

# Agenda Including Addeds

## Strategic Priorities and Policy Committee

15th Meeting of the Strategic Priorities and Policy Committee

November 9, 2021, 4:00 PM

2021 Meeting - Virtual Meeting during the COVID-19 Emergency

Please check the City website for current details of COVID-19 service impacts.

Meetings can be viewed via live-streaming on YouTube and the City website

### Members

Mayor E. Holder (Chair), Councillors M. van Holst, S. Lewis, M. Salih, J. Helmer, M. Cassidy, J. Morgan, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Turner, E. Pelozza, J. Fyfe-Millar, S. Hillier

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**6. Confidential (Enclosed for Members only.)**

6.1. Solicitor-Client Privileged Advice

A matter pertaining to advice which is subject to solicitor-client privilege and communications necessary for that purpose.

**7. Adjournment**

# **Diversity, Inclusion and Anti-Oppression Advisory Committee**

## **Report**

The 8th Meeting of the Diversity, Inclusion and Anti-Oppression Advisory Committee  
October 21, 2021

Advisory Committee Virtual Meeting – during the COVID-19 Emergency

Attendance                      PRESENT: M. Buzzelli (Chair), H. Abu Karky, K. Arnold, C. DuHasky, B. Hill, C. Maciel, B. Madigan, and M. Mlotha; A. Pascual (Committee Clerk).

ABSENT: N. Al-Farawi and W. Khouri.

ALSO PRESENT: F. Andrighetti, A. Husain, H. Knight, M. Stone, and B. Westlake-Power.

The meeting was called to order at 12:04 PM; it being noted that the following Members were in remote attendance: H. Abu Karky, K. Arnold, M. Buzzelli, C. DuHasky, B. Hill, C. Maciel, B. Madigan, and M. Mlotha.

### **1. Call to Order**

#### **1.1 Disclosures of Pecuniary Interest**

H. Abu Karky discloses a pecuniary interest with respect to Item 4.1, having to do with the Awards and Recognition Sub-Committee report by indicating that he is affiliated to one of the recipients of the Diversity, Race Relations and Inclusivity Award.

M. Buzzelli discloses a pecuniary interest with respect to Item 4.1, having to do with the Awards and Recognition Sub-Committee report by indicating that he is affiliated to one of the recipients of the Diversity, Race Relations and Inclusivity Award.

#### **1.2 Election of Vice-Chair for the remainder of the current term**

That M. Mlotha BE APPOINTED as Vice-Chair for the remainder of the current term.

### **2. Opening Ceremonies**

#### **2.1 Acknowledgement of Indigenous Lands**

That it BE NOTED that the meeting was opened with an Acknowledgement of Indigenous Lands by B. Madigan.

#### **2.2 Traditional Opening**

That it BE NOTED that no Traditional Opening was received.

### **3. Consent**

#### **3.1 6th Report of the Diversity, Inclusion and Anti-Oppression Advisory Committee**

That it BE NOTED that the 6th Report of Diversity, Inclusion and Anti-Oppression Advisory Committee, from its meeting held on September 24, 2021, was received.

3.2 7th Report of the Diversity, Inclusion and Anti-Oppression Advisory Committee

That it BE NOTED that the 7th Report of the Diversity, Inclusion and Anti-Oppression Advisory Committee, from its meeting held on October 1, 2021, was received.

**4. Sub-Committees and Working Groups**

4.1 Awards and Recognition Sub-Committee

That the following actions be taken with respect to the 2021 Diversity, Race Relations and Inclusivity Award (DRRIA):

a) the Rights and Responsibilities Awareness Initiative (RRAI) BE AWARDED the 2021 Diversity, Race Relations and Inclusivity Award, in the Social/Community Services/Not for Profit (under 50 members) category;

b) the Network for Economic and Social Trends (NEST) BE AWARDED the 2021 Diversity, Race Relations and Inclusivity Award, in the Social/Community Services/Not for Profit (50+ members) category; and,

c) the Awards and Recognition Sub-Committee report with respect to the 2021 DRRIA Recommendations BE RECEIVED.

4.2 Education and Awareness Sub-Committee

That it BE NOTED that no report was received from the Education and Awareness Sub-Committee.

4.3 Policy and Planning Sub-Committee

That the Policy and Planning Sub-Committee BE REQUESTED to compile a final report on behalf of the Diversity, Inclusion and Anti-Oppression Advisory Committee (DIAAC), in collaboration with the Awards and Recognition and the Education and Awareness Sub-Committees; it being noted that the Policy and Planning Sub-Committee will report back to DIAAC to present the final report.

