

Agenda

Corporate Services Committee

17th Meeting of the Corporate Services Committee

September 25, 2018, 12:30 PM

Council Chambers

Members

Councillors J. Helmer (Chair), J. Morgan, P. Hubert, M. van Holst, J. Zaifman, Mayor M. Brown

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6.1 Labour Relations/Employee Negotiations/Litigation/Potential Litigation/Solicitor-Client Privileged Advice	
<p>A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations in regards to one of the Corporation's unions and litigation or potential litigation affecting the municipality, and advice which is subject to solicitor-client privilege, including communications necessary for that purpose.</p>	

7. Adjournment

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING OF SEPTEMBER 25, 2018
FROM:	ROSANNA WILCOX DIRECTOR, COMMUNITY & ECONOMIC INNOVATION
SUBJECT:	CITY OF LONDON 2019 PROVINCIAL AND FEDERAL BUDGET SUBMISSIONS

RECOMMENDATION

That, on the recommendation of the Director, Community & Economic Innovation, the following actions be taken with respect to the City of London's 2018 Budget Submissions:

- a) That Civic Administration **BE DIRECTED** to submit the City of London 2019 Provincial Budget Submission to the Government of Ontario as part of the provincial pre-budget submission process;
- b) That Civic Administration **BE DIRECTED** to submit the City of London 2019 Federal Budget Submission to the Government of Canada as part of the federal pre-budget submission process; and,
- c) That this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Corporate Services Committee – October 11, 2017 – City of London 2018 Provincial and Federal Budget Submissions

BACKGROUND

Council's Strategic Plan for the City of London, 2015-2019, identifies four strategic areas of focus: Strengthening Our Community; Building a Sustainable City; Growing Our Economy; and, Leading in Public Service. These strategic areas of focus are further defined by strategies that outline how Council and Administration will respond to the needs and aspirations of Londoners.

The City of London has worked diligently to advance a number of high-priority initiatives which require partnerships with the federal and provincial governments, including: Rapid Transit; Community Infrastructure; Social and Affordable Housing; and Homeless Prevention. The result has been a number of substantial commitments to addressing London's needs. The next step is to ensure these commitments can begin implementation as soon as possible.

The submissions, attached as Appendices A and B, were developed in consultation with all Service Areas. Special attention has been given to ensure consistency between the federal and provincial documents, while illustrating the importance each level of government plays as a partner in supporting and advancing London's priorities.

Rapid Transit

Efforts to forge close working relationships, combined with focused advocacy efforts and the development of a plan to meet the transit needs of Londoners have resulted in funding commitments from both the federal and provincial governments for public transit in London. The provincial government, prior to the election, committed to \$170 million in funding for Bus Rapid Transit. The federal government announced London's allocation of \$204.9 million through the Public Transit Infrastructure Stream of the Investing in Canada Plan, which is funding designated specifically for public transit projects.

Combined with the City's \$130 million, these envelopes represent sufficient identified investment for London's Bus Rapid Transit. In order to move forward, the project must be advanced through the Public Transit Infrastructure Stream application process.

The federal and provincial budget submissions encourage both levels of government to move London's Bus Rapid Transit business case through the review process, to ensure important work such as detailed design can begin in the 2019 construction season.

Community Infrastructure

The City of London has consistently advocated for shared investments into the infrastructure Londoners rely on each and every day as a critical part of promoting economic development, social inclusion, and city building. Last year, the federal and provincial governments signed integrated bilateral agreements establishing the largest infrastructure funding program in Canada's history. Although funding has been allocated to the various funding streams, including the Public Transit Infrastructure Stream, Green Infrastructure Stream, Community, Culture and Recreation Stream, and the Rural Communities Stream, governments have yet to move forward with the application phase.

The federal and provincial budget submissions encourage both levels of government to move forward with the application phase of these important infrastructure programs, enabling construction to begin in the 2019 construction season.

Social and Affordable Housing

Social and Affordable Housing has been an area of persistent advocacy for the City, both independently and through municipal associations like the Federation of Canadian Municipalities (FCM) and the Association of Municipalities of Ontario (AMO). These efforts were rewarded last year when the federal government released the high-level parameters for Canada's National Housing Strategy. Since that time, details have continued to be rolled out, but the opportunities for the City to access funding to address the growing infrastructure deficit have been limited.

Provincially, the new government has made changes to anticipated funding, including the cancellation of programs like the Social Housing Apartment Improvement Program (SHAIP) and the GreenON Social Housing Program, which together were to provide a significant investment of \$9 million for social and affordable housing repairs.

The federal and provincial budget submissions set a baseline for the level of funding the City requires to start addressing the capital requirements in our social and affordable housing systems. Both submissions lay out a 10 year, \$20 million investment in addition to existing investments.

Homeless Prevention

London has shown real leadership in working towards ending chronic homelessness. As one of the first communities to adopt the most recent version of the federal government's Homeless Individuals and Families Information System (HIFIS 4.0), London now operates one the country's only true data sharing environments aimed at meeting the unique needs of Londoners experiencing homelessness.

Challenges remain formidable; the increase in incidence and severity of aggravating factors like mental health and drug addictions, the surge in refugee claimants including families from the United States, as well as an extremely competitive housing market all threaten the City's ability to continue to make progress.

Ensuring the federal and provincial governments deliver on their commitments to assisting with homeless prevention initiatives is critical. London secured a commitment from the previous provincial government to increase funding provided through the Community Homelessness Prevention Initiative (CHPI). Federally, the government has completed the review of the Homeless Partnering Strategy (HPS) and announced the new strategy, *Reaching Home*.

The budget submissions to both the federal and provincial governments push for continued recognition of the challenges and opportunities facing London in the homeless prevention space.

CONCLUSION

The City of London’s 2019 Provincial and Federal Budget Submissions present London’s key advocacy priorities to the Governments of Canada and Ontario, and highlight the urban challenges and opportunities associated with transportation, homeless prevention, social and affordable housing and infrastructure in our city.

PREPARED BY:	SUBMITTED BY:
NICK STEINBURG SPECIALIST, GOVERNMENT AND EXTERNAL RELATIONS	ADAM THOMPSON MANAGER, GOVERNMENT AND EXTERNAL RELATIONS
RECOMMENDED BY:	
ROSANNA WILCOX DIRECTOR, COMMUNITY & ECONOMIC INNOVATION	

cc. Martin Hayward, City Manager
Senior Management Team
Operations Management Team

PROGRESS AND OPPORTUNITY

Delivering Local Solutions to Keep Our Region Running



Pre-Budget Submission to the
Government of Canada



PROGRESS

London is the urban hub of Southwest Ontario, and a major centre for education, employment, healthcare, social services and culture in our region. We are an entrepreneurial city; 80% of London's labour market is employed by small businesses. We are a city of innovative partnerships, building strong local partnerships to address community challenges across the board in affordable housing, homelessness, active transportation, city-building and beyond.

London's work is guided by the four priorities laid out in our Strategic Plan:

- Strengthening Our Community;
- Building a Sustainable City;
- Growing Our Economy; and
- Leading in Public Service.

These priorities support London's strategic vision as "A leader in commerce, culture, and innovation — our region's connection to the world."



AND OPPORTUNITY

The City of London continues to look to our partners at all levels of government to work together to secure the future of our city and our region, with opportunity and prosperity for all. We have identified four key initiatives which require immediate action from all levels of government to address:

- Connecting our neighbourhoods with Bus Rapid Transit;
- Advancing investments in community infrastructure;
- Ensuring safe, affordable housing for all; and
- Ending chronic homelessness.

All four of these initiatives are critical to ensuring a healthy and prosperous community, and securing opportunity for generations of Londoners to come.



BUS RAPID TRANSIT

More people have weighed in on rapid transit than on any other project in our city's history.

Consultation with Londoners on rapid transit has been ongoing for nearly a decade, through some of the city's largest-ever public engagement exercises, including SmartMoves 2030, the London Plan and the Rapid Transit Master Plan.

Our Bus Rapid Transit is far more than just a transit plan. It's an economic plan. Once BRT is running, it will bring customers to businesses, more frequently and reliably. More shopping. More dining. More tickets sold. More money in tills.

Bus Rapid Transit is a jobs plan. Local employers tell us that better transit is essential to attracting and retaining the workforce London companies need. Forty percent of London's jobs will be within walking distance of the main rapid transit corridors, and the expanded bus service that BRT unlocks across the city will better connect Londoners to jobs across the entire transit network. Construction alone will provide more than 4,000 person-years of jobs, and \$270 million in wages for Londoners.

Our Bus Rapid Transit plan is the right plan at the right time. Investing in BRT will strengthen an already highly in-demand transit system. London maintains Ontario's 4th largest municipal transit system by ridership, with over 22.6 million rides per year. London's BRT has one of the lowest costs per kilometre and best returns on investment of any rapid transit project in the province – with a cost/benefit ratio of 1.18.

BRT will improve commuting for everyone. With enhanced road design and smart traffic signals funded by the project, transit riders, cyclists and drivers will all have a better commute. The City of London is also moving forward with projects across the transportation network to improve transit times and reduce congestion, like the recently council-approved Adelaide Street underpass project.

Now is the time for action. Municipal and provincial dollars have been committed, and the Government of Canada has allocated \$204.9 million for public transit projects in London. To get dollars working in the 2019 construction season, we encourage the federal government to expedite the application process for projects under the Public Transit Infrastructure Stream.

We encourage the Government of Canada to work with the province to advance London's Bus Rapid Transit project through the application process as quickly as possible.



INFRASTRUCTURE

The Canada-Ontario Integrated Bilateral Agreements signed under the *Investing in Canada Plan* have provided municipalities like London with an unprecedented opportunity to invest in community infrastructure.

Smart investments in public infrastructure drive economic growth, improve social inclusion, and enhance quality of life. For each dollar invested into municipal infrastructure, \$1.40 is returned in growth to the local, regional and national economy. Across Canada, local governments own more than 60% of all public infrastructure, and families and businesses experience the community impacts and benefits each and every day.

The City of London is committed to ensuring the people of London receive the maximum benefit of every infrastructure dollar spent in our community, which is why we've identified projects that address the issues that concern Londoners the most. From protecting our river, to preventing basement flooding, to reducing traffic congestion and improving our active transportation network, with Ontario's support, London is well prepared to continue building a better city for all.

London's projects include:

- The installation of an Organic Rankine Cycle generator at our largest pollution control plant, which will generate clean electricity from waste heat resulting in significant energy cost savings;
- The Adelaide Street grade crossing, addressing an at-grade rail crossing that blocks one of London's busiest streets for nearly two hours each day;
- London's sewer separation program, helping to protect Londoners from basement flooding and reducing the amount of sewage and phosphorous entering the Thames River.

There is significant time pressure to moving forward with these projects. Given current timelines, urgent action is needed by the provincial and federal governments if cities are to have a chance at beginning work in the 2019 construction season.

The City of London encourages the federal government to expedite the application phase for the next round of the Green Infrastructure Stream under the *Investing in Canada Plan*.





SOCIAL AND AFFORDABLE HOUSING

Providing safe, affordable housing is a national challenge. Although public discussions often focus on Canada's largest urban regions, the reality is that communities of all sizes are facing affordability pressures rivaling or exceeding those major cities.

A recent study showed that, of the 26 primary housing markets tracked by the Canadian Real Estate Association, London ranked as the most competitive housing market, well ahead of Toronto, Vancouver, and Montreal. Local housing prices have continued to rise, even as the GTA market cools; detached home prices in London are up 36% in the past two years alone. Vacancy rates, however, are at all-time lows, with one bedroom units averaging at or below 1% availability city-wide.

Housing affordability is an issue at all income brackets, but it is the vulnerable members of our community who are hit the hardest. In London, over 4,000 households are currently on the waitlist for social and affordable housing, and countless more are living in housing that is not safe, suitable, or secure.

As the city at the centre of the Southwestern Ontario region, London must provide supports well beyond just those required by the residents living within the city limits. Demand for social and affordable housing has never been higher, and London's existing housing is in jeopardy.

The majority of the city's housing stock was built around the same time in the 1950's and 1960's, and many building systems are coming to the end of their lifecycle. Although buildings are in fair condition today, in four years' time there is a forecast \$225M deficit for maintenance, repairs, and replacement of City-owned affordable and social housing properties alone.

The \$41 billion *National Housing Strategy* is a breakthrough for cities and communities and represents a once-in-a-generation opportunity to reinvest into the future of housing options for all Canadians. Getting the program design right will be critical to ensuring cities like London can maintain and build upon the social and affordable housing to meet the growing needs in our community.

The launch of the Canada Housing Benefit in 2020 can be an important piece of Canada's housing puzzle, but only if existing funding continues along with additional investments into our current and future stock of housing.

To begin addressing the affordable housing maintenance deficit, the City of London is seeking a 10 year, \$20 million investment on top of existing federal funding.





HOMELESS PREVENTION

London is a community that invests in solving homelessness, working with community partners across all sectors to identify, implement, and evaluate innovative solutions. The City of London supports the commitments made in *Reaching Home*, and we are dedicated to achieving the National Housing Strategy target of a 50% reduction in chronic homelessness.

London is one of the first communities in Canada to implement a true data sharing environment aimed at meeting the unique needs of Londoners experiencing homelessness, using the Homeless Individual and Family Information System (HIFIS) 4.0.

Over twelve homeless-serving programs, alongside the City of London, now operate a shared homeless management information system intended to solve homelessness through an integrated response. Sharing data improves client outcomes, while saving on administrative costs.

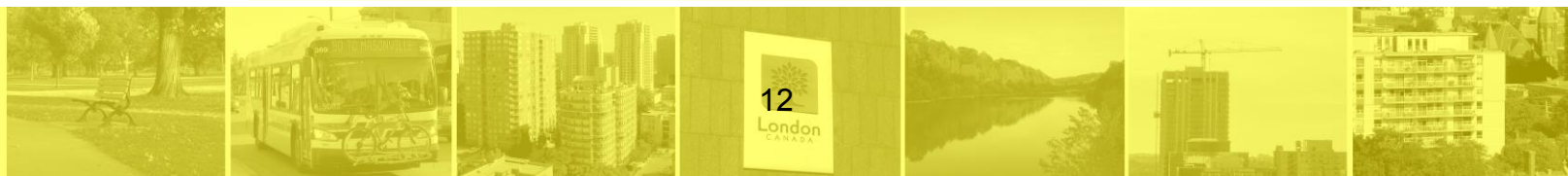
Despite London's success, our homeless prevention model continues to face an increasing diversity of challenges over time. This includes the increase in unpredictable, disruptive, violent behaviors related to the increase of non-prescription drugs such as crystal methamphetamine and fentanyl, as well as mental illness, addiction and trauma. In addition, the surge in refugee claimants including families from the United States, along with the rapid decrease in available market rentals and the corresponding rent increases present ongoing barriers for our local efforts.

To achieve significant reductions in chronic homelessness, we have formed strong relationships with local agencies assisting specific at-risk populations, including street-level sex workers, youth, and Indigenous communities.

Through our enumeration efforts, we know that 29% of London's homeless population identify as Indigenous. Working with local Indigenous community organizations, the City of London is a partner on *Giwetashkad* (the Circle) - an Indigenous led community plan focussed on solving Indigenous homelessness through a Culture First/Housing First model.

London's position as a regional hub, with three neighbouring Indigenous communities, means that we are well positioned to work in partnership to develop meaningful solutions. Ensuring our city can continue to make progress, special consideration should be given to London's challenges and opportunities as a regional hub.

The City of London requests recognition as a designated Indigenous community under the Reaching Home strategy.





CONTACT

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PROGRESS AND OPPORTUNITY

Delivering Local Solutions to Keep Our Region Running



Pre-Budget Submission to the
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With provincial and municipal dollars committed, now is the time for action. To get dollars working in the 2019 construction season, the business case must be forwarded for federal review.

We encourage the Province of Ontario to advance the Bus Rapid Transit business case for federal review as soon as possible, enabling construction to begin in 2019.



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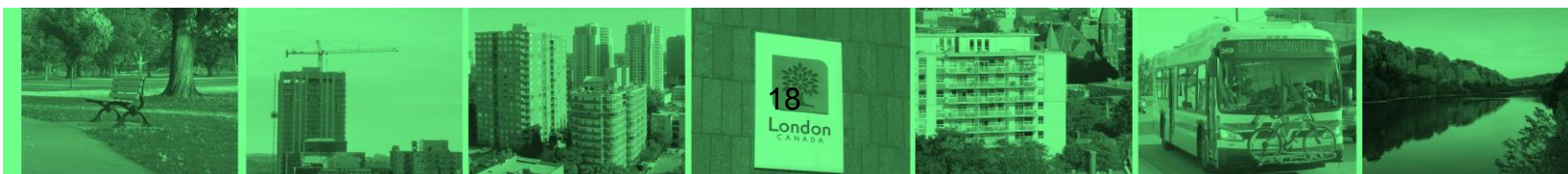
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London's projects include:

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- London's sewer separation program, helping to protect Londoners from basement flooding and reducing the amount of sewage and phosphorous entering the Thames River.

There is significant time pressure to moving forward with these projects. Given current timelines, urgent action is needed by the provincial and federal governments if cities are to have a chance at beginning work in the 2019 construction season.

The City of London encourages the provincial government to immediately initiate the application phase for the next round of the Green Infrastructure Stream under the *Investing in Canada Plan* and to advance these projects in time to meet the 2019 construction season.





SOCIAL AND AFFORDABLE HOUSING

Providing safe, affordable housing is a national challenge. Although public discussions often focus on Canada's largest urban regions, the reality is that communities of all sizes are facing affordability pressures rivaling or exceeding those major cities.

A recent study showed that, of the 26 primary housing markets tracked by the Canadian Real Estate Association, London ranked as the most competitive housing market, well ahead of Toronto, Vancouver, and Montreal. Local housing prices have continued to rise, even as the GTA market cools; detached home prices in London are up 36% in the past two years alone. Vacancy rates, however, are at all-time lows, with one bedroom units averaging at or below 1% availability city-wide.

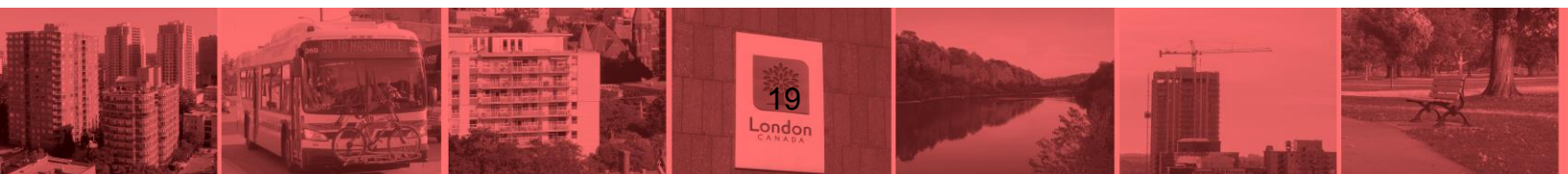
Housing affordability is an issue at all income brackets, but it is the vulnerable members of our community who are hit the hardest. In London, over 4,000 households are currently on the waitlist for social and affordable housing, and countless more are living in housing that is not safe, suitable, or secure. Demand for social and affordable housing has never been higher, and London's existing housing is in jeopardy.

The majority of the city's housing stock was built around the same time in the 1950's and 1960's, and many building systems are coming to the end of their lifecycle. Although buildings are in fair condition today, in four years' time there is a forecast \$225M deficit for maintenance, repairs, and replacement of City-owned affordable and social housing properties alone.

Compounding the issue is the loss of funding that had been had been planned for and anticipated by the Housing Providers', including through cancelled programs like the Social Housing Apartment Improvement Program (SHAIP) and the GreenON Social Housing Program. Those two programs were to provide \$9 million for social and affordable housing repairs.

As the Government of Ontario continues to explore opportunities to streamline program administration and reporting requirements on municipalities, the City of London is calling on the provincial government to maintain and expand critical investments into the repair and new construction of social and affordable housing for Ontarians. Mid-sized cities like London need predictable, flexible funding that allows for long-term planning and meaningful progress on capital renewal.

To begin addressing the affordable housing maintenance deficit, the City of London is seeking a 10 year, \$20 million investment on top of existing provincial funding.





HOMELESS PREVENTION

The City of London has demonstrated leadership at a provincial and national level on homeless prevention. London's approach has included reducing the number of emergency shelter beds and increasing the number of programs aimed at moving individuals and families from chronic homelessness to housing stability and community belonging. These efforts take time and resources, and focus on outcomes through a newly introduced shared information management system.

London is one of the first communities in Canada to implement a true data sharing environment aimed at meeting the unique needs of Londoners experiencing homelessness, using the Homeless Individual and Family Information System (HIFIS), a product made available through the Government of Canada.

Over twelve homeless-serving programs, alongside the City of London, now operate a shared homeless management information system intended to solve homelessness through an integrated response. Sharing data improves client outcomes, while saving on administrative costs.

Despite London's success, our homeless prevention model continues to face an increasing diversity of challenges over time. This includes the increase in unpredictable, disruptive, violent behaviors related to the increase of non-prescription drugs such as crystal methamphetamine and fentanyl, as well as mental illness, addiction and trauma. In addition, the surge in refugee claimants including families from the United States, along with the rapid decrease in available market rentals and the corresponding rent increases present ongoing barriers for our local efforts.

The provincial government is a key partner in the success of London's homeless prevention strategy. The Community Homelessness Prevention Initiative (CHPI) has played a significant role in advancing local efforts, and recent funding increases mean even more is possible. London is prepared to take our 2019/20 allocation of almost \$11.3 million and put every dollar to work in our community.

The flexibility and predictability of CHPI funding has enabled London to take innovative approaches targeted at the unique challenges in our community, and we are seeing the positive results.

The City of London urges the provincial government to continue planned allocation increases to the Community Homelessness Prevention Initiative (CHPI).



CONTACT

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TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	RESERVES RATIONALIZATION REPORT

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to The Corporation of the City of London reserves:

- a) the following six (6) reserves **BE APPROVED** as the reserves of The Corporation of the City of London:
 - i) Tax Supported Budget – Operating Budget Contingency Reserve and Operating Efficiency, Effectiveness & Economy Reserve
 - ii) Wastewater & Treatment Rate Supported Budget – Wastewater Budget Contingency Reserve and Wastewater Efficiency, Effectiveness & Economy Reserve
 - iii) Water Rate Supported Budget – Water Budget Contingency Reserve and Water Efficiency, Effectiveness & Economy Reserve;
- b) the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer **BE AUTHORIZED** to take any and all actions necessary to align the reserves approved in a), above, with the provisions of the City’s Reserve and Reserve Fund Policy; and
- c) the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer **BE AUTHORIZED** to take the following actions with respect to winding down and terminating reserves currently held by The Corporation of the City of London that are no longer included in the reserves approved in a) above:
 - i) Transfer reserve balances identified in Appendix B to the Operating Budget Contingency Reserve and terminate reserves after the transfers are complete;
 - ii) Transfer reserve balance identified in Appendix C to the City Facilities Reserve Fund and terminate reserve after the transfer is complete; and
 - iii) Convert reserves identified in Appendix D into reserve funds, terminate reserves after the conversions are complete and balances have been transferred, it being noted that Civic Administration will bring forward appropriate reserve fund by-laws to a future Corporate Services Committee meeting.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Corporate Services Committee, July 17, 2018, Agenda Item #2.4, Reserve and Reserve Fund Policy Report

LINK TO 2015-2019 STRATEGIC PLAN

Council’s 2015-2019 Strategic Plan for the City of London identifies “Leading in Public Service” as one of four strategic areas of focus. The Reserves Rationalization Report supports this strategic area of focus by contributing towards the strategic priority “Proactive financial management”.

BACKGROUND

The purpose of this report is to create administrative efficiencies in the management of the Corporation of the City of London (the “City”) reserve portfolio and align the City’s holdings with the recently approved Reserve and Reserve Fund Policy. In order to achieve these objectives, Civic Administration is seeking Council approval of the following matters pertaining to the City’s reserve portfolio:

- a) Establish reserves to be maintained,
- b) Identify current reserves and associated balances to be transferred to the Operating Budget Contingency Reserve and subsequently terminated (see Appendix B),
- c) Identify current reserve and associated balance to be transferred to the City Facilities Reserve Fund and subsequently terminated (see Appendix C), and
- d) Identify current reserves and associated balances to be converted into new reserve funds and subsequently terminated (see Appendix D).

Presently, the City maintains seventeen (17) reserves as summarized in Table 1. These reserves have been an important element of the City's long-term strategic financial plan, facilitating the City's ability to address known and unknown future events via its own savings.

TABLE 1 – Current Reserves (Thousands \$000's)

Budget	Reserve Name ¹	2018 Projected Ending Balance
Tax Supported Budget	Animal Welfare Benefit Reserve	\$207.6
	AODA Reserve	67.8
	Building Permit Revenue Stabilization Reserve	2,504.0
	Corporate Accountability Reserve	1,000.0
	Dearness Home Gift Fund Reserve	451.3
	Operating – Efficiency, Effectiveness and Economy Reserve	9,925.4
	Fuel Stabilization Reserve	500.0
	Maintenance/Upgrade Councillor's Lounge Reserve	30.1
	Municipal Election Expenses Reserve	827.8
	Official Plan Reserve	359.9
	Operating Budget Contingency Reserve	35,182.9
	Severe Weather Reserve	1,352.9
	Tree Bank Reserve	23.3
	Unfunded Liability Reserve	71,033.6
Wastewater & Treatment Rate Supported Budget	Wastewater – Efficiency, Effectiveness and Economy Reserve	2,846.0
	Wastewater Rate Stabilization Reserve	2,313.1
Water Rate Supported Budget	Water – Efficiency, Effectiveness and Economy Reserve	1,817.7
Total Reserves Projected Ending Balance		\$130,443.4

Notes:

- 1) Descriptions of each reserve are contained within Appendices A, B, C and D.

Civic Administration is recommending that the number of reserves held by the Corporation of the City of London be reduced to six (6). This will be accomplished as follows:

- 1) Three (3) reserves (Corporate Accountability, Fuel Stabilization, Severe Weather) are recommended to be consolidated into the Operating Budget Contingency Reserve (see Appendix B);
- 2) One (1) reserve (AODA Reserve) is recommended to be consolidated into the City's Facilities Reserve Fund (see Appendix C);
- 3) Eight (8) reserves are recommended to be converted into distinct new reserve funds (see Appendix D); and
- 4) One (1) new reserve (Water Budget Contingency Reserve) is recommended to be established.

Through an internal review, it has been determined that many of these reserves either serve a specific purpose (therefore should be reserve funds), or are being held in separate accounts in the event of specific contingencies that could be addressed via an all-encompassing operating contingency reserve. The changes recommended in this report will streamline administrative processes, simplify the monitoring and reporting of future reserve balances and continue to support the City's long-term strategic financial plan through prudent fiscal planning. With the recommended changes, each budget will be supported by one contingency reserve and one special projects/new initiatives reserve (Efficiency, Effectiveness & Economy reserves) which, while providing consistency across the City's budgets, would allow for greater flexibility in addressing any known or unknown future events.

Table 2 below summarizes the recommended reserve portfolio for each budget.

TABLE 2 – Recommended Reserve Portfolio

Budget	Reserve Name
Tax Supported Budget	Operating Budget Contingency Reserve
	Operating – Efficiency, Effectiveness and Economy Reserve
Wastewater & Treatment Rate Supported Budget	Wastewater Budget Contingency Reserve ¹
	Wastewater – Efficiency, Effectiveness and Economy Reserve
Water Rate Supported Budget	Water Budget Contingency Reserve ²
	Water – Efficiency, Effectiveness and Economy Reserve

Notes:

- 1) The Wastewater Budget Contingency Reserve was formerly titled the Wastewater Rate Stabilization Reserve. The name change is recommended to provide consistency between the tax supported budget and rate supported budgets.
- 2) The Water Budget Contingency Reserve does not exist in the current reserves portfolio. Historically the City has leveraged the Waterworks Reserve Fund to finance any contingency based funding needs within the water rate supported budget.

Each contingency reserve will serve as the primary fund to mitigate current and future risks to help ensure stable taxes/rates and to provide working funds prior to the annual collection of taxes/rates. Each Efficiency, Effectiveness and Economy (EEE) reserve will primarily provide funding for opportunities that create a return for the City; returns can include increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. In addition, the EEE reserves will be the first source of funding for contingency costs that exceed the balance of funds available in each budget’s contingency reserve. For further information concerning the definitions and parameters of each reserve, see Appendix A.

The recommendations to rationalize the City’s reserve portfolio align with the Corporation’s strategic long-term financial plan and the Reserve and Reserve Fund Policy as they uphold the following principles:

- Reserves and reserve funds shall form an integral component of the City’s budget and strategic financial plan;
- Adequate reserve and reserve fund balances shall be budgeted for to provide stability to tax/rate payers (liquidity);
- Reserve and reserve fund financial plans shall maintain intergenerational equity to the greatest extent possible;
- Reserve and reserve fund balances shall be maintained at a level that supports the City’s maintenance of its Aaa credit rating; and
- The use of obligatory reserve funds shall be solely for the purpose prescribed for them by statute or agreement.

RESERVES TARGET SETTING

The Reserve and Reserve Fund Policy delegates the authority of setting reserve targets to the City Treasurer, or designate with the requirement that targets must be reported to Council periodically. After extensive research and consultation, the following target balance process has been established for each budget’s reserve portfolio based on the Government Finance Officers Association (GFOA) best practice document titled “*Fund Balance Guidelines for the General Fund*”. This document provides extensive information concerning what portion of a government organization’s general fund balance should be maintained for general contingencies and what the minimum target balance should be for this portion of the general fund. These concepts as they relate to the City’s budgets are explained below.

GENERAL FUND

In public sector accounting, a government's general fund balance is primarily defined as the sum of:

- Non-spendable fund balance – e.g. inventories, trusts
- Restricted fund balance – e.g. obligatory reserve funds
- Unrestricted fund balance – e.g. discretionary reserves & reserve funds

The unrestricted fund balance can be further broken down as follows:

- **Assigned** – funds with an intended use or purpose e.g. the City's reserve fund balances as they serve a specific purpose set by Council approved by-laws, and
- **Unassigned** – funds that are not assigned, restricted or committed to specific purposes e.g. the City's reserve balances as they serve a non-specific purpose set by Council approved resolutions.

GFOA states that government organizations should only consider unrestricted fund balances when assessing the adequacy of funds available for general contingencies. Furthermore, GFOA states that governments “*may deem it appropriate*” to focus on only the unassigned funds portion of the unrestricted fund balance when assessing the adequacy of funds available for general contingencies. Based on this guidance, the City Treasurer has set the City's unassigned funds (reserves with non-specific purposes) as the benchmark for determining the adequacy of funds available for general contingencies.

This approach will be phased in over a long-term period (10 to 20 years) to allow for the gradual build-up of reserve balances within each budget. Until reserve balances reach established target levels, the City's approach to funding contingency matters will be to drawdown unassigned (reserve) funding first, followed by assigned (reserve fund) funding to the extent necessary.

MINIMUM TARGET

When setting a contingency target, governments should take into account, among other things, circumstances such as:

- Vulnerability to significant one-time outlays (e.g. natural disasters);
- Volatility of revenue and expenditure sources (e.g. potential cuts in senior government funding, fluctuations in commodity prices, economic recessions);
- Service level commitments;
- Impacts on bond ratings and the corresponding increase in cost of borrowing; and
- Other potential lost service investment opportunities due to insufficient fund balances.

An assessment of these risks helps to determine the basis of the target (revenue, expenditure or a combination of both) and the appropriate level of funding to be maintained. The goal of this exercise is to provide the greatest amount of protection to tax/rate payers from unexpected changes in financial conditions with due care over the associated costs of such protection. In regards to setting such a target, GFOA provides the following minimum target recommendation, “*at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances. Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level.*”

In setting minimum targets for the City's reserves, the City Treasurer has implemented the following:

- 1) That the basis of the minimum target for the tax and rate supported budgets be equal to two (2) months of:
 - a. The net budget (property taxes) for the tax supported budget, and
 - b. The user fees budget for the water and wastewater rate supported budgets;
- 2) That the total combined projected ending balance of the contingency and EEE reserves (unassigned funds), for each budget, be used as the City's comparator to the minimum target;
- 3) That the City's approach to funding contingency matters will be to drawdown unassigned (reserve) funding first, followed by assigned (reserve fund) funding to the extent necessary;
- 4) That a long-term strategy (10 to 20 years) to reach the minimum reserve targets include the following provisions:
 - a. Restrict the future use of the contingency reserves to contingency based matters;

- b. Restrict the future use of the EEE reserves to:
 - i. Investments with returns until such time that the minimum target is achieved, and
 - ii. Contingency costs that exceed the balance of funds available in contingency reserves;
- 5) That in a year of surplus, consideration be given to contributing an appropriate portion of year-end surplus to the contingency reserves as per the Council approved Surplus/Deficit Policy.
- 6) That the City Treasurer, or designate periodically report back to Council on target balance performance and target balance rationalization as required by the Reserve and Reserve Fund Policy.

