farm taxable farmland 1 ep | r1ep | 0.750000 | 1.065095% |
| res/farm taxable farmland 1 es | r1es | 0.750000 | 1.065095% |

**SCHEDULE "A" Cont'd
By-law No.**

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 |
|--|-----------------|-----------------------------|-----------------------------------|
| ABBREVIATED RATEABLE PROPERTY DESCRIPTION | CODE | YEAR 2024 TAX RATIOS | YEAR 2024 GENERAL TAX RATE |
| res/farm taxable farmland 2 ep | r4ep | 1.000000 | 1.420126% |
| res/farm taxable-hydro fp | rhfp | 1.000000 | 1.420126% |
| res/farm taxable-hydro fs | rhfs | 1.000000 | 1.420126% |
| res/farm taxable-hydro ep | rhep | 1.000000 | 1.420126% |
| res/farm taxable-hydro es | rhes | 1.000000 | 1.420126% |
| res/farm taxable fp | rftp | 1.000000 | 1.420126% |
| res/farm taxable fs | rdfs | 1.000000 | 1.420126% |
| res/farm taxable ns | rtn | 1.000000 | 1.420126% |
| res/farm taxable ep | rtep | 1.000000 | 1.420126% |
| res/farm taxable es | rtes | 1.000000 | 1.420126% |
| shopping centre taxable | stn | 1.910000 | 2.712441% |
| shopping centre excess land | sun | 1.910000 | 2.712441% |
| managed forest taxable fp | tftp | 0.250000 | 0.355032% |
| managed forest taxable fs | tdfs | 0.250000 | 0.355032% |
| managed forest taxable ep | ttep | 0.250000 | 0.355032% |
| managed forest taxable es | tttes | 0.250000 | 0.355032% |
| landfill taxable | ht | 3.425937 | 4.865262% |

SCHEDULE "A"
TAX RATIOS FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS
OVER 110,000

| Municipality with > 110,000 Population in 2023 BMA Study | Multi-Residential Tax Ratio | Commercial Tax Ratio (Residual) | Industrial Tax Ratio (Residual) | Industrial Tax Ratio (Large) | Average of Large and Residual Industrial Tax Ratios |
|--|-----------------------------|---------------------------------|---------------------------------|------------------------------|---|
| Barrie | 1.0000 | 1.4331 | 1.5163 | 1.5163 | 1.5163 |
| Brampton | 1.7050 | 1.2971 | 1.4700 | 1.4700 | 1.4700 |
| Durham | 1.8665 | 1.4500 | 2.0235 | 2.0235 | 2.0235 |
| Greater Sudbury | 1.9650 | 1.9120 | 3.5365 | 4.1051 | 3.8208 |
| Guelph | 1.7863 | 1.8400 | 2.2048 | 2.2048 | 2.2048 |
| Halton | 2.0000 | 1.4565 | 2.0907 | 2.0907 | 2.0907 |
| Hamilton | 2.2174 | 1.9800 | 3.1025 | 3.6381 | 3.3703 |
| Kingston | 1.7000 | 1.9800 | 2.6300 | 2.6300 | 2.6300 |
| London | 1.7096 | 1.9100 | 1.9100 | 1.9100 | 1.9100 |
| Mississauga | 1.2656 | 1.5170 | 1.6150 | 1.6150 | 1.6150 |
| Niagara | 1.9700 | 1.7349 | 2.6300 | 2.6300 | 2.6300 |
| Ottawa | 1.4032 | 1.9231 | 2.5586 | 2.1972 | 2.3779 |
| Thunder Bay | 1.9900 | 1.9800 | 2.3708 | 2.8820 | 2.6264 |
| Toronto | 1.9635 | 2.5818 | 2.5130 | 2.5130 | 2.5130 |
| Waterloo | 1.9500 | 1.9500 | 1.9500 | 1.9500 | 1.9500 |
| Windsor | 2.0000 | 2.0140 | 2.3158 | 2.9328 | 2.6243 |
| York | 1.0000 | 1.3321 | 1.6432 | 1.6432 | 1.6432 |
| Average | 1.7348 | 1.7819 | | | 2.2951 |
| Median | 1.8665 | 1.9100 | | | 2.2048 |
| Minimum | 1.0000 | 1.2971 | | | 1.4700 |
| Maximum | 2.2174 | 2.5818 | | | 3.8208 |
| Provincial Threshold | 2.0000 | 1.9800 | 2.6300 | 2.6300 | 2.6300 |
| London Compared to Median | -8.4% | 0.0% | | | -13.4% |
| London Compared to Average | -1.5% | 7.2% | | | -16.8% |
| change in group averages since 2006 | -22.99% | -6.03% | | | -10.61% |

decreases in ratios
increases in ratios



SCHEDULE "B"

2024 TAX POLICY ALTERNATIVE TAX RATIO OPTIONS FOR CONSIDERATION

| | | | | | |
|---|---|---|---|---|---|
| | Recommendation: Equalize average municipal tax increase in residential and multi-residential property classes - no change to other tax ratios | Alternative A: No change to tax ratios alternative - keep tax ratios in 2024 same as 2023 | Alternative B: Equalize average municipal tax increase in residential, and multi-residential classes and reduce commercial/industrial tax ratios to 1.900000 | Alternative C: Reduce commercial and industrial property class tax ratios to average commercial rate of 1.7819; equalize average increase in residential and multi-residential | Alternative D: Reduce only the multi-residential tax ratio to 1.5 and equalize municipal increase in residential and all other classes |
| future tax policy direction | Direction #4 | Direction #1 | Direction #3 | Direction #3 | Direction #4 |
| average tax increases in property classes including education | residential = 7.66% farm = 6.66% multi-residential = 7.66% commercial = 6.33% industrial = 6.33% new multi-res = 7.66 % | residential = 7.65% farm = 6.65% multi-residential = 7.99% commercial = 6.32% industrial = 6.32% new multi-res = 7.65% | residential = 7.78% farm = 6.77% multi-residential = 7.78% commercial = 6.00% industrial = 6.00% new multi-res = 7.78% | residential = 9.19% farm = 7.99% multi-residential = 9.19% commercial = 2.12% industrial = 2.12% new multi-res = 9.19% | residential = 8.27% farm = 7.20% multi-residential = (3.89%) commercial = 6.83% industrial = 6.83% new multi-res = 8.27% |
| average tax increases in property classes excluding education | residential = 8.56% farm = 8.56% multi-residential = 8.19% commercial = 8.56% industrial = 8.56% new multi-res = 8.56% | residential = 8.54% farm = 8.54% multi-residential = 8.54% commercial = 8.54% industrial = 8.54% new multi res = 8.54% | residential = 8.69% farm = 8.69% multi-residential = 8.31% commercial = 8.12% industrial = 8.12% new multi-res = 8.69% | residential = 10.26% farm = 10.26% multi-residential = 9.82% commercial = 2.87% industrial = 2.87% new multi-res = 10.26% | residential = 9.24% farm = 9.24% multi-residential = (4.15%) commercial = 9.24% industrial = 9.24% new multi-res = 9.24% |
| tax ratios used | residential = 1.000000 farm = 0.102820 multi-residential = 1.703743 commercial = 1.910000 industrial = 1.910000 pipelines = 1.713000 managed forests = 0.250000 | residential = 1.000000 farm = 0.102820 multi-residential = 1.709600 commercial = 1.910000 industrial = 1.910000 pipelines = 1.713000 managed forests = 0.250000 | residential = 1.000000 farm = 0.102820 multi-residential = 1.703670 commercial = 1.900000 industrial = 1.900000 pipelines = 1.713000 managed forests = 0.250000 | residential = 1.000000 farm = 0.102820 multi-residential = 1.702680 commercial = 1.781900 industrial = 1.781900 pipelines = 1.713000 managed forests = 0.250000 | residential = 1.000000 farm = 0.102820 multi-residential = 1.500000 commercial = 1.910000 industrial = 1.910000 pipelines = 1.713000 managed forests = 0.250000 |

- recommended ratio for Landfill property class under all options is 3.425937
- recommended ratio for New Multi-residential property class under all options is 1.000000

SCHEDULE "C"
MUNICIPAL TAX IMPACT BY PROPERTY CLASS FOR 2024
LEVY CHANGE AND NO CHANGE IN TAX RATIOS

| | 2023 Tax Rates on 2023 Year End Assessments | 2024 Taxes (2024 Approved Budget) | Tax Change From Reassessment Phase-in and Budget | Tax Ratios Used |
|---------------------------------------|--|--------------------------------------|--|-----------------------|
| Summary by Class | | | | |
| Commercial | \$104,572,804 | \$113,502,362 | 8.54% | 1.910000 |
| Office Building | \$8,864,234 | \$9,621,159 | 8.54% | 1.910000 |
| Farmland | \$645,944 | \$701,100 | 8.54% | 0.102820 |
| Industrial | \$10,842,887 | \$11,768,770 | 8.54% | 1.910000 |
| Large Industrial | \$7,311,011 | \$7,935,304 | 8.54% | 1.910000 |
| Multi-residential | \$39,296,412 | \$42,651,956 | 8.54% | 1.709600 |
| New Multi-residential | \$6,237,321 | \$6,769,931 | 8.54% | 1.000000 |
| Pipeline | \$2,548,898 | \$2,766,551 | 8.54% | 1.713000 |
| Residential | \$528,028,604 | \$573,117,385 | 8.54% | 1.000000 |
| Shopping Centre | \$40,447,357 | \$43,901,190 | 8.54% | 1.910000 |
| Managed Forest | \$6,374 | \$6,919 | 8.54% | 0.250000 |
| | \$748,801,847 | \$812,742,626 | 8.54% | |
| Summary by Class | | | | |
| Commercial Including Optional Classes | \$153,884,396 | \$167,024,710 | 8.54% | 1.910000 |
| Farmland | \$645,944 | \$701,100 | 8.54% | 0.102820 |
| Industrial Including Optional Classes | \$18,153,898 | \$19,704,074 | 8.54% | 1.910000 |
| Multi-residential | \$39,296,412 | \$42,651,956 | 8.54% | 1.709600 |
| New Multi-residential | \$6,237,321 | \$6,769,931 | 8.54% | 1.000000 |
| Pipeline | \$2,548,898 | \$2,766,551 | 8.54% | 1.713000 |
| Residential | \$528,028,604 | \$573,117,385 | 8.54% | 1.000000 |
| Managed Forest | \$6,374 | \$6,919 | 8.54% | 0.250000 |
| | \$748,801,847 | \$812,742,626 | 8.54% | |

SCHEDULE "D"

SHIFT IN TAX BURDEN - UNWEIGHTED TO WEIGHTED RESIDENTIAL ASSESSMENT FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS OVER 100,000

| Municipality with > 110,000 Population in 2023 BMA Study | Residential Unweighted Assessment | Residential Weighted Assessment | Change % Unweighted to Weighted | Implied Adjustment to Residential Taxes |
|--|-----------------------------------|---------------------------------|---------------------------------|---|
| Toronto | 74.7% | 55.7% | -25.4% | 34.1% |
| Windsor | 75.6% | 60.2% | -20.4% | 25.6% |
| Greater Sudbury | 79.1% | 64.2% | -18.8% | 23.2% |
| Cambridge | 75.4% | 62.1% | -17.6% | 21.4% |
| Thunder Bay | 79.4% | 65.8% | -17.1% | 20.7% |
| Kingston | 73.4% | 61.3% | -16.5% | 19.7% |
| Brantford | 75.6% | 63.2% | -16.4% | 19.6% |
| Waterloo | 74.6% | 62.8% | -15.8% | 18.8% |
| Guelph | 78.8% | 66.7% | -15.4% | 18.1% |
| Ottawa | 75.1% | 63.8% | -15.0% | 17.7% |
| Kitchener | 79.1% | 67.2% | -15.0% | 17.7% |
| Hamilton | 82.3% | 70.6% | -14.2% | 16.6% |
| St. Catherines | 79.2% | 68.7% | -13.3% | 15.3% |
| London | 80.4% | 70.2% | -12.7% | 14.5% |
| Mississauga | 73.6% | 65.3% | -11.3% | 12.7% |
| Burlington | 80.3% | 71.9% | -10.5% | 11.7% |
| Oshawa | 80.7% | 72.8% | -9.8% | 10.9% |
| Oakville | 86.4% | 80.0% | -7.4% | 8.0% |
| Barrie | 77.3% | 71.7% | -7.2% | 7.8% |
| Milton | 83.1% | 77.4% | -6.9% | 7.4% |
| Vaughan | 80.3% | 75.0% | -6.6% | 7.1% |
| Whitby | 87.8% | 82.3% | -6.3% | 6.7% |
| Brampton | 82.1% | 77.2% | -6.0% | 6.3% |
| Markham | 86.7% | 83.1% | -4.2% | 4.3% |
| Average | | | | 15.2% |
| Median | | | | 15.9% |
| Maximum | | | | 34.1% |
| Minimum | | | | 4.3% |
| London Compared to Median | | | | -8.8% |
| London Compared to Average | | | | -4.7% |

If all non-residential classes had a ratio of 1.0, residential taxes would increase by 14.5%

Residential unweighted assessment does not reflect any weighting of various classes with tax ratios.