4.4 Community Diversity and Inclusion Strategy

That it BE NOTED that B. Madigan and A. Hussain provided verbal updates with respect to the Community Diversity and Inclusion Strategy Leadership Table meeting that was held on October 7, 2021.

**5. Additional Business**

5.1 (ADDED) Letter of Resignation

That the Letter of Resignation from M. Allder BE RECEIVED.

**6. Adjournment**

The meeting adjourned at 1:09 PM.

## Report to Strategic Priorities and Policy Committee

**To:** Chair and Members  
Strategic Priorities and Policy Committee

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

**Subject:** LMCH – CMHC Co-Investment – Loan Agreement

**Date:** November 9, 2021

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports:

The attached proposed by-law (Appendix “A”) **BE INTRODUCED** to:

- (a) Approve the Credit Agreement, substantially in the form attached, between the Canada Mortgage and Housing Corporation, London and Middlesex Community Housing Inc. and The Corporation of the City of London (the “Credit Agreement”);
- (b) approve the Guarantee, substantially in the form attached, between the Canada Mortgage and Housing Corporation and The Corporation of the City of London (the “Guarantee”);
- (c) approve the Operating Agreement, substantially in the form attached, between the Canada Mortgage and Housing Corporation, London and Middlesex Community Housing Inc. and The Corporation of the City of London (the “Operating Agreement”);
- (d) approve the Certificate of Officer, substantially in the form attached, for the City of London (the “Certificate of Officer”);
- (e) authorize the City Treasurer to approve any amendments to the Credit Agreement, Guarantee, Operating Agreement and Certificate of Officer prior to the execution by the Mayor and City Clerk;
- (f) authorize the Mayor and the City Clerk to execute the Credit Agreement, the Guarantee, and the Operating Agreement;
- (g) authorize the City Treasurer to execute the Certificate of Officer;
- (h) delegate authority to the Deputy City Manager, Finance Supports to approve further agreements, documents or forms required by the Canada Mortgage and Housing Corporation;
- (i) authorize the Mayor and the City Clerk to execute any further agreements, documents or forms required by the Canada Mortgage and Housing Corporation and approved by the Deputy City Manager, Finance Supports;
- (j) authorize the Deputy City Manager, Finance Supports (or delegate) to execute any financial reports required under the Credit Agreement, the Guarantee, the Operating Agreement, and the Certificate; and,
- (k) authorize Civic Administration to undertake all administrative acts required in connection with these agreements.

The attached proposed by-law (Appendix “B”) **BE INTRODUCED** to:

- (a) ratify the Resolution of the Shareholder of London & Middlesex Community Housing Inc. to approve the borrowing under the Credit Agreement among London & Middlesex Community Housing Inc., the Corporation of the City of London, and Canada Mortgage Housing Corporation and the Operating Agreement among the Canada Mortgage Housing Corporation, London & Middlesex Community Housing Inc. and The Corporation of the City of London, and the granting of security under the Account Security Agreement between London & Middlesex Community Housing Inc. and Canada Mortgage Housing Corporation.

(b) Authorize the Mayor and Clerk to execute the Resolution of the Shareholder.

## Executive Summary

Canada Mortgage and Housing Corporation (CMHC) offers a National Housing Co-Investment Program that provides low-cost loans and financial contributions for the preservation and renewal of existing community housing supply. London and Middlesex Community Housing's (LMCH) portfolio of housing is aging and requires significant capital investment. With the 2020-2023 Multi-Year Budget, Municipal Council approved a \$37.0 million business case to access the Co-Investment program.

To complete the process of securing the loan agreement, CMHC requires a number of documents to be executed:

- (a) a Credit Agreement signed by CMHC, LMCH and the City of London;
- (b) a Guarantee signed by CMHC and the City of London;
- (c) an Operating Agreement signed by CMHC, LMCH and the City of London;
- (d) a Certificate signed by CMHC and the City of London.

The purpose of this report is to present the required documents to Municipal Council and introduce a by-law to authorize the Mayor and the City Clerk to execute the required documents.

## Linkage to the Corporate Strategic Plan

The following report supports the Strategic Plan through the strategic focus area of "Building a Sustainable City", under the outcome of ensuring London's infrastructure is built, maintained, and operated to meet the long-term needs of our community.