ILLUSTRATION OF MINIMUM TARGET IMPLEMENTATION

Table 3 illustrates the minimum target calculation for the tax supported budget reserves. A summary of the reserve targets and current target performance for all three City budgets is available in Appendix A.

Table 3 – Tax Supported Budget Minimum Target (Thousands \$000’s)

2018 Minimum Target Calculation/Performance	
2018 Tax Supported Net Budget	\$579,532.2
Minimum Target – Two Months of 2018 Tax Supported Net Budget	96,588.7
Current Reserve Balances*	
OBCR	35,182.9
EEE Reserve	9,925.4
TOTAL – Tax Supported Reserves	\$45,108.3
Minimum Target Performance Over/(Under)	
	\$(51,480.4)

*Based on projected ending reserve balances as of June 30, 2018

This illustration demonstrates the need for a long-term approach to achieving the established minimum target for the tax supported reserves.

CONCLUSION

Reserves are an important element of the City’s long-term strategic financial plan and financial stability. Civic Administration advises approval of the recommendations of this report to enhance the strength of the City’s reserves, align the reserves portfolio with the Reserve and Reserve Fund Policy and create administrative efficiencies.

PREPARED BY:	REVIEWED AND CONCURRED BY:
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RECOMMENDED BY:	
ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

- Cc: Ian Collins – Director, Financial Services
 Kyle Murray – Senior Financial Business Administrator
 Alan Dunbar – Manager III, Financial Planning & Policy
 John Millson – Senior Financial Business Administrator

APPENDIX A - RESERVES

The following reserves table constitutes the Corporation of the City of London's reserves portfolio. As per the Reserve and Reserve Fund Policy, each reserve's financial plan is presented in the table below to clearly communicate each reserve's objectives.

Budget	Reserve Name	Description/Purpose	Contribution Sources	Type of Drawdowns (Operating and/or Capital)	2018 Projected Ending Balance	Target		
						Explanation	Target Value	Over/(Under)
Tax Supported Budget	Operating Budget Contingency Reserve	This reserve covers tax supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the tax rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of taxes.	Contribution sources for this reserve may include: •Council approved tax supported budget contributions, •Council approved year-end surplus contributions as per the Surplus Deficit Policy, and •Other contributions as approved by Council.	Operating (primary) and Capital	\$35,182,879	Combined target of the tax supported budget reserves is two months of the City's tax supported net budget as per the GFOA recommendation.	\$96,588,705	(\$51,480,420)
	Operating - Efficiency, Effectiveness & Economy Reserve	This reserve provides funding for opportunities that create efficiency, effectiveness and economy within the City's tax supported operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the contingency reserve.	Contribution sources for this reserve may include: •Personnel savings as a result of the City's vacancy management practice, •Returns on past investments, and •Other contributions as approved by Council.	Operating and Capital	\$9,925,406			
Wastewater Rate Supported Budget	Wastewater Budget Contingency Reserve	This reserve covers wastewater rate supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the wastewater rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of rates.	Contribution sources for this reserve may include: •Council approved rate supported budget contributions, •Council approved year-end surplus contributions as per the Surplus Deficit Policy, and •Other contributions as approved by Council.	Operating (primary) and Capital	\$2,313,121	Combined target of wastewater rate supported budget reserves is two months of the City's wastewater user fees budget as per the GFOA recommendation.	\$15,843,527	(\$10,684,425)
	Wastewater - Efficiency, Effectiveness & Economy Reserve	This reserve provides funding for opportunities that create efficiency, effectiveness and economy within the City's wastewater operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the contingency reserve.	Contribution sources for this reserve may include: •Personnel savings as a result of the City's vacancy management practice, •Returns on past investments, and •Other contributions as approved by Council.	Operating and Capital	\$2,845,981			
Water Rate Supported Budget	Water Budget Contingency Reserve **NEW**	This reserve covers water rate supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the water rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of rates.	Contribution sources for this reserve may include: •Council approved rate supported budget contributions, •Council approved year-end surplus contributions as per the Surplus Deficit Policy, and •Other contributions as approved by Council.	Operating (primary) and Capital	\$0	Combined target of water rate supported budget reserves is two months of the City's water user fees budget as per the GFOA recommendation.	\$12,962,923	(\$11,145,211)
	Water - Efficiency, Effectiveness & Economy Reserve	This reserve provides funding for opportunities that create efficiency, effectiveness and economy within the City's water operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the contingency reserve.	Contribution sources for this reserve may include: •Personnel savings as a result of the City's vacancy management practice, •Returns on past investments, and •Other contributions as approved by Council.	Operating and Capital	\$1,817,712			

APPENDIX B - RESERVES TO BE TRANSFERRED TO THE OPERATING BUDGET CONTINGENCY RESERVE

Historically the City created contingency reserves for both generic and specific purposes. To adhere to the Reserve and Reserve Fund Policy and public sector best practices, the reserve balances presented below are recommended to be transferred to the Operating Budget Contingency Reserve (OBCR) and terminated, it being noted that these reserves have no outstanding contributions or drawdowns to account for.

Budget	Reserve Name	Description/Purpose	Contribution Sources	Type of Drawdowns (Operating and/or Capital)	2018 Projected Ending Balance
Tax Supported Budget	Corporate Accountability Reserve	This reserve covers corporate expenses relating to legal contingencies.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> ▪ Council approved tax supported budget contributions (currently there is no annual contribution), and • Other contributions as approved by Council. 	Operating	\$1,000,000
	Fuel Stabilization Reserve	This reserve covers the impact of volatile/fluctuating fuel prices while providing some direct program benefits whenever possible.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> ▪ Council approved tax supported budget contributions (currently there is no annual contribution), and • Other contributions such as fuel cost savings as approved by Council. 	Operating	\$500,000
	Severe Weather Reserve	This reserve covers severe weather phenomena that require additional funding (extremely snowy winters, floods, wind damaged trees, etc.). Drawdowns occur when the operating budget cannot cover these extreme events.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> ▪ Council approved tax supported budget contributions (currently there is no annual contribution), and • Other contributions as approved by Council. 	Operating and Capital	\$1,352,913

APPENDIX C - RESERVES TO BE TRANSFERRED TO THE CITY FACILITIES RESERVE FUND

As per the Reserve and Reserve Fund Policy, reserves are to be maintained for non-specific purposes and reserve funds are to be maintained for specific purposes. The AODA Reserve relates specifically to City facilities which is covered under the mandate of the City Facilities Reserve Fund. Thus the balance, contribution sources and drawdown commitments contained within the AODA Reserve are recommended to be transferred to the City Facilities Reserve Fund to achieve the objectives of the Reserve and Reserve Fund Policy and to create administrative efficiencies.

Budget	Reserve Name	Description/Purpose	Contribution Sources	Type of Drawdowns (Operating and/or Capital)	2018 Projected Ending Balance
Tax Supported Budget	AODA Reserve	This reserve provides funding for corporate costs associated with the implementation of the Integrated Accessibility Regulation, the Customer Service standard and the Built Environment standard. The implementation is now complete and ongoing facility works supported by the City Facilities Reserve Fund provides for these regulations and standards.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> • Council approved tax supported budget contributions (currently there is no annual contribution), • Senior Government Funding (reserve initially established with one-time senior government funding), and • Other contributions as approved by Council. 	Capital	\$67,790

APPENDIX D - RESERVES TO BE CONVERTED INTO RESERVE FUNDS

As per the Reserve and Reserve Fund Policy, reserves are to be maintained for non-specific purposes and reserve funds are to be maintained for specific purposes. The reserves below support specific purposes, so it is recommended that they be converted into reserve funds and that the reserves be terminated after the conversions are complete and balances have been transferred. Civic Administration will bring forward appropriate reserve fund by-laws to a future Corporate Services Committee meeting to finalize these changes.

Budget	Reserve Name	Description/Purpose	Contribution Sources	Type of Drawdowns (Operating and/or Capital)	2018 Projected Ending Balance	Target		
						Explanation	Target Value	Over/(Under)
Tax Supported Budget	Animal Welfare Benefit Reserve	This reserve provides funding for initiatives that benefit animal welfare.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Council approved tax supported budget contributions (currently there is no annual contribution), •Charitable donations, and •Other contributions as approved by Council. 	Operating and Capital	\$207,559	Target to be established in future reserve fund rationalization report.		
	Building Permit Revenue Stabilization Reserve	This reserve collects annual building permit surpluses, if any, to provide funding for future year building administration and enforcement costs in excess of building permit revenue.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Surplus contributions in a year in which realized permit revenue exceeds the annual cost of building administration and enforcement, and •Other contributions as approved by Council. 	Operating	\$2,503,963	Target to be established in future reserve fund rationalization report.		
	Dearness Home Gift Fund Reserve	This reserve collects donations from external parties for Dearness Home operations. The funds can only be used to fund Dearness Home related activities.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Council approved tax supported budget contributions (currently there is no annual contribution), •Charitable donations, and •Other contributions as approved by Council. 	Operating	\$451,304	N/A		
	Maintenance/Upgrade to Marriage Services and Councillor's Lounge Reserve	This reserve provides funding for marriage service improvements and maintenance and upgrades required to the Councillor's lounge as a result of its use for marriage ceremonies .	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Council approved tax supported budget contributions (currently there is no annual contribution), •Annual portion of marriage licence user fee revenue, and •Other contributions as approved by Council. 	Operating and Capital	\$30,082	Target to be established in future reserve fund rationalization report.		
	Municipal Election Reserve	This reserve supports the City's municipal election expenses and serves the purpose of smoothing the associated cyclical expenditures of running a municipal election.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Council approved tax supported budget contributions (currently there is an annual contribution of \$393 thousand), and •Other contributions as approved by Council. 	Operating and Capital	\$827,779	Target to be established in future reserve fund rationalization report.		
	Official Plan Reserve	This reserve supports the City's Official Plan which occurs every five years and serves the purpose of smoothing the associated cyclical expenditures. The reserve primarily supports the consulting costs, but may be used for other relevant expenditures.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Council approved tax supported budget contributions (currently there is an annual contribution of \$100 thousand), and •Other contributions as approved by Council. 	Capital	\$359,905	Target to be established in future reserve fund rationalization report.		
	Tree Bank Reserve	This reserve serves as a dedicated fund that can be contributed to, and drawn upon, specifically for tree planting on private lands. The fund is drawn upon for tree planting that involves community and business collaboration. It taps into community in-kind tree planting labour, and seeks out contributions of materials, discounted trees, etc. so that tree planting investments are maximized.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Council approved tax supported budget contributions (currently there is an annual contribution of \$122 thousand), •A portion of tree cutting permit revenue, and •Other contributions as approved by Council. 	Capital	\$23,343	Target to be established in future reserve fund rationalization report.		
	Unfunded Liability Reserve	This reserve supports post-employment and post-retirement benefits, vacation credits, vested sick leave benefits and landfill closure and post-closure liabilities for which the City previously did not have an identified funding source. Saving for these expenses provides for intergenerational equity i.e. the matching of annual service delivery costs with current taxpayers revenues to the greatest extent possible.	Contribution sources for this reserve may include: <ul style="list-style-type: none"> •Tax supported contributions in a year in which the operating budget has a surplus, Treasurer has authority to contribute personnel savings, any other surpluses contributed must be Council approved, •Interest earned on a specific portion of the reserve that is invested, and •Other contributions as approved by Council. 	Operating and Capital	\$71,033,574	85% of Employee Benefits Payable excluding WSIB Obligations, plus Landfill Closure and Post-Closure Liability as reported in the annual audited financial statements.	\$123,127,600	(\$52,094,026)

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2018 MID-YEAR CAPITAL MONITORING REPORT

RECOMMENDATION

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer:

- a) the 2018 Mid-Year Capital Monitoring Report **BE RECEIVED** for information, it being noted that the life-to-date capital budget represents \$1.9 billion with \$1.3 billion committed and \$0.6 billion uncommitted; it being further noted that the City Treasurer, or designate, will undertake the housekeeping adjustments identified in the Report, in accordance with the Multi-Year Budget Policy adopted by By-law No. CPOL.-45-241;
- b) the status updates of active 2015 life-to-date capital budgets (2015 and prior) having no future budget requests, attached as Appendix "B", **BE RECEIVED** for information;
- c) the following actions be taken with respect to the completed Capital Projects identified in Appendix "C", which have a total of \$6.2 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 c) i), above:

Rate Supported

- A) capital receipts funding of \$264,943 **BE TRANSFERRED** to Capital Projects in a net deficit position;
- B) authorized debt financing of \$860,123 **BE RELEASED** resulting in a reduction of authorized, but unissued debt;
- C) uncommitted reserve fund drawdowns of \$1,511,647 **BE RELEASED** from the reserve funds which originally funded the projects;

Non-Rate Supported

- D) uncommitted reserve fund drawdowns of \$2,936,042 **BE RELEASED** from the reserve funds which originally funded the projects;
- E) authorized debt financing of \$887,903 **BE RELEASED** resulting in a reduction of authorized, but unissued debt;
- F) other net non-rate supported funding sources of \$226,254 **BE ADJUSTED** in order to facilitate project closings.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee, June 19, 2018 meeting, Agenda Item # 2.6, Capital Budget Realignment – Bus Rapid Transit

Strategic Priorities and Policy Committee, May 7, 2018 meeting, Agenda Item # 3.1, 2019 Growth Management Implementation Strategy (GMIS) Update

Corporate Services Committee, April 17, 2018 meeting, Agenda Item # 2.3, 2017 Compliance Report In Accordance With The Procurement of Goods and Services Policy

Corporate Services Committee, April 17, 2018 meeting, Agenda Item # 2.4, 2017 Year-End Capital Monitoring Report

Strategic Priorities and Policy Committee, May 15, 2017 meeting, Agenda # 3, Capital Budget and Financing Policy

LINK TO 2015-2019 STRATEGIC PLAN

Council’s 2015-2019 Strategic Plan for the City of London identifies “Leading in Public Service” as one of four strategic areas of focus. The Capital Monitoring Report supports this strategic area of focus by contributing towards the strategic priority “Proactive financial management”. The “Proactive financial management” strategic priority involves, among other things, making sure that the City’s finances are well planned and that they support intergenerational equity. On a semi-annual basis, through the Capital 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 capital budget is continuously updated and reflective of the City’s strategic financial plan.

BACKGROUND

Strong financial management of the capital budget is essential to ensure the budget monitoring processes that are in place demonstrate Civic Administration is providing Council and the community with appropriate information that can be used to promote accountability and transparency, enhance operational effectiveness and promote citizen confidence. This report will address the life-to-date capital budget, including capital projects recommended to be closed, key financing strategies and emerging issues that may impact the capital plan. In addition, the report includes an appendix containing the status of capital projects with budgets greater than three years old that have no future budget requests. This will improve transparency and help Council and the community understand the status of specific capital projects that would be targeted as a high likelihood for project closure.

2018 LIFE-TO-DATE CAPITAL BUDGET ACTIVITY AND REVISIONS

After Council approves the capital budget, as the year progresses, reports are presented to Council to approve major awards to proceed with capital projects. Each report includes a Source of Financing. Most awards are within the approved capital budget, but some awards require revisions or adjustments to the capital budget, as detailed in the Source of Financing.

Other capital awards can proceed with Administrative approval according to the Procurement of Goods and Services Policy. Details on these approvals are provided in an annual report from the Purchasing and Supply Division according to the Procurement Policy. Budget adjustments may also result from the application of assessment growth funding, receipt of senior government funding and other revenue sources such as insurance and private drain connections.

Table 1 summarizes 2018 life-to-date budget adjustments by Tax Supported, Wastewater & Treatment and Water budgets. Appendix “A” provides details on the source of these adjustments.

Table 1 – 2018 Capital Budget Life-To-Date Revisions as of June 30, 2018 (\$ Thousands)

Category	2018 Life-to-Date Approved Budget (as of Jan 1, 2018)	2018 Budget Adjustments ¹		2018 Life-to-Date Approved Budget (as of June 30, 2018)
		Council	Administrative	
Tax Supported	\$1,258,729	(\$104,669)	\$526	\$1,154,586
Wastewater	\$535,226	\$19,707	\$1,426	\$556,359
Water	\$231,693	(\$1,598)	\$158	\$230,253
Total	\$2,025,648	(\$86,560)	\$2,110	\$1,941,198

* Amounts subject rounding.

(1) The negative amounts reported under the Council approved budget adjustments column are a result of the adjustments pertaining to the 2019 GMIS Update and BRT capital budget realignment.

As of June 30, 2018 there has been 115 discrete contract awards worth \$184.6 million (67 were awarded by Council and 48 were awarded administratively). Table 2 summarizes year-to-date contract awards by Tax Supported, Wastewater & Treatment, and Water. Appendix “A” provides details on all Council awards.

Table 2 - Contract Awards 2018 Life-To-Date as of June 30, 2018 (\$ Thousands)

Category	Council Approved Contract Awards		Administration Approved Contract Awards		Total Awards	
	\$ amount	Number	\$ amount	Number	\$ amount	Number
Tax Supported	\$65,539		\$22,150		\$87,689	
Wastewater	\$57,010		\$15,528		\$72,538	
Water	\$18,603		\$5,734		\$24,337	
Total	\$141,152	67	\$43,412	48	\$184,564	115

* Amounts subject to rounding.

2018 LIFE-TO-DATE CAPITAL BUDGET STATUS

A summary of the 2018 life-to-date capital budget, including the amount that is committed spending and the amount that is uncommitted 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 - 2018 Approved Life-To-Date Capital Budget & Activity (\$ Thousands)

Category	2018 Life-To-Date (as of June 30, 2018)			Percent Committed
	Approved Budget ¹	Actuals & Commitments (Purchase Orders) ²	Uncommitted To-Date ²	
TAX SUPPORTED				
Lifecycle Renewal	367,099	271,890	95,209	74.1%
Growth	508,086	256,025	252,061	50.4%
Service Improvement	279,401	222,932	56,469	79.8%
TOTAL TAX SUPPORTED	1,154,586	750,847	403,739	65.0%
WASTEWATER				
Lifecycle Renewal	167,685	140,235	27,450	83.6%
Growth	263,960	153,174	110,786	58.0%
Service Improvement	124,715	89,317	35,398	71.6%
TOTAL WASTEWATER	556,360	382,726	173,634	68.8%
WATER				
Lifecycle Renewal	148,891	118,058	30,833	79.3%
Growth	72,284	57,749	14,535	79.9%
Service Improvement	9,078	4,828	4,250	53.2%
TOTAL WATER	230,253	180,635	49,618	78.5%
GRAND TOTAL	1,941,199	1,314,208	626,991	
% of Total		67.7%	32.3%	

* Amounts reported are subject to rounding, year-end audit and associated adjustments.

(1) Totals are for active projects only. Projects approved to be closed during the course of the year 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 the Multi-Purpose Recreation Centres.

After a review of all active capital projects (excluding projects recommended to be closed as identified in Appendix “C”), it has been determined that there is 1 project projected at this time to be over budget by more than \$50 thousand upon project completion (Table 4).

Table 4 – Capital Projects Projected To Be Over Budget by More Than \$50 Thousand

Project	Approved Budget	Committed	Uncommitted
RC2758 – South East Multi-Purpose Recreation Centre	\$17,587,829	\$1,560,951	\$16,026,878
Additional funding may be required to replace the funding transferred to RC2756 – East Multi-Purpose Recreation Centre to address the funding shortfall within the project (amount transferred was \$3.8 million). The additional funding for RC2758 will likely be a combination of surplus from RC2755 – South West Recreation Centre (Bostwick) and a new budget request through the 2020-2023 multi-year budget if necessary.			

Appendix “B” contains a status update for active 2015 life-to-date capital budgets (2015 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”.

CAPITAL BUDGET HOUSEKEEPING ADJUSTMENTS

On May 12, 2015, Council approved a Multi-Year Budget Policy. Included in the policy is authorization for the City Treasurer or designate to make 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.

The following housekeeping budget adjustments will be processed:

1. Capital project ES523616 (Fox Hollow Trunk Sanitary Sewer) was established for the installation of a new trunk sanitary sewer. This sewer linkage represents an extension to trunk sewers previously constructed through the Fox Hollow Development Area. Currently, this capital project has a budget of \$800 thousand with \$238 thousand in uncommitted funding. The project is significantly under budget due to a favourable tender result caused by an extremely competitive marketplace at the time of the tender award.

Action: As noted in the July 17, 2018 Civic Works Committee report, agenda item # 2.7, Dingman Creek and Colonel Talbot Pumping Stations Budget Adjustments, surplus funding of \$200 thousand from capital project ES523616 will be returned to the City Services Sanitary Sewers Reserve Fund (the Fund) to modestly strengthen the fund’s financial position and be used for other City initiatives that fall within the Fund’s mandate, it being noted that this capital project will remain open until the end of the warranty period (expected completion date Q4 2018).

2. Capital project ES5248 (Wharncliffe Road South Trunk Sanitary Sewer) was established for the installation of a new trunk sanitary sewer on Wonderland Road South from Hamlyn Street to Wharncliffe Road South at Bostwick Pump Station. This sewer linkage represents an extension to trunk sewers previously constructed and will service Bostwick East, Bostwick West and the Wonderland Enterprise Corridor. Currently, this capital project has a budget of \$8 million with \$756 thousand in uncommitted funding. The project is significantly under budget due to a favourable tender result caused by an extremely competitive marketplace at the time of the tender award.

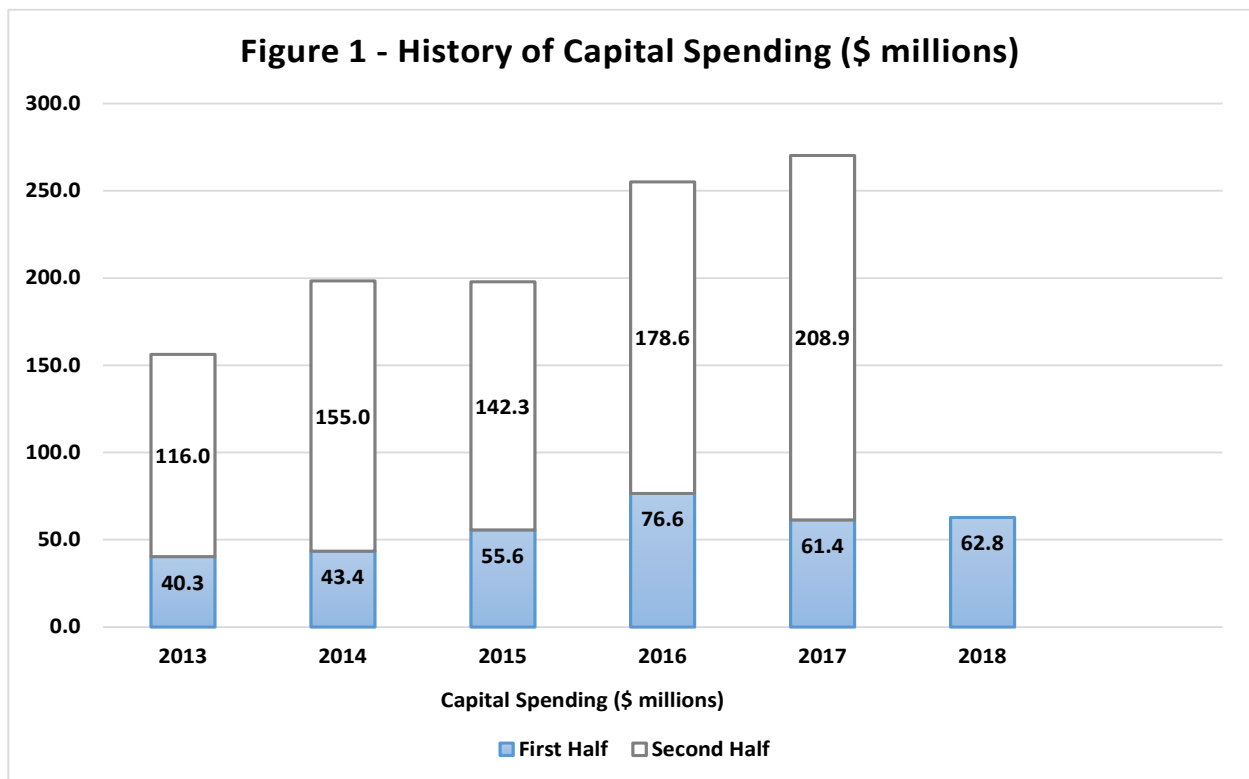
Action: As noted in the July 17, 2018 Civic Works Committee report, agenda item # 2.7, Dingman Creek and Colonel Talbot Pumping Stations Budget Adjustments, surplus funding of \$539 thousand from capital project ES5248 be returned to the City Services Sanitary Sewers Reserve Fund (the Fund) to modestly strengthen the fund’s financial position and be used for other City initiatives that fall within the Fund’s mandate, it being noted that this capital project will remain open until the end of the warranty period (expected completion date Q1 2019).

CAPITAL CASH FLOW

Capital spending in a given 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.

In any given year, total capital spending tends to be greater during the latter part of the year as construction invoices are received, approved and paid. As of June 30, 2018 the **total capital spending is \$62.8 million** compared to \$61.4 million as of June 30, 2017 (Figure 1). These amounts represent capital spending for the Tax Supported Budget, Water Rate Supported Budget and Wastewater & Treatment Rate Supported Budget.

This information is important for the timing of debt issuances, reserve fund drawdowns and cash flow investment decisions.



COMPLETED (CLOSED) CAPITAL PROJECTS

Civic Administration continues to undertake and intensify a review to close old outstanding projects. This report recommends closing 59 projects with a total budget value of \$107.4 million. The completed projects that are being recommended to be closed were under budget by \$6.2 million in total. The impact of closing the recommended completed projects is summarized in Table 5. For a detailed listing of each completed capital project refer to Appendix “C”.

Table 5 – Net Impact of Completed Capital Projects – Surplus / (Deficit) (\$ Thousands)

Category	Tax/Rate Supported			Non-Rate Supported			Total
	Capital Levy	Debt	Reserve Funds	Reserve Funds ¹	Debt ¹	Other ²	
Tax Supported	(264.9)	465.1	58.9	249.7	0.0	37.3	546.1
Wastewater	0.0	395.0	955.1	1,718.9	887.9	189.0	4,145.9
Water	0.0	0.0	497.6	967.4	0.0	0.0	1,465.0
TOTAL	(264.9)	860.1	1,511.6	2,936.0	887.9	226.3	6,157.0

*Amounts subject to rounding.

(1) Non-rate supported reserve funds / debt primarily supported by Development Charges.

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

The capital closing exercise released uncommitted reserve fund drawdowns of \$4.4 million to the reserve funds outlined in Table 6.

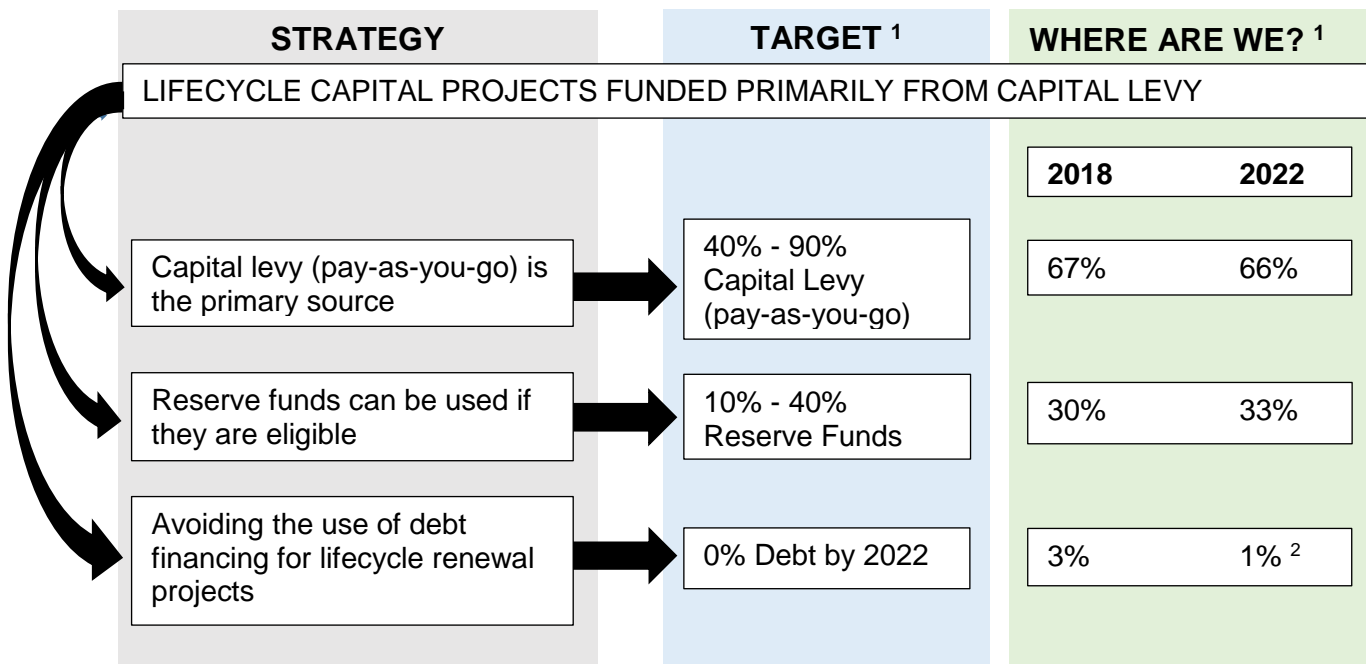
Table 6 - Reserve Funds Impacted by Recommended Account Closing (\$ Thousands)

Tax/Rate Supported		Non-Rate Supported	
Woodlot Acquisition Reserve Fund	3.0	City Services Reserve Fund (CSRF) - Roads	249.0
Parkland Acquisition Reserve Fund	(0.5)	CSRF - Parks & Rec	0.7
Operating Budget Contingency Reserve	56.4	CSRF - Water	468.7
Sewage Works Reserve Fund	955.1	CSRF - Sewer	98.8
Waterworks Reserve Fund	497.6	CSRF - Major SWM	1,431.8
		Federal Gas Tax Reserve Fund	687.0
Subtotal Tax/Rate Supported	1,511.6	Subtotal Non-Rate Supported	2,936.0
		Total All Reserves & Reserve Funds	4,447.6

*Amounts subject to rounding.

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 since the projects in this classification are to maintain existing infrastructure. Administrative targets have been established, consistent with the overarching strategy and Council approved Capital Budget and Financing Policy, as follows:



(1) Targets apply to the tax/rate supported component only. Non-tax/rate funding (e.g. Federal gas tax, one-time senior government funding) fluctuates based on project mix and program guidelines, beyond control of Administration.

(2) It is Civic Administrations goal to eliminate the 1% of debt financing presently contained within the 2022 Lifecycle Renewal capital budget by applying financial management strategies included in the Council approved Capital Budget and Financing Policy.

CAPITAL BUDGET FINANCING STRATEGIES – RESERVE FUNDS

Discretionary reserve funds are primarily used as a source of financing for Lifecycle Renewal and Service Improvement projects where appropriate reserve funds exist. Obligatory reserve funds are primarily used as a source of financing for Growth projects.

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) **Federal Gas Tax** – funds received under the Municipal Funding Agreement for Transfer of Federal Gas Tax 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.

Much of the recent focus has been on the Capital Asset Renewal and Replacement category; funds that address the infrastructure gap. In 2013, the Corporate Asset Management (CAM) division identified an infrastructure gap of \$52.1 million with the infrastructure gap projected to grow to \$466.1 million in 10 years.

In January 2018, the Corporate Asset Management Plan (AMP) 2017 Review noted improvements to the Transportation infrastructure gap. In comparison to the baseline established by the 2014 Corporate AMP; the projected future infrastructure gap in Transportation has decreased 25.5%.

In order to help mitigate growth in the infrastructure gap, in 2016, Council approved a strategic investment business case (business case #7) that contributes \$6.75 million to the Capital Infrastructure Gap Reserve Fund over the 2016-2019 multi-year budget period. Furthermore, on an annual basis additional one-time funding may be contributed based on the Council approved Surplus/Deficit Policy and Assessment Growth Policy.