Residential weighted assessment reflects the weighting of non-residential assessment with tax ratios.

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon,
Deputy City Manager, Finance Supports

Subject: Year 2024 Education Tax Rates

Date: April 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the attached proposed by-law (Appendix “A”) being a by-law levying rates for 2024 for school purposes in the City of London **BE INTRODUCED** at the Municipal Council meeting to be held on of April 23, 2024.

Executive Summary

In summary, it is recommended that a by-law be introduced prior to the final billing for 2024 to levy education tax rates identified in Ontario Regulation 400/98 Tax Matters – Rates For School Purposes. Due to the continued delay in reassessment, there are no changes to education tax rates from 2023 to 2024.

Linkage to the Corporate Strategic Plan

Council’s 2023 - 2027 Strategic Plan for the City of London identifies “Well-Run City” as a strategic area of focus. The information contained in this report would assist in developing tax policy to align with Council priorities of the Strategic Plan by supporting London’s competitiveness through prudent and equitable fiscal policy. The tax policy achieves this result by focusing on equity within and between property tax classes and examining alternatives in a transparent manner.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, February 26, 2024, Consent Item # 2.3, 2024 Tax Policy Expectations
Corporate Service Committee, April 11, 2023, Consent Item # 2.7, Year 2023 Education Tax Rates

2.0 Discussion

On November 5, 2020, the Ontario Minister of Finance announced the *2020 Ontario Budget* which included decisions regarding education property tax rates for 2021. During a review of Ontario’s property tax and assessment system, municipalities and business stakeholders, including the City of London, expressed concerns regarding the variation of Business Education Tax (BET) rates and the resulting impact on business competitiveness. The provincial government also heard that, as the province recovers from the COVID-19 pandemic, addressing this variation in BET rates would reduce regional tax inequities and improve business competitiveness.

In response to these concerns, the Province announced that it would reduce all high BET rates to a rate of 0.88 per cent in 2021. It is estimated that this will result in annual savings of \$20.95 million for London business property owners.

To ensure municipalities are not negatively impacted by BET reductions, the Province will maintain BET rates at the 2023 BET rate of 1.25% for properties whose payments in lieu of education taxes municipalities are permitted to retain.

3.0 Key Issues and Considerations

In the letter issued to all Municipal Treasurers dated November 17, 2020, from the Assistant Deputy Minister of Finance, important provincial property tax policy decisions for 2021 were announced. This included the decision to eliminate historical assessment and tax inequities by establishing a uniform BET rate of 0.88 per cent for 2021. This decision indicates that the advocating by the City of London for a more equitable Business Education Tax system has been successful, noting that previously the City of London's BET rate was 1.250000 per cent.

In the letter issued to all Municipal Treasurers dated January 19, 2024, attached as Appendix "B", from the Assistant Deputy Minister, Provincial-Local Finance Division, it was announced that education property tax rates for 2024 will remain unchanged from the previous year as assessments continue to be based on the same valuation date, January 1, 2016, used for 2023. Education tax rates and Payment-in-Lieu of Taxation (PILT) Business Education Tax Rates were provided. Residential rates remain unchanged due to no reassessment and PILT rates remain unchanged so as not to negatively impact municipalities who retain the education portion.

Education tax rates for 2024 for all property classes for the City of London that have been set out by the Ministry of Finance letter are as follows:

| | |
|--|-----------|
| Residential and Multi-Residential | 0.153000% |
| Farm and Managed Forests | 0.038250% |
| Commercial | 0.880000% |
| Industrial | 0.880000% |
| Pipeline | 0.880000% |
| Landfill | 0.880000% |
| Small Scale on Farm (Commercial and Industrial) | 0.220000% |
| Payment-in-Lieu of Taxation (all Business classes) | 1.250000% |

The Ministry also confirmed that BET rates for properties where municipalities are permitted to retain the education portion of payments in lieu of taxes (PILS) will remain at the rates set for 2023, which was 1.25% for the City of London. Despite the higher PIL BET rates, the federal government and Crown Corporations such as Canada Post, chose to pay the PILs using the lower BET rate of 0.88% in 2021, 2022 and 2023. In October 2021, a group of mayors, including City of London Mayor Ed Holder, contacted Ontario Minister of Finance Peter Bethlenfalvy and Federal Minister of Public Services and Procurement Filomena Tassi to request a joint meeting to discuss potential solutions. This request was not successful in finding a resolution. The Association of Municipalities of Ontario president, Jamie McGarvey, sent letters to the federal Minister of Public Services and Procurement in February and May of 2022 identifying an annual \$20 million shortfall in federal PILs to municipalities in Ontario.

A press release from the Association of Municipalities of Ontario (AMO) in August 2023 stated that "the province is providing up to \$50 million in temporary support to assist municipalities most significantly impacted by the federal decision to make payments-in-lieu of taxes (PILT) on federal properties at the provincially regulated rate. Ontario continues to urge the federal government to make these payments and encourages the province's municipal partners to join in this effort."

This unresolved federal dispute presents many municipalities and property taxpayers with ongoing fiscal challenges for 2021-2024, and beyond due to the decrease in federal PIL revenues. The annual impact to the City of London is approximately \$250,000. City staff have made a submission to the Dispute Advisory Panel contesting the decision of the federal government to pay the lower BET rate. Currently, the City has received a decision on Canada Post, where Canada Post will be paying the lower BET rate. However, there are still other federal PILs in London for which the City is awaiting a decision.

On March 26, 2024, the 2024 Provincial Budget was announced. The budget document includes a section titled "Keeping Costs Down for Ontario Businesses." One item identified in keeping costs down is the lowering of high Business Education Tax (BET) rates, providing \$450 million in annual savings to 95 per cent of all business properties in Ontario. More details are required to determine, what if any additional impact, this may have. If there is a plan to reduce BET rates further than what was implemented in 2021, Civic Administration expects that this further reduction would occur in 2025, at the earliest, as the 2024 BET rates have been announced and are shown on Appendix "B".

Conclusion

Changes to the Ontario Education Property Tax system which resulted in lower BET tax levies for London business property owners along with a more equitable treatment of business properties province-wide in 2021 will continue in 2024. As reassessment has not occurred in 2024, there are no assessment changes between classes and no change to education property tax rates for 2024.

Prepared by: Joseph McMillan, Division Manager, Taxation and Revenue

Submitted by: Ian Collins, Director, Financial Services

Recommended by: Anna Lisa Barbon,
Deputy City Manager, Finance Supports

APPENDIX “A”

Bill No.
2024

By-law No.

A by-law levying rates for 2024 for school purposes in the City of London.

WHEREAS by section 257.7 of the *Education Act*, the Municipal Council is required to levy and collect upon all the residential property and business property in the City of London the tax rates prescribed under section 257.12 of the said *Act* for school purposes;

THEREFORE the Municipal Council of the Corporation of the City of London enacts as follows:

2024 SCHOOL RATE BY-LAW

School Rates

1. The rates set out in column 3 of Schedule “A” of this by-law are hereby levied for 2024 upon all the property rateable for school purposes in the City of London.

Definitions - Realty Tax Classes and Realty Tax Qualifiers

2. For purposes of this by-law, Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) under the Ontario Fair Assessment System (OFAS) are defined in Schedule “B” of this by-law and are indicated in the first two characters of column 2 of Schedule “A” of this by-law. Where there is more than one code in column 2 of Schedule “A” the codes are separated by a comma.

Administration of By-law

3. The administration of this by-law is assigned to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.

Commencement

4. This by-law comes into force on the day it is passed.

PASSED in Open Council on April 23, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

SCHEDULE "A"
By-law No.

| COLUMN 1 | COLUMN 2 | COLUMN 3 |
|---|----------|------------------------------|
| ABBREVIATED RATEABLE PROPERTY DESCRIPTION | CODE | YEAR 2024 EDUCATION TAX RATE |
| com taxable farmland 1 | c1n, c0n | 0.114750% |
| com taxable farmland 2 | c4n | 0.880000% |
| commercial small scale on farm business | c7n | 0.220000% |
| commercial taxable - hydro | chn | 1.250000% |
| commercial taxable vacant -hydro | cjn | 1.250000% |
| commercial taxable - excess - hydro | ckn | 1.250000% |
| commercial taxable tenant of Province | cpn | 0.880000% |
| commmercial taxable | ctn | 0.880000% |
| commercial taxable excess land | cun | 0.880000% |
| commercial taxable vacant land | cxn | 0.880000% |
| office bldg taxable - hydro | dhn | 1.250000% |
| office bldg taxable | dtn | 0.880000% |
| office bldg taxable excess land | dun | 0.880000% |
| farmland taxable fp | ffp | 0.038250% |
| farmland taxable fs | ffs | 0.038250% |
| farmland taxable no support | ftn | 0.038250% |
| farmland taxable ep | ftep | 0.038250% |
| farmland taxable es | ftes | 0.038250% |
| parking lot taxable | gtn | 0.880000% |
| industrial taxable farmland 1 | i1n | 0.114750% |
| industrial taxable farmland 2 | i4n | 0.880000% |
| industrial taxable - hydro | ihn | 1.250000% |
| industrial generating station | isn | 1.250000% |
| industrial taxable - hydro- el | ikn | 1.250000% |
| industrial taxable | itn | 0.880000% |
| industrial taxable excess land | iun | 0.880000% |
| industrial taxable vacant land | ixn | 0.880000% |
| large industrial taxable | Ltn | 0.880000% |
| large industrial excess land | Lun | 0.880000% |
| multi-res taxable farmland 1 ns | m1n | 0.114750% |
| multi-res taxable farmland 1 ep | m1ep | 0.114750% |
| multi-res taxable farmland 1 es | m1es | 0.114750% |
| multi-res taxable farmland 1 fp | m1fp | 0.114750% |
| multi-res taxable farmland 1 fs | m1fs | 0.114750% |
| multi-res taxable farmland 2 ep | m4ep | 0.153000% |
| multi-res taxable fp | mtfp | 0.153000% |
| muti-res taxable fs | mtfs | 0.153000% |
| multi-res taxable ep | mtep | 0.153000% |
| multi-res taxable es | mtes | 0.153000% |
| multi-res taxable n | mtn | 0.153000% |
| new multi-res taxable ntfp | ntfp | 0.153000% |
| new multi-res taxable ntfs | ntfs | 0.153000% |
| new multi-res taxable ntep | ntep | 0.153000% |
| new multi-res taxable ntes | ntes | 0.153000% |
| new multi-res taxable ntn | ntn | 0.153000% |
| pipeline taxable | ptn | 0.880000% |
| res/farm taxable 1 fp | r1fp | 0.114750% |
| res/farm taxable 1 fs | r1fs | 0.114750% |
| res/farm taxable farmland 1 ep | r1ep | 0.114750% |
| res/farm taxable farmland 1 es | r1es | 0.114750% |
| res/farm taxable farmland 2 ep | r4ep | 0.153000% |
| res/farm taxable -hydro fp | rhfp | 0.153000% |
| res/farm taxable-hydro fs | rhfs | 0.153000% |
| res/farm taxable-hydro ep | rhep | 0.153000% |
| res/farm taxable-hydro es | rhes | 0.153000% |