Federal investments supporting public housing in London represent important contributions to maintaining and improving the quality of life for Londoners.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Strategic Priorities and Policy Committee, December 17, 2019, Agenda Item #3.1, 2020-2023 Multi-Year Budget – Additional Investment Business Case #18

<https://london.ca/sites/default/files/2020-11/2020%20to%202023%20Multi%20Year%20Budget%20Business%20Case%20Cerlox.ah%20FINAL%20as%20of%20November%203%2C%202020.pdf>

Community and Protective Services Committee, June 1, 2021, Agenda Item #2.4, LMCH-CMHC Co-Investment Letter of Intent

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=81193>

#### 1.2 Background

Canada Mortgage and Housing Corporation's (CMHC) National Housing Co-Investment Program (Program) provides low-cost loans and financial contributions for the preservation and renewal of existing community housing supply. London and Middlesex Community Housing's (LMCH) portfolio is aging and requires significant capital investment. Under the Housing Services Act, LMCH is required to maintain the condition of units in a state of good repair that is fit for occupancy. CMHC Co-Investment funding provides an avenue to access significant levels of forgivable loans in conjunction with loan financing.

As part of the 2020-2023 Multi-Year Budget, Municipal Council approved Business Case #18 – LMCH Co-Investment with CMHC to support repairs and rehabilitation to LMCH housing units. The business case included \$36.5 million in CMHC funding with

\$14.6 million (40%) as a forgivable loan and \$21.9 million (60%) as a repayable loan. An additional \$0.5 million of City funding was also approved for a total investment of \$37.0 million. The funding would address approximately 2,080 units (63% of the total LMCH portfolio), a partial portfolio approach, reducing GHG emissions by 25% and increasing accessible units to 20% (or 413 units) of the invested portfolio.

In June 2021, Municipal Council approved execution of a Letter of Intent signed by CMHC, LMCH and the City of London that communicated the City's commitment to support and guarantee the total loan portion of CMHC Co-Investment funding.

Co-Investment funding will provide needed improvements to the quality of LMCH homes. For example, replacing building envelopes ensures that issues with water infiltration and potentially mould are prevented. As a result, LMCH homes are healthy for tenants. At the same time, the public appearance of these homes is improved and consequently the stigma that tenants may experience because of their home's appearance is reduced. Other energy saving repairs include furnaces, water heaters, windows and doors. The projects will lower operating costs and improve accessibility, addressing the important needs of an aging population and Accessibility for Ontarians with Disabilities Act requirements. The funding will also improve the Facility Condition Index (FCI) and extend the life of the assets significantly.

The documents requiring execution to secure the arrangement between CMHC, LMCH and the City include a Credit Agreement, Guarantee, Operating Agreement and Certificate of the City. Further details on these requirements are outlined in the following sections.

### 1.3 Credit Agreement

Significant components and key considerations of the Credit Agreement appear below. See **Appendix A – Schedule 1** for the complete text of the Credit Agreement.

1. The obligations in the Credit Agreement are between the Borrower (LMHC) and the Lender (CMHC) with the City (Guarantor) guaranteeing the performance and payment of LMHC.
2. CMHC conditionally allocates up to \$40,136,090 (up to \$24,602,101 in repayable loans and up to \$15,533,989 in forgivable loans). LMCH must spend an additional \$28,447,776 on the portfolio, for a total investment of \$68,583,866. LMCH has secured this additional funding from approved annual life cycle funding to address their infrastructure gap. It should be noted that these amounts are slightly greater than the approved business case to allow for some flexibility during the seven-year repair period, but the additional investment beyond the approved amount is optional and will require future Council approval.
3. LMCH must complete the work no later than December 31, 2027, and achieve program requirements for the impacted portfolio of units, including:
  - i. affordability will be maintained for at least 20 years such that rents for a minimum of 50% of the units will be on average below 50% of the median market rental rate;
  - ii. energy consumption and greenhouse gas emissions are reduced by at least 25% relative to the pre-repair levels; and
  - iii. at least 20% of the units will meet or exceed accessibility criteria required for the program.

Failure to achieve the above targets may result in some of the forgivable loans becoming repayable.

4. The Credit Agreement requires LMCH to make a drawdown by December 31, 2021. The obligation to provide these loans expires if no drawdown is made under both the repayable and forgivable loan facilities by December 31, 2021. If the final signed agreement is delayed, there is a possibility that LMCH will run out of time to begin construction and make a draw before December 31, 2021. To address this risk, LMCH is prepared to begin construction as soon as the agreement is final.