CAPITAL BUDGET FINANCING STRATEGIES – DEBT

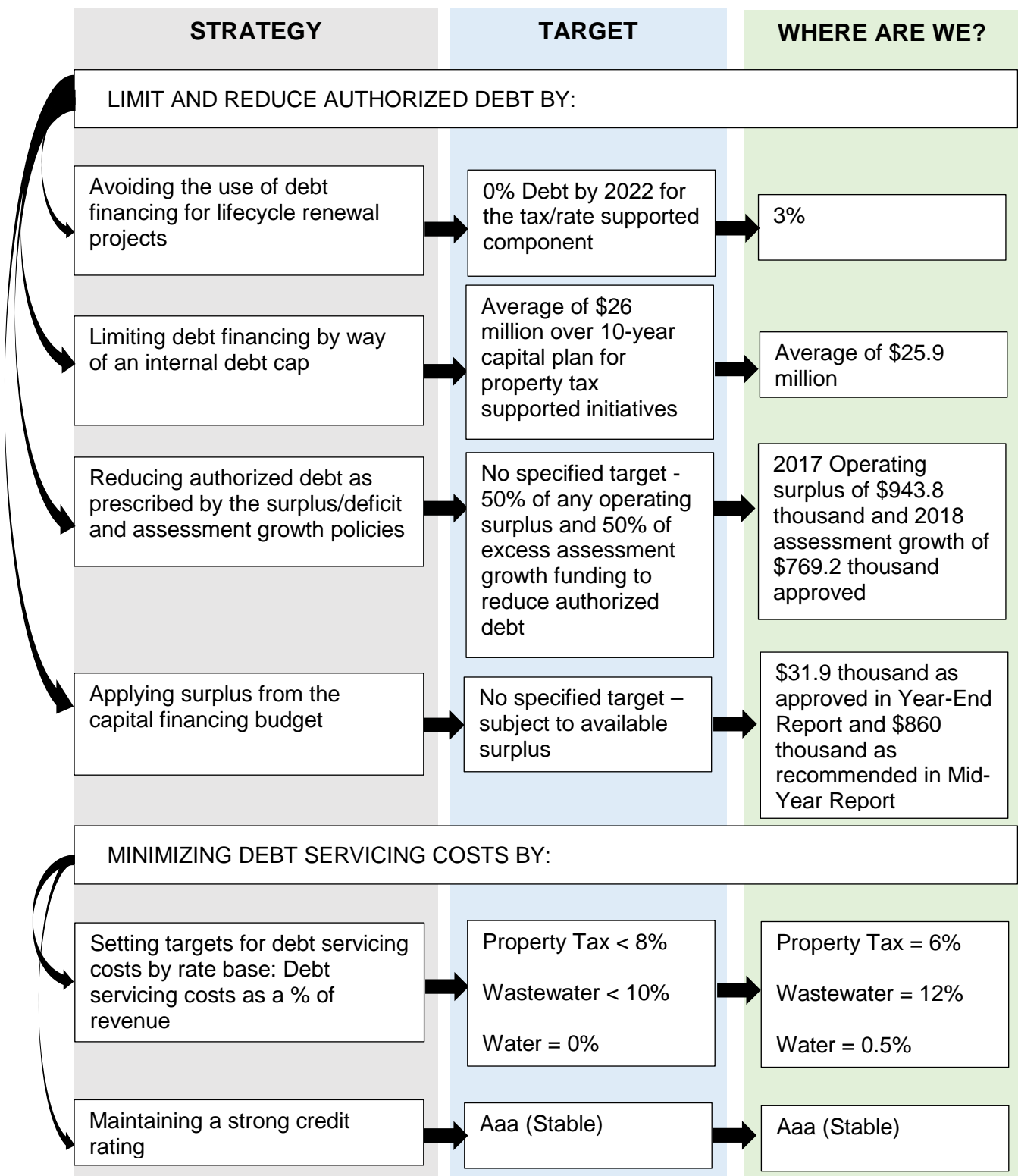
A summary of the projected debt levels for 2018 is detailed in Table 7.

Table 7 – 2018 Debt Level as of June 30, 2018 (\$ millions)

Category	Dec 31, 2017	Issued in 2018	Retired in 2018	Dec 31, 2018 (1)	Authorized 2018	Total Potential
General Property Taxes	164.8	29.0	30.4	163.4	97.3	260.7
Wastewater	55.5	3.1	8.3	50.3	7.7	58.0
Water	1.5	-	0.3	1.2	0.3	1.5
Rate Supported Reserve Funds	18.8	-	4.2	14.6	8.5	23.1
Subtotal	240.6	32.1	43.2	229.5	113.8	343.3
Joint Water Boards - City's Share	17.5	-	2.6	14.9	8.3	23.2
City Services Reserve Funds	43.9	22.9	5.8	61.0	165.2	226.2
Total Debt Level	302.0	55.0	51.6	305.4	287.3	592.7

(1) Outstanding debt level is subject to completion of 2018 financial statement audit.
Amounts are subject to rounding.

The City’s Debt Management Policy was approved by Council on August 30, 2016. The policy establishes strategies for the management of the City’s debt program. These strategies are outlined below.



EMERGING ISSUES

The list below provides information on emerging issues that may impact the capital budget in 2018 and beyond.

Emerging Issues	Likelihood Of Emerging Issue Impacting 2018-2019 Budget ⁽¹⁾
Property Tax	
Rapid Transit The 2016 – 2019 Multi-Year Budget and ten year capital plan includes a number of projects that together fund a Rapid Transit initiative of approximately \$500 million. The current funding breakdown is:	High

Emerging Issues	Likelihood Of Emerging Issue Impacting 2018-2019 Budget ⁽¹⁾												
<p>Rapid Transit Budget (\$ millions)</p> <table border="0"> <tr> <td colspan="2">Municipal Contribution:</td> </tr> <tr> <td> Tax Supported</td> <td>\$ 12</td> </tr> <tr> <td> Development Charges</td> <td>\$118</td> </tr> <tr> <td>Other Levels of Government</td> <td><u>\$370</u></td> </tr> <tr> <td>Total</td> <td>\$500</td> </tr> </table> <p>New provincial legislation on development charges will change the growth/non-growth split on the municipal contribution based on the new scale of the project and the service standard (ridership). Preliminary analysis indicates the tax supported portion will increase to \$23 million, decreasing the development charges portion to \$107 million. This change will be reflected in the 2020 budget after the 2019 DC study is approved in spring 2019.</p> <p>On January 13, 2018, after a substantial review of the Bus Rapid Transit (BRT) business case, the Province of Ontario committed up to \$170 million for London's BRT initiative. The City of London has received an Agreement in Principle from the province which spells out the high level details of how the provincial investment can be used to advance the BRT initiative.</p> <p>On March 14, 2018, the Federal Government announced an allocation of \$204.9 million for London under the Public Infrastructure Stream of the Investing in Canada Plan. This allocation is based solely on transit ridership. The majority of London's allocation will be applied to the implementation of London's BRT initiative. Once London's projects have been submitted by the province to the federal government, the formal review by federal officials at Infrastructure Canada can commence.</p>	Municipal Contribution:		Tax Supported	\$ 12	Development Charges	\$118	Other Levels of Government	<u>\$370</u>	Total	\$500			
Municipal Contribution:													
Tax Supported	\$ 12												
Development Charges	\$118												
Other Levels of Government	<u>\$370</u>												
Total	\$500												
<p>Infrastructure Funding</p> <p>On March 14, 2018, the Governments of Canada and Ontario announced the finalization of their bilateral agreement on the Investing in Canada Plan under the following four funding streams:</p> <table border="0"> <tr> <td>Federal Investing in Canada Plan</td> <td>(\$ billions)</td> </tr> <tr> <td>Public Transit</td> <td>\$7.5</td> </tr> <tr> <td>Green Infrastructure</td> <td>\$2.2</td> </tr> <tr> <td>Community, Culture and Recreation Infrastructure</td> <td>\$0.4</td> </tr> <tr> <td>Rural and Northern Communities Infrastructure</td> <td><u>\$0.3</u></td> </tr> <tr> <td>Total</td> <td>\$10.4</td> </tr> </table> <p>Federal investments under the Public Transit stream will go toward improving the capacity, quality, safety of and access to public transit infrastructure, similar to the Public Transit Infrastructure Fund (PTIF). Most importantly, the Public Transit Stream includes a 10 year commitment of long-term, predictable funding that enables longer-term planning with a much higher level of certainty for municipalities.</p> <p>Ontario is required to submit an Infrastructure Plan to the federal government by September 30, 2018. Soon afterwards, the Province of Ontario is expected to release additional details on how it will collect project lists from municipalities in Ontario. Municipal projects will be compiled into Ontario's Infrastructure Plan required to begin federal review on projects.</p>	Federal Investing in Canada Plan	(\$ billions)	Public Transit	\$7.5	Green Infrastructure	\$2.2	Community, Culture and Recreation Infrastructure	\$0.4	Rural and Northern Communities Infrastructure	<u>\$0.3</u>	Total	\$10.4	High
Federal Investing in Canada Plan	(\$ billions)												
Public Transit	\$7.5												
Green Infrastructure	\$2.2												
Community, Culture and Recreation Infrastructure	\$0.4												
Rural and Northern Communities Infrastructure	<u>\$0.3</u>												
Total	\$10.4												
<p>Capital Planning Impacts from Cancelled Provincial Funding</p> <p>The new Provincial government cancelled a number of funding programs for municipalities that were supported by Cap and Trade revenues. For London, this impacted programs to save on fuel costs, utilize landfill gas and provide upgrades to social housing infrastructure. Where possible, these initiatives will be brought forward to Council through direct reports or as part of the 2020-2023 Multi-year Budget, with revised scope and/or alternative funding strategies.</p>	High												

Emerging Issues	Likelihood Of Emerging Issue Impacting 2018-2019 Budget ⁽¹⁾
<p>Tariffs on Steel and Aluminum</p> <p>Preliminary analysis indicates that the estimated impact of steel and aluminum tariffs could be close to \$10 million over planned budgets over the next five years. Purchasing that would most likely be impacted includes fleet vehicles and equipment for the City (including Fire and Police), new and refurbished facilities and transportation or pathway projects that include bridges.</p>	High
<p>Bridge Condition Study</p> <p>In a May 2018 report to Civic Works Committee, Civic Administration identified an infrastructure gap of \$55 million in bridge repairs in the near term. In June 2018, Civic Administration presented the environmental study report on the Victoria Bridge to Civic Works Committee. The \$14.1 million cost estimate for replacement is significant and impacts the infrastructure gap, the capital plan and the debt cap.</p> <p>The Transportation Planning Division is already working with the Corporate Asset Management Team to better identify and quantify the infrastructure gap for bridges. This information will be included in the revised State of the Infrastructure Report scheduled to be released in the second quarter of 2019 by the Corporate Asset Management Team. Subsequent to that report, Transportation Planning will begin development of their capital plan for bridges for the 2020 – 2023 Multi-year Budget in which they will attempt to address the shortfall, subject to available funding.</p>	Medium
<p>60% Waste Diversion Action Plan</p> <p>The City is working towards a 60% Waste Diversion Action Plan, the major component being a Green Bin Program. Annual operating costs for the Plan will range from \$5.05 million to \$7.45 million, with the most likely cost estimated to be \$6.5 million. Ultimately, costs will depend on final program design, market competition, etc. These costs could be offset by revenues of \$2.0 million.</p> <p>The change in government in Ontario has created additional uncertainty regarding a number of potential revenue sources for waste diversion.</p> <ul style="list-style-type: none"> • Potentially the Extended Producer Responsibility (EPR) program will be paid 100% by industry by 2023, reducing City’s current waste diversion cost by \$1.5 to \$1.8 million plus one-time capital funding if industry purchases the City’s recycling facility. • Other EPR revenues for additional items could be from \$50,000 to \$150,000 per year. • A W12A Landfill levy could support diversion with revenue ranging from \$250,000 to \$1 million/year. <p>Capital costs for the 60% Waste Diversion Action Plan will depend on program design, technology considerations, etc. The largest capital expenditure will be for the Green Bin Program – previously estimated to be \$12 million. Other waste diversion initiatives requiring capital could be \$500 thousand to \$3 million.</p>	Low
<p>Wastewater & Water</p>	
<p>Corporate Asset Management Plan 2017 Review (Wastewater and Water)</p> <p>The Corporate Asset Management Plan outlines the City’s plans for the management of its \$10.9 billion worth of infrastructure. The plan is currently undergoing a 5 year review. Late in 2017, the City hired external expertise to analyze the replacement values of its linear assets. The resultant replacement values have significantly increased from the 2013 estimate due to the improved accuracy of unit cost assumptions. Administration is currently reviewing the existing 20-year plans for water and wastewater assets. A</p>	Low

Emerging Issues	Likelihood Of Emerging Issue Impacting 2018-2019 Budget ⁽¹⁾
strategy for addressing the resulting infrastructure gap will be established as part of the multi-year budget process.	
<p>Climate Change Adaptation Strategy (Flood Proofing and Protection) (Wastewater)</p> <p>Flood proofing of several of the City's wastewater treatment plants and flood control dykes have been identified in the 2015-2019 corporate strategic plan. It was anticipated that funding would be available as part of the Federal/Provincial infrastructure program; however, the application window for the next round of funding has been delayed by over one year. If the federal/provincial program is canceled, a strategy for addressing this need will be established as part of the multi-year budget process.</p>	Low
<p>Canada-Ontario Lake Erie Action Plan (Wastewater)</p> <p>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 will be considered as part of the multi-year budget process.</p>	Low
<p>Pollution Prevention and Control Plan (Wastewater)</p> <p>The Pollution Prevention and Control Plan is London's long-term strategy to identify, investigate, and reduce sewer system overflows. This plan includes \$290M worth of projects to be implemented over a 20 year period. The timing and funding of these projects will be considered as part of the multi-year budget process.</p>	Low
<p>East London Sanitary Servicing (Wastewater)</p> <p>The East London Sanitary Servicing Study identified a plan to provide growth wastewater servicing to east London at a cost of \$34M to \$74.5M. The timing and funding of these projects will be considered as part of the multi-year budget process.</p>	Low
<p>Core Area Servicing Studies (Wastewater and Water)</p> <p>The Core Area Servicing Studies provide a plan to provide servicing for intensification related development within the built out City. The plan includes \$176M in stormwater and wastewater works with a City funded share of \$111M and \$9M in water works with a City funded share of \$0.6M. The timing and funding of these projects will be considered as part of the multi-year budget process.</p>	Low
<p>Long-term Water Storage Environmental Assessment (Water)</p> <p>The City of London water system includes 5 water reservoirs. The Springbank Reservoir 2 is nearing the end of its useful life, and now is the appropriate time to undertake the environmental assessment work that will consider how the reservoir will be reconstructed or replaced. This environmental assessment will also consider the long-term storage needs required to service anticipated urban growth. The timing and funding of the projects identified in this plan will be considered as part of the multi-year budget process.</p>	Low
<p>Arva Huron Waterline (Water)</p> <p>The Arva-Huron Pipeline is the most critical supply of water into the City of London, supplying approximately 85% of water used by all customers. An environmental assessment is currently scheduled to determine the long-term strategy for replacing this key component of the City's water system. The timing and funding of the projects identified in this plan will be considered as part of the multi-year budget process.</p>	Low

(1) Definition of Likelihood:

High – likelihood of the issue impacting the 2018-2019 period is predicted to be greater than 60%.

Medium – likelihood of the issue impacting the 2018-2019 period is predicted to be between 30% and 60%.

Low – likelihood of the issue impacting the 2018-2019 period is predicted to be less than 30%.

CONCLUSION

Key items included in the 2018 Mid-Year Capital Monitoring Report include the following:

- The 2018 life-to-date capital budget:
 - \$1,314.2 million (67.7%) of the \$1,941.2 million 2018 life-to-date capital budget is committed, leaving \$627.0 million (32.3%) of approved capital funding uncommitted.
 - A status update for active 2015 life-to-date capital budgets (2015 and prior) that have no future budget requests is disclosed in Appendix “B”.
- A total of 59 completed capital projects with a total budget value of \$107.4 million and surplus of \$6.2 million are recommended to be closed with surplus funding returned to the original source of funding (Appendix “C”).
- Emerging issues were identified that may impact the capital budget in 2018 and beyond. Civic Administration will continue to monitor these issues and report back to Council and the community in a timely manner.

Acknowledgements

This report was prepared with significant contributions from the City’s Business Administration teams, project managers from across the corporation, Government Relations and Alan Dunbar, Manager III, and Marta Semeniuk, Capital Budget Officer, in Financial Planning & Policy.

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Cc: Ian Collins – Director, Financial Services
 Kyle Murray – Senior Financial Business Administrator
 Alan Dunbar – Manager III, Financial Planning & Policy
 John Millson – Senior Financial Business Administrator
 Marta Semeniuk – Capital Budget Officer

Appendix A - 2018 Capital Budget Activity (Life-To-Date June 30, 2018)

SOF #	Date of Committee Award	Service	Description	Awarded Amount	Budget Adjustments Required
Council Awards					
18001	9-Jan	Transportation Services	Contract Administration Services Associated with the Construction of Kilally Road Reconstruction Phase 1	181,063	
18001	9-Jan	Water	Contract Administration Services Associated with the Construction of Kilally Road Reconstruction Phase 1	30,971	
18002	8-Jan	Transportation Services	Subdivision Special Provisions - Summerside Phase 13A	623,586	486,000
18002	8-Jan	Wastewater & Treatment	Subdivision Special Provisions - Summerside Phase 13A	366,092	
18002	8-Jan	Water	Subdivision Special Provisions - Summerside Phase 13A	24,361	
18003	9-Jan	Wastewater & Treatment	Mud Creek Flood Reduction and Rehabilitation Phase 1 Detailed Design	1,099,514	
18004	8-Jan	Transportation Services	Subdivision Special Provisions - Edgevalley Subdivision	22,820	
18004	8-Jan	Wastewater & Treatment	Subdivision Special Provisions - Edgevalley Subdivision	6,521,235	
18005	23-Jan	Environmental Services	Property Acquisition - W12A Buffer - 5725 White Oak Road	485,368	489,542
18006	9-Jan	Corporate, Operational & Council Services	Microsoft Dynamics CRM Implementation Partner 2017 - 2019 RFP16-52	264,576	
18008	23-Jan	Corporate, Operational & Council Services	Construction Contract to Demolish 280 York Street / 340 Wellington	355,651	75,000
18009	6-Feb	Transportation Services	Wonderland Road South Two-Lane Upgrade	7,274,323	
18010	23-Jan	Corporate, Operational & Council Services	Implementation Services to Migrate the Existing Microsoft Reports to Microsoft Business Intelligence (BI) Reporting Services	298,793	
18011	6-Feb	Transportation Services	Property Acquisition - Western Road Widening Project	1,063,810	
18012	6-Feb	Transportation Services	Infrastructure Renewal Program - Byron Baseline Road Reconstruction Project	248,040	
18012	6-Feb	Water	Infrastructure Renewal Program - Byron Baseline Road Reconstruction Project	413,400	233,031
18013	6-Feb	Water	Sole Source Award - Acoustic Fiber Optic Monitoring Contract	153,578	
18014	6-Feb	Wastewater & Treatment	North Lambeth P9 Stormwater Management Facility	5,187,170	2,076,927
18015	6-Feb	Water	Consultant Assignment - Southeast Pressure Zone Development - Construction Administration	133,921	
18016	6-Feb	Wastewater & Treatment	Detailed Design and Contract Administration of the Fox Hollow Stormwater Management Facility No. 1 - North Cell	405,500	
18019	6-Feb	Transportation Services	Western Road / Wharncliffe Road North Improvements, Phase 2	6,149,381	
18019	6-Feb	Wastewater & Treatment	Western Road / Wharncliffe Road North Improvements, Phase 2	1,001,253	
18019	6-Feb	Water	Western Road / Wharncliffe Road North Improvements, Phase 2	1,445,165	
18021	21-Feb	Wastewater & Treatment	Single Source Purchase of One Turbo Blower for the Greenway Wastewater Treatment Plant	422,304	339,000
18022	21-Feb	Wastewater & Treatment	Greenway Wastewater Treatment Plant - Expansion Project	481,808	
18023	21-Feb	Wastewater & Treatment	Colonel Talbot Pumping Station	495,655	
18026	21-Feb	Corporate, Operational & Council Services	Dundas Place	96,672	
18026	21-Feb	Transportation Services	Dundas Place	24,991,338	12,753,669
18026	21-Feb	Wastewater & Treatment	Dundas Place	1,937,112	1,000,000
18026	21-Feb	Water	Dundas Place	2,427,981	700,000
18027	21-Feb	Parks, Recreation & Neighbourhood Services	Request for Proposal - Parks and Recreation Strategic Master Plan Update	178,075	
18033	21-Feb	Parks, Recreation & Neighbourhood Services	Ontario Municipal Commuter Cycling (OMCC) Program		3,328,752
18039	23-Feb	Wastewater & Treatment	2018 Infrastructure Renewal Program Contract #6 - West Mile Road, North Mile Road, East Mile Road, Green Lane, Adevon Ave.		18,800
18041	19-Mar	Transportation Services	2018 Infrastructure Renewal Program - Egerton Street and King Street Phase 1 Reconstruction Project	1,435,041	
18041	19-Mar	Wastewater & Treatment	2018 Infrastructure Renewal Program - Egerton Street and King Street Phase 1 Reconstruction Project	3,023,871	661,031
18041	19-Mar	Water	2018 Infrastructure Renewal Program - Egerton Street and King Street Phase 1 Reconstruction Project	1,920,824	
18042	19-Mar	Wastewater & Treatment	Greenway Odour Control and HVAC Equipment Installation	499,743	
18043	19-Mar	Transportation Services	2018 Infrastructure Renewal Program - York Street Sewer Separation	785,506	
18043	19-Mar	Wastewater & Treatment	2018 Infrastructure Renewal Program - York Street Sewer Separation	4,947,752	380,927
18043	19-Mar	Water	2018 Infrastructure Renewal Program - York Street Sewer Separation	1,771,382	
18045	15-Mar	Parks, Recreation & Neighbourhood Services	Single Source Procurement Recreation Activity Management System	143,500	
18046	19-Mar	Parks, Recreation & Neighbourhood Services	Ontario Municipal Greenhouse Gas (GHG) Challenge Fund Transfer Payment Agreement		822,500
18047	19-Mar	Corporate, Operational & Council Services	Ontario Municipal Greenhouse Gas (GHG) Challenge Fund Transfer Payment Agreement	1,382,625	1,382,625
18049	19-Mar	Wastewater & Treatment	One River Environmental Assessment Update	410,381	3,780,279
18050	4-Apr	Transportation Services	Infrastructure Renewal Project - Contract 15 - Main Street	3,530,474	
18050	4-Apr	Wastewater & Treatment	Infrastructure Renewal Project - Contract 15 - Main Street	4,621,690	235,094
18050	4-Apr	Water	Infrastructure Renewal Project - Contract 15 - Main Street	1,055,962	
18053	4-Apr	Protective Services	Enterprise Wide Management / Administration Software	395,236	
18056	4-Apr	Parks, Recreation & Neighbourhood Services	Consulting Services Thames Valley Corridor - SoHo Neighbourhood	306,296	
18057	3-Apr	Transportation Services	Property Acquisition - Bus Rapid Transit Project	205,245	
18058	4-Apr	Transportation Services	Property Acquisition - Bus Rapid Transit Project	208,451	
18063	17-Apr	Wastewater & Treatment	Greenway Rotary Drum Thickener Pre-Purchase	194,674	
18064	17-Apr	Water	2018 Watermain Cleaning and Structural Lining	5,143,428	
18065	17-Apr	Water	Consulting Engineering for Long-Term Storage Options Environmental Assessment	160,593	
18066	17-Apr	Wastewater & Treatment	2018 Infrastructure Renewal Program - Consultant Construction Supervision Awards - Cavendish Crescent and Avalon Street Projects	589,971	
18066	17-Apr	Water	2018 Infrastructure Renewal Program - Consultant Construction Supervision Awards - Cavendish Crescent and Avalon Street Projects	193,575	
18067	17-Apr	Transportation Services	2018 Growth Management Implementation Strategy Southwest Area Trunk Sanitary Sewer - Phase 3	909,603	
18067	17-Apr	Wastewater & Treatment	2018 Growth Management Implementation Strategy Southwest Area Trunk Sanitary Sewer - Phase 3	6,962,578	40,000
18067	17-Apr	Water	2018 Growth Management Implementation Strategy Southwest Area Trunk Sanitary Sewer - Phase 3	43,452	
18068	15-May	Transportation Services	Infrastructure Renewal Project - Contract 11 - Hamilton Road & Sackville Street	1,731,037	
18068	15-May	Wastewater & Treatment	Infrastructure Renewal Project - Contract 11 - Hamilton Road & Sackville Street	1,845,029	8,000
18068	15-May	Water	Infrastructure Renewal Project - Contract 11 - Hamilton Road & Sackville Street	1,149,761	

Appendix A - 2018 Capital Budget Activity (Life-To-Date June 30, 2018)

SOF #	Date of Committee Award	Service	Description	Awarded Amount	Budget Adjustments Required
18069	16-Apr	Wastewater & Treatment	City Services Reserve Fund Claimable Works - 2150 Oxford Street East	309,765	
18070	23-Apr	Transportation Services	Bus Rapid Transit - Environment Assessment Initiative Procurement Options Analysis and Value for Money Assessment	113,101	
18071	15-May	Environmental Services	Construction of Waste Disposal Cell 9 and Extension of On Site Access Road W12A Landfill	4,495,360	3,100,000
18073	1-May	Transportation Services	Property Acquisition - Bus Rapid Transit Project	370,211	
18074	1-May	Transportation Services	Property Acquisition - Bus Rapid Transit Project	174,314	
18075	1-May	Transportation Services	Property Acquisition - Bus Rapid Transit Project	189,831	
18076	1-May	Transportation Services	Property Acquisition - Bus Rapid Transit Project	282,440	
18077	1-May	Transportation Services	Lease of Office Space - Request for Proposal No 17-22 for Rapid Transit Implementation Office - Environmental and Engineering Services London Public Library - 251 Dundas Street	333,333	
18077	1-May	Wastewater & Treatment	Lease of Office Space - Request for Proposal No 17-22 for Rapid Transit Implementation Office - Environmental and Engineering Services London Public Library - 251 Dundas Street	108,334	
18077	1-May	Water	Lease of Office Space - Request for Proposal No 17-22 for Rapid Transit Implementation Office - Environmental and Engineering Services London Public Library - 251 Dundas Street	58,333	
18078	15-May	Transportation Services	Adelaide Street North Widening Environmental Assessment	325,084	57,647
18079	15-May	Wastewater & Treatment	North Routledge Park Sanitary Sewer Servicing	1,680,121	400,000
18080	15-May	Wastewater & Treatment	Design and Construction Administrative Services Dingman Creek Pumping Station Upgrades	993,613	993,613
18081	14-May	Transportation Services	Claimable works for 3313-3405 Wonderland Road South Site Plan	522,537	139,838
18082	15-May	Wastewater & Treatment	Vauxhall-Pottersburg Interconnection Project	6,390,419	
18082	15-May	Water	Vauxhall-Pottersburg Interconnection Project	186,168	
18084	28-May	Transportation Services	Non- Intrusive Vehicle Detection Equipment	458,698	
18085	15-May	Transportation Services	Property Acquisition - Bus Rapid Transit Project	302,824	
18093	19-Jun	Transportation Services	Wharcliffe Road South Improvements	2,089,598	
18094	28-May	Wastewater & Treatment	Supply and Installation of Sewer Liners Cured in Place Pipe (CIPP)	3,402,265	
18095	28-May	Wastewater & Treatment	Stormwater Management Facility (SWM) Land Acquisition Agreement	1,171,085	
18097	19-Jun	Wastewater & Treatment	Infrastructure Renewal Program	1,940,838	
18097	19-Jun	Water	Infrastructure Renewal Program	1,710,145	
18097	19-Jun	Transportation Services	Infrastructure Renewal Program	112,657	
18098	19-Jun	Economic Prosperity	Southwestern Integrated Fibre Technology (SWIFT) Network Project		690,000
18099	18-Jun	Parks, Recreation & Neighbourhood Services	RFP18-11 Consulting Services - Kilally Fields	241,000	
18101	19-Jun	Transportation Services	Hyde Park Road / Sunningdale Road West Roundabout - Appointment of Consulting Engineer	282,932	
18102	19-Jun	Transportation Services	Bradley Avenue Extension - Appointment of Consulting Engineer	516,950	
18105	1-Jun	Water	Fire Hydrant Painting		
18106	19-Jun	Corporate, Operational & Council Services	RFP 18-14 Hydro Excavators	580,032	
18106	19-Jun	Water	RFP 18-14 Hydro Excavators	580,032	
18107	18-Jun	Social & Health Services	Request for Proposal 18-04 - Social Housing Building Inventory	117,253	117,253
18108	18-Jun	Transportation Services	Capital Works Budget Cost Sharing for 164 Sherwood Forest Square	149,887	
18110	19-Jun	Transportation Services	Property Acquisition - Bus Rapid Transit Project	165,882	
18111	19-Jun	Transportation Services	Property Acquisition - Bus Rapid Transit Project	171,534	
18112	19-Jun	Transportation Services	Property Acquisition - Bus Rapid Transit Project	235,245	
18113	18-Jun	Culture Services	Simcoe School WWI Memorial Restoration	42,000	42,000
Subtotal Council Awards				141,152,017	34,351,528
Council Approved Budget Adjustments					
		Water	2017 Year-End Monitoring Report Budget Adjustments ⁽¹⁾		(2,530,686)
		Wastewater & Treatment	2019 GMS Update		9,773,700
		Property Tax	2018 Assessment Growth		1,504,097
		Property Tax	BRT Realignment ⁽²⁾		(129,786,124)
		Property Tax	Miscellaneous adjustments resulting from various approved Council		128,113
Subtotal Council Awards & Budget Adjustments				141,152,017	(86,559,372)

	Awarded Amount	Budget Adjustments Required
Council Awards and Budget Adjustments		
Property Tax Budget	65,539,213	(104,669,088)
Wastewater & Treatment Budget	57,009,772	19,707,371
Water Budget	18,603,032	(1,597,655)
Subtotal Council Awards and Budget Adjustments	141,152,017	(86,559,372)
Administrative Awards and Budget Adjustments ⁽³⁾		
Property Tax Budget	22,150,051	525,847
Wastewater & Treatment Budget	15,527,907	1,426,449
Water Budget	5,734,466	157,696
Subtotal Administrative Awards and Budget Adjustments	43,412,424	2,109,992
Total Council and Administrative Awards and Budget Adjustments		
Property Tax Budget	87,689,264	(104,143,241)
Wastewater & Treatment Budget	72,537,679	21,133,820
Water Budget	24,337,498	(1,439,959)
Total	184,564,441	(84,449,380)

Notes:

- 1) The budget adjustments presented in the 2017 Year-End Capital Budget Monitoring Report impact the 2018 LTD budget thus they are reflected as a Council approved budget adjustment.
- 2) As per the Corporate Service Committee, June 19, 2018 meeting, agenda item # 2.6, Capital Budget Realignment - Bus Rapid Transit Report, the budget for BRT has been moved forward to align with the latest project roll-out schedule.
- 3) Civic Administration source of financing awards are in accordance with the Procurement of Goods & Services Policy and are reported annually through that process. Budget adjustments include additional revenue from private drain connections and other non-tax supported funding sources.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
Tax Supported Budget								
PD1146	DEVELOPMENT MANAGEMENT	Life Cycle Renewal	Development & Compliance	180,000	6,156	173,844	Q4 2019	Backflow, e-permitting (portal) projects and business folders have been completed. Sign Folder and mobile solution projects have started and other folders are moving along as scheduled.
ME2012-01	2012 V&E REPLACEMENT - TCA	Life Cycle Renewal	Environment & Engineering	6,147,263	5,800,969	346,294	Q4 2018	This project will be considered complete once the chipper truck is completed in Q4 2018 and the open arrowboard PO has been paid. Remaining variance balance requested to be moved to ME201701.
ME2013-01	2013 V&E REPL - TCA	Life Cycle Renewal	Environment & Engineering	1,409,794	1,127,042	282,752	Q3 2019	One hybrid car and one crane truck awaiting operational decisions are remaining with expected completion in Q3 2019. These two units and the remaining variance balance are requested to be moved to ME201701.
TS1446-14	2014 ROAD REHAB-MAIN	Life Cycle Renewal	Environment & Engineering	10,770,885	10,753,104	17,781	Q4 2019	EA has been initiated and delays have been encountered as we consult with Western regarding BRT. EA expected to be completed later in 2019.
TS1446-15	BLK ROAD REHAB-MAIN	Life Cycle Renewal	Environment & Engineering	11,958,981	11,920,388	38,593	Q4 2018	Awaiting end of warranty.
TS4067-15	TRAFFIC SIGNALS-MTCE	Life Cycle Renewal	Environment & Engineering	3,201,000	2,850,968	350,032	Q4 2019	Project can be closed and the balance transferred to TS406717 when outstanding POs are closed. Funds will be used for additional traffic signal re-builds.
TS5123-14	2014 STREET LIGHT MAINTENANCE	Life Cycle Renewal	Environment & Engineering	1,212,089	1,173,037	39,052	Q1 2019	Project can be closed and funds transferred to TS512317 when PO are closed.
GG1545-15	MUNICIPAL BUILDINGS LCR	Life Cycle Renewal	Finance & Corporate	510,000	557,950	(47,950)	Q2 2019	This program is currently comprised of a number of active projects i.e. accessible counters to meet AODA standards, many of which are in a design and/or construction stage. Three of the projects are delayed. The existing variance represents outstanding payments of future project invoicing.
GG1555-14	2014 CITY HALL MAJOR UPGRADES	Life Cycle Renewal	Finance & Corporate	1,661,061	1,621,499	39,562	Q4 2019	This program is also to be used for a future larger City Hall renewal source of finance - Master Accommodation Plan 2015.
GG1555-15	BLK CITY HALL MAJOR UPGRADES	Life Cycle Renewal	Finance & Corporate	415,199	416,060	(861)	Q4 2019	This program is also to be used for a future larger City Hall renewal source of finance - Master Accommodation Plan 2015.
GG1640	BLK BUILDING ACCESSIBILITY	Life Cycle Renewal	Finance & Corporate	550,000	540,846	9,154	Q4 2019	Annual program for condition studies.
GG1683	BLK FACILITIES CONDITION	Life Cycle Renewal	Finance & Corporate	380,615	368,951	11,664	Q4 2019	Annual program for condition studies.
GGMOD1405	PH 5-NETWORK WIRELESS PT	Life Cycle Renewal	Finance & Corporate	106,588	18,676	87,912	Q4 2018	Project will deliver the upgrade of the City of London's point to point radios. These radios are essential in the provision of connectivity to City of London sites outside the downtown and providing redundancy to City of London sites connected via fibre optic cabling.
GGMOD1406	PH 6-NETWORK PROJ CLOSURE	Life Cycle Renewal	Finance & Corporate	21,630	21,182	448	Q1 2019	Ongoing - Project will deliver the final phase of the Network Modernization program including documentation provision, assessment and quality assurance activities.
GG1620	DEARNESS MAJOR UPGRADES	Life Cycle Renewal	Housing Social Services & Dearness Home	1,156,000	968,829	187,171	Q4 2019	Annual program for Life Cycle Renewal work to be undertaken at Dearness Home.
PP4314-15	REPLACE POLICE VEHICLES	Life Cycle Renewal	London Police Services	954,600	954,019	581	Q4 2018	Cyclical replacement of police vehicles. Small balance of funding remaining should be utilized and project closed by end of 2018.
PP4444-15	HEADQUARTERS BUILDING REPAIRS	Life Cycle Renewal	London Police Services	500,000	421,404	78,596	Q4 2018	Shifting priorities have impacted initial project plans. Remaining unspent funds should be utilized by the end of 2018.
PP1032	RADIO EQUIPMENT	Life Cycle Renewal	Neighbourhood Children & Fire Services	1,790,000	1,780,104	9,896	Q2 2019	Open PO outstanding to integrate Locution system into current systems. Project on hold due to labour relations matters.
PP1123-15	REPLACE FIREFIGHTER EQUIPMENT	Life Cycle Renewal	Neighbourhood Children & Fire Services	525,000	514,486	10,514	Q3 2018	Remaining funds are being used to purchase second set of bunker gear in 2018 based on Council approved timing.
RC2428	ENHANCED CGAC AQUATIC FUND	Life Cycle Renewal	Parks & Recreation	43,575	38,841	4,734	Q4 2018	Amount was a donation made in memorium, to be used for customer service enhancements specifically for the Canada Games Aquatic Centre. It is expected the project will be completed by the end of 2018.
PD1129-13	2013 DWTN STREET TREE PLANTING	Life Cycle Renewal	Planning	378,392	357,076	21,316	Q4 2018	Construction of Old East Parking Lot redevelopment at Queens Park complete, trees will be installed this year.
PD1129-14	2014 DWNTWN STREET TREE PLANTI	Life Cycle Renewal	Planning	288,504	215,309	73,195	Q4 2018	Funding to be used at Old Victoria Hospital Lands Civic Space for tree planting. Design in progress. Construction expected in the 2nd half of 2018.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
PD1129-15	DOWNTOWN STREET TREE PLANTING	Life Cycle Renewal	Planning	225,000	0	225,000	Q4 2019	Funds for design of Wellington Road downtown corridor and implementation. Schedule delayed due to land negotiations and rapid transit EA decisions. Hopeful that implementation can proceed in 2019.
PD1173-14	2014 SPRINGBANK PARK UPGRADES	Life Cycle Renewal	Planning	160,000	144,346	15,654	Q3 2019	Funds for staircase replacement at Springbank Park. Detailed design in progress. Tender/construction will likely be deferred until 2019 due to contractor/industry availability.
PD1213	ARCHAEOLOGICAL MASTER PLAN	Life Cycle Renewal	Planning	75,000	64,636	10,364	Q4 2018	The Archaeological Management Plan [AMP] was approved by Council July 17, 2017. The Official Plan/London Plan needs to be amended to include this AMP, and that task is scheduled to be completed before the end of 2018. Remaining funds are allocated to the implementation of the Plan after adoption.
PD1282-14	2014 MAINTAIN NEIGHBOURHOOD	Life Cycle Renewal	Planning	516,506	504,780	11,726	Q4 2018	Remaining budget will support 2018 accessibility improvements in neighbourhood parks.
PD1282-15	MAINTAIN NEIGHBOURHOOD PARKS	Life Cycle Renewal	Planning	220,000	221,316	(1,316)	Q4 2020	Funding for neighbourhood park upgrades to Carfrae Park - on hold awaiting One River EA to be completed.
PD2063-15	MAINTAIN OPEN SPACE	Life Cycle Renewal	Planning	270,000	151,419	118,581	Q4 2019	\$33k of remaining balance earmarked for White Oaks pathway (lighting) - design completed and construction to be completed in 2018. \$85k of remaining balance for Lambeth boardwalk (waiting for potential federal infrastructure funding).
PD2134	2009 MAINTAIN THAMES VALLEY	Life Cycle Renewal	Planning	308,494	305,711	2,783	Q4 2018	Kiwanis Park pathway project. Project under construction - to be completed summer 2018.
PD2135-13	2013 MAINTAIN THAMES VALLEY	Life Cycle Renewal	Planning	235,686	229,796	5,890	Q4 2018	Kiwanis Park pathway project. Project under construction - to be completed summer 2018.
PD2243-14	2014 MAINTAIN ENVIRO SIGNIF	Life Cycle Renewal	Planning	237,878	187,551	50,327	Q4 2018	Remaining funding to support pathway development in Medway Valley (waiting for realty services agreement which was finalized Jun. 2018).
PD2243-15	MAINTAIN ENVIRONMENTALLY	Life Cycle Renewal	Planning	287,667	314,643	(26,976)	Q3 2018	Work ongoing related to Medway Valley ESA Phase 2 Master Plan and Coves ESA stream restoration. Deficit to be corrected by transferring funds from PD2243-14 (\$27k).
PD2324-14	BLK 14 MUN OWNED HERITAGE BLGS	Life Cycle Renewal	Planning	280,337	282,038	(1,701)	Q4 2018	Final payment to Consultant required before closing.
PD2400	PARK FARM TRUST FUND	Life Cycle Renewal	Planning	91,287	80,386	10,901	Beyond	Trust Fund bequeathed in 1990 "for the purpose of such park including additions thereto" by estate of the last private owner of the municipally-owned heritage property.
PD2754-15	WOODLAND MANAGEMENT	Life Cycle Renewal	Planning	150,000	150,054	(54)	Q4 2018	Funding for woodland management - including invasive species contract. Has been held up due to Forestry staff time associated with implementing new Tree Conservation Bylaw. Currently coordinating approach with contractor.
PD3020	PICCADILLY URBAN PARKS	Life Cycle Renewal	Planning	39,660	33,322	6,338	Q4 2018	Piccadilly Park - had been waiting for Ministry of Environment approvals (received in 2016). Work to be completed in 2018. All available budget will be used.
PD3020-13	2013 MAINTAIN URBAN PARKS	Life Cycle Renewal	Planning	177,134	177,134	(0)	Q4 2018	Piccadilly Park - had been waiting for Ministry of Environment approvals (received in 2016). Work to be completed in 2018. All available budget will be used.
PD3020-15	MAINTAIN URBAN PARKS	Life Cycle Renewal	Planning	200,000	200,000	0	Q1 2019	Funds associated with the construction of Piccadilly Park and Sherwood Park ('The Green'). Work expected to be complete early 2019.
PD3023	5-YEAR OFFICIAL PLAN REVIEW &	Life Cycle Renewal	Planning	650,000	509,094	140,906	Q1 2019	Ongoing program – this program was established to fund the regular work of updating the Official Plan (5 year review program) and Zoning By-law. The funding has occurred over a number of years, prior to the 4-year budget. The outstanding balance will be used for additional consulting work that may be needed relating to The London Plan and the current Ontario Municipal Board Hearing. Unused funds will be transferred to PD2152 for the comprehensive zoning by-law project, targeted for completion by 2021.
TS1027	FORESTRY MTCE-GYPSY MOTH	Life Cycle Renewal	Planning	250,000	232,458	17,542	Q4 2019	Oak Wilt Communications Plan in progress; funding being used to create materials, educational outreach and training.
ID1368	INNOVATION PARK-CLAIMABLE WORK	Growth	City Managers	2,000,000	693,027	1,306,973	Q4 2019	Ongoing ILDS account. Covers Phases 1, 2, 3, and 4. Only Phase 1 is partially assumed. Numerous lots remain to be sold leaving the possibility of more expenses.
TS1032	COMPLETE STREETS GUIDELINE	Growth	Environment & Engineering	100,000	101,059	(1,059)	Q4 2018	Draft Manual has been completed. Comments received from interest groups are being incorporated in the draft Manual. Final report and Council approval expected Q3/4 2018.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
TS1302-1	COMMISSIONERS ROAD-WONDERLAND	Growth	Environment & Engineering	300,000	295,930	4,070	Q2 2019	EA on track. ESR presented to CWC Aug 2018. Project being coordinated with Byron Pit Secondary Plan.
TS1470	COMMISSIONERS ROAD WIDENING	Growth	Environment & Engineering	14,292,262	14,281,253	11,009	Q2 2019	Construction completed Q4 2016 with restoration works scheduled for Q2 2017. Project warranty expires Q4 2017. Warranty review and repairs to occur Q2 2019.
TS1477-2	HYDE PARK RD WIDENING - PH 2	Growth	Environment & Engineering	15,575,802	15,143,491	432,311	Q1 2020	Construction and warranty works complete. Council directed the addition of traffic signals at Hyde Park Road and South Carriage Road in July 2018. Account to remain open to fund.
TS1481-1	BLK WELLINGTON RD WIDENING-PH 1	Growth	Environment & Engineering	2,800,000	593,507	2,206,493	Beyond	Project is to be coordinated with the BRT EA project.
TS1481-2	BLK WELLINGTON RD WIDENING-PH2	Growth	Environment & Engineering	850,000	0	850,000	Beyond	Project is to be coordinated with the BRT EA project.
TS1481-3	BLK WELLINGTON RD WIDENING-PH3	Growth	Environment & Engineering	550,000	0	550,000	Beyond	Project is to be coordinated with the BRT EA project.
TS2170	BRADLEY FROM OLD VICTORIA	Growth	Environment & Engineering	2,350,000	805,058	1,544,942	Beyond	Possible work to cover Development Charges roadworks associated with a future Innovation Park Phase 5. Limits on Bradley are from Bonder easterly to City Limits. ILD, Transportation and Finance, to discuss.
TS2171	OLD VICTORIA FROM HAMILTON TO	Growth	Environment & Engineering	2,110,000	1,300,920	809,080	2022	TS2171-2. Upgrade to 2 lane rural arterial to accommodate increased traffic and alignment/structural issues.
TS4160	TRAFFIC SIGNALS & STREET LIGHT	Growth	Environment & Engineering	1,259,000	1,256,796	2,204	Q4 2018	Project will be closed after the warranty period has ended.
PD1033-11	2011 NEW DISTRICT PARKS	Growth	Planning	440,000	422,154	17,846	Q4 2019	Ongoing land/building assumption delay. Funds to be used for washroom building upgrade in Riverbend District Park. Developer has not dedicated structure to City as of yet. All of this available funding is needed (plus more recent funding) for the washroom upgrade.
PD1382-15	NEW NEIGHBOURHOOD PARKS	Growth	Planning	260,000	167,251	92,749	Q4 2018	Remaining funds are earmarked for subdivision Neighbourhood Park blocks as follows: \$42k Victoria on the River (2018). \$50k Stanton West (2018). Timing is dependent on developers.
PD2042	2009 NEW MAJOR OPEN SPACE	Growth	Planning	491,500	484,734	6,766	Q4 2018	Remaining funds will be used to address minor deficiencies along the pathway in the Wickerson Development adjacent to Boler Lands (subdivision capital claims recently processed). Remaining work should occur in 2018 requiring all remaining funds.
PD2043-12	2012 NEW MAJOR OPEN SPACE	Growth	Planning	620,000	535,208	84,792	Q4 2019	Surplus funding associated with Talbot/Bostwick pathway/trail connections, which may be required for other open space linkages servicing same growth area - TBD in 2018.
PD2043-13	2013 NEW MAJOR OPEN SPACE	Growth	Planning	400,000	304,331	95,669	Q4 2019	Boler Lands & Wickerson stormwater management facility pathway connections. Stormwater Management Division (SWM) is leading storm pond construction. All of the funding will be used. Timing for pathway is subject to City SWM Division schedule, subdivision developers and easements being finalized across Boler Lands. Timing is TBD, but we are hopeful that all aspects are finalized in 2018 allowing for implementation in 2019.
PD2043-14	2014 NEW MAJOR OPEN SPACE	Growth	Planning	350,000	51,032	298,968	Q4 2019	Funding for subdivision developer open space linkages - waiting for developers in order to proceed. \$100k for West Byron/SWM connections. \$198k for Lambeth P9 facility and surrounding development.
PD2043-15	NEW MAJOR OPEN SPACE NETWORK	Growth	Planning	700,000	387,460	312,540	Q4 2019	\$100k of funding for Richmond North Pedestrian Bridge detailed design (currently held up with Part II order EA bump-up request). \$220k funding for Stoney Creek Open Space (\$120k - Marsman Development, \$100k - Windermere connection to Stoney Creek as per Environmental Assessment).
PD2082	MEADOWLILLY AREA PLANNING STUDY	Growth	Planning	520,000	391,114	128,886	Q4 2019	Meadowlilly Secondary Plan was initiated in response to an application to designate and zone lands adjacent to Meadowlilly for commercial development. A significant amount of work has been completed to date – including consulting reports, environmental studies, public consultation, etc. Project was put on hold to dedicate limited staff resources to other higher priority projects when the initial applicant changed plans and the area's commercial potential diminished. Since the Meadowlilly Study has not been re-initiated it is unclear whether all of the funds will be required. The major issue is related to transportation matters and a possible EA to determine options for interchange improvements.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
PD2124-11	2011 NEW THAMES VALLEY PARKWAY	Growth	Planning	400,000	381,933	18,067	Q4 2018	Funding associated with CN crossing at Kiwanis Park. Remaining funds will be used to support 2018 natural playground installation beside TVP.
PD2124-12	2012 NEW THAMES VALLEY PARKWAY	Growth	Planning	50,000	0	50,000	Q4 2018	Land Assumption Delay - Funds for TVP at Victoria on the River. TVP constructed, but land not assumed and capital claim not processed as of yet.
PD2124-13	2013 NEW THAMES VALLEY PARKWAY	Growth	Planning	500,000	16,303	483,697	Q4 2019	Land Assumption Delay - \$85k for TVP extension east of Highbury in Edgevalley Development. Remaining \$400k for Victoria on the River TVP (which is complete, but capital claim not processed) and for Hamilton Road underpass (waiting for land acquisition).
PD2124-15	NEW THAMES VALLEY PATHWAY	Growth	Planning	1,175,000	177,992	997,008	Q4 2019	\$297k for Old Victoria Hospital Lands TVP - design in progress. \$150k for Victoria on the River & Hamilton Underpass - land acquisition delay. \$450k for Byron TVP Connection - RFP pending. \$100k for Highbury to Clarke - delayed by developer.
PD2181-15	NEW SPORTSPARK	Growth	Planning	150,000	125,720	24,280	Q4 2019	Funding to support field house/pathway connections in Riverbend Park. Delayed due to building ownership issues that are currently in the process of being resolved.
PD2230-15	NEW FIELD HOUSES	Growth	Planning	150,000	23,775	126,225	Q4 2019	Funding for Riverbend fieldhouse - Delayed due to building ownership issues that are in the process of being resolved.
PD2253	2010 NEW ENVIRO SIGNIF AREAS	Growth	Planning	260,000	232,060	27,940	Q4 2019	Remaining funds associated with progressing Meadowlily Ph. 2 Master Plan currently on hold. Funds may be reallocated to other Meadowlily priorities in 2019.
PD2253-12	2012 NEW ENVIRO SGNIF AREA	Growth	Planning	290,000	170,000	120,000	Q4 2019	Meadowlily ESA Ph. 2 Master Plan & implementation - delayed due to Conservation Master Plan Ph. 1 completion timeline.
PD2253-13	2013 NEW ENVIRO SIGNIF AREA	Growth	Planning	280,000	258,982	21,018	Q2 2019	Land acquisition delays. Funds to be used to complete pathway/trail system in subdivisions. Hoping to complete fall 2018.
PD2253-15	NEW ENVIRONMENTALLY	Growth	Planning	15,000	0	15,000	Q2 2019	Land acquisition delays. Funds to be used to complete pathway/trail system in subdivisions. Hoping to complete fall 2018.
PD2765-15	NEW WOODLAND PARKS	Growth	Planning	60,000	0	60,000	Q4 2018	Development Charges funding to implement woodland management plan for new woodlot in Foxfield area (Foxfield Woods). Plan to complete by end of 2018.
PD3019-13	2013 NEW URBAN PARKS	Growth	Planning	100,000	30,019	69,981	Q2 2019	Talbot Village Urban Park. Had been waiting for adjacent school and Site Plan apartment block designs to be finalized. Detailed design in process with construction anticipated in 2018/19. The park will cost approximately \$245k - funding is sourced from this account and the 2015 budget.
PD3019-15	NEW URBAN PARKS	Growth	Planning	350,000	0	350,000	Q2 2019	Talbot Village Urban Park. Had been waiting for adjacent school and Site Plan apartment block designs to be finalized. Detailed design in process with construction anticipated in 2018/19. The park will cost approximately \$245k - funding is sourced from this account and the 2013 budget.
GG1730HB	RETENTION OF HERITAGE BLDGS	Service Improvement	City Managers	500,000	438,789	61,211	Q1 2019	South Street site maintenance required until final settlement of land sale.
ID1110	TRAFALGAR INDUSTRIAL PARK	Service Improvement	City Managers	4,062,233	3,788,987	273,246	Q4 2020	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.
ID1140	RIVER ROAD INDUSTRIAL LANDS	Service Improvement	City Managers	3,306,000	3,166,800	139,200	Q4 2020	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.
ID1141	RIVER RD OUTLET SWR IND PARK	Service Improvement	City Managers	2,563,303	2,418,825	144,478	Q4 2020	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.
ID1166	OXFORD STREET BUSINESS PARK	Service Improvement	City Managers	1,983,291	459,064	1,524,227	Q4 2018	Awaiting potential claim from purchaser.
ID1167	FOREST CITY IND PARK	Service Improvement	City Managers	4,202,798	3,427,953	774,845	Q4 2020	Project for new sanitary along Wilton Grove Rd. Expected construction in 2018 and 2019.
ID1168	INNOVATION PARK	Service Improvement	City Managers	25,449,637	24,754,049	695,588	Q4 2019	Ongoing ILDS account. Covers Phases 1, 2, 3, and 4. Only Phase 1 is partially assumed. Numerous lots remain to be sold leaving the possibility of more expenses.
ID1168-3A	INNOVATION PARK - DR OETKER	Service Improvement	City Managers	385,000	296,846	88,154	Q4 2019	Ongoing ILDS account. Possible future engineering assignment due to additional lands under option.
ID1170	HURON INDUSTRIAL PARK	Service Improvement	City Managers	6,012,553	5,227,665	784,888	Q4 2020	Ongoing ILDS account. Possible future engineering assignment due to additional lands under option.
SW6023	COMMUNITY ENVIRO DEPOTS	Service Improvement	Environment & Engineering	1,500,000	43,740	1,456,260	Q4 2020	Project is on hold pending Ministry of Environment, Conservation and Parks legislation development.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
SW6047	MATERIAL RECOVERY FACILITY	Service Improvement	Environment & Engineering	22,459,660	22,375,572	84,088	Q1 2019	Quotation for asphalt repairs has been developed and will be released in summer/fall 2018.
TS1325	VETERANS MEMORIAL SOUTH	Service Improvement	Environment & Engineering	1,148,811	816,304	332,507	Q2 2019	Currently under construction with completion anticipated by the end of June 2018. Account required to cover realty costs from expropriation.
TS4011	TRAFFIC SIGNAL UPGRADE	Service Improvement	Environment & Engineering	3,643,040	3,506,722	136,318	Q4 2018	The installation of the traffic signal system is complete. The balance of the budget is to be used to replace the communication system originally installed when the signal system was installed. A new communication system will reduce annual operating costs.
TS4209	IMPROVED PARKING TECHNOLOGY	Service Improvement	Environment & Engineering	300,000	232,620	67,380	Q4 2019	Parking Services is currently working ITS and the vendor however there have been some technical delays with regards to items like security, process and resources. There are several modules and this is a complex project. Many modules are complete, others in process and some just initiated. To ensure the City is protected and the customer experience is improved the project needs to be in a careful controlled manner.
TS5031	TRANSPORTN DEMAND MNG	Service Improvement	Environment & Engineering	320,750	301,167	19,583	Q4 2018	This project has an overall variance of \$150,000 (\$19,583 + \$130,000). \$100,000 of these funds are assigned to 2 projects under Public Transit Infrastructure Fund (PTIF) for 2017 and 2018. The remaining funds, about \$50,000, are assigned to capital expenditures under the Transportation Demand Management (TDM) Program and will be used in 2017 and 2018 to coincide with outcomes Public Transit Infrastructure Fund projects and related TDM capital expenditures.
PD2633	DEVELOPMENT OF INFORMATION	Service Improvement	Housing Social Services & Dearness Home	200,000	134,579	65,421	Q4 2019	Project delayed due to complexities of the software development and the process of working with 7 other Service Managers for approvals, etc. Project budget expected to be fully spent to complete the project.
PP1025	INTERFACE & MOBILE DATA	Service Improvement	Neighbourhood Children & Fire Services	1,000,000	395,236	604,764	Q3 2019	On receiving budget approval from Council, Fire Services submitted a project request to ITS. Following a review of the LFD's high level needs assessment, ITS dedicated a staff member in late November 2016 to lead this project. Vendor selection in 2017 had to be revisited because of information security concerns identified by ITS. A vendor of choice has been approved by Council and work is proceeding. Meanwhile, a number of significant sub-projects to be phased in within this master project are in progress.
PP1033	APPARATUS HOIST	Service Improvement	Neighbourhood Children & Fire Services	175,000	0	175,000	Q4 2018	The project was delayed pending completion of labour contract negotiations. LFD has initiated this project with Facilities. Engineering is in progress and a tender was issued Q2 2018.
PP4490	BUSINESS INTELLIGENCE SOFTWARE	Service Improvement	Neighbourhood Children & Fire Services	226,007	186,804	39,203	Q2 2019	Business intelligence component of this project is complete, however Incident Analyst piece was delayed. Remaining funds will be used as part of project PP1025 as these projects are related. \$10k allocated for training to be spent in 2018.
PD1015	SOUTH STREET CAMPUS REDEV	Service Improvement	Planning	155,000	119,994	35,006	Q2 2019	This account has been used to pay for a variety of consulting services over several years as required to prepare the Old Victoria Hospital Lands for sale, including an Environmental Impact Study, an assessment of heritage resources, and preparation of a stabilization plan for heritage resources. Some additional consulting work is anticipated in 2018 and 2019.
PD1018	SMART CITY STRATEGY	Service Improvement	Planning	125,000	127,200	(2,200)	Q4 2019	Phases 1 and 2 are 95% complete. Strategy to be completed in 2019.
PD1145	PLACEMAKING DESIGN GUIDELINES	Service Improvement	Planning	100,000	100,091	(91)	Q4 2018	Urban Design Review project has been delayed. Funds will be used in 2018 for Urban Design Guidelines.
Wastewater & Treatment Rate Supported Budget								
ES2414-13	BLK 2013 SEWER REPLACEMENT	Life Cycle Renewal	Environmental & Engineering	9,214,140	9,175,173	38,967	Q3 2018	Final deficiencies being completed on one job. Once complete, remaining funds will be used to fund future work in this program.
ES2414-14	BLK 2014 SEWER REPL PROGRAM	Life Cycle Renewal	Environmental & Engineering	13,411,823	13,412,296	(473)	Q4 2019	Most projects are in warranty period, final restorations and deficiencies being addressed.
ES2414-15	BLK SEWER REPLACEMENT PROGRAM	Life Cycle Renewal	Environmental & Engineering	11,657,320	11,657,319	1	Q4 2018	Most projects are in warranty period, will be closed late 2018.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
ES2428-14	2014 EROSION REMEDIATION	Life Cycle Renewal	Environmental & Engineering	604,971	620,427	(15,456)	2021	2014 budget covered design and construction for 3 Pilot Low Impact Developments (LIDs) projects which are complete. Project includes funding for Fish Habitat Bank Monitoring until 2021.
ES2488	WEST LONDON DYKES	Life Cycle Renewal	Environmental & Engineering	2,429,439	2,023,214	406,225	Q4 2018	Phase 4 of West London Dykes to be constructed by Q4 2018 Associated with Upper Thames River Conservation Authority (UTRCA) Remediating Flooding.
ES3045	HORTON SANITARY SEWER UPGRADES	Life Cycle Renewal	Environmental & Engineering	480,000	257,850	222,150	Q2 2019	Project funding being used to support the current cleaning operation utilizing in-house Sewer Operations staff.
ES3073	DINGMAN PUMPING STATION AND	Life Cycle Renewal	Environmental & Engineering	3,596,921	3,597,085	(164)	Q4 2018	Class EA was completed and reported to Civic Works Committee for future Dingman pumping station. Waiting on final documents.
ES3106	COMMISSIONERS ROAD SEWER	Life Cycle Renewal	Environmental & Engineering	918,000	922,382	(4,382)	Q4 2018	Currently completing deficiency resolution. Full contingency will be required resulting in a slight negative variance at the conclusion of the project.
ES4825-11	2011 MUNICIPAL DRAIN	Life Cycle Renewal	Environmental & Engineering	943,073	454,959	488,114	Q2 2019	Several drainage reconstruction projects supported through this program are in various stages of completion.
ES4834-11	2011 MUNICIPAL DRAIN MTCE	Life Cycle Renewal	Environmental & Engineering	203,614	117,114	86,500	Q4 2018	Projects completed as planned and remaining funds have been moved forward to the 2017 project to complete works in future years. Projects to be closed once "Other" sources of financing have been received.
ES4834-14	2014 MUNICIPAL DRAIN MTCE	Life Cycle Renewal	Environmental & Engineering	190,000	30,246	159,754	Q4 2018	Projects completed as planned and remaining funds have been moved forward to the 2017 project to complete works in future years. Projects to be closed once "Other" sources of financing have been received.
ES6066	DINGMAN PUMPING STATION HEADER	Life Cycle Renewal	Environmental & Engineering	500,000	55,121	444,879	Q4 2020	Dingman Pumping Station currently in design.
ES6074	POTTERSBERG WWTP CSO AND INLET	Life Cycle Renewal	Environmental & Engineering	2,798,500	398,799	2,399,701	Q3 2020	Project will be undertaken along with others as a result of Vauxhall-Pottersburg Optimization.
ES2682	DINGMAN EROSION CONTROL AND	Growth	Environmental & Engineering	9,344,333	6,867,266	2,477,067	Q4 2018	Project significantly complete, awaiting final invoice. Project significantly under budget due to favourable tender pricing.
ES2685	GREENWAY EXPANSION	Growth	Environmental & Engineering	46,143,000	44,550,002	1,592,998	Q4 2019	Greenway expansion and upgrade in progress. Due for completion mid to end of 2018, warranty period will extend until end of 2019. Approximately 95% complete.
ES3020-FH1	SWM FACILITIES - FOXHOLLOW 1	Growth	Environmental & Engineering	4,719,450	4,686,650	32,800	Q4 2018	Project completed as planned with full contingency funds not required. Remaining funds to be returned to Development Charges reserve fund once final invoices are received and processed.
ES3020-HP6	SWM FACILITY - HYDE PARK NO 6	Growth	Environmental & Engineering	2,416,700	1,371,954	1,044,746	Q4 2019	This project may be updated in 2019 based on the outcome of the Hyde Park Environmental Assessment (EA) Addendum to be completed in Q3 2018. Original EA recommendations for this facility needed to be reassessed based on changing conditions in the subwatershed.
ES3020-PD2	SWM FACILITY- PINCOMBE DRAIN 2	Growth	Environmental & Engineering	2,456,700	0	2,456,700	Q4 2018	This project was constructed by the developer as a temporary Stormwater Management facility at their own cost prior to completion of an Environmental Assessment (EA) process prior to 2011. EA process concluded in 2014 and identified as a permanent facility. Awaiting a claim to be filed by the Developer for payment for design and construction of this stormwater pond.
ES4402	EXTENSION OF THE STONEY CREEK	Growth	Environmental & Engineering	4,950,058	4,238,407	711,651	Q2 2019	Project completed by developer, awaiting final claim but will release uncommitted funds back to Development Charges reserve.
ES5016	WONDERLAND PUMPING STATION	Growth	Environmental & Engineering	356,955	195,072	161,883	Q3 2018	Study work in progress. Remaining funding will be used to install temporary Septage receiving facility.
ES5253	RIVERBEND TRUNK SANITARY SEWER	Growth	Environmental & Engineering	2,117,966	261,620	1,856,346	Q4 2020	Schedule delay due to sewer construction timing linked to construction of adjacent stormwater management facility and timing of local subdivision development.
ESSWM-DCB4	SWM FACILITY DINGMAN CREEK	Growth	Environmental & Engineering	3,638,342	1,904,926	1,733,417	Q4 2019	Construction complete, completion date reflects warranty period. Significantly under budget due to favourable tender pricing, remaining funds to return to Development Charges Reserve.
ESSWM-HP5	SWM FACILITY - HYDE PARK NO 5	Growth	Environmental & Engineering	6,517,700	365,728	6,151,972	Q4 2019	This project may be updated in 2019 based on the outcome of the Hyde Park Environmental Assessment (EA) Addendum to be completed in Q3 2018. Original EA recommendations for this facility needed to be reassessed based on changing conditions in the subwatershed.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
ESSWM-MM4	SWM FACILITY-MURRAY MARR 4	Growth	Environmental & Engineering	2,100,000	166,410	1,933,590	2022	Dingman Creek Environmental Assessment (EA) is currently underway for completion in Q1 2019. Timing of the construction to be defined following EA completion.
ESSWM-SB	SWM FACILITY-WICKERSON NO S-B	Growth	Environmental & Engineering	2,787,549	2,793,315	(5,766)	Q4 2020	Construction complete with date reflective of warranty period and post construction environmental monitoring by consultants for 3 years as per regulatory authority permits.
ID2056	SKYWAY IND PARK-SWR OVRISIZG	Growth	Environmental & Engineering	938,000	811,728	126,272	Q4 2019	Future oversizing as lots develop.
ID2058	INNOVATION PARK-SWR OVERSIZING	Growth	Environmental & Engineering	8,265,000	7,416,836	848,164	Q4 2019	Ongoing ILDS account. Covers Phases 1, 2, 3, and 4. Only Phase 1 is partially assumed. Numerous lots remain to be sold.
ID2156	SKYWAY IND PARK-SWR LOCAL	Growth	Environmental & Engineering	1,036,000	965,796	70,204	Q4 2019	Possible servicing extension due to local industrial development.
ES1721	ECONOMIC DEVELOPMENT	Service Improvement	Environmental & Engineering	8,531,194	7,648,805	882,389	Q3 2018	Future work related to the water technology centre. This project was extended due to damage that occurred to the system prior to full acceptance. The repairs are mostly complete and final deficiencies are being resolved.
ES2442-15	EXTENSION OF SANITARY SERVICES	Service Improvement	Environmental & Engineering	23,440	23,440	(0)	Q4 2019	Project retendered in 2018 and currently under construction.
ES2463	PPCP AND DOWNTOWN STRATEGY	Service Improvement	Environmental & Engineering	1,500,000	1,118,618	381,382	Q3 2018	Phase 3 of 3 of multi-year project nearing completion, awaiting final invoicing.
ES2464-14	BLK COMBINED SEWER SEPARATION	Service Improvement	Environmental & Engineering	6,352,806	6,352,805	1	Q4 2019	Projects nearing completion. One project left in warranty period and final work is delayed in the other open project.
ES2469	SOUTHLAND POLLUTION CONTROL	Service Improvement	Environmental & Engineering	1,550,000	1,348,120	201,880	Q2 2019	Construction is complete, currently in warranty period, and full contingency not required.
ES2485	OLD OAK SERVICING (FORMER)	Service Improvement	Environmental & Engineering	3,360,000	1,205,106	2,154,894	beyond	Development Charges Project, on hold subject to completion of the Dingman Creek Environmental Assessment (EA). Dingman EA anticipated to be completed Q1 2019.
ES2486	WONDERLAND RD DITCH REMEDN WRK	Service Improvement	Environmental & Engineering	1,770,028	336,487	1,433,541	2022	Dingman Creek Environmental Assessment (EA) is currently underway for completion in Q1 2019. Timing of this project to be defined following EA completion.
ES3040-14	2014 MINOR SURFACE FLOODING	Service Improvement	Environmental & Engineering	357,768	102,393	255,375	Q4 2019	Birchwood Drive surface flooding improvements currently delayed in legal proceedings. Birchmount St. Flooding – reviewing possible source of flooding. Projects to be progressed in 2018.
ES3054	BURBROOK TRUNK STORM SEWER	Service Improvement	Environmental & Engineering	16,101,847	16,009,878	91,969	Q3 2018	Bulk of funding dedicated to two major projects (Burbrook Trunk Tunnel & Kellogg/Florence Reconstruction) and those were constructed in 2016. Outstanding deficiency with asphalt being resolved in 2018.
ES3087	HURON INDUSTRIAL PARK SERVICE	Service Improvement	Environmental & Engineering	1,122,673	421,110	701,563	Q4 2020	Finishing up Master Servicing study. Will roll into Stormwater Management Facility EA for 2019.
ES5143	HAULED LIQUID WASTE RECEIVING	Service Improvement	Environmental & Engineering	1,000,000	809,357	190,643	Q4 2019	Feasibility study underway for improved septage receiving at Dingman/Wonderland. This project will proceed in conjunction with other work at Dingman Pumping Station; currently in design, construction to commence in 2019.
ES5234	ADELAIDE WASTEWATER TREATMENT	Service Improvement	Environmental & Engineering	1,898,500	20,148	1,878,352	2022	Will be coordinated with expansion and tied in with phosphorus upgrades which will likely be required as a result of legislation.
ES6089	APPLEGATE SWMF REMEDIATION	Service Improvement	Environmental & Engineering	280,000	276,688	3,312	Q4 2020	Consulting project related to a separate Clean Water Wastewater Funding project tendered in Q1 2018. Construction expected to be complete Q4 2018. Warranty to Q4 2020.
ID2058-3A	INNOVATION PARK - SEWER	Service Improvement	Environmental & Engineering	315,000	242,145	72,855	Q4 2019	Ongoing ILDS account. Possible future engineering assignment due to additional lands under option.
Water Rate Supported Budget								
EW3526	ARVA PUMPNG STATION ANNUAL	Life Cycle Renewal	Environmental & Engineering	1,925,189	1,875,189	50,000	Q4 2018	Funding used to maintain the Arva Pumping Station.