SCHEDULE "A" cont'd
By-law No.

| COLUMN 1 | COLUMN 2 | COLUMN 3 |
|--|-----------------|-------------------------------------|
| ABBREVIATED RATEABLE PROPERTY DESCRIPTION | CODE | YEAR 2024 EDUCATION TAX RATE |
| res/farm taxable fp | rtp | 0.153000% |
| res/farm taxable fs | rfs | 0.153000% |
| res/farm taxable ns | rtn | 0.153000% |
| res/farm taxable ep | rtep | 0.153000% |
| res/farm taxable es | rtes | 0.153000% |
| shopping centre taxable | stn | 0.880000% |
| shopping centre excess land | sun | 0.880000% |
| managed forest taxable fp | tftp | 0.038250% |
| managed forest taxable fs | tfs | 0.038250% |
| managed forest taxable ep | ttep | 0.038250% |
| managed forest taxable es | ttes | 0.038250% |
| landfill taxable | ht | 0.880000% |

**SCHEDULE “B”
By-law No.**

**Definitions of
Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) Under OFAS**

| Realty Tax Class (RTC) | Description | Realty Tax Qualifier (RTQ) | Description |
|-------------------------------|-------------------------------------|-----------------------------------|---|
| A | Theatre | A | Taxable: General Vacant Land |
| C | Commercial | B | Taxable |
| D | Office Building | D | Taxable: Education Only |
| E | Exempt | F | Payment-In-Lieu: Full |
| F | Farm | G | Payment-In-Lieu: General |
| G | Parking Lot | H | Taxable: Full, Shared Payment-in-Lieu |
| I | Industrial | J | Taxable: Vacant Land, Shared Payment-in-Lieu |
| L | Large Industrial | K | Taxable: Excess Land, Shared Payment-in-Lieu |
| M | Multi-Residential | M | Taxable: General |
| N | New Multi-Residential | P | Taxable Tenant of Province |
| O | Other | Q | Payment-in-Lieu: Full Excess Land, Taxable Tenant of Province |
| P | Pipeline | T | Taxable: Full |
| Q | Professional Sports Facility | U | Taxable: Excess Land |
| R | Residential | V | Payment-in-Lieu: Full Excess Land |
| S | Shopping Centre | W | Payment-In-Lieu: General Excess Land |
| T | Managed Forest | X | Taxable: Vacant Land |
| U | Utility Transmission / Distribution | Y | Payment-In-Lieu: Full Vacant Land |
| W | Railway Right-of-Way | Z | Payment-In-Lieu: General Vacant Land |
| H | Landfill | 1 | Taxable: Farmland Awaiting Development Phase I |
| | | 2 | Payment-In-Lieu: Full, Farmland 1 |
| | | 3 | Payment-In-Lieu: General, Farmland 1 |
| | | 4 | Taxable: Farmland Awaiting Development Phase II |
| | | 5 | Payment-In-Lieu: Full, Farmland II |
| | | 6 | Payment-In-Lieu: General, Farmland II |

Note that each RTC will be applied in combination with an appropriate RTQ.

APPENDIX B

Ministry of Finance

Provincial-Local
Finance Division

Frost Building North
95 Grosvenor Street
Toronto ON M7A 1Y7

Tel.: 416 327-0264
Fax.: 416 325-7644

Ministère des Finances

Division des relations provinciales-
municipales en matière de finances

Édifce Frost nord
95 rue Grosvenor
Toronto ON M7A 1Y7

Tél. : 416 327-0264
Télééc. : 416 325-7644



Le français suit l'anglais.

January 19, 2024

Dear Municipal Treasurer / Clerk-Treasurer:

I am writing to advise you of education property tax rates for the 2024 taxation year, and to confirm the continuation of a number of other property tax policies.

Education Property Taxes

Education property tax rates for 2024 will remain unchanged from the previous year as assessments continue to be based on the same valuation date used for 2023. This means that the residential education tax rate will remain at 0.153 per cent and the business education tax (BET) rate reductions implemented in 2021 will be maintained. The 2024 BET rates for your municipality are attached.

BET rates for certain properties where municipalities are permitted to retain the education portion of payments in lieu of taxes (PILs) will remain at the rates set for 2023.

To ensure that PIL properties that were previously classified in the New Construction classes are not impacted by the reclassification of the New Construction property classes to their respective main classes, the education tax rate that applied in 2022 continue to apply in 2024. A list of the properties that this applies to in your municipality is attached for your reference.

The regulation implementing the education property tax rates for 2024 has been enacted and will be available on the e-laws website at www.ontario.ca/laws.

Other Property Tax Policies for 2024

Railway Rights-of-Way

For the 2024 tax year, the property tax rates for railway rights-of-way will remain at 2023 levels.

Small Business Property Subclass

Municipalities continue to have the flexibility to offer property tax reductions to eligible small business properties through adoption of the Small Business Property Subclass. The Province will automatically match municipal property tax reductions within any municipality that adopts the subclass.

Municipalities continue to be encouraged to consult with local business stakeholders prior to making a decision to adopt the Small Business Property Subclass.

Levy Restriction

Municipalities with property classes subject to the levy restriction continue to have the flexibility to apply a municipal tax increase to those classes of up to 50 per cent of any increase applied to the residential class. For example, a municipality levying a 2 per cent increase in residential taxes could raise taxes on any restricted class by up to 1 per cent. A full levy restriction continues to apply to multi-residential properties for the 2024 tax year where the tax ratio set for that year is greater than 2.

If you have any questions related to any of these updates, please contact Chris Broughton, Director of the Property Tax Policy Branch at Chris.Broughton@ontario.ca or 416-455-6307.

Sincerely,



Ian Freeman
Assistant Deputy Minister
Provincial-Local Finance Division

City of London

2024 Business Education Tax (BET) Rates

BET Rate - Broad Classes

| Business Property Class | 2024 BET Rate | 2024 Payment-in-Lieu of Taxation (PILT) BET Rate |
|--|----------------------|---|
| Commercial | 0.880000% | 1.250000% |
| Industrial | 0.880000% | 1.250000% |
| Pipeline | 0.880000% | 1.250000% |
| Landfill | 0.880000% | 1.250000% |
| Small-Scale On-Farm (Commercial & Industrial) | 0.220000% | n/a |

Properties Classified as New Construction in 2024

| Assessment Roll 15 | 2024 New Construction Rate | 2024 Education Tax Rate |
|---------------------------|-----------------------------------|--------------------------------|
| 393608005015600 | 0.980000% | 0.980000% |

Ministry of FinanceProvincial-Local
Finance DivisionFrost Building North
95 Grosvenor Street
Toronto ON M7A 1Y7Tel.: 416 327-0264
Fax.: 416 325-7644**Ministère des Finances**Division des relations provinciales-
municipales en matière de financesÉdifice Frost nord
95 rue Grosvenor
Toronto ON M7A 1Y7Tél. : 416 327-0264
Télééc. : 416 325-7644

19 janvier 2024

Madame la Trésorière ou Secrétaire-trésorière, Monsieur le Trésorier ou Secrétaire-trésorier,

Je vous écris pour vous aviser des taux utilisés pour calculer les impôts fonciers scolaires pour l'année d'imposition 2024 et pour confirmer la poursuite d'un certain nombre d'autres politiques relatives à l'impôt foncier.

Taux utilisés pour calculer les impôts fonciers scolaires

Les taux utilisés pour calculer les impôts fonciers scolaires en 2024 demeureront les mêmes que pour l'année précédente puisque la date d'évaluation sera la même qu'en 2023. Ainsi, le taux utilisé pour le calcul des impôts fonciers scolaires résidentiels demeure à 0,153 %, et la réduction des taux utilisés pour le calcul des impôts fonciers scolaires applicables aux entreprises mise en œuvre en 2021 sera maintenue. Le taux pour le calcul des impôts fonciers scolaires applicables aux entreprises en 2024 pour votre municipalité sont joints.

Les taux d'imposition scolaire applicables aux entreprises pour certains biens dans des municipalités où il est permis de retenir la partie scolaire du paiement en remplacement d'impôt (PERI) demeureront aussi aux mêmes taux qu'en 2023.

Pour veiller à ce que les biens auxquels s'appliquent les PERI qui étaient antérieurement inclus dans les catégories relatives aux nouvelles constructions ne soient pas touchés par la reclassification des catégories de nouvelles constructions à leurs catégories principales respectives, les taux utilisés pour calculer l'impôt foncier scolaire en 2022 continueront de s'appliquer en 2024. Une liste des biens auxquels s'applique cette situation dans votre municipalité est jointe à titre d'information.

Le règlement mettant en œuvre les taux utilisés pour calculer les impôts fonciers scolaires en 2024 a été adopté et sera accessible dans le site Web Lois-en-ligne: <https://www.ontario.ca/fr/lois>.

Autres politiques relatives aux impôts fonciers pour 2024

Emprises de chemin de fer

Pour l'année d'imposition 2024, les taux d'impôts fonciers pour les emprises de chemin de fer demeureront les mêmes qu'en 2023.

Sous-catégorie des petites entreprises

Les municipalités continuent d'avoir la souplesse d'offrir des réductions des impôts fonciers aux petites entreprises admissibles en adoptant la sous-catégorie des petites entreprises. La province offrira automatiquement les mêmes réductions d'impôts fonciers que la municipalité dans les municipalités qui ont adopté la sous-catégorie.

Nous continuons d'encourager les municipalités à consulter les propriétaires des entreprises locales avant de prendre des décisions à l'égard de l'adoption de la sous-catégorie des petites entreprises.

Seuils applicables aux restrictions

Les municipalités ayant des catégories de biens assujetties à des seuils applicables aux restrictions continueront d'avoir la souplesse d'appliquer une augmentation fiscale municipale à ces catégories qui équivaut à jusqu'à 50 % de toute augmentation appliquée à la catégorie résidentielle. Par exemple, une municipalité qui augmente les impôts résidentiels de 2 % pourrait augmenter les impôts par un maximum de 1 % pour toutes les catégories assujetties à des seuils applicables. Une restriction complète continue de s'appliquer en 2024 aux immeubles à logements multiples dont le ratio fiscal est supérieur à 2,0.

Si vous avez des questions au sujet de ces mises à jour, veuillez communiquer avec Chris Broughton, directeur de la Direction des politiques en matière d'impôt foncier à Chris.Broughton@ontario.ca ou au 416 455-6307.