5. The interest rate is not defined in the Credit Agreement. The agreement requires a separate repayable loan facility for each of the seven years of the agreement, established at the beginning of each year equal to the accumulated amount of drawdowns from the previous year. The applicable interest rate for each facility will be determined as each facility is established. This is administratively challenging and subjects LMCH (and the City as Guarantor) to potential interest rate risk given potential fluctuations in interest rates.
6. The \$15.5 million forgivable loan is interest free as long as the conditions specified in the Credit Agreement are met and no event of default has occurred. If an event of default occurs, CMHC may give notice to the Borrower to declare that the forgivable loan shall bear interest at a rate of 5% with interest beginning from the date of declaration.
7. Example “events of default” include:
  - i. A failure to pay within three business days any amounts payable under the Loan Documents. The City will have to be prepared to step in quickly to pay the loan amounts in this event as CMHC was unwilling to modify the deadline to remedy such an event of default.
  - ii. If CMHC considers the loan not to be proceeding in a timely manner, which is not defined in the Credit Agreement.
8. Insurance requirements in the Credit Agreement will be captured in the insurance section of the contractor vendor procurement process. Staff in the City’s Risk Management division meet the qualifications required for “Insurance Consultants” defined in the Credit Agreement.
9. The Credit Agreement requires annual audited financial statements of LMCH and the City within 120 days. Currently the City requires up to 210 days to complete consolidated statements. CMHC has indicated they will be flexible with this requirement.
10. The loan can be terminated at any time by CMHC without any reason if funding for the program is no longer available due to no or insufficient appropriations by the Government of Canada. The City believes this risk is low.

#### **1.4 Guarantee**

Significant components and key considerations of the Guarantee appear below. See **Appendix A – Schedule 2** for the complete text of the Guarantee.

1. The City of London, the Guarantor, agrees to provide an unlimited payment and performance guarantee and indemnity agreement for all the obligations of LMCH and the City of London related to the Credit Agreement and all other related agreements.
2. The City has to pay the total amount of the guaranteed obligations and all other amounts payable by it or the Lender under this Guarantee immediately after demand for same has been made by CMHC. This may include all reasonable costs, charges, and expenses incurred by the Lender in collecting and enforcing the Guarantee
3. The indemnity under this agreement is substantial, indemnifying CMHC from all losses, claims, damages, liabilities, fees, costs, and expenses.
4. The City’s potential liability and obligations under the Guarantee are absolute and unconditional.

#### **1.5 Operating Agreement**

The Operating Agreement contains many of the same representations, remedies and indemnities as included and discussed above for the Credit Agreement. See **Appendix A – Schedule 3** for the complete text of the Operating Agreement.

## 1.6 Certificate of the City of London (Certificate)

Civic Administration does not have any concerns with the Certificate. See **Appendix A – Schedule 4** for the complete text of the Certificate.

## 1.7 Resolution of the Sole Shareholder

The City of London is the sole shareholder of London & Middlesex Community Housing Inc. The Declaration of the Sole Shareholder requires LMCH to seek and obtain the City's approval to create debt. The Resolution of the Sole Shareholder attached as Appendix 'B' approves the creation of debt created by:

- The Credit Agreement;
- The Operating Agreement;
- The granting of security under the Account Security Agreement.

LMCH advises that the Account Security Agreement creates a security interest in the:

- Repair Program Funding Account;
- All credit balances and all other amounts from time to time on deposit in, accredited to, or held for the credit of, the Repair Program Funding Account and all the rights which may be derived therefrom;
- The interests at any time deposited or required to be deposited into the Repair Funding Account; and
- All proceeds of every nature and kind arising from the foregoing whether such proceeds arise before or after commencement of proceedings under any applicable bankruptcy, insolvency or other similar law.

## 2.0 Financial Impact/Considerations

As anticipated in the Multi-Year Budget Business Case, loan amounts included in the Letter of Intent are approximately 60% loan and 40% forgivable loan (grant). CMHC loans are amortized over 40 years; terms are ten years in length with a fixed interest rate, locked in upon first advance each term. To mitigate the interest rate risk with the long-term amortization of these loans, the approved Multi-Year Budget Business Case includes funding for principal and interest repayment, as well as a reserve fund contribution, the objective of which is to set aside funding to fully extinguish the debt after ten years.

To execute the work, three additional full-time equivalent contract staff will be hired by LMCH for project management. The estimated cost is \$2.8 million and is included in the total project costing approved through the Business Case.

Improvements to building efficiency, mostly achieved through new building envelopes on townhouse properties, is projected to result in \$370,000 in operational savings following construction completion. The savings have been factored into the overall financial analysis and approved Business Case funding.

The following due diligence was undertaken to protect the City's financial interests in this project and mitigate risks to the extent possible, but to access this funding the risk cannot be fully eliminated.