Appendix B - Summary of 2015 Life-To-Date Capital Budgets (2015 and prior) Having No Future Budget Requests

Project	Project Description	Classification	Service Area	2015 LTD Budget	Committed	Uncommitted	Expected Completion	Explanation
EW3540	ELGIN MIDDLESEX PUMPING	Life Cycle Renewal	Environmental & Engineering	1,800,000	1,800,123	(123)	Q4 2018	The pumping stations and reservoirs become fully operational in September 2017 and SCADA has been implemented. The modifications to the Elgin Middlesex Pumping Station are complete and project is in warranty period.
EW3572	COMMISSIONERS ROAD WATERMAIN	Life Cycle Renewal	Environmental & Engineering	1,050,000	1,055,000	(5,000)	Q4 2018	Work constructed in 2016, final deficiency being resolved in 2018.
EW3765-14	BLK 2014 MAIN REPLACEMENT	Life Cycle Renewal	Environmental & Engineering	7,900,963	7,900,963	0	Q4 2018	The main replacement program is a long term program for the replacement of water mains and water services. Many replacement projects take multiple years to complete. It is anticipated that all of the funding will be utilized.
EW3765-15	BLK MAIN REPLACE ENGINEERING	Life Cycle Renewal	Environmental & Engineering	6,659,470	6,659,469	1	Q4 2019	The main replacement program is a long term program for the replacement of water mains and water services. Many replacement projects take multiple years to complete. Expect to fully use funds to complete these projects.
EW3787-15	BLK MAIN REPLACEMENT WITH MJR	Life Cycle Renewal	Environmental & Engineering	1,517,213	1,517,213	(0)	Q4 2019	The main replacement program is a long term program for the replacement of water mains and water services. Many replacement projects take multiple years to complete. Expect to fully use funds to complete these projects.
EW3833-14	BLK 2014 MAIN REPLACEMENT MTCE	Life Cycle Renewal	Environmental & Engineering	939,626	939,626	(0)	Q4 2018	Currently in warranty period, variance will be returned to original source after expiry of warranty.
EW3614	SE PUMPING STATION-RESERVOIR	Growth	Environmental & Engineering	55,728,118	54,954,501	773,617	Q4 2018	Project substantially completed. Works still being undertaken for operational improvements by end of 2018.
EW3628	EXPANSION OF SOUTHEAST	Growth	Environmental & Engineering	2,700,000	226,052	2,473,948	Q4 2019	Tender in 2018 for construction. Previous tender produced an irregular result and was rejected based on one bidder and high prices. This has delayed completion of this project.
EW3772-15	WATER EFFICIENCY PROGRAM	Growth	Environmental & Engineering	350,000	347,112	2,888	Q4 2018	Work completed as planned, remaining funds to be rolled forward to 2017 program once final invoice have been received and processed.
EW3619	WHITE OAK PUMPING STATION	Service Improvement	Environmental & Engineering	700,000	36,912	663,088	Q2 2019	Class Environmental Assessment for the demolition commenced in Q2 2018. Timing of work is dependent on other planned Capital Works in the vicinity of the site.
Total				448,271,861	389,710,653	58,561,208		

Appendix C – Completed Capital Projects (as of June 30, 2018)

Project	Classification	Approved Budget	Actual	Surplus / (Deficit)	Comments (For Variance Greater Than \$50,000)	Funding To Be Returned / (Required)					
						Rate Supported			Non-Rate		
						Capital Levy	Debt	Reserve Fund	Reserve Fund	Debt	Other
TAX SUPPORTED											
GG1530 Cat Adoption Centre	Lifecycle	569,160.00	512,708.74	56,451.26	Project under budget due to favourable tender results along with full contingency not required.			56,451.26			
PD1023-15 Maintain District Parks	Lifecycle	334,559.00	333,067.30	1,491.70		1,491.70					
PD2324-13 Municipally Owned Heritage Buildings	Lifecycle	459,383.00	460,802.18	(1,419.18)		(1,419.18)					
SW6014-15 W12A Ancillary	Lifecycle	18,538.00	18,537.78	0.22				0.22			
PD261816 Public Housing Major Upgrades	Lifecycle	2,208,000.00	2,208,000.00	-				-			
GGAPPL1704 Escribe	Lifecycle	22,896.00	22,896.01	(0.01)		(0.01)					
GGAPPL1702 F5 ASM Application	Lifecycle	39,270.00	39,269.64	0.36		0.36					
TS3093-14 Parks Major Upgrades	Lifecycle	178,013.00	178,013.40	(0.40)		(0.40)					
TS3093-15 Parks Major Upgrades	Lifecycle	445,176.00	445,176.31	(0.31)		(0.31)					
TS309317 Parks Major Upgrades	Lifecycle	538,137.00	538,137.44	(0.44)		(0.44)					
RC2401 Covent Garden Market Outdoor Rink Canada 150	Lifecycle	450,000.00	474,173.37	(24,173.37)		(24,173.37)					
GGINFRA1801 UPS Data Closet - City Hall	Lifecycle	15,000.00	15,169.34	(169.34)		(169.34)					
GGMOD1803 Point to Point Radios	Lifecycle	29,374.00	29,374.27	(0.27)		(0.27)					
GGENDUSERF Committee Room Upgrades	Lifecycle	93,016.00	93,015.89	0.11		0.11					
TS6200-15 Operation Facilities	Lifecycle	771,646.00	770,295.07	1,350.93		1,350.93					
TS1763-15 Bridges Major Upgrades	Lifecycle	2,698,848.00	2,698,848.45	(0.45)				(0.45)			
TS331016 Road Surface Treatment	Lifecycle	696,676.00	696,675.60	0.40		0.40					
TS3093MFH Mornington Field House & Parking Lot Upgrades	Lifecycle	366,372.00	366,371.57	0.43		0.43					
TS4058-15 Traffic Calming Program	Lifecycle	140,334.00	150,164.63	(9,830.63)		(9,830.63)					
GG184116 Museum London Repairs	Lifecycle	340,000.00	342,118.27	(2,118.27)		(2,118.27)					
PD2755 2017 Woodlot Acquisitions	Lifecycle	244,038.00	241,075.92	2,962.08			2,962.08				
PD2124 New Thames Valley Pathway	Growth	188,433.00	187,505.66	927.34		179.00			748.34		
TS1477-1 Hyde Park Widening-Ph 1 Oxford to CP Rail Crossing	Growth	21,670,000.00	21,343,107.91	326,892.09	Project under budget due to favourable tender results along with full contingency not required.		77,878.09		249,014.00		
GGSERVLN1602 Self Service Portal	Service Improvement	109,619.00	109,619.32	(0.32)		(0.32)					
CS2060 Youth Emergency Shelter	Service Improvement	1,200,000.00	1,200,000.00	-			-				
GG2401 BMO Expansion Funding	Service Improvement	800,000.00	800,000.00	-			-				
GG1558 Purchase & Renovate Normal School	Service Improvement	11,304,918.00	10,917,673.53	387,244.47	Project under budget due to favourable tender results along with full contingency not required.		387,244.47				
TS1498 Hale St/Trafalgar Rd Grade Separation	Service Improvement	16,372,523.00	16,603,018.18	(230,495.18)	Project overrun is due to construction issues and settlement of land costs.	(230,495.18)					
PD2139 Addition of Splash Pad at Queen's Park	Service Improvement	435,000.00	434,758.16	241.84		241.84					
PD27352017 Misc Parkland Acquisition	Service Improvement	353,358.00	353,894.92	(536.92)			(536.92)				
MU118017 Bus Expansion Existing	Service Improvement	1,100,400.00	1,100,400.00	-			-				
MU1045 Bus Replacement - 7 buses (PTIF) (Note 1)	Service Improvement	4,000,000.00	3,962,745.74	37,254.26							37,254.26
TOTAL TAX SUPPORTED		68,192,687.00	67,646,614.60	546,072.40		(264,942.95)	465,122.56	58,876.42	249,762.11	-	37,254.26

Appendix C – Completed Capital Projects (as of June 30, 2018)

Project	Classification	Approved Budget	Actual	Surplus / (Deficit)	Comments (For Variance Greater Than \$50,000)	Funding To Be Returned / (Required)					
						Rate Supported			Non-Rate		
						Capital Levy	Debt	Reserve Fund	Reserve Fund	Debt	Other
WASTEWATER & TREATMENT											
ES182516 Sewer Video Inspection (CCTV)	Lifecycle	312,518.00	312,517.54	0.46				0.46			
ES2442-14 Extension of Services	Lifecycle	471,794.00	471,794.37	(0.37)				(0.37)			
ES253216 Stormwater Management Facility Remediation Program	Lifecycle	211,392.00	211,392.50	(0.50)				(0.50)			
ES269316 Specialized Sewer Repairs	Lifecycle	3,871,710.00	3,535,770.34	335,939.66	Project under budget due to favourable tender results along with full contingency not required.			335,939.66			
ES304016 Minor Surface Flooding	Lifecycle	90,847.00	90,847.30	(0.30)				(0.30)			
ES4424 Fanshawe Park Road Sewer Replacement	Lifecycle	376,000.00	187,735.39	188,264.61	Project under budget due to favourable tender results along with full contingency not required.				188,264.61		
ES508416 Replacement Equipment Wastewater Treatment Plants	Lifecycle	705,653.00	705,652.93	0.07				0.07			
ES5150-15 Pumping Station Improvements	Lifecycle	632,985.00	633,010.57	(25.57)				(25.57)			
ES2466 Hyde Park Pumping Station Upgrades	Growth	544,250.00	506,014.18	38,235.82					38,235.82		
ES247702 Stoney Creek Remediation and Slope Stability Phase 2	Growth	1,493,158.00	-	1,493,158.00	Project will be re-budgeted in the future as the need arises.			61,369.00	1,431,789.00		
ES2493 Hyde Park Trunk Sanitary Sewer	Growth	5,112,000.00	5,100,619.95	11,380.05				1,510.87	9,869.18		
ES5247 Wonderland Rd South Trunk Sanitary Sewer	Growth	3,536,079.00	2,892,743.42	643,335.58	Project under budget due to favourable tender results along with full contingency not required.			32,162.84	50,693.74	560,479.00	
ES5260 Lambeth Southland Servicing Solution	Growth	8,467,593.00	8,137,633.52	329,959.48	Project under budget due to favourable tender results along with full contingency not required.			2,535.48		327,424.00	
ES2455 Stoney Creek Improvements	Service Improvement	160,000.00	-	160,000.00	Project will be re-budgeted in the future as the need arises.			160,000.00			
ES2465 Highland Green-Basement Flooding Remediation	Service Improvement	189,000.00	-	189,000.00	Project no longer required.						189,000.00
ES6072 Greenvalley Drain-Wilton Grove Remediation Works	Service Improvement	1,935,056.00	1,178,398.77	756,657.23	Project under budget due to favourable tender results along with full contingency not required.		395,000.00	361,657.23			
TOTAL WASTEWATER & TREATMENT		28,110,035.00	23,964,130.78	4,145,904.22		-	395,000.00	955,148.87	1,718,852.35	887,903.00	189,000.00

Appendix C – Completed Capital Projects (as of June 30, 2018)

Project	Classification	Approved Budget	Actual	Surplus / (Deficit)	Comments (For Variance Greater Than \$50,000)	Funding To Be Returned / (Required)					
						Rate Supported			Non-Rate		
						Capital Levy	Debt	Reserve Fund	Reserve Fund	Debt	Other
WATER											
EW161217 Meters & Devices	Lifecycle	509,200.00	509,200.09	(0.09)				(0.09)			
EW3409-13 Pumping Stations Major Repairs	Lifecycle	276,455.00	253,977.97	22,477.03				22,477.03			
EW3409-15 Pumping Stations Major Repairs	Lifecycle	283,459.00	201,100.67	82,358.33	Actual costs came in lower than anticipated as well as scope of work reduced along with full contingency not required.			82,358.33			
EW340916 Pumping Stations Major Repairs	Lifecycle	250,000.00	27,499.34	222,500.66	Actual costs came in lower than anticipated as well as scope of work reduced along with full contingency not required.			222,500.66			
EW3656-2 Wellington Road Area Watermain Replacement-Ph 2 (Thames River to Baseline Rd)	Lifecycle	2,852,000.00	2,681,713.94	170,286.06	Work completed as planned, with full contingencies not required.			170,286.06			
EW3702 Fanshawe Park Road Watermain Replacement	Lifecycle	1,842,000.00	1,343,286.84	498,713.16	Actual costs came in lower than anticipated as well as scope of work reduced along with full contingency not required.				498,713.16		
EW3787-13 Main Replacement with Major Roadworks	Lifecycle	3,076,849.00	3,076,849.06	(0.06)				(0.06)			
EWSRAUW Sponsored Research Agreement with University of Western	Lifecycle	75,000.00	75,000.00	-				-			
EW3582 Tillman Road High Level Watermain	Growth	788,182.00	719,787.05	68,394.95	Actual costs came in lower than anticipated.				68,394.95		
EW3590 Uplands Pumping Station Upgrade	Growth	360,000.00	277,816.19	82,183.81	Actual costs came in lower than anticipated.				82,183.81		
EW3697 Southdale Road - Bostwick Rd to Wonderland Road	Growth	769,703.00	451,567.88	318,135.12	Developer led growth funded watermain. Actual costs came in lower than anticipated.				318,135.12		
TOTAL WATER		11,082,848.00	9,617,799.03	1,465,048.97		-	-	497,621.93	967,427.04	-	-
GRAND TOTAL		107,385,570.00	101,228,544.41	6,157,025.59		(264,942.95)	860,122.56	1,511,647.22	2,936,041.50	887,903.00	226,254.26

Notes:

1) The total budget of \$4.0 million for the Bus Replacement program represents \$1.2 million funded by the City, \$2.0 million funding from Provincial Gas Tax and \$0.8 million from PTIF.

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2018 OPERATING BUDGET MID-YEAR MONITORING REPORT – PROPERTY TAX, WATER, WASTEWATER & TREATMENT BUDGETS

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to 2018 Mid-Year Monitoring:

- a) The 2018 Operating Budget Mid-Year Monitoring Report for the Property Tax Supported Budget (refer to **Appendix A**), Water, and Wastewater & Treatment Budgets **BE RECEIVED** for information. An overview of the net corporate projections are outlined below, noting that the year-end positions could fluctuate significantly based on factors beyond the control of Civic Administration:
 - i) Property Tax Supported Budget surplus of \$2.1 million as identified by Civic Administration, Boards and Commissions. The projected year-end position includes the contributions to Reserve Funds listed in items b) and c).
 - ii) Water Rate Supported Budget surplus of \$2.7 million.
 - iii) Wastewater & Treatment Rate Supported Budget surplus of \$4.7 million.
- b) Civic Administration **BE AUTHORIZED** to contribute the Housing Development Corporation's year-end operational surplus, if any, to the Housing Development Corporation Reserve Fund which will be used to support housing initiatives and future work of the Housing Development Corporation.
- c) Civic Administration **BE AUTHORIZED** to contribute Information Technology Services year-end operational surplus, if any, to the Technology Services Reserve Fund to be used to support investments in corporate systems.
- d) Civic Administration **BE AUTHORIZED** to contribute to or drawdown from the Water Capital Reserve Fund to balance year-end operations of the Water Budget should the budget be in a surplus/deficit position.
- e) Civic Administration **BE AUTHORIZED** to contribute to or drawdown from the Wastewater Rate Stabilization Reserve to balance year-end operations of the Wastewater & Treatment Budget should the budget be in a surplus/deficit position.
- f) Civic Administration **BE AUTHORIZED** to allocate Wastewater & Treatment Budget year-end surplus from the Wastewater Rate Stabilization Reserve to the Sewage Works Reserve Fund should the Wastewater Rate Stabilization Reserve achieve its target balance of 2.5% of the Wastewater & Treatment Revenue Budget, noting that in previous years this Reserve Fund has been drawn from to offset operational deficits.
- g) Civic Administration's contribution of \$1,989,623 (\$1,760,121 – Property Tax Supported; \$76,925 – Water; and \$152,577 – Wastewater & Treatment) to the Efficiency, Effectiveness and Economy Reserve in 2018 **BE RECEIVED** for information.

LINK TO 2015-2019 STRATEGIC PLAN

Council's 2015-2019 Strategic Plan for the City of London identifies "Leading in Public Service" as one of four strategic areas of focus. The Operating Budget Monitoring Report supports this strategic area of focus by contributing towards the strategic priority "Proactive financial management". The "Proactive financial management" strategic priority involves, among other things, making sure that the City's finances are well planned and that they support

intergenerational equity. 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 updated and reflective of the City's strategic financial plan.

BACKGROUND

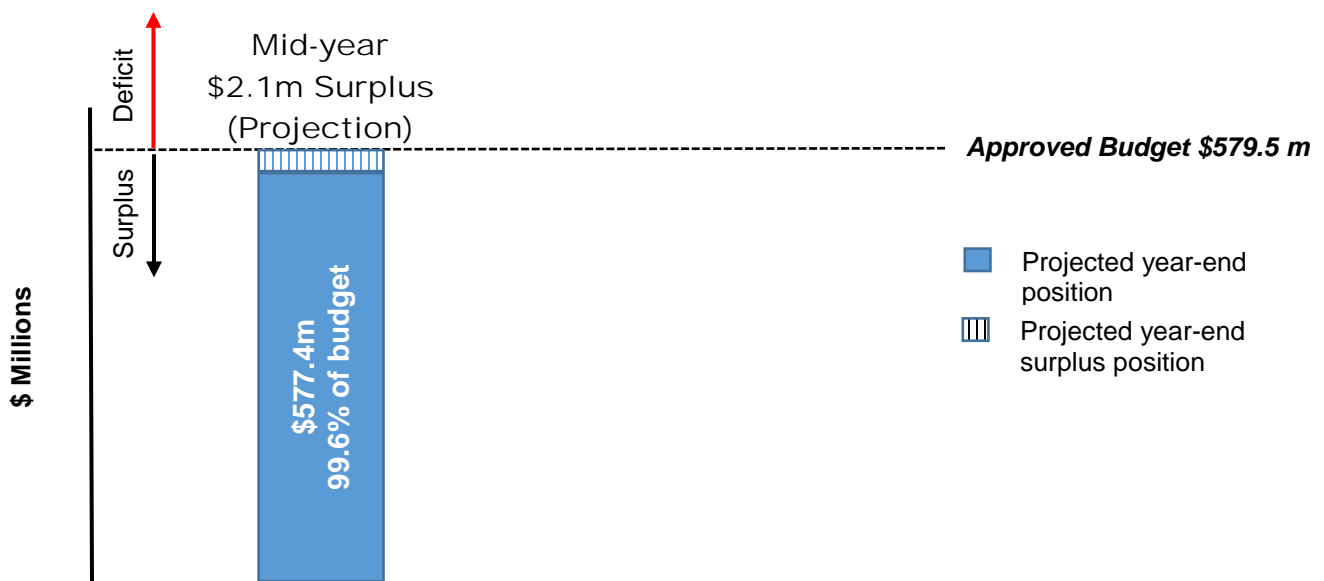
Budget monitoring is a key component for the governance and accountability process of the 2016-2019 multi-year budget. As part of the move to a multi-year budget for the Corporation of the City of London (the "City"), the budget monitoring process and reporting elements were evaluated to ensure that Council and the community are provided with the appropriate amount of information to understand actual and projected spending against the budget.

Based on this evaluation, each year Civic Administration will submit two monitoring reports to Council, the Operating Budget Mid-Year Monitoring Report and Operating Budget Year-End 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 D** 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. Information included within the monitoring reports will include sections that address budget monitoring by service grouping, progress update on 2016-2019 strategic investments, and emerging issues.

2018 PROPERTY TAX SUPPORTED OPERATING BUDGET MONITORING

The 2018 Property Tax Supported Net Budget was approved at \$579.5 million. The projected 2018 year-end surplus is \$2.1 million. Figure 1 below provides a graphical view of the projected surplus position at year-end.

Figure 1 – Comparison of 2018 Budget and Projected Actuals



Outlined in Table 1 are some of the key items that are contributing to the projected year-end surplus of \$2.1 million. A year-end surplus of \$2.1 million represents approximately 0.4% of the 2018 Property Tax Supported Net Budget. For a breakdown of the surplus/deficit by service program refer to **Appendix B**.

Table 1 – Key Factors Impacting the Projected Year-End Position

Contributing Factor	Mid-Year Surplus/ (Deficit)
Net personnel savings resulting primarily from vacancies stemming from both staff turnover and the gap between approval of new positions and filling new positions across all service areas partially offset by higher contracted services funded from staff vacancies.	\$4.5m
Higher than anticipated fee based revenue and interest revenue.	\$3.6m
Higher than budgeted winter maintenance costs from January to April impacting operating supplies, purchased services and equipment costs.	\$(3.2)m
Portion of budgeted drawdown from Operating Budget Contingency Reserve (OBCR) not required.	\$(2.3)m
London & Middlesex Housing Corporation deficit mainly the result of higher than anticipated personnel and snow removal costs.	\$(0.3)m
Contribution to ITS Reserve Fund partially offset by other operational savings.	\$(0.2)m
Total Projected Year-End Position	\$2.1m

Surplus/Deficit Policy

The Council approved Surplus/Deficit Policy implemented in 2015, provides for the allocation of the reported surplus as follows:

- a) 50% to reduce authorized debt;
- b) 25% to the Community Investment Reserve Fund to be allocated at the discretion of Council; and
- c) 25% to the Capital Infrastructure Gap Reserve Fund to mitigate growth in the infrastructure gap.

As noted above, the projected surplus of \$2.1 million, if realized, will be allocated as per the Council approved Surplus/Deficit Policy approximately as follows:

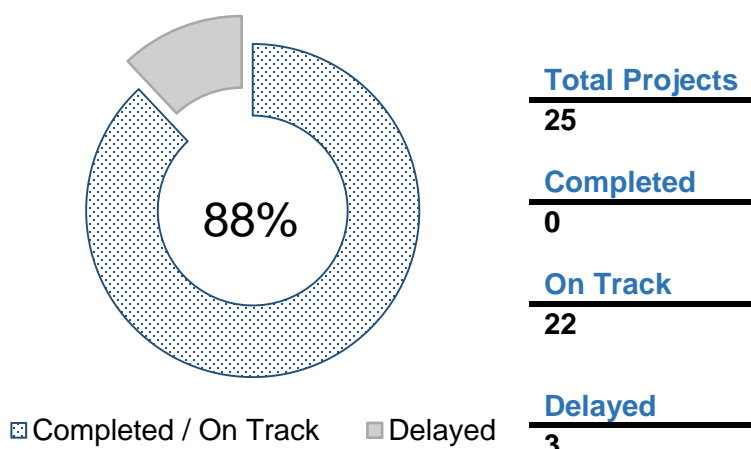
- a) \$1.05 million to reduce authorized debt;
- b) \$525 thousand to the Community Investment Reserve Fund, and;
- c) \$525 thousand to the Capital Infrastructure Gap Reserve Fund.

2016-2019 STRATEGIC INVESTMENT PROGRESS UPDATE

As part of the multi-year budget, 25 strategic investments linked to Council's 2015-2019 Strategic Plan were approved. These 25 strategic investments will result in investment of \$47.8 million in the City of London's programs and services for the 2016-2019 period. Figure 2 provides a status update and Table 2 provides a financial update for the approved strategic investments. For a more detailed update regarding each strategic investment refer to **Appendix C**.

Figure 2 – Current Status of Strategic Investments

% Completed Or On Track



Of the 25 strategic investments, all are on track to be completed on time, except for three projects that have been delayed as follows;

1. The Thames Valley Corridor Plan, Business Case #4, was delayed pending a Part II Order Environmental Assessment escalation request, which has since been resolved. Provincial funding through the Ontario Municipal Commuter Cycling Program was also recently approved, eliminating a potential funding gap. Detailed design is currently ongoing with construction anticipated to commence in the fall of 2018.
2. The London Homeless Prevention System Implementation Plan, Business Case #16, Item #2, has been delayed. It was originally planned to be operational in 2018. The opening of the Housing First youth emergency shelter is anticipated to occur in the Third Quarter of 2019. The reason for this delay is due to the length of time it has taken to acquire land. There are no significant implications as youth will continue to be served at The Salvation Army Centre of Hope until the new shelter is open.
3. The London Community Foundation’s “Back to the River Project”, Business Case #18, has been delayed because the One River Master Plan must be completed first before work starts on this project. It is expected that the Master Plan will be completed by the end of 2018.

To review progress towards implementing all of the strategies outlined in Council’s 2015-19 Strategic Plan for the City of London, please refer to the latest Semi-Annual Progress Report, released in May 2018 available at <https://www.london.ca/city-hall/Civic-Administration/City-Management/Pages/Strategic-Planning.aspx>.

Table 2 - Strategic Investments Financial Summary (\$000’s)

Strategic Area of Focus	2016 - 2019 Total Budget	2016 - 2018 Budget	Life to date actuals as of June 30, 2018	% Spent of 2016 - 2019 Total Budget	% Spent of 2016 - 2018 Budget
Building a Sustainable City	14,340	10,130	5,432	38%	54%
Leading in Public Service	7,297	5,383	2,699	37%	50%
Strengthening Our Community	8,529	6,315	4,416	52%	70%
Growing Our Economy	17,604	10,232	6,393	36%	62%
Total	47,770	32,060	18,940	40%	59%

Life to date actuals are currently much lower than total budget for the following reasons:

- A large portion of the strategic investment budget will be expended in the second half of 2018 and throughout 2019;
- If the delayed projects remained on track, there would potentially be approximately \$2.2 million, or 7% of the 2016 – 2018 budget, in additional spending.

For a more detailed update regarding each strategic investment refer to **Appendix C**.

2019 EMERGING ISSUES – PROPERTY TAX SUPPORTED BUDGET

Several services have identified potential service delivery pressures that may impact expenditures/revenues in 2019 (Table 3). The table describes some of the more significant issues and the measures taken to mitigate or address these issues. The table does not include all of the potential service delivery pressures. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below. The likelihood of the issue impacting the multi-year budget, high, medium or low, is also presented. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2019 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2019 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2019 period is predicted to be less than 30%

Table 3 – Summary of Potential Future Budget Impacts

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2019 Budget
LEGISLATIVE	
<p>1. Multiple Services - New Provincial Government - A new government has been elected and has begun to make numerous program changes with an indication that more may come based on campaign promises and its review of the previous Provincial Government's spending. Some notable changes already announced with impacts to the City include elimination of the Cap and Trade program, cancellation of energy/environment projects and reductions in social assistance programs. The budgetary impacts to the City thus far have been relatively minimal; as an example, impacted projects where funding has been cancelled were in initial start-up stages with minimal spending to date. The budget continues to include impacts from the previous government's policies and will be evaluated as new announcements are made from the current government regarding changes. As an example, the 2019 budget includes the anticipated minimum wage increase to \$15/hour while the new government previously indicated intentions to halt the planned 2019 increase, although this direction has not yet been confirmed.</p> <p><i>What we are doing to mitigate/address the issue: Administration is continuing to monitor new announcements and developments from the Provincial Government and evaluating the impact to the budget as the information is received. As projects/initiatives are impacted, evaluations are being made to find alternative funding sources should they proceed.</i></p>	High
<p>2. Roadways - Bike Lane Maintenance and Snow Clearing - Ontario regulation 239/02, Minimum Maintenance Standards for Municipal Highways was amended and enacted on May 3, 2018. The amendments included adding a standard for cycling networks. Bicycle lanes are defined as a portion of the roadway that has been designated by pavement markings or signage for the preferential or exclusive use of cyclists, or a portion of a roadway that has been designated for the exclusive use of cyclists by signage and a physical or marked buffer. The increased winter maintenance activities associated with this legislation includes plowing and snow bank removal approximately five (5) times per season in areas where snow storage is limited. Summer maintenance will include asphalt patching, crack sealing, sweeping and line marking and signing.</p> <p><i>What we are doing to mitigate/address the issue: A Budget Amendment Case will be prepared for consideration in the 2019 Annual Budget Update. For further information, please refer to the August 13th report to the Civic Works Committee.</i></p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2019 Budget
<p>3. Multiple Services - Cannabis Legislation - The legalization of cannabis in Canada as of October 17, 2018 will require additional services from the City and associated entities, including police, fire, by-law and public health enforcement and administration/education from building, human resources and public health. Preliminary cost estimates to provide these services are in the range of \$3.7 million annually (estimated yearly costs by 2020). These costs assumed retail sales would be offered under a public model. Civic Administration is currently gathering cost estimates under the newly proposed private retail model. Details of this delivery model are still to be determined, but it appears costs could be considerably higher under a private model.</p> <p>What we are doing to mitigate/address the issue: Civic Administration has worked diligently to understand and anticipate the municipal implications of cannabis legalization, forming a staff working group which includes representatives from the London Police Service, Fire Services, By-Law Enforcement and the Middlesex London Health Unit. The majority of the incremental costs for By-law Enforcement will be covered by licensing fees. Civic Administration is looking to the federal and provincial governments to offset costs from the other areas. In December 2017, the federal government announced an agreement with Ontario and other provinces to share up to 75% of taxation revenues with provinces, with the implied understanding that each province would work with its cities and communities to cover the local costs of local enforcement. Although the change in provincial leadership created significant uncertainty, coordinated intergovernmental advocacy has resulted in positive indications from the new provincial government that the majority of these incremental municipal costs, notably training and resources for enforcement, as well as ongoing public health costs, will be covered by the province. Civic Administration continues to work with community partners and municipal associations to advocate for adequate support from the federal and provincial governments.</p>	High
<p>4. Corporate Services (Facilities) - Combined Utility Costs - Over the recent term (with the exception of 2017 due to regulatory changes for electricity) cost increases are eclipsing the inflation rate. There is volatility associated with the increasingly large Global Adjustment component of the electricity bills. Financing for the "Ontario Rebate for Electricity Consumers Act" and the "Ontario's Fair Hydro Plan" will begin in future years and it is unclear at this point if repayment will be in the form of rate increases or general tax. Climate change is also creating new stresses on equipment and existing systems.</p> <p>What we are doing to mitigate/address the issue: Constant monitoring of our utility usage in real time and through exception parameters to mitigate inefficiencies.</p>	High
MUNICIPAL COUNCIL DIRECTED	
<p>5. Social & Community Support Services - Subsidized Transit - Council approved the implementation of the income-related subsidized transit program for 2 years commencing January 1, 2018 and the reduced rate transit program for youth ages 13 to 17 commencing September 1, 2018 for 22 months. The costs of these programs in excess of available budgets are to be funded through property tax supported operating budget surplus and, if necessary, contingency reserves. Participation rates among eligible Londoners will determine the exact financial impact for this initiative.</p> <p>For the income-related subsidized transit program, during the first two years while the program is being developed, it is expected that the participation rate will not exceed 20% which will result in an additional budget requirement of \$1.74M/year. However, in the unlikely event that participation is 100% among eligible residents, the cost of the program could be up to \$10.1M/year. For the reduced-rate transit program for youth, in the unlikely event that participation is 100% among eligible residents, the cost of the program could be up to \$2.2M/year.</p> <p>What we are doing to mitigate/address the issue: Permanent funding will be requested through the 2020-2023 Multi-Year Budget. In the meantime, Council approval was obtained through the 2017 Year End Operating Budget Monitoring Report for a \$5 million contribution to the Operating Budget Contingency Reserve to fund the costs associated with these programs in excess of approved budgets for 2018 and 2019 (if necessary).</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2019 Budget
COST DRIVER	
<p>6. Multiple Services - The City is experiencing the growing impact of substance abuse and mental health concerns leading to a noted increase in the number of incidents of unpredictable behaviour, particularly in the core area of the City. This challenge has implications on a number of City services, including policing, By-Law Enforcement, Homeless Prevention, Roadside Operations and Parks & Recreation.</p> <p>What we are doing to mitigate/address the issue: <i>The City has convened a cross-functional team to identify and implement a coordinated Core Area Informed Response to address these challenges. This response will be implemented in Q3 2018 and may continue into 2019, pending the success of the initial pilot. The cost of the response will be monitored and managed through one-time funding sources in the short term, with the potential for a business case to be brought forward through the 2020-2023 Multi Year Budget process should permanent resources be required.</i></p>	High
<p>7. Garbage Recycling & Composting - Through the 2017 year end operating budget monitoring process City staff noted the "National Sword" program as an emerging issue with a high likelihood to impact the 2018 and 2019 operating budgets. As noted at the time, the program has resulted in significantly limiting global access to the large Chinese recovered materials markets and has placed significant downward pressure on global recovered material end markets for items recovered through Blue Box recycling programs across North America. The impacts of the National Sword program have deteriorated conditions in global markets further since the 2017 year end operating budget monitoring process was completed. North American access to the Chinese recovered materials markets has been significantly restricted unless additional measures to enhance and ensure recovered material quality are undertaken. This has resulted in other global markets for recovered materials tightening specifications and limiting orders as those markets have become saturated with recovered materials that previously would have been destined for China. At this time there is no indication or available timeline for the Chinese market to re-open to global recovered material commodities, to the extent it was previously engaged in large volume purchases. It is likely that the current global recovered materials market downturn will persist until additional global receiving/processing capacity is developed which will require an extended period of time.</p> <p>What we are doing to mitigate/address the issue: <i>Staff members have been working with our Blue Box collection and Material Recovery Facility (MRF) operations service provider Miller Waste Systems to ensure that recovered materials produced from the MRF are of a quality required to continue to be marketed during these market conditions. It should be noted that Miller Waste Systems has developed long term relationships with stable end markets which greatly assists with material marketability during changing market conditions. However as the downward pricing pressure is global in nature it is likely that revenues for recovered materials will be lower than anticipated/budgeted.</i></p>	High
<p>8. Neighbourhood & Recreation Services - Community Development & Funding - London Children's Museum submitted a \$2 million one-time request for funding through the London Community Grants program in 2017 to fund the costs associated with a new Children's Museum.</p> <p>What we are doing to mitigate/address the issue: <i>As reported to the Strategic Priorities and Policy Committee on Nov. 27, 2017, a Budget Amendment will be included in the 2019 Budget Update for Council's consideration</i></p>	High
<p>9. Land Ambulance - Call volumes continue to increase at a rate of 7%-10% per year, which is impacting Middlesex-London Paramedic Service's (MLPS) ability to ensure adequate service to the City of London and Middlesex County. This is having an impact on both direct, front-line costs as well as indirect support costs. Middlesex County Council approved a temporary increase of 2 vehicles in 2018 (funded through reserves) to help alleviate these pressures, however it is expected that demand will remain high in 2019 and beyond.</p> <p>What we are doing to mitigate/address the issue: <i>MLPS is considering options to address these challenges sustainably and cost-effectively. One option under consideration is a 2019 Budget Amendment to provide additional resources to alleviate service pressures.</i></p>	High

2018 WATER RATE SUPPORTED OPERATING BUDGET MONITORING

The 2018 projected year-end surplus for the Water Rate Supported Budget is \$2.7 million (Table 4).