Veillez agréer, Madame, Monsieur, l'expression de mes sentiments distingués.



Ian Freeman
Le sous-ministre adjoint
Division des relations provinciales-municipales en matière de finances

La cité de London

Taux d'impôt scolaire applicable aux entreprises (ISE) en 2024

Taux d'ISE - Grandes catégories

| Catégorie des biens d'entreprises | Taux ISE 2024 | Taux ISE 2024 – paiement tenant lieu d'impôt |
|--|---------------|--|
| Biens commerciaux | 0,880000% | 1,250000% |
| Biens industriels | 0,880000% | 1,250000% |
| Pipelines | 0,880000% | 1,250000% |
| Lieux d'enfouissement | 0,880000% | 1,250000% |
| Petites entreprises exploitées à la ferme (Biens commerciaux et industriels) | 0,220000% | s.o. |

Biens classés comme nouvelles constructions en 2024

| Rôle d'évaluation 15 | Taux pour les nouvelles constructions en 2024 | Taux des impôts scolaires en 2024 |
|----------------------|---|-----------------------------------|
| 393608005015600 | 0.980000% | 0.980000% |

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Court Security and Prisoner Transportation Program Transfer Payment Agreement

Date: April 15, 2024

Recommendation

That on the recommendation of the Deputy City Manager, Finance Supports, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting on April 23rd, 2024 to:

- (a) **APPROVE** the Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Solicitor General and The Corporation of the City of London for the provision of funding for the Court Security and Prisoner Transportation Program (“Agreement”) attached as Schedule “1”;
- (b) **AUTHORIZE** the Mayor and Clerk to execute the Agreement;
- (c) **AUTHORIZE** the Deputy City Manager, Finance Supports to approve any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (“CSPT”);
- (d) **AUTHORIZE** the Mayor and Clerk to execute any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (“CSPT”) approved by the Deputy City Manager, Finance Supports;
- (e) **AUTHORIZE** the Deputy City Manager, Finance Supports (or designate) to execute any reports required by the province under the Agreement; and,
- (f) **AUTHORIZE** the Deputy City Manager, Finance Supports to approve and execute an agreement between The Corporation of the City of London and the London Police Services Board regarding obligations in respect of the funds and obligations in connection with the Agreement.

Executive Summary

The uploading of court security and prisoner transportation costs began in 2012, with total funding of approximately \$28.2 million provided by the Province of Ontario to the City of London since then. The 2024 agreement sets out the allocation of funding of \$3,113,581. All CSPT funding is transferred to the London Police Service for the delivery of the service.

This report introduces a by-law to authorize the Mayor and the City Clerk to execute the Transfer Payment Agreement and any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General for the Province of Ontario and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (“CSPT”).

Linkage to the Corporate Strategic Plan

Accessing Court Security and Prisoner Transportation funding contributes to the Corporation’s 2023 – 2027 Strategic Plan under the “Well-Run City” strategic area of focus. Specifically, London’s finances are maintained in a transparent, sustainable, and

well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Court Security and Prisoner Transportation Program Transfer Payment Agreement (Corporate Services Committee – April 11, 2023)

2.0 Discussion and Considerations

2.1 Background

On October 3, 2008, the Government of Ontario, the Association of Municipalities of Ontario (AMO), and the City of Toronto announced the results of the Provincial-Municipal Fiscal and Service Delivery Review in a ceremony at Queen’s Park along with the release of a corresponding report entitled “Facing the Future Together.” One of the results of this review that impacts municipalities was the gradual upload of court security costs and prisoner transportation costs. The uploading of these costs began in 2012 and was phased in over the years up to a maximum of \$125 million province-wide. Since 2012, total funding of approximately \$28.2 million has been provided by the Province to the City of London. In London, these services are delivered by the London Police Service. The City of London’s involvement in this program is limited to being a conduit of funding between the Province and London Police Service.

The City has received the next agreement for a one-year term which sets out the allocation of funding of \$3,113,581 for 2024 under the CSPT Program. The Province requires receipt of all municipalities’ executed CSPT agreements by February 16, 2024. An extension to this timeline was requested and granted to April 26, 2024.

As with previous agreements, Civic Administration proposed several changes to the Province to amend the agreement to more appropriately reflect the relationship between the Corporation of the City of London and the London Police Service, the organization responsible for the provision of these services. The agreement, as presented in Schedule 1 of the by-law, reflects the amended agreement which contains similar provisions as previous agreements signed. Unfortunately, Civic Administration continues to have some reservations with the agreement as it stands, however the Province has made it clear in the past that they are unwilling to consider any further changes to their standard form agreement. Furthermore, should the municipality decide not to execute the agreement, funding of approximately \$3.114 million would be lost over the one-year term.

Civic Administration notes the following areas of potential concern with the agreement:

a) Article A4.2 – Limitation on Payment of Funds

The agreement indicates that the Province is not obligated to provide instalments of the funding until it is satisfied with the progress of the project. The “project” for the purposes of this agreement is simply the provision of funds from the Corporation to the London Police Service, so it is not clear what would signify satisfactory progress for this provision.

b) Article A4.3 – Use of Funds and Carry Out the Project

The City is supplying these funds to the London Police Service and London Police Service will be overseeing the use of these funds. The Province has allowed the City to add a paragraph in Schedule C for clarity that the London Police Services Board is responsible for providing the services and

overseeing the use of funds, but London Police Service is not a party to the Transfer Payment Agreement.

c) Article A9.0 – Indemnity

This clause requires the City to indemnify the Province from any and all liability, claims, lawsuits, etc. arising out of this Agreement unless the loss was solely caused by the Province’s negligence or wilful misconduct. This provision exposes the City to unlimited liability. Although this clause exposes the City to risk, the benefits of the Agreement outweigh the risks. The risk is mitigated through insurance, loss transfer and control measures.

d) Article A11.0 – Termination on Notice

Concern was raised that this article contradicts what has been represented by the Province relative to this upload. This funding is being relied upon for budget purposes. If the agreement were to be terminated by the Province in accordance with this article, a budget shortfall would result.

To partially address these concerns, this report requests authority for the Deputy City Manager, Finance Supports to develop, approve and execute an agreement between the City of London and the London Police Services Board in order to formalize obligations in respect of the funds and in connection with the Agreement.

3.0 Financial Impact/Considerations

3.1 Funding Allocation

The funding allocation for 2024 is \$3,113,581, representing a \$480,263 increase from the previous year’s agreement. The higher City of London allocation is driven by London Police Service’s higher proportion of the total CSPT costs province-wide in 2022.

Additionally, as identified in Article A11.1 – Termination on Notice, “the Province may terminate this Agreement at any time without liability, penalty, or costs upon giving at least 30 days’ Notice to the Recipient”. If this upload is terminated, the City would have to cover the shortfall of funding through other funding sources and/or a reduction in other program expenditures. Civic Administration believes the risk of this occurring is extremely low.

Conclusion

The City of London was allocated \$3,113,581 for a one-year period for the CSPT program. This report introduces a by-law to authorize the Mayor and the City Clerk to execute the Transfer Payment Agreement and any future amending agreements between the His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the CSPT Program.

Prepared by: Jeff Millman, CPA, CGA
Senior Financial Business Administrator

Submitted by: Kyle Murray, CPA, CA
Director, Financial Planning & Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Bill No.

2024

A by-law to approve the Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Solicitor General and The Corporation of the City of London for the provision of funding under the Court Security and Prisoner Transportation Program; and to authorize the Mayor and City Clerk to execute the Agreement

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting, among other things: (i) economic, social, and environmental well-being of the municipality; and ii) health, safety and well-being of persons.

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Solicitor General and The Corporation of the City of London for the provision of funding under the Court Security and Prisoner Transportation Program ("Agreement"), attached hereto as Schedule "1" to this bylaw, is hereby authorized and approved.
2. The Mayor and City Clerk are authorized to execute the Agreement approved under section 1 of this by-law.
3. The Deputy City Manager, Finance Supports is authorized to approve any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (CPST);
4. The Mayor and Clerk are authorized to execute any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (CPST) approved by the Deputy City Manager, Finance Supports.
5. The Deputy City Manager, Finance Supports, or their designate, is authorized to execute any report required under the Agreement authorized under section 1 of this bylaw.
6. The Deputy City Manager, Finance Supports is authorized to approve and execute an agreement between The Corporation of the City of London and the London Police Services Board regarding its obligations in respect of the funds

and the obligations in connection with the Agreement.

7. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Passed in Open Council on April 23, 2024 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –

ONTARIO TRANSFER PAYMENT AGREEMENT

THE AGREEMENT is effective as of the 1st day of January, 2024

B E T W E E N :

**His Majesty the King in right of Ontario
as represented by the Solicitor General**

(the “Province”)

- and -

The Corporation of the City of London

(the “Recipient”)

BACKGROUND

- A. The Province implemented the Court Security and Prisoner Transportation (CSPT) Program (the “Program”) in 2012 to assist municipalities in offsetting their costs of providing CSPT services in their jurisdictions;
- B. The Province will upload CSPT costs from municipalities to a maximum of \$125 million in 2024;
- C. Pursuant to subsection 10(1) of the *Community Safety and Policing Act* the London Police Services Board is required to provide adequate and effective police services in accordance with the *Community Safety and Policing Act*.
- D. Pursuant to subsection 243(1) of the *Community Safety and Policing Act*, the London Police Services Board has the following responsibilities, with respect to premises where court proceedings are conducted in the City of London:
 - 1. Ensuring the security of judges and other judicial officers and of persons taking part in or attending proceedings;
 - 1. During the hours when judges, other judicial officers and members of the public are normally present, ensuring the security of the premises;
 - 2. Ensuring the secure custody of persons in custody who are on or about the premises, including persons taken into custody at proceedings;
 - 3. Determining appropriate levels of security for the purposes of paragraph 1, 2, and 3 in accordance with the regulations, if any.
- E. Pursuant to subsection 50(2) of the *Community Safety and Policing Act*, the London Police Services Board submits the operating and capital estimates to the Recipient and upon reviewing the estimates, the council for the Recipient establishes an overall budget for the London Police Services Board.

- F. The cost of court security and prisoner transportation provided by the London Police Services Board are included in the estimates provided by the London Police Services Board and funded by the Recipient.
- G. The Ministry has agreed to provide funding to the Recipient to be used to fund the costs of court security and prisoner transportation provided by the London Police Services Board in accordance with its obligations under subsection 50(2) of the *Community Safety and Policing Act*.
- H. The Recipient has provided its 2022 CSPT costs, as confirmed in the 2022 Annual Financial Report submitted by the Recipient;
- I. Funding is allocated based on the Recipient's relative share of the total 2022 provincial CSPT cost.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 The agreement, together with:

- Schedule "A" - General Terms and Conditions
- Schedule "B" - Project Specific Information and Additional Provisions
- Schedule "C" - Project
- Schedule "D" - Performance Measurement Framework
- Schedule "E" - Payment Plan and Reporting Schedule
- Schedule "F" - Court Security and Prisoner Transportation Services and Activities Eligible for Funding
- Schedule "G" - Template for 2024 Annual Financial and Performance Measurement Report, and

any amending agreement entered into as provided for in section 4.1,

constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

2.0 CONFLICT OR INCONSISTENCY

2.1 **Conflict or Inconsistency.** In the event of a conflict or inconsistency between the Additional Provisions and the provisions in Schedule "A", the following rules will apply:

- (a) the Parties will interpret any Additional Provisions in so far as possible, in a way that preserves the intention of the Parties as expressed in Schedule “A”; and
- (b) where it is not possible to interpret the Additional Provisions in a way that is consistent with the provisions in Schedule “A”, the Additional Provisions will prevail over the provisions in Schedule “A” to the extent of the inconsistency.