1. Civic Administration reviewed the consultant's plan for achieving the accessibility targets required by CMHC. If the accessibility renovations are completed as planned, the accessibility targets should be easily met.
2. Civic Administration also reviewed the consultant's plan for achieving the CHMC energy saving targets. The plan exceeds the targets, with some contingency, but the achievement will be monitored annually. During the seven-year project period, adjustments can be made to ensure the targets are met.
3. There is some risk that all the planned projects will not be completed by the National Housing Co-Investment Program current end date of December 2027. However, LMCH is well underway on project planning and projects will be

completed in achievable portions so that a large project will not be left uncompleted at the end.

### **3.0 Next Steps**

Once the bylaw attached as Appendix 'A' is passed, the City of London will sign the four required documents to finalize the loan agreement with CMHC through the National Housing Co-Investment Fund. LMCH will also sign their applicable documents.

LMCH will continue to finalize plans for the rehabilitation and repair projects and will begin construction after confirmation that all required documents have been signed and the loan agreement is complete.

## **Conclusion**

With the 2020-2023 Multi-Year Budget, Municipal Council approved a \$37.0 million business case to allow LMCH to access the National Housing Co-Investment Program from CMHC. This program provides low-cost loans and financial contributions for the preservation and renewal of existing community housing supply. LMCH's housing portfolio is aging and requires significant capital investment.

To complete the process of securing the funding, CMHC requires a Credit Agreement and Operating Agreement signed by CMHC, LMCH and the City of London and a Guarantee and a Certificate signed by CMHC and the City of London. The purpose of this report is to present these documents to Municipal Council and introduce a by-law to authorize the Mayor and the City Clerk to execute each of them.

**Prepared by:** Alan Dunbar, CPA, CGA, Manager III, Financial Planning and Policy

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

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

Attachments:

Appendix A – By-law

Cc:

Jason Davies – Manager III, Financial Planning and Policy  
Meng Liu – Senior Financial Business Administrator  
Annette Ripepi – Financial Business Administrator

## Appendix “A”

Bill No.  
2021

By-law No.

A by-law to approve and authorize the execution of the Credit Agreement, the Operating Agreement between The Corporation of the City of London, the London Middlesex Community Housing Inc. and the Canada Mortgage and Housing Corporation and to approve the Guarantee between The Corporation of the City of London and the Canada Mortgage and Housing Corporation

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

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

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

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

AND WHEREAS subsection 107(1) of the *Municipal Act, 2001* authorizes a municipality to make a grant on such terms as to security and otherwise as the council considers appropriate to any person, group or body for any purpose that the council considers to be in the interests of the municipality;

AND WHEREAS subsection 107(2) of the *Municipal Act, 2001* provides that the power to make a grant under subsection 107(1) includes the power to guarantee a loan;

AND WHEREAS the Canada Mortgage Housing Corporation has agreed to lend London & Middlesex Community Housing Inc. loans to assist with the financing of repairs and renewal of housing units and it is desirable for the City to guarantee such loan;

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

1. The Credit Agreement between The Corporation of the City of London, London & Middlesex Community Housing Inc. and the Canada Mortgage Housing Corporation, substantially in the form attached as Schedule “1” to this by-law, is hereby authorized and approved.
2. The Mayor and City Clerk are hereby authorized to execute the Credit Agreement authorized and approved under section 1 of this by-law.

3. The Operating Agreement between The Corporation of the City of London, London & Middlesex Community Housing Inc. and the Canada Mortgage Housing Corporation, substantially in the form attached as Schedule “2” to this by-law, is hereby authorized and approved.
4. The Mayor and Clerk are hereby authorized to execute the Operating Agreement authorized and approved under section 3 of this by-law.
5. The Guarantee between The Corporation of the City of London and the Canada Mortgage and Housing Corporation, substantially in the form attached as Schedule “3” to this bylaw, is hereby authorized and approved.
6. The Mayor and Clerk are hereby authorized to execute the Guarantee authorized and approved under section 5 of this bylaw.
7. The City Treasurer is hereby authorized to approve any amendments to the Credit Agreement, Guarantee, Operating Agreement and Certificate of Officer approved under sections 1, 3, 5, and 10 of this by-law prior to execution by the Mayor and Clerk.
8. The Deputy City Manager, Finance Supports is hereby authorized to approve any further agreements, documents or forms required by the Canada Mortgage Housing Corporation.
9. The Mayor and Clerk are hereby authorized to execute any agreements, documents or forms required by the Canada Mortgage Housing Corporation approved by the Deputy City Manager, Finance Supports under section 8 of this bylaw.
10. The Certificate of Officer, substantially in the form attached as Schedule “4” to this bylaw, is hereby authorized and approved.
11. The City Treasurer is authorized to execute the Certificate of Officer authorized and approved under section 10 of this bylaw.
12. Civic Administration is authorized to undertake all administrative acts required in connection with the Credit Agreement, the Operating Agreement and the Guarantee.
13. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on November 16, 2021

First Reading – November 16, 2021

Second Reading – November 16, 2021

Third Reading – November 16, 2021

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Ed Holder  
Mayor

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Catharine Saunders  
City Clerk

## Appendix “B”

Bill No.