Revenues are projected to be in surplus of \$4.1 million by year-end. Driving the revenue surplus are consumption based charges and fixed charges due to the extremely dry weather the City has been experiencing combined with the recent busy building years.

Operating expenditures are projected to be in deficit of \$1.4 million by year-end. The deficit is mainly driven by the increased cost to purchase water from the two Water Boards that supply London with treated water.

Table 4 – Comparison of Budget and Projected Year-End Position (\$000's)

Water Budget	2018 Revised Budget	Actuals as at June 30, 2018	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	77,932	33,461	42.9%	82,076	4,144
Expenditures	77,932	45,632	58.6%	79,367	(1,435)
Net Balance Surplus/(Deficit)	-	(12,171)	N/A	2,709	2,709

2018 WASTEWATER & TREATMENT RATE SUPPORTED OPERATING BUDGET MONITORING

The 2018 projected year-end surplus for the Wastewater & Treatment Rate Supported Budget is \$4.7 million (Table 5).

Revenues are projected to be in surplus of \$3.2 million. Driving the revenue surplus is higher than budgeted infrastructure charges from previous busy building years, High Strength Waste charges and consumption charges, and a new large customer at the liquid waste disposal site resulting in increased Liquid Waste Disposal Charges.

Operating expenditures are projected to be in surplus of \$1.5 million by year-end. This is primarily due to a surplus in personnel spending as a result of vacancies throughout the year from positions not filled because of the delay in federal/provincial grant funding and miscellaneous savings in various operational accounts.

Table 5 - Comparison of Budget and Projected Year-End Position (\$000's)

Wastewater Budget	2018 Revised Budget	Actuals as at June 30, 2018	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	95,416	40,884	42.8%	98,579	3,163
Expenditures	95,416	52,710	55.2%	93,929	1,487
Net Balance Surplus/(Deficit)	-	(11,826)	N/A	4,650	4,650

WATER AND WASTEWATER & TREATMENT SURPLUS

It is recommended that the Water Rate Supported Budget surplus, if realized, be contributed to the Water Capital Reserve Fund.

It is recommended that the Wastewater & Treatment Rate Supported Budget surplus, if realized, be contributed to the Wastewater Rate Stabilization Reserve to balance year-end operations. As per the Wastewater & Treatment financial principles approved by Council, the Wastewater Rate Stabilization Reserve target balance is 2.5% of the Wastewater Revenue Budget. The Wastewater Rate Stabilization Reserve is utilized to mitigate one-time unanticipated revenue losses and expenses in order to stabilize the wastewater rate.

Should the Wastewater Rate Stabilization Reserve balance exceed the target balance of 2.5% at year-end, it is recommended to allocate remaining Wastewater & Treatment surplus, if any, to the Sewage Works Reserve Fund, noting that in previous years this Reserve Fund has been drawn from to balance year-end operations in a deficit position.

The Sewage Works Reserve Fund and Water Capital Reserve Fund support capital asset renewal and replacement for the City's Water and Wastewater infrastructure. As per the 2013 State of Infrastructure Report, the City of London had a total asset replacement value of \$6.8 billion for Water and Wastewater infrastructure. At that time, the infrastructure gap for Water and Wastewater was projected to grow to \$61 million in 10 years if the City maintained the current spending plans.

In 2017, the City hired external expertise to analyze the replacement values of Water and Wastewater linear assets. The resultant replacement values have significantly increased from the 2013 estimate due to the improved accuracy of unit cost assumptions and increases in construction and labour costs. Reserve Fund levels have increased over the last five years, however, current balances are not sufficient to fund all capital asset renewal and replacement projects needed in the next ten years.

Contributing Water and Wastewater surplus to these Reserve Funds can help the City manage the infrastructure gap and limit the burden on current and future rate payers.

Civic Administration will be bringing forward recommended amendments to the Surplus/Deficit Policy later in 2018 to expand the scope of the policy to include the treatment of surplus/deficit positions within the Water and Wastewater Budgets in addition to the Property Tax Supported Budget. This will formalize the process for Water and Wastewater year-end operations and provide consistent direction for Municipal Council and Civic Administration.

2019 ANNUAL BUDGET UPDATE

With consideration given to the City's 2018 projected results, future projections, and the Water and Wastewater 20 year plans, Civic Administration will be evaluating the need for amendments through the 2019 Annual Budget Update for the Water and Wastewater & Treatment Rate Supported Budgets.

2019 EMERGING ISSUES – WATER AND WASTEWATER & TREATMENT RATE SUPPORTED BUDGETS

Water and Wastewater & Treatment have identified a potential service delivery pressure that may impact expenditures/revenues in 2019 (Table 6). The table describes this issue and the measures taken to mitigate or address this issue. The table does not include all of the potential service delivery pressures. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below. The likelihood of the issue impacting the multi-year budget, high, medium or low, is also presented. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2019 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2019 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2019 period is predicted to be less than 30%

Table 6 - Summary of Potential Future Budget Impacts

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2019 Budget
COST DRIVER	
<p>1. The first phase of several projects were completed with funding from federal/provincial programs. There is a risk that the subsequent phases of this previously announced funding will not materialize. This would leave the future phases of several major infrastructure projects incomplete and inoperative. Major examples include: the pumping station required for the Vauxhall/Pottersburg interconnection and the installation of the pre-purchased Organic Rankine Cycle at the Greenway Wastewater Treatment Plant.</p> <p><i>What we are doing to mitigate/address the issue: City staff are monitoring the situation with other levels of government and lobbying on behalf of these funding programs while also looking for other grant programs to help offset future costs.</i></p>	High

OTHER MID-YEAR MONITORING INFORMATION

VACANCY MANAGEMENT

All positions that become vacant, with some exceptions, are subject to 90 days savings corporately. The savings from these positions are contributed to the Efficiency, Effectiveness and Economy Reserve to be used as a one-time funding source for initiatives recommended by the Senior Leadership Team. Any savings due to vacancies longer than 90 days remain in the service area and are included in the year-end positions. In the first half of 2018, the contribution to the Efficiency, Effectiveness and Economy reserves was \$1,989,623 (\$1,760,121 – Property Tax Supported; \$76,925 – Water; and \$152,577 – Wastewater & Treatment).

RESERVES RATIONALIZATION REPORT

In 2018, Civic Administration will be bringing forward a Reserves Rationalization Report to the Corporate Services Committee which includes changes to the complement of reserves/reserve funds. Civic Administration will bring forward the necessary authorization required for reserves/reserve fund contributions to balance year-end operations for the Water and Wastewater & Treatment Budget during the 2018 Operating Budget Year-End Monitoring Report.

2018 ONTARIO MUNICIPAL NEW ISSUES

At Corporate Services Committee on March 5th, 2018, the City of London issuance of serial debentures for a total of \$55 million was approved by Committee, and subsequently approved by Council. At Committee, an informal request was made to report back at a future date on other municipalities that went to market in 2018.

At the time of writing, the following Ontario municipalities have issued debentures in the capital markets in 2018:

<u>Price Date</u>	<u>Municipality</u>	<u>Term (Years)</u>	<u>Structure</u>	<u>Amount (C\$ Million)</u>	<u>Re-offer Yield¹</u>	<u>Credit Rating</u>
Aug. 2018	Region of Durham	1-20	Serial	7.6	3.187%	Aaa
Jul. 2018	City of Toronto	30	Bullet	300	3.213%	Aa1
Jun. 2018	Region of Niagara	1-25	Serial	65.8	3.121%	Aaa
May 2018	Region of Waterloo	1-10	Serial	26.6	2.886%	Aaa
May 2018	City of Peterborough	1-15	Serial	21.8	3.168%	AA ²
Mar. 2018	City of Toronto	10	Bullet	300	2.955%	Aa1
Mar. 2018	Region of Peel	1-10	Serial	53.3	2.804%	Aaa
Mar. 2018	Region of Halton	1-15	Serial	26.3	2.876%	Aaa
Feb. 2018	City of London	1-10	Serial	55	2.869%	Aaa

Notes: 1. Average rate. Re-offer yield does not include fees.

2. City of Peterborough credit rating agency is Standard & Poor's (all other ratings are from Moody's).

A quote received from the City of London’s fiscal agent on September 10, 2018 indicated that the estimated average offering yield on a 1-10 year serial debenture for the City of London would be 2.939%. The quoted rate of 2.939% would equate to approximately \$200 thousand in additional debt servicing costs over the 10-year life of the debenture in comparison to the rate the City achieved (2.869%) for the issuance completed in March of 2018.

2018 OPERATING BUDGET MID-YEAR MONITORING REPORT SUMMARY

Civic Administration is projecting a \$2.1 million year-end surplus in the 2018 Property Tax Supported Budget. The major factors contributing to this position are surpluses in personnel, fee based revenues and interest revenue partially offset by higher winter maintenance costs, a budgeted draw from Operating Budget Contingency Reserve that is not required and the London & Middlesex Housing Corporation deficit.

The Water Rate Supported Budget is projecting a surplus of \$2.7 million as a result of revenue surplus from consumption based charges and fixed charges due to the extremely dry weather. The Wastewater & Treatment Rate Supported Budget is projecting a surplus of \$4.7 million as a result of infrastructure charges from previous busy building years, other wastewater charges and personnel savings from positions not filled because of the delay in federal/provincial grant funding.

Acknowledgements

This report was prepared with significant contributions from the City’s Business Administration teams, and Cathy Milne, Current Budget and Process Officer, Financial Planning & Policy.

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APPENDIX A – 2018 MID-YEAR FINANCIAL SUMMARY

	\$ Thousands				
	REVISED NET BUDGET (2)	ACTUALS FOR SIX MONTHS ENDED JUNE 30	ACTUAL % SPENT	PROJECTED YEAR-END POSITION	PROJECTED YEAR-END SURPLUS/ (DEFICIT)
Culture Services:					
Centennial Hall	173	(7)	(4.0%)	173	-
Arts, Culture & Heritage Advisory & Funding	2,334	1,594	68.3%	2,334	-
Museum London	1,690	1,184	70.1%	1,690	-
Eldon House	286	143	50.0%	286	-
Heritage	289	93	32.2%	247	42
Libraries	20,264	10,206	50.4%	20,264	-
Total Culture	25,036	13,213	52.8%	24,994	42
Economic Prosperity:					
Business Attraction & Retention	8,537	4,110	48.1%	8,537	-
Community Improvement/BIA	237	80	33.8%	237	-
London Convention Centre	637	307	48.2%	637	-
Tourism London	2,027	726	35.8%	2,027	-
Covent Garden Market	-	-	-	-	-
Total Economic Prosperity	11,438	5,223	45.7%	11,438	-
Environmental Services:					
Kettle Creek Conservation Authority ⁽³⁾	516	505	97.9%	505	11
Lower Thames Valley Conservation Authority ⁽³⁾	163	163	100.0%	163	-
Upper Thames River Conservation Authority	3,467	3,013	86.9%	3,467	-
Environmental Action Programs & Reporting	778	354	45.5%	777	1
Garbage Recycling & Composting	17,581	6,958	39.6%	17,598	(17)
Total Environmental Services	22,505	10,993	48.8%	22,510	(5)
Parks, Recreation & Neighbourhood Services:					
Neighbourhood & Recreation Services ⁽⁴⁾	21,554	38,129	176.9%	21,350	204
Parks & Urban Forestry	13,623	5,755	42.2%	13,779	(156)
Total Parks, Recreation & Neighbourhood Services	35,177	43,884	124.8%	35,129	48
Planning & Development Services:					
Building Approvals ⁽⁵⁾	(605)	(1,912)	316.0%	(504)	(101)
Planning Services	3,624	1,670	46.1%	3,434	190
Development Services	4,706	2,028	43.1%	4,039	667
Total Planning & Development Services	7,725	1,786	23.1%	6,969	756
Protective Services:					
Animal Services	1,779	415	23.3%	1,866	(87)
By-Law Enforcement & Property Standards	1,411	66	4.7%	1,161	250
Corporate Security & Emergency Management	2,501	1,246	49.8%	2,426	75
Fire Services	59,652	26,444	44.3%	59,443	209
Police Services	106,932	49,995	46.8%	106,932	-
Total Protective Services	172,275	78,166	45.4%	171,828	447
Social & Health Services:					
Housing Services	11,606	6,321	54.5%	11,385	221
Housing Development Corporation	2,281	1,386	60.8%	2,281	-
London & Middlesex Housing Corporation	9,944	6,154	61.9%	10,225	(281)
Long Term Care ⁽⁴⁾	5,250	4,292	81.8%	4,591	659
Land Ambulance	14,742	5,851	39.7%	14,742	-
Middlesex London Health Unit	6,095	3,402	55.8%	6,095	-
Social & Community Support Services ⁽⁴⁾	15,553	23,521	151.2%	15,171	382
Total Social & Health Services	65,471	50,927	77.8%	64,490	981
Transportation Services:					
Parking	(3,135)	(1,885)	60.1%	(3,439)	304
Public Transit	31,447	15,365	48.9%	31,637	(190)
Roadways	41,072	22,775	55.5%	43,244	(2,172)
Rapid Transit	-	789	0.0%	-	-
Total Transportation Services	69,384	37,044	53.4%	71,442	(2,058)
Corporate, Operational & Council Services:					
Corporate Services	55,970	25,106	44.9%	54,120	1,850
Corporate Planning & Administration	2,688	1,178	43.8%	2,510	178
Council Services	3,486	2,023	58.0%	3,704	(218)
Public Support Services	1,337	(197)	(14.7%)	534	803
Total Corporate, Operational & Council Services	63,481	28,110	44.3%	60,868	2,613
Financial Management:					
Corporate Financing	107,040	72,234	67.5%	107,789	(749)
Total Financial Management	107,040	72,234	67.5%	107,789	(749)
Total Property Tax Requirements	579,532	341,580	58.9%	577,457	2,075

1) All figures are subject to rounding.

2) Includes housekeeping budget transfers. As authorized by the 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.

3) Kettle Creek Conservation Authority and Lower Thames Valley Conservation Authority have already received their 2018 appropriation.

4) Neighbourhood & Recreation Services, Long Term Care and Social & Community Support Services actual expenditures appear high as the Provincial Subsidies are not recognized until later in the year.

5) Building Approvals revenue appears high due to a timing issue; not all expenditures have been realized.

APPENDIX B – 2018 MID-YEAR EXPLANATION BY SERVICE PROGRAM

SERVICE PROGRAM	\$ Millions
CULTURE SERVICES	0.0
<ul style="list-style-type: none"> • Centennial Hall balanced budget with no major factors to report. • Arts, Culture and Heritage Advisory & Funding balanced budget with no major factors to report. • Museum London balanced budget with no major factors to report. • Eldon House balanced budget with no major factors to report. • Heritage surplus of \$42k a result of lower than anticipated personnel costs. • London Public Library balanced budget with no major factors to report. 	
ECONOMIC PROSPERITY	0.0
<ul style="list-style-type: none"> • Business Attraction and Retention balanced budget a result of personnel savings offset by operational deficits. • Community Improvement/Business Improvement Area balanced budget with no major factors to report. • London Convention Centre balanced budget with no major factors to report. • Tourism London is projecting a balanced budget at year-end after contributing \$125k to reserves, subject to Tourism London Board approval. The savings of \$125k to be contributed are anticipated as a result of personnel savings and operational cost savings partially offset by lower than anticipated sundry revenue. • Covent Garden Market balanced budget after a lower than budgeted contribution to their reserve. 	
ENVIRONMENTAL SERVICES	0.0
<ul style="list-style-type: none"> • Kettle Creek Conservation Authority surplus of \$11k with no major factors to report. • Lower Thames Valley Conservation Authority balanced budget with no major factors to report. • Upper Thames River Conservation Authority balanced budget with no major factors to report. • Environmental Action Programs and Reporting surplus of \$1k a result of Green Municipal funding partially offset by operational cost overruns. • Garbage, Recycling & Composting deficit of \$17k a result of the following: <ul style="list-style-type: none"> ○ \$939k surplus a result of higher than anticipated revenues from W12A tipping fees due to additional industrial, commercial and institutional waste volumes, new curbside tag revenue and miscellaneous revenue. ○ \$800k deficit in recycling revenue due to the Chinese “National Sword” program restricting access to previous large Chinese recovered material markets. ○ \$156k deficit due to operational cost overruns. 	
PARKS, RECREATION, & NEIGHBOURHOOD SERVICES	0.0
<ul style="list-style-type: none"> • Neighbourhood & Recreation Services surplus of \$204k a result of higher than anticipated revenue from program activity in Community Rec & Leisure Programs, Community Centres, Storybook Gardens, and Aquatics as well as personnel savings, partially offset by lower than anticipated Arena revenues. • Parks and Urban Forestry deficit of \$156k a result of higher than anticipated costs related to contracted services for Forestry operations and higher expenditures due to spring 2018 flooding damage in Parks & Horticulture partially offset by personnel savings and miscellaneous revenues. 	
PLANNING & DEVELOPMENT SERVICES	0.8
<ul style="list-style-type: none"> • Building Approvals deficit of \$101k a result of a reduction in building permit revenues, various other user fee based revenue lower than anticipated, partially offset by personnel savings and other operational savings. • Planning Services surplus of \$190k a result of personnel savings partially offset by a deficit in purchased services, lower than budgeted planning application revenues and other net operational costs. • Development Services surplus of \$667k a result of personnel savings, user fee based revenues including site plan fees and drawing review user fees, and other net operational savings. 	

SERVICE PROGRAM	\$ Millions
<p>PROTECTIVE SERVICES</p> <ul style="list-style-type: none"> • Animal Services deficit of \$87k a result of lower than anticipated license and tag revenues and a deficit in operational costs. • By-Law Enforcement & Property Standards surplus of \$250k a result of higher than anticipated net user fee based revenues including business licenses and taxi-limousine licenses, partially offset by personnel costs and net operational cost overruns. • Corporate Security & Emergency Management surplus of \$75k a result of personnel and operational cost savings. • Fire Services surplus of \$209k a result of lower than anticipated spending on equipment and increased out-of-town and recall inspection fees, partially offset by net operational cost overruns. • The London Police Service (LPS) is projecting a balanced budget after contributing \$3.2m to reserves. The savings to be contributed to their reserves are primarily the result of personnel savings. 	0.4
<p>SOCIAL & HEALTH SERVICES</p> <ul style="list-style-type: none"> • Housing Services surplus of \$221k a result of personnel savings and higher than budgeted County revenue share resulting from changes in weighted assessment. These savings are partially offset by a net variance in housing provider subsidies and rent supplements and one-time costs to support the implementation of the new housing information system under development by the Housing Consortium Initiative. • Housing Development Corporation is projecting a balanced budget after contributing \$11k to their reserve fund. The savings to be contributed to their reserve fund are the result of one-time savings for the initial six months of the new HDC office lease agreement. • London & Middlesex Housing Corporation deficit of \$281k is a result of higher than anticipated personnel costs, snow removal costs, additional public space cleaning costs to meet adequate customer service standards and higher than anticipated waste removal expenses. These costs are partially offset by increased rental revenue and other miscellaneous savings. • Long Term Care surplus of \$659k a result of savings in utilities, surplus in government funding within various programs, increased resident room fee revenue, personnel and net operational savings, partially offset by higher than anticipated furniture and equipment costs. • Land Ambulance balanced budget with no major factors to report. • Middlesex-London Health Unit balanced budget a result of lower than budgeted supplies and program costs and higher than expected revenue from physician billings and contraceptive sales offset by personnel cost overruns. • Social and Community Support Services surplus of \$382k a result of net personnel savings, Homeless Prevention one time savings as a result of later than anticipated opening of the new youth shelter, higher provincial subsidy for Ontario Works for corporate supports of the OW program, partially offset by Subsidized Transit program costs, net expenditure increase in OW employment related expenses and employment contract services and costs associated with the Free of Fear Services for All Policy. 	1.0
<p>TRANSPORTATION SERVICES</p> <ul style="list-style-type: none"> • Parking Services surplus of \$304k mainly a result of higher than anticipated revenue resulting from administration court fees, parking ticket fines, parking meters and bagging fees, and parking lot fees, personnel savings and reduction to the contribution to the Convention Center reserve fund due to lower revenues partially offset by other net operational cost overruns. • London Transit Commission deficit of \$190k a result of rate increases for contracted service costs for specialized service, security and janitorial services, and higher than budgeted fuel costs, partially offset by the approval of annualized assessment growth funding received in 2018 while only the in-year expenditure is required, bus maintenance and servicing savings, favourable natural gas and hydro costs and other costs savings. • Roadway Services deficit of \$2.2m a result of the following: <ul style="list-style-type: none"> ○ \$382k surplus in Roadway Maintenance due to personnel savings and operational cost savings. 	(2.1)

SERVICE PROGRAM	\$ Millions
<ul style="list-style-type: none"> ○ \$342k surplus in Roadway Planning & Design due to personnel savings and favourable occupancy charges from road permits, partially offset by higher than anticipated net operational costs. ○ \$3.0m deficit in Winter Maintenance a result of higher than anticipated winter maintenance costs from January to April including operating supplies, purchased services, equipment, personnel cost overruns and other operational costs partially offset by higher than budgeted winter maintenance user fee revenues. ○ \$104k surplus in Street Lighting & Traffic Signals due to lower than anticipated electricity costs, elimination of debt retirement charges, higher recoveries for street lights and traffic signals and net operational cost savings partially offset by personnel cost overruns. • Rapid Transit balanced budget due to higher than anticipated operational costs offset by capital expenditure recoveries. 	
CORPORATE, OPERATIONAL, & COUNCIL SERVICES	2.6
<ul style="list-style-type: none"> • Corporate Services surplus of \$1.8m a result of personnel savings, partially offset by a contribution to the Information Technology Services Reserve Fund to be used to support investment in corporate systems, and higher than anticipated operational costs. • Corporate Planning and Administration Services surplus of \$178k a result of operational cost savings and higher than budgeted service review savings achieved partially offset by personnel cost overruns. • Council Services deficit of \$218k a result of election costs and personnel costs partially offset by other net operational savings. • Public Support Services surplus of \$803k a result of higher than anticipated tax department revenue based on higher volume and personnel and operational cost savings. 	
FINANCIAL MANAGEMENT	(0.7)
<ul style="list-style-type: none"> • Corporate Financing deficit of \$0.7m a result of: <ul style="list-style-type: none"> ○ \$1.8m increased investment revenue and other financing revenues. ○ \$2.3m deficit due to drawdown from the Operating Budget Contingency Reserve that is potentially not required. ○ \$0.2m contribution to the Unfunded Liability Reserve partially offset by personnel savings in Financial Management and other net operational savings. 	
TOTAL PROJECTED YEAR-END POSITION	\$ 2.1

All figures are subject to rounding.

APPENDIX C – STRATEGIC INVESTMENT STATUS UPDATE

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2018 (\$000's)	2016/2018 Budget (\$000's)
Building A Sustainable City					
1	Library's Ten Year Capital Plan	Susanna Hubbard Krimmer	1,900	1,665	1,500
	<ul style="list-style-type: none"> 2018 to date: Jalna Library rooftop HVAC replacement, Beacock Library boiler and HVAC replacement, Central Library replacement of fire system and back flow prevention system. Remainder of 2018: Byron Library Revitalization and rooftop HVAC replacement. Remainder of 2018: Masonville Library boiler replacement (vendor proposal came in well under budget). <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>				
2	Road Map 2.0 – Road to Increased Resource Recovery and Zero Waste	Kelly Scherr	400	34	200
	<ul style="list-style-type: none"> The strategic investment funding has been added to the operating budget for 2018 & 2019. Prior to this the existing base budget money was utilized to complete the identified initiatives. Some of the initiatives that are nearly complete or completed/implemented are as follows: <ol style="list-style-type: none"> Effective January 2018 Council approved an additional green week collection for Christmas trees and other yard waste collection and opening the EnviroDepots an additional three days to provide access to drop off Christmas trees and other items accumulated during longer collection cycles over the holidays. \$60,000 of the Strategic Investment funding has been allocated to this initiative; Blue Boxes are now being sold at the EnviroDepots; Reduced container limits for garbage are now being enforced and garbage tags are being sold for bags above the limit set out for collection; Community composting projects have been initiated at six multi-residential locations; Staff members are actively engaged in several local and provincial working groups exploring the benefits of food waste awareness and participating in pilot projects developed with Western University and PhD students. Allocation of \$140,000 will occur as part of the development of the 60% Waste Diversion Action Plan which will be brought to Committee and Council in the summer/fall of 2018. <p><i>Project Status: On Track</i> <i>Project Start Date: 2018 & 2019</i></p>				
3	Urban Forest Strategy	John Fleming	3,455	1,128	2,970
	<ul style="list-style-type: none"> The City has created a Planning Strategy to ensure that the funds invested generate the most trees/future canopy and leverage partnerships with the community. Forestry Operations increased tree planting started in 2017. Also, there was an increase in funding to the TreeME grant program to plant trees on private lands. 2018 funding will cover the 2018 fall planting objectives, TreeME grant awards in August, and a project to initiate an update to the City's tree inventory. Forestry Operations have executed, as described in the business case, increased pruning efforts to decrease the previous pruning cycle of 10-13 years. Additional future funding will be required to meet the 5-7 year optimum pruning goal. <p><i>Project Status: On Track</i> <i>Project Start Date: Spring 2016</i></p>				
4	Thames Valley Corridor Plan	John Fleming	1,200	75	1,200
	<ul style="list-style-type: none"> The environmental assessment for this key Thames Valley Parkway pathway project was approved by Council on July 26, 2016 but progress on this project was delayed pending a Part II Order EA bump up request (i.e. request for escalation of the environmental assessment), which has since been resolved. Provincial funding through the Ontario Municipal Commuter Cycling program was also recently approved for this project, eliminating a potential funding gap. Detailed design is currently ongoing with construction anticipated to commence in fall 2018. <p><i>Project Status: Delayed</i> <i>Project Start Date: Design in 2017</i></p>				
5	Road Safety Strategy	Kelly Scherr	500	145	375
	<ul style="list-style-type: none"> Implementation of Road Safety Strategy Initiatives including pedestrian crossovers, road safety audits, rail crossing assessments and capital improvements is underway. Federal funding via the Public Transit Infrastructure Fund has enabled leveraging and acceleration of scope. The cost sharing portion of the project is not reflected in the numbers being reported. <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>				

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2018 (\$000's)	2016/2018 Budget (\$000's)
6	Rapid Transit Implementation Strategy	Kelly Scherr/ Jennie Ramsay	-	-	-
	<ul style="list-style-type: none"> The Bus Rapid Transit Environmental Assessment (EA) is in process. The Draft Environmental Project Report (EPR) was submitted to Strategic Priorities & Policy Committee (SPPC) in Q2 2018. Transit Projects Assessment Process (TPAP) was approved by SPPC to be filed in Q2 2018. In Feb/18, the Provincial Government announced \$170 M (in principle) of funding towards "Shift Bus Rapid Transit" in London, pending provincial review of the project. In March/18, the Federal Government announced an allocation of \$204.9 million for London under the Public Infrastructure Stream of the Investing in Canada Plan. This allocation is based solely on transit ridership. The majority of London's allocation will be applied to the implementation of London's BRT initiative. Once London's projects have been submitted by the province to the federal government, the formal review by federal officials at Infrastructure Canada can commence. <p><i>Project Status: On Track</i> <i>Project Start Date: July 2014</i></p>				
7	State of Infrastructure Report	Anna Lisa Barbon	6,750	2,250	3,750
	<ul style="list-style-type: none"> Identified capital funds began in 2017. The 2017 Asset Management Plan Review indicates targeted infrastructure investments have resulted in progress in managing the Transportation Infrastructure Gap. Funds have been allocated to projects in Parks and Recreation, Fire and Corporate Services through 2019. Actuals represent projects that have started. <p><i>Project Status: On Track</i> <i>Project Start Date: 2017</i></p>				
Council Added Initiative	Green Bin	Kelly Scherr	135	135	135
	<ul style="list-style-type: none"> A staff position (18 month contract) was filled in July 2016 through January 2018 and provided additional resources to examine programs (e.g., Green Bin, advanced processing and energy recovery systems) to reduce the organic content (e.g., food scraps) of garbage and assist with the Council directed development of the Resource Recovery Strategy. <p><i>Project Status: On Track</i> <i>Project Start Date: July 2016</i></p>				
Leading in Public Service					
8	Garbage Collection – On-board Weighing and Tracking Technologies	Kelly Scherr	150	-	75
	<ul style="list-style-type: none"> The strategic investment funding is slated to be added to the capital and operating budget in 2018 & 2019. Work with this budget is scheduled to begin in the last half of 2018. <p><i>Project Status: On Track</i> <i>Project Start Date: 2018 & 2019</i></p>				
9	Technology – Amanda	George Kotsifas	1,000	511	750
	<ul style="list-style-type: none"> Currently in process of implementing a Mobile Application Solution that will allow inspectors to access and update AMANDA when not connected. Existing projects are progressing. <p><i>Project Status: On Track</i> <i>Project Start Date: April 2016</i></p>				
10	Establish Public Engagement as an Area of Focus	John Fleming	100	3	75
	<ul style="list-style-type: none"> Implementation of the enhanced planning application public notice site signage began in April 2018 and spending is expected to ramp up over the remainder of 2018. <p><i>Project Status: On Track</i> <i>Project Start Date: 2017</i></p>				
11	Service London Implementation Plan	Lynne Livingstone	3,947	1,742	3,083
	<ul style="list-style-type: none"> 2016 and 2017 operating spending was below budget due to project timing and reflects the pace of roll-out of capital projects; operating expenses have started to ramp up in 2018 as capital projects are operationalized and full staffing complement is achieved. The capital investment to date has focused on 4 projects (Customer Relationship Management (CRM) Phases 2 and 3, Self Service Portal, and Business Hub Renovations). <ul style="list-style-type: none"> CRM Phase 2 was completed at the end of May 2016 and was under budget due to the use of surplus funds from Phase 1, while CRM Phase 3 was completed at the end of 2017. The Self Service Portal was completed in April, 2017. 				