3.0 COUNTERPARTS

- 3.1 The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

4.0 AMENDING THE AGREEMENT

- 4.1 The Agreement may only be amended by a written agreement duly executed by the Parties.

5.0 ACKNOWLEDGEMENT

- 5.1 The Recipient acknowledges that:
 - (a) by receiving Funds, it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
 - (b) His Majesty the King in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
 - (c) the Funds are:
 - (i) to assist the Recipient to carry out the Project and not to provide goods or services to the Province;
 - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
 - (d) the Province is not responsible for carrying out the Project; and
 - (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

5.2 The Province acknowledges that the Recipient is bound by the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Recipient in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

- SIGNATURE PAGE FOLLOWS -

The Parties have executed the Agreement on the dates set out below.

**HIS MAJESTY THE KING IN RIGHT OF ONTARIO
as represented by the Solicitor General**

Date

Name: Mario Di Tommaso
Title: Deputy Solicitor General, Community Safety

The Corporation of the City of London

Date

Name:
Title:

**SCHEDULE “A”
GENERAL TERMS AND CONDITIONS**

A1.0 INTERPRETATION AND DEFINITIONS

A1.1 **Interpretation.** For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) “include”, “includes” and “including” denote that the subsequent list is not exhaustive.

A1.2 **Definitions.** In the Agreement, the following terms will have the following meanings:

“**Additional Provisions**” means the terms and conditions set out in Schedule “B”.

“**Agreement**” means this agreement entered into between the Province and the Recipient, all of the schedules listed in section 1.1, and any amending agreement entered into pursuant to section 4.1.

“**Business Day**” means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

“**Effective Date**” means the date set out at the top of the Agreement.

“**Event of Default**” has the meaning ascribed to it in section A13.1.

“**Expiry Date**” means the expiry date set out in Schedule “B”.

“**Funding Year**” means the period commencing on the Effective Date and ending on December 31 of the same calendar year as the Effective Date.

“**Funds**” means the money the Province provides to the Recipient pursuant to the Agreement.

“**Indemnified Parties**” means His Majesty the King in right of Ontario, His

ministers, agents, appointees, and employees.

“**Maximum Funds**” means the maximum Funds set out in Schedule “B”.

“**Notice**” means any communication given or required to be given pursuant to the Agreement.

“**Notice Period**” means the period of time within which the Recipient is required to remedy an Event of Default pursuant to section A13.3(b), and includes any such period or periods of time by which the Province extends that time in accordance with section A13.4.

“**Parties**” means the Province and the Recipient.

“**Party**” means either the Province or the Recipient.

“**Project**” means the undertaking described in Schedule “C”.

“**Reports**” means the reports described in Schedules “D” and “E” and the report template established in Schedule “G”.

“**Services**” means the court security and prisoner transportation services and activities as set out in Schedule “F” eligible for the funding, as set out in Schedule “B” as provided by the London Police Services Board in accordance with subsection 137(1) of the *Police Services Act*.

A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A2.1 General. The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;
- (c) it is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Project, the Funds, or both; and
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and will continue to be true and complete.

A2.2 Execution of Agreement. The Recipient represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement.

A2.3 Governance. The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0; and
- (f) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

A2.4 Supporting Proof. Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in Article A2.0.

A3.0 TERM OF THE AGREEMENT

A3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A11.0, Article A12.0, or Article A13.0.

A4.0 FUNDS AND CARRYING OUT THE PROJECT

A4.1 Funds Provided. The Province will:

- (a) provide the Recipient up to the Maximum Funds for the purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with the payment plan attached to the Agreement as Schedule "E"; and
- (c) deposit the Funds into an account designated by the Recipient provided that the account:
 - (i) resides at a Canadian financial institution; and

(ii) is in the name of the Recipient.

A4.2 Limitation on Payment of Funds. Despite section A4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the certificates of insurance or other proof as the Province may request pursuant to section A10.2;
- (b) the Province is not obligated to provide instalments of Funds until it is satisfied with the progress of the Project;
- (c) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Province's assessment of the information the Recipient provides to the Province pursuant to section A7.1; or
- (d) if, pursuant to the *Financial Administration Act* (Ontario), the Province does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Province is not obligated to make any such payment, and, as a consequence, the Province may:
 - (i) reduce the amount of Funds and, in consultation with the Recipient, change the Project; or
 - (ii) terminate the Agreement pursuant to section A12.1.

A4.3 Use of Funds and Carry Out the Project. The Recipient will do all of the following:

- (a) carry out the Project in accordance with the Agreement;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with the Court Security and Prisoner Transportation Services set out in Schedule "F";
- (d) not use the Funds to cover any cost that has or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario.

A4.4 Interest Bearing Account. If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

A4.5 Interest. If the Recipient earns any interest on the Funds, the Province may:

- (a) deduct an amount equal to the interest from any further instalments of Funds; or

- (b) demand from the Recipient the payment of an amount equal to the interest.

A4.6 **Rebates, Credits, and Refunds.** The Ministry will calculate Funds based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

A5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

A5.1 **Acquisition.** If the Recipient acquires goods, services, or both with the Funds, it will:

- (a) do so through a process that promotes the best value for money.

A5.2 **Disposal.** The Recipient will not, without the Province's prior written consent, sell, lease, or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as provided for in Schedule "B" at the time of purchase.

A6.0 CONFLICT OF INTEREST

A6.1 **No Conflict of Interest.** The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest.

A6.2 **Conflict of Interest Includes.** For the purposes of Article A6.0, a conflict of interest includes any circumstances where:

- (a) the Recipient; or
- (b) any person who has the capacity to influence the Recipient's decisions,

has outside commitments, relationships, or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased, and impartial judgment relating to the Project, the use of the Funds, or both.

A6.3 **Disclosure to Province.** The Recipient will:

- (a) disclose to the Province, without delay, any situation that a reasonable person would interpret as an actual, potential, or perceived conflict of interest; and
- (b) comply with any terms and conditions that the Province may prescribe as a result of the disclosure.

A7.0 REPORTS, ACCOUNTING, AND REVIEW

A7.1 Preparation and Submission. The Recipient will:

- (a) submit to the Province at the address referred to in section A17.1, all Reports in accordance with the timelines and content requirements as provided for in Schedule “F”, or in a form as specified by the Province from time to time;
- (b) submit to the Province at the address referred to in section A17.1, any other reports as may be requested by the Province in accordance with the timelines and content requirements specified by the Province;
- (c) ensure that all Reports and other reports are completed to the satisfaction of the Province; and
- (d) ensure that all Reports and other reports are signed on behalf of the Recipient by an authorized signing officer.

A7.2 Record Maintenance. The Recipient will keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Project in a manner consistent with generally accepted accounting principles; and
- (b) all non-financial documents and records relating to the Funds or otherwise to the Project.

A7.3 Inspection. The Province, any authorized representative, or any independent auditor identified by the Province may, at the Province’s expense, upon twenty-four hours’ Notice to the Recipient and during normal business hours, enter upon the Recipient’s premises to review the progress of the Project and the Recipient’s allocation and expenditure of the Funds and, for these purposes, the Province, any authorized representative, or any independent auditor identified by the Province may take one or more of the following actions:

- (a) inspect and copy the records and documents referred to in section A7.2;
- (b) remove any copies made pursuant to section A7.3(a) from the Recipient’s premises; and
- (c) conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds, the Project, or both.

A7.4 Disclosure. To assist in respect of the rights provided for in section A7.3, the Recipient will disclose any information requested by the Province, any authorized representatives, or any independent auditor identified by the Province, and will do so in the form requested by the Province, any authorized representative, or any independent auditor identified by the Province, as the case may be.

A7.5 **No Control of Records.** No provision of the Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.

A7.6 **Auditor General.** The Province's rights under Article A7.0 are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

A8.0 COMMUNICATIONS REQUIREMENTS

A8.1 **Acknowledge Support.** Unless otherwise directed by the Province, the Recipient will:

- (a) acknowledge the support of the Province for the Project; and
- (b) ensure that the acknowledgement referred to in section A8.1(a) is in a form and manner as directed by the Province.

A8.2 **Publication.** The Recipient will indicate, in any of its Project-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

A9.0 INDEMNITY

A9.1 **Indemnification.** The Recipient will indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages, and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits, or other proceedings, by whomever made, sustained, incurred, brought, or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Indemnified Parties.

A10.0 INSURANCE

A10.1 **Recipient's Insurance.** The Recipient represents, warrants, and covenants that it has, and will maintain for the Term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out obligations similar to the obligations of the Recipient under this Agreement would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury, and property damage, to an inclusive limit of not less than the amount provided for in Schedule "B" per occurrence. The insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;

- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) a 30-day written notice of cancellation.

A10.2 Proof of Insurance. The Recipient will:

- (a) provide to the Province, either:
 - (i) certificates of insurance that confirm the insurance coverage as provided for in section A10.1; or
 - (ii) other proof that confirms the insurance coverage as provided for in section A10.1; and
- (b) upon the request of the Province, provide to the Province a copy of any insurance policy.

A11.0 TERMINATION ON NOTICE

A11.1 Termination on Notice. The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving at least 30 days' Notice to the Recipient.

A11.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A11.1, the Province may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
 - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to section A11.2(b); and
 - (ii) subject to section A4.1(a), provide Funds to the Recipient to cover such costs.

A12.0 TERMINATION WHERE NO APPROPRIATION

A12.1 Termination Where No Appropriation. If, as provided for in section A4.2(d), the Province does not receive the necessary appropriation from the Ontario Legislature for any payment the Province is to make pursuant to the Agreement, the Province may terminate the Agreement immediately without liability, penalty, or costs by giving Notice to the Recipient.

A12.2 Consequences of Termination Where No Appropriation. If the Province terminates the Agreement pursuant to section A12.1, the Province may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to fund the Services until the date of termination and permit the Recipient to offset such costs against the amount owing pursuant to section A12.2(b).

A12.3 No Additional Funds. If, pursuant to section A12.2(c), the Province determines that the costs to wind down the Project exceed the Funds remaining in the possession or under the control of the Recipient, the Province will not provide additional Funds to the Recipient.

A13.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A13.1 Events of Default. Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; or
 - (iii) provide, in accordance with section A7.1, Reports or such other reports as may have been requested pursuant to section A7.1(b);
- (b) the Recipient's operations, its financial condition, or its organizational structure, changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver; or
- (d) the Recipient ceases to operate.

A13.2 **Consequences of Events of Default and Corrective Action.** If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful application of the Funds for the Services;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
- (h) demand from the Recipient the payment of an amount equal to any Funds the Province provided to the Recipient; and
- (i) terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province upon giving Notice to the Recipient.

A13.3 **Opportunity to Remedy.** If, in accordance with section A13.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will give Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

A13.4 **Recipient not Remediating.** If the Province provided the Recipient with an opportunity to remedy the Event of Default pursuant to section A13.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections A13.2(a), (c), (d), (e), (f), (g), (h), and (i).

A13.5 **When Termination Effective.** Termination under Article will take effect as provided for in the Notice.

A14.0 FUNDS AT THE END OF A FUNDING YEAR

A14.1 **Funds at the End of a Funding Year.** Without limiting any rights of the Province under Article A13.0, if the Recipient has not spent all the Funds allocated for the Funding Year (Maximum Funds), the Province may take one or both of the following actions:

- (a) demand from the Recipient payment of the unspent Funds; and
- (b) adjust the amount of any further instalments of Funds accordingly.