2021

By-law No.

A by-law to ratify and confirm the Resolution of the Shareholder of London & Middlesex Community Housing Inc.

WHEREAS London & Middlesex Community Housing Inc. is incorporated under the *Business Corporations Act*, R.S.O. c. B.16 (the “BCA”);

AND WHEREAS subsection 104(1)(b) of the BCA provides that a resolution in writing dealing with all matters required by the BCA to be dealt with all matters required by the BCA to be dealt with at a meeting of shareholders, and signed by the shareholders or their attorney authorized in writing to vote at the meeting, satisfies all the requirements of the BCA relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London provide that a municipality has the capacity, rights, powers and privileged of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 5(3) of the *Municipal Act*, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

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

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

1. The Resolution of the Shareholder of London & Middlesex Community Housing Inc. (attached as Schedule I) to approve the borrowing under the Credit Agreement among London & Middlesex Community Housing Inc., the Corporation of the City of London, and Canada Mortgage Housing Corporation and the Operating Agreement among the Canada Mortgage Housing Corporation, London & Middlesex Community Housing Inc. and The Corporation of the City of London, and the granting of security under the Account Security Agreement between London & Middlesex Community Housing Inc. and Canada Mortgage Housing Corporation is hereby ratified and confirmed.
2. The Mayor and Clerk are authorized to execute the Resolution of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on November 16, 2021

First Reading – November 16, 2021  
Second Reading – November 16, 2021  
Third Reading – November 16, 2021

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Ed Holder  
Mayor

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Catharine Saunders  
City Clerk

Schedule "I"

London & Middlesex Community Housing Inc.  
(the "Corporation")

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) ( the "Act") provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorneys authorized in writing entitled to vote at its meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following special resolution, signed by the sole shareholder of the Corporation entitled to vote thereon, is hereby passed pursuant to the Act.

AND WHEREAS pursuant to section 6.4(a)(i) of the Declaration of the Sole Shareholder by The Corporation of the City of London, LMHC shall not create any debt without the approval of the Shareholder;

NOW THEREFORE BE IT RESOLVED AS A RESOLUTION THAT:

1. The Shareholder approves the creation of debt created by the Credit Agreement, attached as Schedule 1 and Operating Agreement, attached as Schedule 2 ("Agreements") between the Canada Mortgage Housing Corporation, the London & Middlesex Community Housing Inc. and The Corporation of the City of London, and the granting of security under the Account Security Agreement

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**The Corporation of the City of London**

By:

\_\_\_\_\_

Ed Holder  
Mayor

By:

\_\_\_\_\_

Catharine Saunders  
City Clerk

**Schedule 1 – Credit Agreement**

**Schedule 2 - Guarantee**

## **Schedule 3 – Operating Agreement**

**Schedule 4 – Certificate**

**LONDON & MIDDLESEX COMMUNITY HOUSING INC.**

as Borrower

- and -

**THE CORPORATION OF THE CITY OF LONDON**

as Guarantor

- and -

**CANADA MORTGAGE AND HOUSING CORPORATION**

as Lender

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**CREDIT AGREEMENT**

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Dated as of [●]

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## CREDIT AGREEMENT

**WHEREAS** the CANADA MORTGAGE AND HOUSING CORPORATION (“**CMHC**”) administers the National Housing Co-Investment Fund (the “**Program**”) as part of Canada’s National Housing Co-Investment Strategy.

**AND WHEREAS** in connection with the Program, CMHC has agreed to lend to London & Middlesex Community Housing Inc. (the “**Borrower**”) the Loans described herein to assist with the financing of repairs and renewal of Housing Units (as defined herein) that the Borrower and The Corporation of the City of London (the “**Guarantor**” and, together with the Borrower, the “**Credit Parties**” and each, a “**Credit Party**”) are undertaking on the terms and conditions hereinafter set forth in this agreement (this “**Agreement**”).

**NOW THEREFORE** the parties hereto, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as hereinafter set forth.

### 1 INTERPRETATION

Schedule A contains the definitions of capitalized terms which are used in this Agreement.