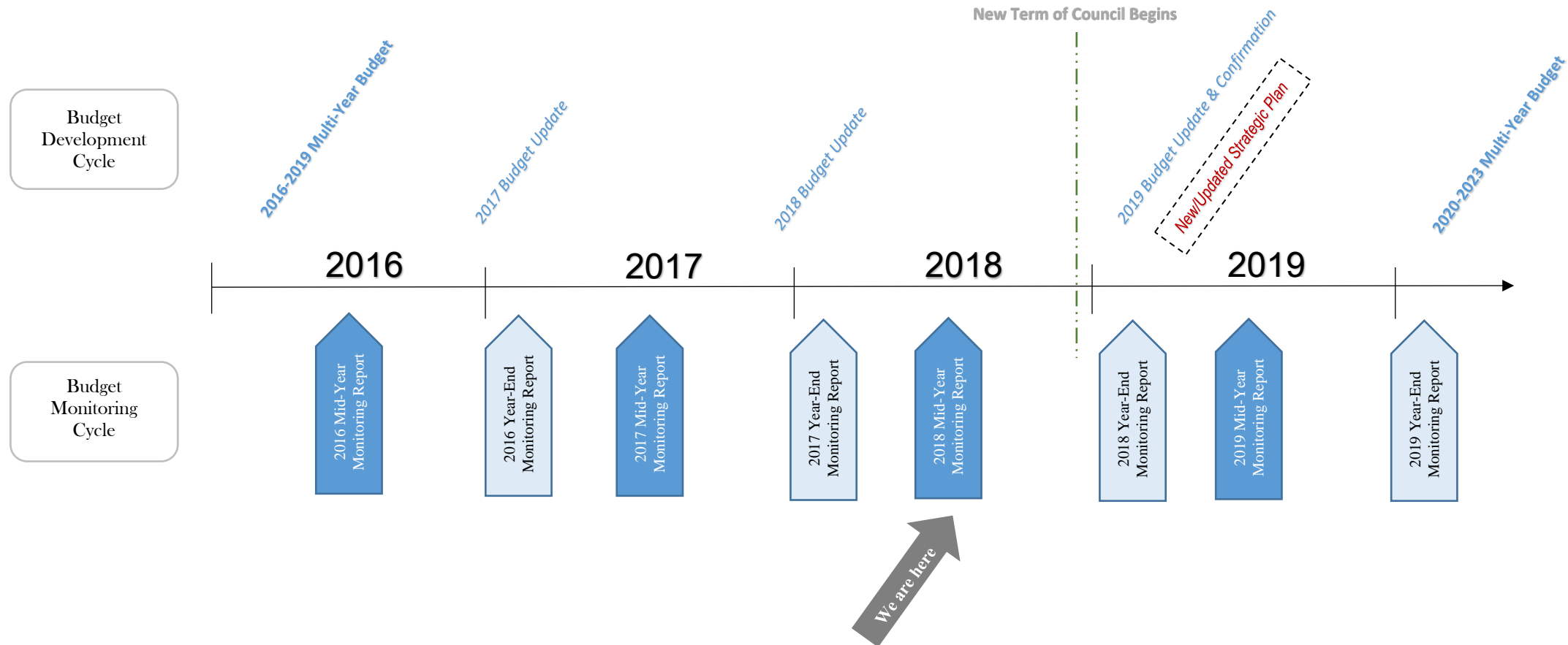
Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2018 (\$000's)	2016/2018 Budget (\$000's)
	<ul style="list-style-type: none"> ○ Capital expenditures related to the Business Hub renovations were completed at the end of Q4 2017. ○ The next phase of the CRM implementation (Phase 4) was started in early 2018 and the project is on track for a Q4 2018 completion (\$265k). ○ The Service London Business Website is also on track for a Q4 2018 completion. <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>				
12	Computerized Maintenance Management System	Kelly Scherr/ Anna Lisa Barbon	2,100	442	1,400
	<ul style="list-style-type: none"> • Phase 1 is progressing on schedule and on budget. FTE positions in the service area have been filled to support the project and provide ongoing administration of CMMS for the City. ITS is currently recruiting for the positions in their area to provide technical assistance. The team is currently in the Project Build Phase of the project plan. <p><i>Project Status: On Track</i> <i>Project Start Date: July 2016</i></p>				
Strengthening Our Community					
13	London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020	Lynne Livingstone	780	278	530
	<ul style="list-style-type: none"> • All of the 2016 funds (\$30k) and 2017 funds (\$250k) available for this project have been committed to neighbourhood projects, noting that some 2017 projects are currently in the process of being completed. 2018 projects have been selected and all funds (\$250k) are expected to be spent in 2018 (or early 2019). <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
14	Ontario Works Service Plan – Low Income Supports Enhancement	Sandra Datars Bere	2,080	1,289	1,560
	<ul style="list-style-type: none"> • Council approved 3 additional City staff as well as a contract amendment with Goodwill, the lead community partner for this initiative. All approved staff and contracts were put in place in 2016. • Council received an information report on March 28, 2017 related to Bridges Out of Poverty and Circles Baseline Evaluation including success and impacts of this initiative. All approved funding for 2018 for this initiative will be spent. <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
15	Mental Health and Addictions Strategy	Sandra Datars Bere	200	88	200
	<ul style="list-style-type: none"> • Work and planning in 2016 on this initiative was managed within existing resources. In 2017 a Request for Proposal was issued for an external consultant to assist with the creation of the strategy. A contract was awarded in June, 2017 to Optimus SBR. On December 5, 2017 a report was provided to Council on the Community Mental Health and Addiction Strategy - Moving Forward Together. • Council also approved the remaining budgetary funds of \$112k to fund the implementation activities of the Community Mental Health and Addictions Strategy. All remaining funds are expected to be used by the end of 2019. <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
16	1. London Homeless Prevention and Housing Plan 2010-2024 2. London Homeless Prevention System Implementation Plan	Lynne Livingstone	3,800	1,902	2,800
	<ul style="list-style-type: none"> • A total of \$176,640 of the \$200,000 approved budget for Housing Supplements was utilized in 2016 as the program was rolled out. The full budget of \$400,000 was spent in 2017. \$125,000 of the \$500,000 budget has been spent in 2018 with the full 2018 budget allocation expected to be spent. • The new timeline for the opening of the Housing First youth emergency shelter is Q3 2019. It was originally planned to be operational in 2018. The reason for this delay is due to the length of time it has taken to acquire land. There are no significant implications as youth will continue to be served at The Salvation Army Centre of Hope. Spending of the operating portion of funding for the shelter is expected to commence in 2018 on start-up related costs. <p><i>Project Status: Delayed</i> <i>Project Start Date: April 2016</i></p>				

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2018 (\$000's)	2016/2018 Budget (\$000's)
17	Winter Maintenance Strategy	Scott Stafford	574	355	430
	<ul style="list-style-type: none"> This new program to provide winter maintenance on approximately 50% of paths in parks and the Thames Valley Parkway has been successful to date. While the first half of 2018 experienced a heavier snowfall than a typical winter season, it is anticipated the budget will be sufficient to meet the expected service levels during a "normal" winter. <p><i>Project Status: On Track</i> <i>Project Start Date: 2016</i></p>				
Council Added Initiative	Enhance By-law Enforcement	George Kotsifas/Orest Katolyk	1,095	504	795
	<ul style="list-style-type: none"> The implementation of the plan went well. The volume of complaints created through this enhanced service have been manageable to date. Enhanced enforcement was to be cost shared by additional revenue from licensing private vehicles for hire, vacant building bylaw fees and administrative monetary penalties (AMPs). Due to the policy passed by Council in July 2016 to proactively address issues with vacant buildings and report out on specific buildings which should be demolished to address neighbourhood quality of life issues, revenues in 2018 will not be collected from vacant building by-law fees and will only be collected from licensing private vehicles for hire. AMPs will be implemented in 2019 for parking and licensing. The review of the business licensing by-law is nearing completion. Soon thereafter, work will begin on implementing an AMPs by-law and process. <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
Growing Our Economy					
18	London Community Foundation's "Back to the River Project"	John Fleming	700	478	700
	<ul style="list-style-type: none"> The One River Master Plan must be completed first before work starts on this project. It is expected that the Master Plan will be completed by the end of 2018. <p><i>Project Status: Delayed</i> <i>Project Start Date: 2018/2019</i></p>				
20	London's Downtown Plan – Small Scale Projects	John Fleming	100	-	-
	<ul style="list-style-type: none"> The first small scale project under this initiative is not budgeted to begin until 2019. <p><i>Project Status: On Track</i> <i>Project Start Date: 2019</i></p>				
21	Regenerating Public Housing Plan	Sandra Datars Bere	750	-	250
	<ul style="list-style-type: none"> Approved funding starts in 2018 to develop a detailed strategic plan for regeneration/re-development of LMHC properties, inclusive of funding, partnership, tenant impact and engagement strategies: \$250,000 in 2018 and \$500,000 in 2019 with a projection of \$5,750,000 in the 2020-2025 capital forecast subject to budget approval. Resources have been identified and work has been initiated on this project. This project is a partnership between the City, HDC, and LMHC. <p><i>Project Status: On Track</i> <i>Project Start Date: 2018</i></p>				
22	Dundas Place	Kelly Scherr/John Fleming	15,614	5,842	8,982
	<ul style="list-style-type: none"> Dundas Place coordinated contract has been awarded and Year 1 construction is progressing. Environmental Assessment not included in the budget or year to date expenditures. Capital purchase of 3 buses completed July 2017. Buses removed in April from Dundas Place. Federal funding via the Public Transit Infrastructure Fund has enabled leveraging and acceleration of scope; noting that the above investment does not include the impact of federal funding. <p><i>Project Status: On Track</i> <i>Project Start Date: February 2015</i></p>				
23	City of London Internship Program	Bill Coxhead	360	54	240
	<ul style="list-style-type: none"> Currently there are two foreign trained professionals employed for 12 month terms under the expanded internship program. The longer term placements provide candidates an opportunity to obtain accreditation in their chosen profession. <p><i>Project Status: On Track</i> <i>Project Start Date: 2017</i></p>				

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2018 (\$000's)	2016/2018 Budget (\$000's)
Council Added Initiative	Brownfield Incentives <ul style="list-style-type: none"> • Funding is used on as needed basis as applicants come forward. The first two grants through this program were paid in the latter half of 2017, and staff are currently aware of 3 additional applications that may be brought forward. <i>Project Status: On Track</i> <i>Project Start Date: 2016</i>	John Fleming	80	20	60

APPENDIX D – MULTI-YEAR BUDGET CYCLE

The timeline below illustrates when Council will receive the various reports that form the 2016-2019 multi-year budget governance and accountability process.



TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING OF SEPTEMBER 25, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES & CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	ASSET REVIEW: CLASS A – VACANT LAND AND BUILDINGS & CLASS C – MAJOR VENUES, NON-CORE SERVICES AND ASSETS

RECOMMENDATION

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer the following actions be taken:

- a) the reporting of the proceeds from the sale of surplus lands, and the update on the City of London Class C – Major Venues, Non-Core Services and Assets **BE RECEIVED** for information;
- b) Civic Administration **BE DIRECTED** to allocate \$434,716 of net proceeds from the completed sales of surplus land as per the Council approved Sale of Major Assets Policy;
- c) Civic Administration **BE DIRECTED** to take no further action regarding the review of the following City-owned heritage assets:
 - i.* Baty House;
 - ii.* Eldon House/Coach House/Greenhouse/ Interpretive Centre/Museum;
 - iii.* EP Williams Estate/Gatehouse;
 - iv.* Flint Cottage/Flint Shelter/ Springbank Pumphouse;
 - v.* Grosvenor Lodge/Carriage House;
 - vi.* Park Farm; and,
- d) Civic Administration **BE DIRECTED** to bring forward a detailed business case as part of the 2020-2023 Multi-Year Budget to support the costs associated with the transition plan and subsequent disposition of T-Block building.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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“Asset Review: Class C – Major Venues, Non-Core Services and Assets,” Corporate Services Committee, December 5, 2017

“Asset Review: Class A – Vacant Land and Buildings,” Corporate Services Committee, May 23, 2017

“Asset Review: Sale of Major Assets Policy and Future Asset Review Timelines,” Corporate Services Committee, March 7, 2017

“Asset Review: London Hydro Inc. – Discussion Paper,” Strategic Priorities and Policy Committee, February 13, 2017

“Review of Corporate Assets: Initial Scoping Report,” Corporate Services Committee, December 13, 2016

“Capital Assets and Revenue Alternatives,” Committee of the Whole, November 8, 2011

“Capital Assets and Revenue Alternatives – Discussion Paper,” Committee of the Whole, June 21, 2011

LINK TO THE STRATEGIC PLAN

The Class A and Class C asset reviews advance the following areas of focus and objectives of Council's Strategic Plan:

- Leading in Public Service
- 3. Proactive financial management
 - A) Make sure that finances are well-planned to keep costs as low as possible and look to limit the burden on current and future rate payers.

PURPOSE OF REPORT

On December 19, 2016, Municipal Council approved an approach and tasks related to a review of municipally-owned assets. This report responds to item f) of the Council resolution, which is as follows:

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken:

- a) *the scoping report regarding a process for evaluating the City of London's asset portfolio BE RECEIVED for information;*
- b) *the Council-adopted "Principles for Identifying Asset Sales and Revenue Alternatives" provided in Appendix 'A' to the staff report dated December 13, 2016 BE RECEIVED for information; it being noted that the principles will be further developed into a Council policy;*
- c) *the inventory of municipally-owned assets separated by category, provided in Appendix 'B' to the staff report dated December 13, 2016 BE RECEIVED for information;*
- d) *the related Council-approved "Sale and Other Disposition of Land Policy", provided in Appendix 'C' to the staff report dated December 13, 2016, BE RECEIVED for information;*
- e) *the Civic Administration BE DIRECTED to update or develop policies for the disposal of vehicles, furniture and equipment for inclusion in the Council Policy Manual;*
- f) *the Civic Administration BE DIRECTED to report back on options for municipally-owned assets and the potential proceeds from the sale of assets for the following categories:*
 - i) *Class A – Vacant land and buildings (First Quarter, 2017);*
 - ii) *Class C – Major venues, non-core services and assets (Third Quarter, 2017).*
- g) *NO ACTION BE TAKEN to review Classes B, D, E, F and G assets as described in the staff report dated December 13, 2016;*
- h) *the ~~attached~~ presentation from the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and the Manager of Business Process Planning BE RECEIVED; and*
- i) *the communication dated December 9, 2016 from C. Butler, BE RECEIVED.*

This report provides an update on the proceeds from the sale of surplus lands and an update on the City's Class C asset review to date.

ASSET REVIEW: CLASS A – VACANT LAND AND BUILDINGS
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Background

In May 2017, Municipal Council approved the following City-owned properties to be declared surplus to the needs of the City:

- a) a portion of Pine Tree Drive;
- b) Roll # 030290038000000 Oxford Street East;
- c) 92 Clemens Street;
- d) Roll # 030750205990000 Huron Street East;
- e) Roll # 040170084010000 Egerton Street;
- f) 748 Classic Drive;
- g) 116 Emery Street West; and,
- h) 130 Southdale Road West.

Civic Administration advised that the properties recommended for disposal would be administered through the City's *Sale and Other Disposition of Lands Policy*, and the proceeds generated from the sale of surplus lands would be allocated per the City's *Sale of Major Assets Policy*. Further, the amount of proceeds and associated allocation would be reported out regarding major asset sales.

This report provides an update on the status of the properties that were declared surplus and provides a summary of the sales transactions that have been completed to date, as well other properties that have been declared surplus since May 2017. Information has also been provided on properties that were also declared surplus, but have not sold yet.

In addition, the following properties were declared surplus subsequent to the May 2017 staff report and are included below.

- a) 330 Thames Street;
- b) 1694 Evangeline Street; and,
- c) 995 Hargrieve Road.

Sales Transactions for Surplus Lands

Table 1 provides a summary of the completed transactions for the sales of surplus lands identified in this report.

TABLE 1: CITY-OWNED SURPLUS LANDS – COMPLETED SALES

Property Description	Sale Price	Expenditures	Net Proceeds *	Status
92 Clemens Street	\$63,500	\$161	\$63,339	Closing date: April 30, 2018
116 Emery St W	\$51,500	\$0	\$51,500	Closing date: April 30, 2018
130 Southdale Road West	\$56,000	\$0	\$56,000	Closing date: July 2018
330 Thames Street	\$260,000	\$2,123	\$257,877	Closing date: March 2, 2018
995 Hargrieve Rd Adj City Owned Property	\$6,000	\$0	\$6,000	Closing date: July 27, 2018
Total Net Proceeds:			\$434,716	

* Net proceeds is defined as the net revenues realized from the sale of the property minus any expenses that were incurred to sell the property.

Table 2 provides a summary of the in process transactions for the sales of surplus lands identified in this report.

TABLE 2: CITY-OWNED SURPLUS LANDS – IN PROCESS SALES

Property Description	Sale Price	Status
Portion of Pine Tree Drive	To be Determined	In Negotiations
Roll # 030290038000000 Oxford Street East	\$257,420	Closing date: September 28, 2018
Roll # 030750205990000 Huron Street East	To be Determined	In Negotiations
Roll # 040170084010000 Egerton Street	To be Determined	In Negotiations
748 Classic Drive	To be Determined	In Negotiations
1694 Evangeline Street	\$172,000	Closing date: September 28, 2018

It should be noted that the amount of properties that are identified for potential disposal and that are ultimately declared surplus varies from year to year. Therefore, it should not be expected that future opportunities for surplus properties will be identified each year. There are no other City-owned lands to be declared surplus at this time.

Allocation of Proceeds from Surplus Lands Sales

The allocation of proceeds generated from the sale of surplus lands is determined by the City Treasurer consistent with strategy identified in the City’s *Sale of Major Assets Policy*. Based on the approved policy, the proceeds from the sale of the surplus lands should be used in the following priority order:

- a) Substitute funding for approved but unissued debt;
- b) Purchasing a new asset(s) that produces a return on the investment (both financial and non-financial value improvements); and,
- c) Investments that generate predictable interest revenue, noting that only interest proceeds may be used to provide one-time or ongoing contributions for strategic initiatives.

As a result, \$434,716 of the proceeds realized to date will be used to substitute funding for approved but unissued debt.

ASSET REVIEW: CLASS C – MAJOR VENUES, NON-CORE SERVICES AND ASSETS

Background

In December 2017, Municipal Council received a report regarding the findings and ongoing strategy to review the City’s Class C assets. As outlined in the last report, staff separated the Class C assets into two categories:

Separate Review Underway:

The assets included were as follows:

- London Hydro
- Public Utility Commission
- Municipally-Owned Parking Lots
- Centennial Hall
- J Allyn Taylor Building

Assets for Further Investigation:

The assets included were as follows:

- Housing Development Corporation
- London Middlesex Housing Corporation
- Baty House
- Eldon House/Coach House/Greenhouse/Interpretive Centre/Museum
- E P Williams Estate/Gatehouse
- Flint Cottage/Flint Shelter
- Grosvenor Lodge/Carriage House
- Park Farm
- Springbank Pumphouse
- Normal School Building
- Tourism/Visitors Service Centre
- London Convention Centre
- Covent Garden Market
- Labatt Park
- Budweiser Gardens
- T-Block Building

The following sections provide an update on the review of these assets, including the review of the T-Block building.

Separate Review Underway

Assets within this category are part of an on-going review to determine the strategic options for them. Table 3 provides an update on the status of each review.

TABLE 3: STATUS UPDATE

Asset Description	Status of Review
London Hydro	Review completed in Q1 2018.
Public Utility Commission	Review completed in Q2 2018.
Municipally-Owned Parking Lots	Report will be brought forward at a future date on the financial implications and a strategy to fund new public parking spaces as part of new developments in the next 20 years.
Centennial Hall	Being reviewed as part of Master Accommodation Plan.
J Allyn Taylor Building	Being reviewed as part of Master Accommodation Plan.

Assets for Further Investigation

During the review of the assets in this category, it was determined that several of the assets required additional time to review due to the heritage nature of the assets and when each of the assets were acquired by the City. Civic Administration required more time review the files for assets in this group, some dating back many years, to determine if legal agreements existed that would restrict the use of the lands and buildings characterized by the assets.

A summary of the findings of each review completed is provided in Table 4.

TABLE 4: SUMMARY OF FINDINGS

Asset Description	Comments	Recommendation / Status
Baty House	Baty House is owned by the Upper Thames River Conservation Authority.	No additional review is required.
Eldon House/Coach House/Greenhouse/ Interpretive Centre/Museum	The City holds Eldon House as a charitable purpose trust. This property cannot be divested without a court order.	Retain ownership of the asset. No additional review is required.
E P Williams Estate/Gatehouse	The City holds EP Williams Estate as a charitable purpose trust. This property cannot be divested without a court order.	Retain ownership of the asset. No additional review is required.
Flint Cottage/Flint Shelter/ Springbank Pumphouse	No documents registered on title would restrict the City's ability to divest this property. Parks and Recreation is looking at future space needs for storage, offices and event support and/or vendor opportunities at three building locations in Springbank Park. Currently the "Pumphouse" is being utilized as a public washroom and parks operations storage facility along the Thames Valley Parkway. The "Flint Shelter" is currently being utilized as an event support building to house event organizers and event operations equipment along with some program space for community users. The "Flint Cottage" is not currently in use.	Retain ownership of the asset. No additional review is required. Parks and Recreation will assess future needs and uses to determine whether there may be a city use or need along with interest from various unsolicited opportunities by vendors for various types of retail activities.
Grosvenor Lodge/Carriage House	No documents registered on title would restrict the City's ability to divest this property. The asset is currently under license to Heritage London Foundation. They maintain the asset for the City and use it to fulfil their heritage mandates.	Retain ownership of the asset. No additional review is required.
Park Farm	The City holds Park Farm as a charitable purpose trust. This property cannot be divested without a court order.	Retain ownership of the asset. No additional review is required.

As shown in Table 4, staff have determined that these assets do not warrant further review and should be retained by the City of London based on the individual constraints associated with them and the programs and services they provide to the community.

T-Block Building

The T-Block building was constructed in the early 1900's as a military stores building and residence. The City acquired the building in 1995 as part of the decommissioning of CFB Wolseley Barracks. It was designated by the City as a building of Cultural Heritage Value and Interest in 1999. The T-Block building is a three storey building with a basement, heated with hot water radiators throughout the building. There is no air circulation system (limited air conditioning in some of the spaces through the use of individual window type air conditioner units). Washrooms located on each floor (excluding the basement) are not compliant with current accessibility requirements. Access to the T-Block building for physically challenged persons is essentially limited to the main floor as there is no elevator servicing the building. Over the years, Council has directed Civic Administration to find "low cost" space for a variety of community groups in city facilities. The T-Block building has been the "go to" place for many years for this purpose.

On December 12, 2017, Council directed Civic Administration to initiate a process to review the T-Block building for potential opportunities for disposition. There are several factors considered as part of this review. They include:

- To maintain the building just as is, the Life Cycle Renewal costs from 2019 to 2029 for this building are estimated to be at least \$3.0M, noting that an additional \$1.3M of Life Cycle Renewal requirements are forecasted for the subsequent 10 years.
- In addition, to make the building accessible in accordance with current standards, it will cost at least \$2.0M (upgrades required include washrooms, elevator, exits).
- The T-Block building is not currently used to accommodate City of London staff or to deliver programs (although some of the space is used for storage).
- There are currently 8 community organizations who access office and/or storage space in this building. The annual fee of \$530.45 for office space and \$52.49 for storage space (excluding HST) is paid by each group.
- This building is located in a prime location, along a major transit corridor which may generate interest and opportunities for private sector investment.

Based on these factors, Civic Administration continues to assess the T-Block building as a strong candidate for future disposal.

Next Steps:

1. Civic Administration will develop a detailed transition plan for the disposal of T Block. A key component of this plan is to understand the possible impact on community organizations who currently use office and/or storage space in this building. Not all tenants may require space as they may co-locate with other groups and/or have the ability to cover the costs to access space in another facility. However, there are a few grassroots organizations using space at T-Block who do not currently have the means to financially support such obligations as market rent. Various alternatives for these organizations will be considered as part of this detailed transition plan.
2. Civic Administration will bring forward a detailed business case as part of the 2020-2023 Multi-Year Budget to support the costs associated with the transition plan and subsequent disposition of T-Block building.

CONCLUSION

This report provides an update on the proceeds from the sale of surplus lands and an update on the City's Class C asset review to date.

Civic Administration recommends that the net proceeds from the completed sales of surplus land in the amount of \$434,716 be allocated as per the Council approved Sale of Major Assets Policy.

Civic Administration recommends that the City-owned heritage assets identified in this report do not warrant further review and should be retained by the City of London, with exception of Baty House which was determined to be owned by the Upper Thames River Conservation Authority.

Civic Administration will develop a detailed transition plan for the disposal of T Block and report back at a future Committee date. In addition, a detailed business case will be brought forward as part of the 2020-2023 Multi-Year Budget to support the costs associated with the transition plan and subsequent disposition of T-Block building.

PREPARED AND SUBMITTED BY:
MARK JOHNSON, RPP BUSINESS PLANNING PROCESS MANAGER FINANCE AND CORPORATE SERVICES
REVIEWED AND RECOMMENDED BY:
ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

- cc. L. Livingstone, Managing Director, Neighbourhood, Children and Fire Services
- S. Stafford, Managing Director, Parks and Recreation
- B. Warner, Manager, Realty Services
- J. Millson, Senior Financial Business Administrator
- M. Perez Butlin, Solicitor I, City Solicitor's Office

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	MARTIN HAYWARD, CITY MANAGER AND WILLIAM C. COXHEAD, MANAGING DIRECTOR, CORPORATE SERVICES AND CHIEF HUMAN RESOURCES OFFICER
SUBJECT:	UPDATE #2 : HARASSMENT AND DISCRIMINATION – THIRD PARTY REVIEW

RECOMMENDATION

That, on the recommendation of the City Manager and Managing Director, Corporate Services and Chief Human Resources Officer,

- a) this Report **BE RECEIVED** for information; and ,
- b) that Civic Administration **BE AUTHORIZED** to exceed Council approved spending limits up to an additional \$200,000 for this review as necessary to complete the work which will be awarded as a Single Source Procurement as per section 14.4 (b) of the Procurement of Goods and Services Policy.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Update: Harassment and Discrimination– Third Party Review June 19, 2018

BACKGROUND

On March 27, 2018 Council resolved that the City Manager BE REQUESTED to provide updates to the Corporate Services Committee regarding the harassment and discrimination policy and process review and changes, at the appropriate points in time. This is the second update following the report provided in June 2018.

Since March of 2018, the City Manager and the Chief Human Resources Officer have written to employees indicating our commitment to a workplace that is free from harassment and discrimination. To date, there have been ten communications to employees keeping them informed of the steps that are being taken.

The following is a summary of the work that is being done and will be done to honour this commitment:

Rubin Thomlinson LLP is actively conducting work regarding City policies and practices related to harassment and discrimination, including allegations of bullying, intimidation and /or reprisal in the workplace and to provide interim intake and investigation services for those who may be uncomfortable using the City’s current processes.

As previously reported, their work is focused in two key areas:

1. Conducting an intake of complaints and, where appropriate, conducting investigations of individual harassment and/or discrimination allegations.
2. Conducting an assessment of the City of London’s program and practices relating to harassment and discrimination. This includes obtaining feedback in a variety of ways from employees on their experiences relating to the program and a top to bottom review of our policies.

Phase One- Interim Intake and investigation:

A dedicated confidential email address was created where City of London employees and former employees could directly contact Rubin Thomlinson to make a complaint of harassment discrimination, bullying, intimidation and /or reprisal. The period for receiving complaints was from April 23rd through June 15, 2018.

At the time of writing of this report, Rubin Thomlinson has confirmed it received 39 contacts/complaints as part of Phase One. All 39 have been responded to and intake calls have been conducted.

Of the 39 contacts/complaints received, 18 are either currently being investigated by Rubin Thomlinson or an investigation is about to commence.

The remaining intake calls either provided information to be considered in Phase Two described below, or did not involve allegations of harassment, discrimination, bullying, intimidation or reprisal within the scope of this process.

Phase Two – Workplace Assessment:

In addition to the intake and investigation process outlined above, Rubin Thomlinson LLP is conducting an assessment of the City of London's program relating to harassment and discrimination. This will include a workplace review of the City of London's culture, practices, policies and procedures as they relate to workplace harassment and discrimination in order to identify any systemic issues and gaps that may exist. The results of the assessment will inform Rubin Tomlinson's recommendations with respect to best practices to address any issues and gaps identified. This assessment process is just commencing.

As part of the assessment process, employees and former employees were invited following the summer season to complete a survey in which they can provide feedback on the City of London's harassment and discrimination related policies and procedures, as well as comment generally on any experiences they have had relating to raising concerns to the City of London under these policies.

On September 5th, the survey was made available on line for all those employees with a city email address and in paper form for all others. The survey window is open for four weeks and will close on October 5th. The survey consists of open ended questions to allow employees to respond with specific examples or general observations and feelings. Employees can choose to complete the survey anonymously or self-identify. Those who choose to self-identify may also be asked to participate in an in-person meeting with Rubin Thomlinson to gather additional information in October and November.

Former employees who may have had concerns or complaints related to workplace harassment or discrimination while employed with the City may also participate in the assessment phase by contacting Rubin Thomlinson LLP to share their experiences.

A review of the following has also commenced:

- all relevant policies and procedures;
- training materials; and
- previous complaints received and dealt with by the City.

One on one interviews have also commenced with persons who:

- create or implement relevant policies;
- other relevant internal stakeholders; and
- self-identify in the survey.

Rubin Thomlinson will also seek input from relevant external stakeholders, including those working with women who have experienced harassment, abuse and gender based violence.

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	VEHICLE DONATION TO REFOREST LONDON

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, notwithstanding the Procurement of Goods and Services Policy:

- a) the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the October 2nd, 2018 meeting of the Municipal Council to make a grant of a City-owned surplus truck to ReForest London; and
- b) that Civic Administration **BE AUTHORIZED** to transfer \$9,500 from the Community Investment Reserve Fund to the Vehicle & Equipment Reserve Fund.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- January 16, 2006 – Donation of Surplus Trailer to St. John Ambulance, Community and Protective Services Committee
- August 8, 2007 – Donation of Surplus Defibrillators to Fanshawe College, Board of Control
- June 18, 2008 – Food Bank Request, Board of Control
- November 18, 2009 – Food Bank Request, Board of Control
- September 13, 2011 – Donation of Play Equipment to London Middlesex Housing Corporation (LMHC), Community and Neighbourhoods Committee

BACKGROUND

At its meeting on September 11, 2018, the Corporate Services Committee supported a request from ReForest London for the City to donate to ReForest London a used truck to assist in their tree planting events.

The Procurement of Goods and Services Policy, Schedule "E", sets out the process for disposal of materials and equipment that are considered to be obsolete and/or surplus through auction. The City's Fleet Services follows this process and accounts for the proceeds of disposal to fund the acquisition of replacement equipment.

Fleet Services has confirmed that a truck is coming out of service around the end of September, 2018. Based on experience, the salvage value of similar type vehicles would be \$9,500. This amount had been accounted for to be contributed to the Vehicle and Equipment Reserve Fund which would be put toward the acquisition of a replacement vehicle.

Although the practice, as outlined in the Procurement of Goods and Services Policy, has been to auction off surplus City equipment, there have been some instances where items have been donated by the City to an outside organization: cargo vans to the London Area Food Bank, play equipment to the London & Middlesex Housing Corporation, a trailer to St John's Ambulance, surplus defibrillators for use as training tools to Fanshawe College, and end of lifecycle firefighters equipment provided to GlobalFire.

APPENDIX “A”

Bill No.
2018

By-law No.