A15.0 FUNDS UPON EXPIRY

A15.1 **Funds Upon Expiry.** The Recipient will, upon expiry of the Agreement, pay to the Province any Funds remaining in its possession or under its control.

A16.0 DEBT DUE AND PAYMENT

A16.1 **Payment of Overpayment.** If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay an amount equal to the excess Funds to the Province.

A16.2 **Debt Due.** If, pursuant to the Agreement:

- (a) the Province demands from the Recipient the payment of any Funds or an amount equal to any Funds; or
- (b) the Recipient owes any Funds or an amount equal to any Funds to the Province, whether or not the Province has demanded their payment,

such Funds or other amount will be deemed to be a debt due and owing to the Province by the Recipient, and the Recipient will pay the amount to the Province immediately, unless the Province directs otherwise.

A16.3 **Interest Rate.** The Province may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province

of Ontario on accounts receivable.

A16.4 **Payment of Money to Province.** The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province as provided for in Schedule “B”.

A16.5 **Fails to Pay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, His Majesty the King in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by His Majesty the King in right of Ontario.

A17.0 NOTICE

A17.1 **Notice in Writing and Addressed.** Notice will be in writing and will be delivered by email, postage-prepaid mail, personal delivery, or fax, and will be addressed to the Province and the Recipient respectively as provided for Schedule “B”, or as either Party later designates to the other by Notice.

A17.2 **Notice Given.** Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or
- (b) in the case of email, personal delivery, or fax, one Business Day after the Notice is delivered.

A17.3 **Postal Disruption.** Despite section A17.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and
- (b) the Party giving Notice will give Notice by email, personal delivery, or fax.

A18.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A18.1 **Consent.** When the Province provides its consent pursuant to the Agreement, it may impose any terms and conditions on such consent and the Recipient will comply with such terms and conditions.

A19.0 SEVERABILITY OF PROVISIONS

A19.1 **Invalidity or Unenforceability of Any Provision.** The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

A20.0 WAIVER

A20.1 **Waiver Request.** Either Party may, in accordance with the Notice provision set out in Article A17.0, ask the other Party to waive an obligation under the Agreement.

A20.2 **Waiver Applies.** Any waiver a Party grants in response to a request made pursuant to section A20.1 will:

(a) be valid only if the Party granting the waiver provides it in writing; and

(b) apply only to the specific obligation referred to in the waiver.

A21.0 INDEPENDENT PARTIES

A21.1 **Parties Independent.** The Recipient is not an agent, joint venturer, partner, or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

A22.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A22.1 **No Assignment.** The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A22.2 **Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors, and permitted assigns.

A23.0 GOVERNING LAW

A23.1 **Governing Law.** The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A24.0 FURTHER ASSURANCES

A24.1 **Agreement into Effect.** The Recipient will provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A25.0 JOINT AND SEVERAL LIABILITY

A25.1 **Joint and Several Liability.** Where the Recipient is comprised of more than one entity, all such entities will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A26.0 RIGHTS AND REMEDIES CUMULATIVE

A26.1 **Rights and Remedies Cumulative.** The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A27.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A27.1 **Other Agreements.** If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with His Majesty the King in right of Ontario or one of His agencies (a **"Failure"**);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate.

A28.0 SURVIVAL

A28.1 **Survival.** The following Articles and sections, and all applicable cross-referenced sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0, Article 3.0, Article A1.0 and any other applicable definitions, section A2.1(a), sections A4.2(d), A4.5, section A5.2, section A7.1 (to the extent that the Recipient has not provided the Reports or other reports as may have been requested to the satisfaction of the Province), sections A7.2, A7.3, A7.4, A7.5, A7.6, Article A8.0, Article A9.0, section A11.2, sections A12.2, A12.3, sections A13.1, A13.2(d), (e), (f), (g) and (h), Article A15.0, Article A16.0, Article A17.0, Article A19.0, section A22.2, Article A23.0, Article A25.0, Article A26.0, Article A27.0 and Article A28.0.

- END OF GENERAL TERMS AND CONDITIONS -

SCHEDULE “B”
PROJECT SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS

| | |
|--|--|
| Maximum Funds | \$3,113,581.00 |
| Expiry Date | December 31, 2024 |
| Insurance | \$5,000,000.00 |
| Contact information for the purposes of Notice to the Province | <p>Name: Ministry of the Solicitor General Public Safety Division, External Relations Branch Program Development Section</p> <p>Address: 25 Grosvenor Street, 12th Floor Toronto, ON M7A 2H3</p> <p>Attention: Rosanna Tamburro, Community Safety Analyst</p> <p>Email: Rosanna.Tamburro@ontario.ca</p> |
| Contact information for the purposes of Notice to the Recipient and to respond as required to requests from the Province related to the Agreement | <p>Name: The Corporation of the City of London</p> <p>Address: 300 Dufferin Avenue London, ON N6A 4L9</p> <p>Attention: Mr. Ian Collins Director, Financial Services</p> <p>Email: ICollins@London.ca</p> |

**SCHEDULE “C”
PROJECT**

The Project is the Recipient receiving the Funds and in turn providing the Funds to the London Police Services Board for the costs of providing security for court premises during hours of court operations and security of persons attending court, and/or the costs of transporting prisoners and custodial minors (i.e., persons between twelve and seventeen years of age) between correctional institutions, custodial facilities and court locations for the purposes of court attendance.

To assist the Recipient, the Province has agreed to provide the Recipient up to the Maximum Funds in accordance with the terms of the Agreement to offset costs for the provision of such court security and prisoner transportation within the Recipient’s jurisdiction.

The Recipient shall ensure the Funds are used only for eligible services and activities as described in Schedule “F”.

**SCHEDULE “D”
PERFORMANCE MEASUREMENT FRAMEWORK**

The Recipient agrees to collect and report back to the Province the information outlined below in the format provided in Schedule “G” for the reporting timeframe covering January 1, 2024 to December 31, 2024, and in accordance with the reporting schedule outlined in Schedule “E”.

| 2024 Report | |
|---|--|
| Performance Measure | Indicator |
| Number of court appearances | Number of in-person court appearances conducted Number of virtual court appearances conducted (if unavailable, please indicate "N/A") |
| Number of full-time equivalent sworn police officers and special constables that are supporting prisoner transportation and/or court security | Total number of full-time equivalent sworn police officers and special constables assigned to prisoner transportation and court security duties Total number of full-time equivalent sworn police officers and special constables assigned to prisoner transportation duties Total number of full-time equivalent sworn police officers and special constables assigned to court security duties |
| Number of prisoner transportation trips | Number of prisoner transportation trips between correctional institutions and court locations for the purpose of transporting persons in-custody to attend court |

**SCHEDULE “E”
PAYMENT PLAN AND REPORTING SCHEDULE**

The Funds in the amount of **\$3,113,581.00** will be provided to the Recipient according to the following schedule:

- A. First Instalment: **\$778,395.25** will be paid to the Recipient once the Recipient has signed the Agreement and provided adequate proof of insurance to the Province **(due by February 16, 2024)** in accordance with section A10.2 of the Agreement, and the Agreement has then been signed by the Province.

- B. Second Instalment: **\$778,395.25** will be paid to the Recipient, following the Province’s receipt and approval of the 2023 Annual Financial Report **(due by April 12, 2024)**. *Subsequent payments will not be released until the Province has received and approved the 2023 Annual Financial Report.*

- C. Third Instalment: **\$778,395.25** will be paid to the Recipient by the end of September 2024.

- D. Final Instalment: **\$778,395.25** will be paid to the Recipient by the end of December 2024.

- E. The Recipient must submit the 2024 Annual Financial and Performance Measurement Report (Schedule “G”) to the Province **by March 31, 2025**.

**SCHEDULE “F”
COURT SECURITY AND PRISONER TRANSPORTATION
SERVICES AND ACTIVITIES ELIGIBLE FOR FUNDING**

A. COURT SECURITY includes:

1. Facility Perimeter Security

Costs associated with external and/or internal presence of police or other security personnel during regular or non-regular hours to secure the perimeter of the facility, to respond to a specific threat or for high-profile matters.

2. Courtroom Security

Costs associated with the presence of police or other security personnel in the courtroom to ensure the safety and security of the proceedings and attendees.

3. General Courthouse Security Presence

Costs associated with the use of screening stations to screen all public visitors to the courthouse, including the use of magnetometers and x-ray machines, and police or other security personnel assigned to perform roving patrols of the court facility.

4. Prisoner Movement in Courthouse

Costs associated with monitoring the movement of prisoners between holding cells and other areas within the courthouse.

5. Prisoner Guarding in Holding Cells

Costs associated with guarding and monitoring of prisoners brought to court and held in courthouse holding cells (where applicable).

6. Prisoner Feeding

Costs associated with the provision of meals to prisoners required while in the custody of local police services for the purpose of attending court.

B. PRISONER TRANSPORTATION includes:

1. Prisoner Transport

Costs associated with the movement of prisoners between correctional institutions and court locations for the purposes of attending court.

2. Prisoner Transport - Youth

Costs associated with the movement of custodial minors (i.e. 12-17 years old) between correctional and/or custodial facilities and court locations for the purposes of attending court.

*PRISONER includes: Persons being held in custody as a result of provincial or federal offence proceedings, including persons under immigration detention.

C. TRAINING, EQUIPMENT AND RECRUITING includes:

1. Costs associated with training that is relevant to court security and prisoner transportation only.
2. Cost associated with equipment that is unique to the provision of court security and prisoner transportation and does not include equipment that would be utilized for other purposes.
3. Costs associated with recruiting that is relevant to the staffing of court security and prisoner transportation only. Costs may include advertising for applicants, physical fitness and/or psychological testing, applicant screening, interviews or any other related human resources expense.

COURT SECURITY AND PRISONER TRANSPORTATION do NOT include:

Court Administration

Costs associated with performing court administrative duties including the scheduling of staff for daily deployment, the service of legal documents, the preparation/maintenance of Crown Brief materials, the entry of data into court information systems, preparing or swearing/affirming legal documentation, scheduling of court appearances or other duties of a related nature.



P.O. Box 5035
300 Dufferin Avenue
London, ON
N6A 4L9

London
CANADA

March 18, 2024

Chair and Members
Corporate Services Committee

Re: Board of Directors – Federation of Canadian Municipalities

In order to maintain City of London representation on the Federation of Canadian Municipalities' Board of Directors, I wish to seek re-election to the FCM's Board of Directors with the support and approval of the Municipal Council for the 2024/2025 term.

Therefore, I respectfully request that the attached Resolution endorsing me to stand for election and approving payment of all costs associated with attending FCM's Board of Directors meetings, for the 2024/2025 term, be adopted by the Municipal Council. This includes three board meetings, and Annual Conference per year. The conferences are planned for June 6 – June 9, 2024 in Calgary, and June 2025 in Ottawa.

Finally, you will recall from previous years that in order to campaign for a position on the Board of Directors, it has been necessary to incur expenses related to campaign materials. I hereby respectfully request approval for reimbursement of up to \$500.00 for FCM Board of Directors campaign related expenses by The Corporation of the City of London, outside of my annual expense allocation, upon submission of eligible receipts.

Over the past year on the Board, I've attended four Board meetings, ten committee meetings, a conference in Toronto and a week of advocacy days in Ottawa. I've submitted three reports to Corporate Services Committee to provide updates on the advocacy and outcomes of the work of FCM. Most recently, as directed by Council, I advocated at a FCM Board meeting for a resolution regarding cost overruns on capital projects, and in March 2024, the FCM Board passed the following resolution and will be advocating to federal policy makers and politicians to implement.