### 2 LOANS

(a) Subject to the terms and conditions of this Agreement, CMHC hereby establishes in favour of the Borrower:

- (i) seven (7) repayable, non-revolving, fixed-rate loan facilities (the “**Repayable Loan Facilities**” and each, a “**Repayable Loan Facility**”) up to the respective annual commitment amounts described in the Drawdown Schedule (the “**Repayable Loan Commitment Amounts**” and each, a “**Repayable Loan Commitment Amount**”) and in an aggregate amount of up to \$24,602,101 for all the Repayable Loan Facilities (the “**Total Repayable Loan Commitment Amount**”), in each case in subject to any adjustment or reduction pursuant to the terms and conditions hereof, by way of multiple advances; and
- (ii) one (1) forgivable, non-revolving loan facility (the “**Forgivable Loan Facility**”, with the Repayable Loan Facilities and the Forgivable Loan Facility being referred to herein collectively as the “**Loan Facilities**”) up to the respective annual commitment amounts described in the Drawdown Schedule (the “**Forgivable Loan Commitment Amounts**” and, and each, a “**Forgivable Loan Commitment Amount**”) and in an aggregate amount of up to \$15,533,989 (the “**Total Forgivable Loan Commitment Amount**”), in each case subject to any adjustment or reduction pursuant to the terms and conditions hereof, by way of multiple advances,

with the Total Repayable Loan Commitment Amount and the Total Forgivable Loan Commitment amount being referred to herein in the aggregate as the “**Available Commitment**”.

(b) **Reduction of Available Commitment.**

- (i) If either CMHC or the Borrower becomes aware that the number of Housing Units in the Portfolio has dropped below the Minimum Unit Count at any time prior to all of the Loans being fully advanced (including by way of a notification and/or updated Repair Properties List delivered by the Borrower pursuant to Section 14(c)), then the Available Commitment will be reduced from and including the immediately following calendar year on a *pro rata* basis (based on the ratio of (i) the decrease

in the number of Housing Units below the Minimum Unit Count to (ii) the Minimum Unit Count), such reduction to be applied on a *pro rata* basis to the Repayable Loan Commitment Amounts and the Forgivable Loan Commitment Amounts for each period from and including the immediately following calendar year. CMHC will adjust the Drawdown Schedule for the immediately following calendar year and each succeeding calendar year accordingly based on the revised amount of the Available Commitment and will deliver a revised Drawdown Schedule to reflect the adjustments.

- (ii) If the actual costs for carrying out the Repair Program is (or in the sole opinion of CMHC, acting reasonably, will be) less than the costs set out in the Repair Program Budget (as received and approved by CMHC as at the date hereof), and to the extent such costs (if incurred) would have been financed by a Drawdown hereunder, then CMHC may, in its sole discretion, reduce the Available Commitment by the same proportion as the decrease in actual costs relative to the those set out in such Repair Program Budget, from and including the immediately following calendar year on a *pro rata* basis.
- (c) **Purpose of Loans.** The Loans shall be used in respect of the financing of the Repair Program and shall not be used for any other purpose. For the avoidance of doubt, permitted use of the Loans may include physical improvements to the Portfolio of any kind (including but not limited to mechanical systems improvement, exterior cladding replacement, elevator replacements, roof replacements, in-suite refurbishments or upgrades, entrance and common ground renovations and modifications, garage refurbishments, balcony replacements, electrical and lighting component replacements and upgrades, or other similar building improvements and repairs or maintenance work on the properties). Soft Costs related to foregoing are permitted, but may not be used for general operating costs.
- (d) **Availability.** Following the Closing Date, the Borrower may borrow up to the amount of the Available Commitment in accordance with the terms hereof including the Drawdown Schedule, provided that an Event of Default shall not have occurred and be continuing and the other conditions precedent to Drawdowns hereunder have been satisfied at the time of any Drawdown.
- (e) **Expiration of Commitment.** If the first advance of the Repayable Loan under any one Repayable Loan Facility and the first advance of the Forgivable Loan under the Forgivable Loan Facility have not been made by December 31, 2021, then CMHC's obligation to make the Loans under the Repayable Loan Facilities and under the Forgivable Loan Facility shall end at CMHC's sole and absolute discretion.