A By-law to make a grant of a City owned surplus truck to ReForest London

WHEREAS section 5(3) of the *Municipal Act, 2001*, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS subsection 107(1) of the *Municipal Act, 2001*, S.O. 2001 provides that a municipality may make grants, on such terms as the Council considers appropriate, to any person, group or body, including a fund, for any purpose that Council considers to be in the interests of the municipality;

AND WHEREAS subsection 107(2) (d) of the *Municipal Act, 2001* provides that the power to make a grant includes the power to make a grant of any personal property of the municipality;

AND WHEREAS ReForest London is a non-profit organization that is a registered charity with the Canada Revenue Agency;

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

1. That the Corporation of the City of London may make a grant of one of its surplus trucks to ReForest London.
2. That the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer be authorized to take any and all administrative acts that are necessary to make the grant of a truck in section 1, above.
3. This by-law shall come into force and effect on the date it is passed.

Passed in Open Council on October 2, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –

AGENDA TAX ADJUSTMENT APPLICATIONS

The enclosed Agenda is regarding Tax Adjustment Applications made to the City under Sections 357 and 358 of the *Ontario Municipal Act*.

Under Section 357 the municipality may cancel, reduce, or refund all or part of the taxes levied in the year in respect of which the application is made. Applications under Section 357 may include:

- a change in tax class as a result of a change event;
- land that has become exempt from taxation;
- a building on the land that has been razed or damaged by fire, demolition, or otherwise;
- an overcharge due to a clerical or factual error;
- repairs or renovations to non-residential properties preventing the normal use of the land for at least three months.

Under Section 358 the municipality may cancel, reduce, or refund all or part of the taxes levied on the land in one or both of the two years preceding the year in which the application is made. Applications under Section 358 are made for any overcharge caused by an error in the preparation of the assessment roll that is clerical or factual in nature, but not an error in judgment in assessing the property.

As per *Ontario Municipal Act* Sections 357.(5) and 358.(9), Council is required to hold a meeting to address Tax Adjustment Applications.

All property owners who have applications included on this agenda have been asked in writing to contact Taxation Division staff if they have any disagreement with the recommendation listed. If any property owner appears at a Corporate Services Committee meeting and has not notified Taxation Division staff of their disagreement with the listed recommendation then it is recommended that their particular application be deferred to the next Corporate Services Committee meeting and that Taxation Division staff be directed to meet with the applicant to review and clarify their concerns and that the application be rescheduled to the next Corporate Services Committee meeting.

A G E N D A
TAX ADJUSTMENT APPLICATIONS
(sorted by property street, then street number)

Corporate Services Committee
Tuesday, September 25, 2018, commencing at 1:00 PM
Council Chambers, City Hall

PROPERTY:	0 Ballymote Ave	TAX YEAR: 2018
ROLL NUMBER:	3936.090.440.13362.0000	APPLICATION No.: 2018-28
ASSESSED PERSON(S):	City of London	
APPLICANT(S):	City of London Attn: Yasmin Jiwani	
APPEAL REASON:	Section 357, Became Exempt - 357(1)(c)	
DECISION:	Cancel 233 days of 2018 realty taxes on an assessment of \$48,500 RT-Residential Full Taxable.	
TAX REDUCTION:	\$ 418.21	

PROPERTY:	491 Base Line Rd E	TAX YEAR: 2018
ROLL NUMBER:	3936.060.540.03500.0000	APPLICATION No.: 2018-37
ASSESSED PERSON(S):	Romel Mostafa Sara Ameen	
APPLICANT(S):	Romel Mostafa	
APPEAL REASON:	Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)	
DECISION:	Cancel 328 days of 2018 realty taxes on an assessment of \$120,762 RT-Residential Full Taxable.	
TAX REDUCTION:	\$1,465.91	

PROPERTY:	95 Byron Ave E	TAX YEAR: 2016
ROLL NUMBER:	3936.060.190.00100.0000	APPLICATION No.: 2016-213
ASSESSED PERSON(S):	Margot Scott-Slade	
APPLICANT(S):	Margot Scott-Slade	
APPEAL REASON:	Section 358, Gross or manifest error, factual or clerical - 358(1)	
DECISION:	Cancel 365 days of 2016 realty taxes on an assessment of \$56,000 RT-Residential Full Taxable.	
TAX REDUCTION:	\$ 763.06	

PROPERTY:	95 Byron Ave E	TAX YEAR: 2017
ROLL NUMBER:	3936.060.190.00100.0000	APPLICATION No.: 2017-147
ASSESSED PERSON(S):	Margot Scott-Slade	
APPLICANT(S):	Margot Scott-Slade	
APPEAL REASON:	Section 358, Gross or manifest error, factual or clerical - 358(1)	
DECISION:	Cancel 365 days of 2017 realty taxes on an assessment of \$60,750 RT-Residential Full Taxable.	

TAX REDUCTION: \$ 826.47

PROPERTY: 172 Central Ave TAX YEAR: 2017
ROLL NUMBER: 3936.010.080.12300.0000 APPLICATION No.: 2017-145
ASSESSED PERSON(S): Peter Christopher Mitsis
Constantinos Mitsis
George Mitsis
APPLICANT(S): Peter Mitsis
APPEAL REASON: Section 357, Damaged and substantially unusable - 357(1)(d)(ii)
DECISION: Cancel 29 days of 2017 realty taxes on an assessment of \$177,526 RT-Residential Full Taxable.
TAX REDUCTION: \$ 191.89

PROPERTY: 515 Cheapside St TAX YEAR: 2016
ROLL NUMBER: 3936.020.290.07700.0000 APPLICATION No.: 2016-209
ASSESSED PERSON(S): Roman Catholic Episcopal Corporation Diocese of London
APPLICANT(S): Roman Catholic Episcopal Corporation Diocese of London
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$111,500 RT-Residential Full Taxable.
TAX REDUCTION: \$1,519.31

PROPERTY: 515 Cheapside St TAX YEAR: 2017
ROLL NUMBER: 3936.020.290.07700.0000 APPLICATION No.: 2017-140
ASSESSED PERSON(S): Roman Catholic Episcopal Corporation Diocese of London
APPLICANT(S): Roman Catholic Episcopal Corporation Diocese of London
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$114,250 RT-Residential Full Taxable.
TAX REDUCTION: \$1,554.31

PROPERTY: 742 Chiddington Ave TAX YEAR: 2016
ROLL NUMBER: 3936.060.551.14900.0000 APPLICATION No.: 2016-218
ASSESSED PERSON(S): Trudy Vandenakker
APPLICANT(S): Trudy Vandenakker
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$22,900 CT-Commercial Full Taxable. Add 366 days of 2016 realty taxes on an assessment of \$22,900 RT-Residential Full Taxable.
TAX REDUCTION: \$ 533.08

PROPERTY: 742 Chiddington Ave TAX YEAR: 2017
ROLL NUMBER: 3936.060.551.14900.0000 APPLICATION No.: 2017-153
ASSESSED PERSON(S): Trudy Vandenakker
APPLICANT(S): Trudy Vandenakker
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$23,100 CT–Commercial Full Taxable. Add 365 days of 2017 realty taxes on an assessment of \$23,100 RT–Residential Full Taxable.
TAX REDUCTION: \$ 539.01

PROPERTY: 742 Chiddington Ave TAX YEAR: 2018
ROLL NUMBER: 3936.060.551.14900.0000 APPLICATION No.: 2018-35
ASSESSED PERSON(S): Trudy Vandenakker
APPLICANT(S): Trudy Vandenakker
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$23,300 CT–Commercial Full Taxable. Add 365 days of 2018 realty taxes on an assessment of \$23,300 RT–Residential Full Taxable.
TAX REDUCTION: \$ 528.48

PROPERTY: 824 Colborne St TAX YEAR: 2016
ROLL NUMBER: 3936.020.260.07402.0000 APPLICATION No.: 2016-210
ASSESSED PERSON(S): Gerard Knoester
APPLICANT(S): Gerard Knoester
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$397,000 RT–Residential Full Taxable.
TAX REDUCTION: \$5,409.57

PROPERTY: 6272 Colonel Talbot Rd TAX YEAR: 2018
ROLL NUMBER: 3936.080.060.03700.0000 APPLICATION No.: 2018-13
ASSESSED PERSON(S): William John Hicks
Garry Ronald Turner
APPLICANT(S): Bill Hicks
APPEAL REASON: Section 357, Ceases to be liable for tax at rate it was taxed - 357(1)(a)
DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$43,900 CT–Commercial Full Taxable. Add 365 days of 2018 realty taxes on an assessment of \$43,900 RT–Residential Full Taxable.
TAX REDUCTION: \$ 995.72

PROPERTY: 792 Commissioners Rd W TAX YEAR: 2016
ROLL NUMBER: 3936.070.350.35010.0000 APPLICATION No.: 2016-208

ASSESSED PERSON(S): Childcan The Childhood Cancer Research Association Inc.
APPLICANT(S): Kathleen Barnard
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$259,000 CT–Commercial Full Taxable. Add 366 days of 2016 realty taxes on an assessment of \$259,000 RT–Residential Full Taxable.
TAX REDUCTION: \$6,029.21

PROPERTY: 792 Commissioners Rd W TAX YEAR: 2017
ROLL NUMBER: 3936.070.350.35010.0000 APPLICATION No.: 2017-139
ASSESSED PERSON(S): Childcan The Childhood Cancer Research Association Inc.
APPLICANT(S): Kathleen Barnard
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$260,250 CT–Commercial Full Taxable. Add 365 days of 2017 realty taxes on an assessment of \$250,552 RT–Residential Full Taxable.
TAX REDUCTION: \$6,204.54

PROPERTY: 1382 Commissioners Rd W TAX YEAR: 2018
ROLL NUMBER: 3936.070.290.06800.0000 APPLICATION No.: 2018-18
ASSESSED PERSON(S): Helio David Seabra
APPLICANT(S): Helio Seabra
APPEAL REASON: Section 357, Ceases to be liable for tax at rate it was taxed - 357(1)(a)
DECISION: Cancel 273 days of 2018 realty taxes on an assessment of \$34,400 CT–Commercial Full Taxable. Add 273 days of 2018 realty taxes on an assessment of \$34,437 RT–Residential Full Taxable.
TAX REDUCTION: \$ 583.21

PROPERTY: 1820 Creamery Rd TAX YEAR: 2017
ROLL NUMBER: 3936.090.310.10400.0000 APPLICATION No.: 2017-138
ASSESSED PERSON(S): 1336518 Ontario Ltd
APPLICANT(S): Barry Hunter
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)
DECISION: Cancel 245 days of 2017 realty taxes on an assessment of \$192,125 RT–Residential Full Taxable. Cancel 245 days of 2017 realty taxes on an assessment of \$20,185 FT–Farm Full Taxable.
TAX REDUCTION: \$1,782.83

PROPERTY: 325 Dundas St TAX YEAR: 2017
ROLL NUMBER: 3936.050.010.00800.0000 APPLICATION No.: 2017-128
ASSESSED PERSON(S): WW Hotels (London) Company

APPLICANT(S): M. Cholewa
APPEAL REASON: Section 357, Repairs or renovations preventing normal use greater than 3 months 357(1)(g)
DECISION: Cancel 122 days of 2017 realty taxes at a rate of 30% on an assessment of \$341,000 CT–Commercial Full Taxable. Cancel Business Improvement Area (BIA) adjustment of \$84.97. Plus a clawback adjustment of \$8.01.
TAX REDUCTION: \$1,356.02

PROPERTY: 265 Epworth Ave TAX YEAR: 2016
ROLL NUMBER: 3936.020.371.05702.0000 APPLICATION No.: 2016-215
ASSESSED PERSON(S): King's University College at the University of Western Ontario
APPLICANT(S): King's University College
APPEAL REASON: Section 357, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$320,000 RT–Residential Full Taxable.
TAX REDUCTION: \$4,360.36

PROPERTY: 265 Epworth Ave TAX YEAR: 2017
ROLL NUMBER: 3936.020.371.05702.0000 APPLICATION No.: 2017-149
ASSESSED PERSON(S): King's University College at the University of Western Ontario
APPLICANT(S): King's University College
APPEAL REASON: Section 357, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$327,500 RT–Residential Full Taxable.
TAX REDUCTION: \$4,455.46

PROPERTY: 275 Epworth Ave TAX YEAR: 2016
ROLL NUMBER: 3936.020.371.05707.0000 APPLICATION No.: 2016-214
ASSESSED PERSON(S): King's University College at the University of Western Ontario
APPLICANT(S): King's University College
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 244 days of 2016 realty taxes on an assessment of \$332,000 RT–Residential Full Taxable.
TAX REDUCTION: \$3,015.92

PROPERTY: 275 Epworth Ave TAX YEAR: 2017
ROLL NUMBER: 3936.020.371.05707.0000 APPLICATION No.: 2017-148
ASSESSED PERSON(S): King's University College at the University of Western Ontario
APPLICANT(S): King's University College
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)

DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$337,500
RT–Residential Full Taxable.
TAX REDUCTION: \$4,591.50

PROPERTY: 277 Epworth Ave TAX YEAR: 2018
ROLL NUMBER: 3936.020.371.05708.0000 APPLICATION No.: 2018-29
ASSESSED PERSON(S): King's University College at the University of Western Ontario
APPLICANT(S): King's University College
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 348 days of 2018 realty taxes on an assessment of \$351,500
RT–Residential Full Taxable.
TAX REDUCTION: \$4,526.98

PROPERTY: 520 First TAX YEAR: 2018
ROLL NUMBER: 3936.030.260.14002.0000 APPLICATION No.: 2018-25
ASSESSED PERSON(S): Medi Power Canada Inc
APPLICANT(S): Amanda Myers
APPEAL REASON: Section 357, Ceases to be liable for tax at rate it was taxed - 357(1)(a)
DECISION: Cancel 245 days of 2018 realty taxes on an assessment of \$495,258
CT–Commercial Full Taxable. Cancel 245 days of 2018 realty taxes on
an assessment of \$656,280 ST–Shopping Center Full Taxable.
TAX REDUCTION: \$27,972.92

PROPERTY: 545 Gordon Ave TAX YEAR: 2018
ROLL NUMBER: 3936.070.110.00800.0000 APPLICATION No.: 2018-22
ASSESSED PERSON(S): Walter Loretan
APPLICANT(S): Walter Loretan
APPEAL REASON: Section 357, Ceases to be liable for tax at rate it was taxed - 357(1)(a)
DECISION: Cancel 216 days of 2018 realty taxes on an assessment of \$12,350
CT–Commercial Full Taxable. Add 216 days of 2018 realty taxes on an
assessment of \$12,377 RT–Residential Full Taxable.
TAX REDUCTION: \$ 165.55

PROPERTY: 1098 Hamilton Rd TAX YEAR: 2017
ROLL NUMBER: 3936.040.460.03705.0000 APPLICATION No.: 2017-141
ASSESSED PERSON(S): Italian Seniors Project
APPLICANT(S): Italian Seniors Project
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 306 days of 2017 realty taxes on an assessment of \$224,750
RT–Residential Full Taxable.
TAX REDUCTION: \$2,563.35

PROPERTY: 6433 Hamlyn St TAX YEAR: 2017
ROLL NUMBER: 3936.080.050.01700.0000 APPLICATION No.: 2017-155
ASSESSED PERSON(S): David De Melo
APPLICANT(S): Rosa De Melo
APPEAL REASON: Section 357, Ceases to be liable for tax at rate it was taxed - 357(1)(a)
DECISION: No Recommendation
TAX REDUCTION: Zero

PROPERTY: 6433 Hamlyn St TAX YEAR: 2018
ROLL NUMBER: 3936.080.050.01700.0000 APPLICATION No.: 2018-21
ASSESSED PERSON(S): David De Melo
APPLICANT(S): Rosa De Melo
APPEAL REASON: Section 357, Ceases to be liable for tax at rate it was taxed - 357(1)(a)
DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$117,150 CT–Commercial Full Taxable. Add 365 days of 2018 realty taxes on an assessment of \$117,118 RT–Residential Full Taxable.
TAX REDUCTION: \$2,657.59

PROPERTY: 2480 Huron St TAX YEAR: 2016
ROLL NUMBER: 3936.030.330.00055.0000 APPLICATION No.: 2016-212
ASSESSED PERSON(S): London Air Patrol
APPLICANT(S): London Air Patrol
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 214 days of 2016 realty taxes on an assessment of \$155,000 CT–Commercial Full Taxable. Add 214 days of 2016 realty taxes on an assessment of \$155,000 RT–Residential Full Taxable.
TAX REDUCTION: \$2,109.73

PROPERTY: 2480 Huron St TAX YEAR: 2017
ROLL NUMBER: 3936.030.330.00055.0000 APPLICATION No.: 2017-144
ASSESSED PERSON(S): London Air Patrol
APPLICANT(S): London Air Patrol
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$155,000 CT–Commercial Full Taxable. Add 365 days of 2017 realty taxes on an assessment of \$130,588 RT–Residential Full Taxable.
TAX REDUCTION: \$3,948.84

PROPERTY: 2860 Innovation Dr TAX YEAR: 2017
ROLL NUMBER: 3936.080.030.18000.0000 APPLICATION No.: 2017-115

ASSESSED PERSON(S): Hanwha L & C Canada Inc.
 APPLICANT(S): Amanda Myers
 APPEAL REASON: Section 357, Repairs or renovations preventing normal use greater than 3 months 357(1)(g)
 DECISION: Cancel 365 days of 2017 realty taxes at a rate of 30% on an assessment of \$1,849,555 KT–Large Industrial (New Construction) Full Taxable.
 TAX REDUCTION: \$19,108.58

PROPERTY: 2332 Main St TAX YEAR: 2016
 ROLL NUMBER: 3936.080.000.55500.0000 APPLICATION No.: 2016-211
 ASSESSED PERSON(S): Doro Holdings Inc
 APPLICANT(S): Tony D'Oria
 APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
 DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$18,000 CT–Commercial Full Taxable.
 TAX REDUCTION: \$ 664.29

PROPERTY: 2332 Main St TAX YEAR: 2017
 ROLL NUMBER: 3936.080.000.55500.0000 APPLICATION No.: 2017-142
 ASSESSED PERSON(S): Doro Holdings Inc
 APPLICANT(S): Tony D'Oria
 APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
 DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$18,250 CT–Commercial Full Taxable.
 TAX REDUCTION: \$ 674.13

PROPERTY: 108 Oak St TAX YEAR: 2017
 ROLL NUMBER: 3936.040.200.08500.0000 APPLICATION No.: 2017-156
 ASSESSED PERSON(S): Loretta Rinas
 APPLICANT(S): Loretta Rinas
 APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)
 DECISION: No Recommendation
 TAX REDUCTION: Zero

PROPERTY: 108 Oak St TAX YEAR: 2018
 ROLL NUMBER: 3936.040.200.08500.0000 APPLICATION No.: 2018-23
 ASSESSED PERSON(S): Loretta Rinas
 APPLICANT(S): Loretta Rinas
 APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)

DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$32,801
RT-Residential Full Taxable.

TAX REDUCTION: \$ 443.08

PROPERTY: 585 Oxford St E TAX YEAR: 2016

ROLL NUMBER: 3936.020.200.01700.0000 APPLICATION No.: 2016-216

ASSESSED PERSON(S): 585 Oxford Street East Holdings Inc.

APPLICANT(S): Arnon Kaplansky

APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)

DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$20,000
XT-Commercial (New Construction) Full Taxable.

TAX REDUCTION: \$ 694.10

PROPERTY: 585 Oxford St E TAX YEAR: 2017

ROLL NUMBER: 3936.020.200.01700.0000 APPLICATION No.: 2017-150

ASSESSED PERSON(S): 585 Oxford Street East Holdings Inc.

APPLICANT(S): Arnon Kaplansky

APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)

DECISION: Cancel 365 days of 2017 realty taxes on an assessment of \$19,750
XT-Commercial (New Construction) Full Taxable.

TAX REDUCTION: \$ 680.15

PROPERTY: 585 Oxford St E TAX YEAR: 2018

ROLL NUMBER: 3936.020.200.01700.0000 APPLICATION No.: 2018-34

ASSESSED PERSON(S): 585 Oxford Street East Holdings Inc.

APPLICANT(S): Arnon Kaplansky

APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)

DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$19,500
XT-Commercial (New Construction) Full Taxable.

TAX REDUCTION: \$ 656.95

PROPERTY: 78 Oxford St W TAX YEAR: 2018

ROLL NUMBER: 3936.010.190.05000.0000 APPLICATION No.: 2018-38

ASSESSED PERSON(S): City of London

APPLICANT(S): City of London
Attn: Yasmin Jiwani

APPEAL REASON: Section 357, Became Exempt - 357(1)(c)

DECISION: Cancel 144 days of 2018 realty taxes on an assessment of \$106,475
RT-Residential Full Taxable.

TAX REDUCTION: \$ 567.43

PROPERTY: 80 Oxford St W TAX YEAR: 2018
ROLL NUMBER: 3936.010.190.04900.0000 APPLICATION No.: 2018-39
ASSESSED PERSON(S): City of London
APPLICANT(S): City of London
Attn: Yasmin Jiwani
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 144 days of 2018 realty taxes on an assessment of \$134,963 RT-Residential Full Taxable.
TAX REDUCTION: \$ 719.26

PROPERTY: 82 Oxford St W TAX YEAR: 2018
ROLL NUMBER: 3936.010.190.04800.0000 APPLICATION No.: 2018-40
ASSESSED PERSON(S): City of London
APPLICANT(S): City of London
Attn: Yasmin Jiwani
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 144 days of 2018 realty taxes on an assessment of \$193,500 RT-Residential Full Taxable.
TAX REDUCTION: \$1,031.21

PROPERTY: 156 Oxford St W TAX YEAR: 2018
ROLL NUMBER: 3936.010.200.02600.0000 APPLICATION No.: 2018-12
ASSESSED PERSON(S): 2641492 Ontario Inc.
APPLICANT(S): Paul Duarte
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)
DECISION: Cancel 344 days of 2018 realty taxes on an assessment of \$1,432 CT-Commercial Full Taxable. Cancel 344 days of 2018 realty taxes on an assessment of \$2,147 RT-Residential Full Taxable.
TAX REDUCTION: \$ 76.17

PROPERTY: 1163 Pond View Pl TAX YEAR: 2017
ROLL NUMBER: 3936.050.660.25800.0000 APPLICATION No.: 2017-143
ASSESSED PERSON(S): Erin Lee Baxter
Charles Michael James Baxter
APPLICANT(S): Erin Baxter
Charles Baxter
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 365 days of 2018 realty taxes on an assessment of \$87,250 RT-Residential Full Taxable.
TAX REDUCTION: \$1,186.99

PROPERTY: 207 Richmeadow Rd TAX YEAR: 2018
ROLL NUMBER: 3936.010.412.19784.0000 APPLICATION No.: 2018-19
ASSESSED PERSON(S): Adel Khalif
Samya Ben Krifa
APPLICANT(S): Adel Khalif
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)
DECISION: Cancel 232 days of 2018 realty taxes on an assessment of \$220,709 RT-Residential Full Taxable.
TAX REDUCTION: \$1,895.02

PROPERTY: 2115 River Rd TAX YEAR: 2018
ROLL NUMBER: 3936.040.700.10200.0000 APPLICATION No.: 2018-26
ASSESSED PERSON(S): City of London
APPLICANT(S): City of London
Attn: Yasmin Jiwani
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 211 days of 2018 realty taxes on an assessment of \$900,00 RT-Residential Full Taxable.
TAX REDUCTION: \$7,027.96

PROPERTY: 1232 Silverfox Dr TAX YEAR: 2018
ROLL NUMBER: 3936.090.450.31713.0000 APPLICATION No.: 2018-41
ASSESSED PERSON(S): City of London
APPLICANT(S): City of London
Attn: Yasmin Jiwani
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 159 days of 2018 realty taxes on an assessment of \$107,231 RT-Residential Full Taxable.
TAX REDUCTION: \$ 630.99

PROPERTY: 0 Springridge Dr TAX YEAR: 2018
ROLL NUMBER: 3936.090.440.13360.0000 APPLICATION No.: 2018-27
ASSESSED PERSON(S): City of London
APPLICANT(S): City of London
Attn: Yasmin Jiwani
APPEAL REASON: Section 357, Became Exempt - 357(1)(c)
DECISION: Cancel 233 days of 2018 realty taxes on an assessment of \$88,00 RT-Residential Full Taxable.
TAX REDUCTION: \$ 758.83

PROPERTY: 16 Sunray Ave TAX YEAR: 2018

ROLL NUMBER: 3936.080.000.25500.0000 APPLICATION No.: 2018-17
ASSESSED PERSON(S): Klaudiusz Czeslawski
APPLICANT(S): Klaudiusz Czeslawski
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)
DECISION: Cancel 314 days of 2018 realty taxes on an assessment of \$162,295 RT-Residential Full Taxable.
TAX REDUCTION: \$1,885.99

PROPERTY: 875 Wellington Rd TAX YEAR: 2015
ROLL NUMBER: 3936.060.580.37100.0000 APPLICATION No.: 2015-237
ASSESSED PERSON(S): Wellington Harlech Centre Inc
APPLICANT(S): Bill Mayuk
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: No Recommendation
TAX REDUCTION: Zero

PROPERTY: 875 Wellington Rd TAX YEAR: 2016
ROLL NUMBER: 3936.060.580.37100.0000 APPLICATION No.: 2016-195
ASSESSED PERSON(S): Wellington Harlech Centre Inc
APPLICANT(S): Bill Mayuk
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: Cancel 366 days of 2016 realty taxes on an assessment of \$100,000 CT-Commercial Full Taxable. Plus a clawback adjustment of \$58.73.
TAX REDUCTION: \$3,749.22

PROPERTY: 875 Wellington Rd TAX YEAR: 2017
ROLL NUMBER: 3936.060.580.37100.0000 APPLICATION No.: 2017-93
ASSESSED PERSON(S): Wellington Harlech Centre Inc
APPLICANT(S): Bill Mayuk
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: No Recommendation
TAX REDUCTION: Zero

PROPERTY: 4425 Wellington Rd S TAX YEAR: 2018
ROLL NUMBER: 3936.080.040.20200.0000 APPLICATION No.: 2018-11
ASSESSED PERSON(S): 1922818 Ontario Inc.
APPLICANT(S): Anil Balolia
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)

DECISION: Cancel 295 days of 2018 realty taxes on an assessment of \$1,263,000 CT–Commercial Full Taxable. Add on 295 days of 2018 realty taxes on an assessment of \$712,984 CX–Commercial Vacant Land.
TAX REDUCTION: \$22,343.86

PROPERTY: 1830 Wharncliffe Rd S TAX YEAR: 2018
ROLL NUMBER: 3936.080.050.13000.0000 APPLICATION No.: 2018-31
ASSESSED PERSON(S): 2594722 Ontario Inc
APPLICANT(S): Ayman Shanaa
APPEAL REASON: Section 357, Razed by fire, demolition or otherwise - 357(1)(d)(i)
DECISION: Cancel 238 days of 2018 realty taxes on an assessment of \$413,532 CT–Commercial Full Taxable.
TAX REDUCTION: \$9,758.42

PROPERTY: 699 Wonderland Rd N TAX YEAR: 2017
ROLL NUMBER: 3936.010.440.54600.0000 APPLICATION No.: 2017-152
ASSESSED PERSON(S): Esam Construction Limited
APPLICANT(S): Paul E. Goulet
APPEAL REASON: Section 358, Gross or manifest error, factual or clerical - 358(1)
DECISION: No Recommendation
TAX REDUCTION: Zero

**TAX ADJUSTMENT APPLICATIONS
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Assessed Person (Applicant)	App'tn No.	Property
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2594722 Ontario Inc (Ayman Shanaa)	2018-31	1830 Wharncliffe Rd S
2641492 Ontario Inc. (Paul Duarte)	2018-12	156 Oxford St W
585 Oxford Street East Holdings Inc. (Arnon Kaplansky)	2016-216	585 Oxford St E
585 Oxford Street East Holdings Inc. (Arnon Kaplansky)	2017-150	585 Oxford St E
585 Oxford Street East Holdings Inc. (Arnon Kaplansky)	2018-34	585 Oxford St E
Adel Khalif Samya Ben Krifa (Adel Khalif)	2018-19	207 Richmeadow Rd
Childcan The Childhood Cancer Research Association Inc. (Kathleen Barnard)	2016-208	792 Commissioners Rd W
Childcan The Childhood Cancer Research Association Inc. (Kathleen Barnard)	2017-139	792 Commissioners Rd W
City of London (City of London Attn: Yasmin Jiwani)	2018-40	82 Oxford St W
City of London (City of London Attn: Yasmin Jiwani)	2018-39	80 Oxford St W
City of London (City of London Attn: Yasmin Jiwani)	2018-38	78 Oxford St W
City of London (City of London Attn: Yasmin Jiwani)	2018-26	2115 River Rd
City of London (City of London Attn: Yasmin Jiwani)	2018-27	0 Springridge Dr
City of London (City of London Attn: Yasmin Jiwani)	2018-28	0 Ballymote Ave
City of London (City of London Attn: Yasmin Jiwani)	2018-41	1232 Silverfox Dr
David De Melo (Rosa De Melo)	2017-155	6433 Hamlyn St
David De Melo (Rosa De Melo)	2018-21	6433 Hamlyn St
Doro Holdings Inc (Tony D'Oria)	2016-211	2332 Main St
Doro Holdings Inc (Tony D'Oria)	2017-142	2332 Main St
Erin Lee Baxter Charles Michael James Baxter (Erin Baxter Charles Baxter)	2017-143	1163 Pond View Pl

Assessed Person <i>(Applicant)</i>	App'tn No.	Property
Esam Construction Limited <i>(Paul E. Goulet)</i>	2017-152	699 Wonderland Rd N
Gerard Knoester <i>(Gerard Knoester)</i>	2016-210	824 Colborne St
Hanwha L & C Canada Inc. <i>(Amanda Myers)</i>	2017-115	2860 Innovation Dr
Helio David Seabra <i>(Helio Seabra)</i>	2018-18	1382 Commissioners Rd W
Italian Seniors Project <i>(Italian Seniors Project)</i>	2017-141	1098 Hamilton Rd
King's University College at the University of Western Ontario <i>(King's University College)</i>	2016-215	265 Epworth Ave
King's University College at the University of Western Ontario <i>(King's University College)</i>	2017-149	265 Epworth Ave
King's University College at the University of Western Ontario <i>(King's University College)</i>	2016-214	275 Epworth Ave
King's University College at the University of Western Ontario <i>(King's University College)</i>	2017-148	275 Epworth Ave
King's University College at the University of Western Ontario <i>(King's University College)</i>	2018-29	277 Epworth Ave
Klaudiusz Czeslawski <i>(Klaudiusz Czeslawski)</i>	2018-17	16 Sunray Ave
London Air Patrol <i>(London Air Patrol)</i>	2016-212	2480 Huron St
London Air Patrol <i>(London Air Patrol)</i>	2017-144	2480 Huron St
Loretta Rinas <i>(Loretta Rinas)</i>	2017-156	108 Oak St
Loretta Rinas <i>(Loretta Rinas)</i>	2018-23	108 Oak St
Margot Scott-Slade <i>(Margot Scott-Slade)</i>	2016-213	95 Byron Ave E
Margot Scott-Slade <i>(Margot Scott-Slade)</i>	2017-147	95 Byron Ave E
Medi Power Canada Inc <i>(Amanda Myers)</i>	2018-25	520 First
Peter Christopher Mitsis Constantinos Mitsis George Mitsis <i>(Peter Mitsis)</i>	2017-145	172 Central Ave
Roman Catholic Episcopal Corporation Diocese of London <i>(Roman Catholic Episcopal Corporation Diocese of London)</i>	2016-209	515 Cheapside St
Roman Catholic Episcopal Corporation Diocese of London <i>(Roman Catholic Episcopal Corporation Diocese of London)</i>	2017-140	515 Cheapside St
Romel Mostafa Sara Ameen <i>(Romel Mostafa)</i>	2018-37	491 Base Line Rd E
Trudy Vandenakker <i>(Trudy Vandenakker)</i>	2016-218	742 Chiddington Ave
Trudy Vandenakker <i>(Trudy Vandenakker)</i>	2017-153	742 Chiddington Ave

Assessed Person <i>(Applicant)</i>	App'tn No.	Property
Trudy Vandenakker <i>(Trudy Vandenakker)</i>	2018-35	742 Chiddington Ave
Walter Loretan <i>(Walter Loretan)</i>	2018-22	545 Gordon Ave
Wellington Harlech Centre Inc <i>(Bill Mayuk)</i>	2015-237	875 Wellington Rd
Wellington Harlech Centre Inc <i>(Bill Mayuk)</i>	2016-195	875 Wellington Rd
Wellington Harlech Centre Inc <i>(Bill Mayuk)</i>	2017-93	875 Wellington Rd
William John Hicks Garry Ronald Turner <i>(Bill Hicks)</i>	2018-13	6272 Colonel Talbot Rd
WW Hotels (London) Company <i>(M. Cholewa)</i>	2017-128	325 Dundas St