"Where inflation or other external factors outside of the control of the municipality (such as elevated labour, material, and lending costs) impact the original project costs beyond what can reasonably be accounted for, the federal government should work with the municipality to address the cost overruns within the federal share of approved funding to ensure projects are completed."

I would like to continue representing London on the FCM Board and bringing Councils' concerns and priorities to the national stage to collectively advocate for our shared priorities.

Thank you for your consideration of this matter.

Skylar Franke
Councillor, Ward 11

FEDERATION OF CANADIAN MUNICIPALITIES –
ELECTION TO THE BOARD OF DIRECTORS

WHEREAS the Federation of Canadian Municipalities (FCM) represents the interests of municipalities on policy and program matters that fall within federal jurisdiction;

WHEREAS FCM's Board of Directors is comprised of elected municipal officials from all regions and sizes of communities to form a broad base of support and provide FCM with the prestige required to carry the municipal message to the federal government;

WHEREAS FCM's Annual Conferences and Trade Show will take place June 6-9, 2024, in Calgary, and June 2025 in Ottawa, during which time the Annual General Meeting will be held and followed by the election of FCM's Board of Directors;

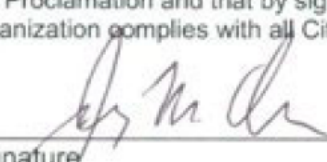
BE IT RESOLVED that the Council of The Corporation of the City of London endorses Councillor Skylar Franke to stand for election on FCM's Board of Directors for the 2024/2025 term; and

BE IT FURTHER RESOLVED that Councillor Skylar Franke be reimbursed by The Corporation of the City of London, outside his annual expense allocation, for her campaign expenses in seeking re-election to the Board of Directors, in an amount of up to \$500, upon submission of eligible receipts; and

BE IT FURTHER RESOLVED that Council assumes all costs associated with Councillor Skylar Franke attending FCM's Board of Directors meetings, the FCM Annual Conference and AGM and the Trade Show, during the 2024/2025 term.

Proclamation Request Form

Request for the issuance of proclamations is governed by Council Policy. Requests are recommended **2 months** in advance of the requested issuance date and may be emailed ClerksApprovalRequests@london.ca or mailed to City Hall, P.O. Box 5035 London, ON N6A 4L9.

| |
|---|
| <u>Name of Organization</u> London Run for Ovarian Cancer |
| <u>Proclamation Name</u> London Run for Ovarian Cancer Week |
| <u>Date of Proclamation Requested</u> May 6-12, 2024 |
| <u>Proclamation Type</u> (day, week or month) Week |
| Organization's Direct Connection to London (provide specific details) The London Run for Ovarian Cancer is a charitable run/walk held every Mother's Day to raise funds for research on ovarian cancer being conducted here in London at the LHSC Cancer Clinic. This will be the 22nd run, and we have raised more than \$2 million over the first 21 years. The event is run by volunteers and attracts approximately 400 participants each year. The event receives corporate sponsorship donations from many London businesses, which are used to cover the costs of the run. Ovarian cancer is the deadliest women's cancer, with just 30% of women who are diagnosed surviving for five years. We desperately need more research to improve early diagnosis and subsequent treatment. |
| <u>Required Supporting Documents:</u> <input checked="" type="checkbox"/> Detail information on the Organization } <i>see "LRFOC Fact Sheet 2022"</i> <input checked="" type="checkbox"/> Detail information on the Event <input checked="" type="checkbox"/> Confirmation of authorization from the Organization to submit request <i>Below</i> |
| <u>Category</u> (public awareness campaigns, charitable funding campaigns, arts and cultural celebrations) Charitable funding event |
| <u>Requester Name</u> James Olson, Chair, Executive Committee, London Run for Ovarian Cancer |
| <u>Requester Address</u> [REDACTED] London, Ontario N6E 2A2 |
| <u>Requester Phone Number and Email</u> [REDACTED] |
| The undersigned confirms that I am the Official Representative of the Organization requesting the Proclamation and that by signing this Application, I acknowledge and agree that my organization complies with all City of London's Policies and By-laws. |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  _____ Signature </div> <div style="width: 45%; text-align: right;"> April 28, 2024 _____ Date </div> </div> |
| Notice of collection of personal information Personal information collected on this form is collected under the authority of the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25 and may also be used for purposes related to the Issuance of Proclamations Policy and Proclamation Request Form. Questions about this collection should be addressed to Manager, Records and Information Services, 3rd floor, City Hall, 300 Dufferin Ave., London, ON N6A 4L9. Tel: 519-661-2489 ext. 5590, email: eskalski@london.ca . |



Local run has
raised over \$2.5 million in
19 years!

www.runforovariancancer.ca

Next run Mother's Day, Sunday, May 8, 2022

Now in its 20th year, the London Run for Ovarian Cancer, supported by London Health Sciences Foundation, generates the largest amount of funding for LHSC of any volunteer group in London – more than \$2.5 million to date – all with only a one-day event!

Help us raise even more this year.

Ovarian cancer is the fifth-ranking cause of cancer deaths for women with about 2,800 women diagnosed each year in Canada. Even so, only 2.1 per cent of Canadians' donations for cancer research is directed toward ovarian cancer. That's because the disease leaves few survivors to advocate and raise funds.

Ovarian cancer is called the silent killer. Unlike other cancers, there is no screening test and there are few obvious symptoms to this cancer. As a result, by the time most cases are diagnosed, the patients are at stages three or four, and at that late stage, 70 per cent of those diagnosed will die. London Health Sciences researchers and clinicians are working to change those statistics.

London Regional Cancer Program

London Regional Cancer Program (LRCP) is the home of cancer treatment, education and research at London Health Sciences Centre (LHSC), serving over one million people in Southwestern Ontario at Victoria Hospital.

Through its unique research initiatives, LRCP is recognized internationally for its innovative basic, clinical and translational cancer research – the transfer and advancement of knowledge from basic research through to implementation of new clinical practices – in cancer biology, new therapeutics and cancer imaging.

“We want the community to realize we appreciate the support that we have. It is absolutely essential for us to continue our pace of ground-breaking research.” Dr. Trevor Shepherd

Translational Ovarian Cancer Research Program

The Translational Ovarian Cancer Research Program (TOCRP) was initiated in 2007 with the recruitment of Dr. Trevor Shepherd, who was appointed the first Translational Oncology Scientist of the LHSC and Cancer Research Laboratory Program (CRLP). Dr. Shepherd brought considerable expertise in ovarian cancer research. He and Dr. Gabriel DiMattia, Senior Oncology Scientist, co-lead the TOCRP to develop research projects that will impact the health of ovarian cancer patients. This research group works alongside LRCP gynecologic cancer surgeons – Doctors Bertrand, McGee, Préfontaine and Sugimoto – who provide clinical input and essential material needed to conduct research.

Current research initiatives

Dr. Trevor Shepherd, Co-Lead of the Translational Ovarian Cancer Research Unit (TOCRU), has made breakthrough discoveries related to the metabolism of ovarian cancer cells. Dr. Shepherd chose the key “energy stress” enzyme called LKB1 as a potential therapeutic target because it helps ovarian cancer survive during spread of disease. He credits the London Run for Ovarian Cancer with providing funding that was critical to obtain information needed for his successful grant from the Canadian Institutes of Health Research. From this funded study, his team has exciting new evidence demonstrating that blocking LKB1 activity in ovarian tumours reduced the ability for cancer cells to spread. Over the past few years, he has established new collaborations with researchers at the Ontario Institute of Cancer Research in Toronto to apply innovative molecular approaches to therapeutically reduce cancer cell ability to evade the effects of chemotherapeutic drugs.

Ovarian cancer patients often accumulate fluid in the belly (ascites) that can lead to the spread of the disease because it contains cancer cells. These cells often form floating clusters or spheroids that are thought to be responsible for the spread of ovarian cancer. Proceeds from the [London Run for Ovarian Cancer](#) have supported the establishment of a biobank that has received more than 400 patient samples over the last 13 years.

Dr. G. DiMattia, Co-Lead of the TOCRU, uses these ascites samples to develop new models of ovarian cancer in the form of immortalized cell lines. These are the most essential and fundamental tools cancer researchers use worldwide. This work has led to the development of new cell lines from rarer forms of ovarian cancer that weren't previously available. Dr. DiMattia has developed a number of cell lines from women battling low-grade ovarian cancer for which there are few treatments. In collaboration with Dr. Mark Carey, University of British Columbia Gynecologic Oncology Surgeon, they developed the first model of low-grade ovarian cancer and are endeavouring to generate more models necessary to develop and test new drugs to treat this form of ovarian cancer. Dr. DiMattia has developed numerous collaborations with other scientists both locally and around the world to utilize these new cell lines in the collective fight against ovarian cancer.

You can help – it's money well spent

People who financially support the cause of overcoming ovarian cancer – “the most lethal women's cancer” – have a “moderate to high donor opportunity for impact,” according to a recent research report *Cancer in Canada*, conducted by Charity Intelligence Canada.

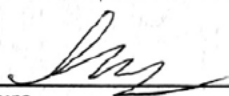
The London Run for Ovarian Cancer was initiated in 2003 by a London woman, Ann Crowley, after she was diagnosed with Stage III ovarian cancer. In the first year, Ann with the support of friends and family raised \$85,000 and dedicated all funds raised by runners and their supporters to research focused on early detection and to discovering a cure for ovarian cancer. Since her death later in 2003, Ann's friends have continued her quest. Since 2006, the funds raised have gone directly to the Translational Ovarian Cancer Research Program.

Each year, more people from across the London region are joining this grassroots volunteer organization in the challenge to conquer this stealthy disease.

We would be delighted to include you on our team. Help us to make a difference and create the moments that have the power to change and save lives.

Proclamation Request Form

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| | |
|--|----------------------------------|
| <u>Name of Organization</u> Falun Dafa Association Canada | |
| <u>Proclamation Name</u> 32nd Falun Dafa Day Anniversay Celebrations | |
| <u>Date of Proclamation Requested</u> May 13th, 2024 | |
| <u>Proclamation Type</u> (day, week or month) Day | |
| Organization's Direct Connection to London (provide specific details) We have a small active local Falun Gong community in London. Each year around May 13th, we organize some activities to enjoy the peace and harmony life in London. This is a chaneling world, it is important to make sure each group and community to embrace the freedom and peace of Canadian lives. | |
| <u>Required Supporting Documents:</u> <input type="checkbox"/> Detail information on the Organization <input type="checkbox"/> Detail information on the Event <input type="checkbox"/> Confirmation of authorization from the Organization to submit request | |
| <u>Category</u> (public awareness campaigns, charitable funding campaigns, arts and cultural celebrations) Cultural Celebrations | |
| <u>Requester Name</u> Pixing Zhang/ Shan Dong Ren | |
| <u>Requester Address</u> [REDACTED] London, ON N5X4M6 | |
| <u>Requester Phone Number and Email</u> [REDACTED] | |
| The undersigned confirms that I am the Official Representative of the Organization requesting the Proclamation and that by signing this Application, I acknowledge and agree that my organization complies with all City of London's Policies and By-laws. | |
|  _____ Signature | April 4th, 2024 _____ Date |
| Notice of collection of personal information Personal information collected on this form is collected under the authority of the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25 and may also be used for purposes related to the Issuance of Proclamations Policy and Proclamation Request Form. Questions about this collection should be addressed to Manager, Records and Information Services, 3rd floor, City Hall, 300 Dufferin Ave., London, ON N6A 4L9. Tel: 519-561-2489 ext. 5590, email: eskalski@london.ca . | |



Celebrating the 32nd Falun Dafa Day Anniversary **Request for a proclamation**

Dear His Worship Josh Morgan

In commemoration of the 32nd Falun Dafa Day on May 13th, 2024, for celebrating Falun Dafa spreading to the public, we respectfully request again a recognition in the form of a **proclamation**. This annual occasion pays tribute to the contributions of the Falun Dafa community in Canada—many of whom arrived here as refugees fleeing the persecution in China, and celebrates the values of Truthfulness, Compassion, and Forbearance.

In 2023, we were very glad to have had 15 Canadian cities have flags-raising or lighting-up the landmarks to celebrate our Falun Dafa Day. We also received 88 supporting letters and/or proclamations from Canadian MPs, MPPs, Mayors, and City Councillors.

Originated from the autocratic communist China 32 years ago, along with 25 years' brutal persecution even with the horrific organ harvesting, [facing the transnational repression](#), the Falun Dafa community has endured, persevered and flourished peacefully. At the same time, Canadian Falun Dafa practitioners are proud to build our communities across the country and call Canada home.

The fight for freedom and integrity continues, as community members courageously fend off intimidation, threat, and dis-information campaign by the long-arm operation of China's communist regime that has infiltrated many aspects of Canadian politics and social life.

Here in Canada, Falun Gong volunteers have taught [free meditation exercises](#) that has helped thousands of Canadians improve their mental, moral and physical wellbeing, contributing to a more healthy and harmonious society.

We are genuinely grateful for the freedom, diversity and compassionate support received across the society. Year to year, the Falun Dafa communities have garnered worldwide recognition, including greetings and proclamations. By sending a greeting letter/video to mark the 32nd Falun Dafa Anniversary, you help affirm Canada's commitment to the values of Truthfulness, Compassion, and Forbearance, and to the upholding of human rights and freedom of conscience.

For the **proclamation**, it will be greatly appreciated if you could send it to us by May 5th, 2023. Should you have questions, please don't hesitate to contact the undersigned.

Sincerely,

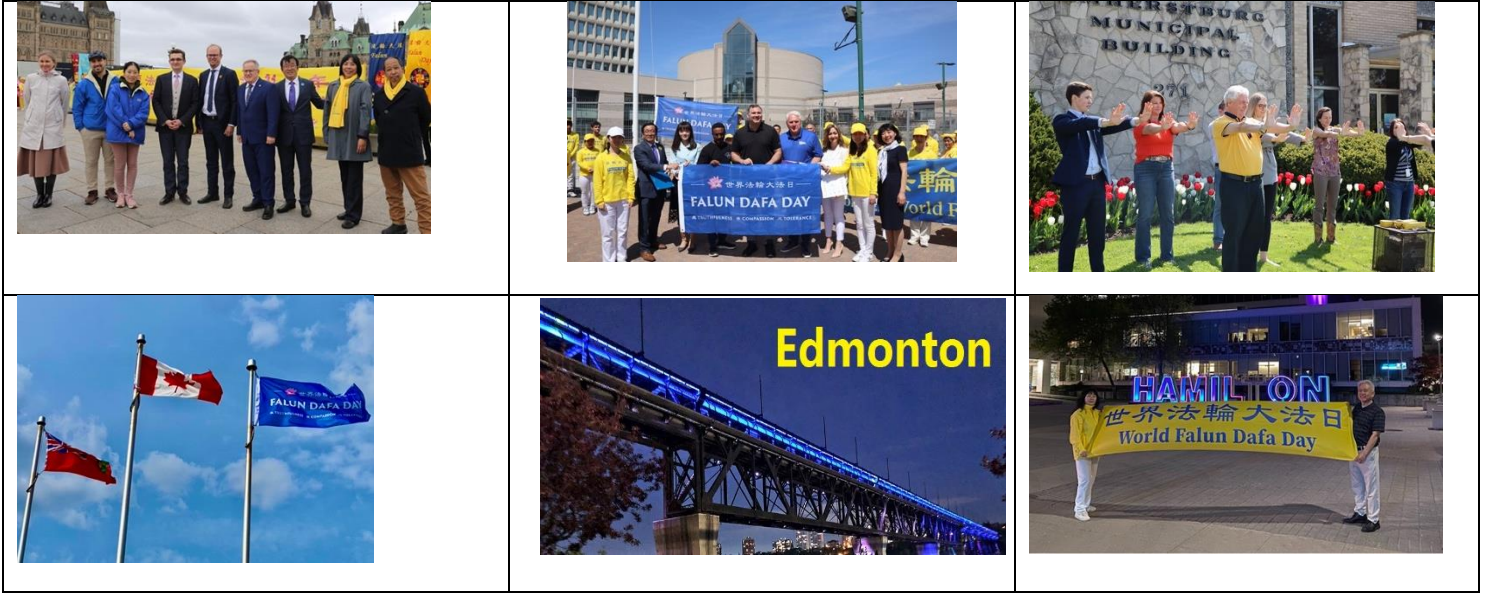
Pixing Zhang on behalf of Falun Dafa Association of Canada

Tel: [REDACTED] email: [REDACTED]

4 enclosures below:

1. 16 Flag Raising/Light-up Hosting Cities in 2023, and 14 MPs joined Ottawa Rally:

ON : Hamilton; Edmonton; Regina; Saskatoon; Cambridge; Milton; Cornwall; Pembroke; Orangeville; St. Catharine; Orillia; Brighton, Brock, Scugog, Amherstburg



2a. A short video of ‘An Introduction to Falun gong’ (6:35 min)

<https://www.youtube.com/watch?v=aJ-A6xY47jc>

For more information, please visit faluninfo.net

2b. Members of Parliament and Practitioners Celebrate the 31st Anniversary of Falun Dafa’s Public Introduction (1) <https://en.minghui.org/html/articles/2023/5/7/208414.html>

3. Greetings for Falun Dafa Month Celebration 2023(excerpt from 88 greetings):

“It is my pleasure to extend best wishes to the Falun Dafa community here in Canada...Today, as practitioners face discrimination and violence from the Chinese community party in Beijing, Conservatives join with Falun Dafa in their calls for tolerance, peace, and freedom for their people... I hope that all Falun Dafa practitioners are filled with a spirit of hope and freedom...”

—Hon. Pierre Poilievre, *Leader of the Conservative Party, greetings 2023*

“Falun Dafa, it promotes kindness, it promotes kindness to each other. And that’s the message that the world needs. Truthfulness, Compassion, and Forbearance are the principles of every Falun Dafa practitioner. Canada needs to promote Falun Dafa, and the whole world needs to promote it to strive for more peace.” —Hon. Judy Sgro, *co-chair of the Falun Gong Parliamentary Friendship Group, Rally speech 2023*

“Such an exciting moment last December. Bill S-223 has now become law. There is so much more work to be done though, as the horrific violence against Falun Gong practitioners, including organ harvesting continues. And our advocacy now needs to turn to seeing the full implementation of this bill,...and how to identify and prosecute those that are involved in forced organ harvesting and trafficking and come back to Canada.”- *MP Garnett Genuis, co-chair of the FalunGong Parliamentary Friendship Group Speech 2023*

As Parliamentary Leader of the Green Party of Canada and Member of Parliament for Saanich-Gulf Islands, I am pleased to extend my warmest congratulations to the Falun Dafa community as you gather to celebrate the 31th Anniversary of public introduction of Falun Dafa. I have great respect for the principles of Truth, Benevolence and Forbearance.

— *MP Elizabeth May, greeting message, Parliamentary Leader of the Green Party, greetings for 2023*

“May 13th is a very special day as practitioners and supporters around the world will celebrate this year 30th Anniversary. Truthfulness, compassion, and tolerance,... have “so much meaning” in society today. I want to wish all to have a special celebration on May 13th”

—*MP Melissa Lantsman, Deputy leader of the Conservative Party Greeting letter 2023 Falun Dafa Day*



"I would like to begin by saying how important your voices are to our government. I would like to also express my solidarity with Falun Dafa and with you all.— **MP Rachel Bendayan, Rally Speech 2023 Falun Dafa Day**

"Your principles of truthfulness, compassion and forbearance are welcome teachings in our province. Thank you for promoting personal wellbeing and working towards a more peaceful and harmonious world. Please accept my best wishes for successful and enjoyable celebrations of your 31st anniversary and Falun Dafa Day."

—**Lieutenant Governor Russ Mirasty of the Province of Saskatchewan, Letter of Greetings, 2023 Falun Dafa Day**

"Falun Dafa communities have flourished peacefully across our country, creating a more unified and harmonious society. Now, more than ever, Falun Dafa's message of truthfulness, forbearance, and compassion are an example to all of us"

— **Her Worship Kate Rogers, Fredericton, Letter of Greetings, 2023 Falun Dafa Day**

We also received greetings from:

MPs: Richard Martel, James Bezan, Yvan Baker, Kyle Seeback, Ted Talk, Colin Carrie, Dan Muys, Tom Kmiec, Marilyn Gladu, Marc Dalton, Arnold Viersen, Greg McLean, Pat Kelly, Ron Liepert, Stephanie Kusie, Blaine Calkins, Rachael Thomas, Ziad Aboultaif, Michael Cooper, Chris Warkentin, John Brassard,

MPPs/MLAs: Hon. Peter Bethlenfalvy, Hon. Laura Ross, Hon. Christine Tell, Hon. Pat Dunn, Alana Ross, Ron Schuler, Rudy Cuzzetto,

Mayors' Proclamation/Greetings: Toronto, Ottawa, Calgary, Fredericton, London, Sault Ste.Marie, Springwater, Leamington, LaSalle, Perry Sound, Tecumseh, New Westminster, Mission, Port Coquitlam, West Vancouver, Langley, White Rock, Maple Ridge, Chilliwack, Saanich, Duncan, Red Deer, Lloydminster, Crowsnest Pass, Coaldale, Pincher Creek, Banff, Canmore, Rocky View

Councillors: James Pasternak, Lisa Kearns, Raj Dhaliwal, Gian-Carlo Carra, Andre Chabot, Mike Spadafora, Nigussie Nigussie, Esther Pauls

4. About Falun Dafa:

[Falun Dafa](#) (also known as Falun Gong) is a spiritual practice rooted in the ancient schools of cultivation in China. It consists of meditative exercises, and a moral philosophy aimed at the promotion of virtue. At the core of Falun Dafa's teachings are the tenets of "Truthfulness, Compassion, and Forbearance." Practitioners of Falun Dafa aim to live in accord with these principles, taking them as a guide for daily life and practice.

Since Falun Dafa's public introduction in 1992, hundreds of millions of people from diverse cultural backgrounds in over 100 countries, including Canada, benefit from practicing Falun Gong, where the [free teachings](#) help people improve their mental, moral, and physical wellbeing and contribute to a more healthy and peaceful society.

On 20 July, 1999, the Chinese Communist Party (CCP) launched a campaign to eradicate Falun Gong. For the past 21 years, major human rights organizations, the United Nations, the U.S. government, and NGOs, etc. have extensively documented the nation-wide campaign of hatred, mass imprisonment, forced slave labours, torture, and killings of people who practice Falun Gong in China.

Millions of Falun Gong practitioners and their families have been torn apart. Countless practitioners have been killed for their vital organs that are being sold by the state. International legal experts say that crimes against humanity, and possibly genocide, have occurred. Practitioners and supporters in Canada continue to experience various kinds of intimidation and harassment and vilification by the CCP.

The Falun Dafa community, both within China and abroad, have endured these two decades of unimaginable adversity with resolute non-violence and persistence to uphold freedom and the universal values. This has garnered worldwide recognition, including thousands of greetings and proclamations from governments and officials.