### 3 DRAWDOWNS UNDER LOANS

- (a) This Agreement will become effective on the Closing Date and thereafter the Borrower may request advances (each, a "**Drawdown**") under the Loan Facilities in accordance with the Drawdown Schedule and as provided for hereunder. Each Drawdown must:
  - (i) include a contemporaneous *pro rata* Drawdown of the then current Repayable Loan Facility and up to the then current Forgivable Loan Commitment Amount of the Forgivable Loan Facility (based on the relative proportions thereof) as set out in the Drawdown Schedule; and
  - (ii) be proportionate to contemporaneous drawdowns or contributions under funding from the Guarantor and other funding sources, in accordance with the Drawdown Schedule, such that, as at December 31, 2027 (as evidenced by the delivery of the annual financial reports and financial statements provided to CMHC pursuant to

Section 13(a)(ii) and (c) in respect of the 2027 fiscal year), the aggregate outstanding principal amount of all Loans will not cause the CMHC funding proportion of the aggregate principal amount of all funding by CMHC, the Guarantor and other funding sources (pursuant to any Co-Investment Agreements or otherwise) of Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower in respect of only Completed Work under the Repair Program, to exceed the Maximum CMHC Funding Proportion.

- (b) For the avoidance of doubt, unless CMHC otherwise agrees in its sole and absolute discretion, the Borrower must draw down the entire amount of each Repayable Loan Facility and the entire annual Forgivable Loan Commitment Amount of the Forgivable Loan Facility within the calendar year sequentially as specified in the Drawdown Schedule prior to requesting a Drawdown under the next Repayable Loan Facility and corresponding annual Forgivable Loan Commitment Amount of the Forgivable Loan Facility allocated to the following calendar year, in accordance with the Drawdown Schedule.
- (c) Subject to the provisions of this Agreement, the Borrower may make Drawdowns under the Loan Facilities by providing CMHC with a notice (a "**Drawdown Notice**") in substantially the form attached to this Agreement as Schedule B. Each Drawdown shall not be less than \$50,000 and will be conditional upon satisfaction of all conditions precedent on or prior to the date that the Borrower deliver a Drawdown Notice to CMHC and, as applicable, on the date of the Drawdown. Each Drawdown Notice given by the Borrower hereunder is irrevocable.
- (d) Unless otherwise agreed to by CMHC in writing, the Borrower shall make the initial Drawdown under this Agreement on any Thursday (or the next Business Day if the Thursday is not a Business Day) in the month following the Closing Date. Thereafter, the Borrower will not be entitled to make Drawdowns more frequently than once per quarter, which shall occur on any Thursday (or the next Business Day if the Thursday is not a Business Day) in the month, or as otherwise agreed to in writing by CMHC. Drawdowns shall only be requested and made in respect of reimbursement of Repair Program Costs that the Borrower has expended (or for which the Borrower has been invoiced) in respect of Completed Work.
- (e) The Borrower must provide CMHC with a copy of the Drawdown Notice at least ten (10) Business Days prior to the proposed date of the first Drawdown, and at least ten (10) Business Days prior to any subsequent Drawdown (each, a "**Drawdown Date**"). A Drawdown Date must be a Business Day. Each Drawdown Notice must be delivered to CMHC by the Borrower on or prior to 4:00 p.m. (Ottawa time) on a Business Day.
- (f) Each Drawdown shall be advanced by CMHC into a segregated depository account designated by the Borrower in respect of the Repair Program, the particulars of which have been provided to CMHC (the "**Repair Program Funding Account**").

#### **4 INTEREST**

- (a) Following the delivery by the Borrower of the first Drawdown Notice and before the first Drawdown Date, CMHC will, in its sole and absolute discretion, calculate the Interest Rate for the applicable Repayable Loan Facility. CMHC's confirmation of the Interest Rate shall be delivered to the Borrower by email on or about such date.
- (b) Each Repayable Loan will bear interest on the unpaid principal amount thereof from the first Drawdown Date under the applicable Repayable Loan Facility until and including the Principal Amortization Date at the Interest Rate, calculated semi-annually and not in advance, commencing on the first day of the month following the month in which the first

Drawdown under the applicable Repayable Loan Facility was made, or as CMHC may otherwise determine. Interest only payments shall be due and payable in arrears monthly on the first day of the month until and including the Principal Amortization Date (from which date blended payments of interest and principal shall be made according to an amortization schedule in accordance with Section 6(a)).

- (c) The Forgivable Loan is interest-free for so long as the conditions specified in this Agreement are met and no Event of Default has occurred. If an Event of Default has occurred, CMHC may, at its option, by notice to the Borrower declare that the Forgivable Loan shall bear interest at five percent (5%) *per annum* (provided that, for the avoidance of doubt, the accrual of interest following default will not be sufficient to make CMHC whole in the event of a default under this Agreement and CMHC may exercise other default remedies in accordance with this Agreement and the other Loan Documents). In such case, the Forgivable Loan will bear interest on the outstanding principal amount thereof from the date of such declaration until the date on which the Forgivable Loan is repaid in full at the rate of five (5%) percent *per annum*, accruing monthly not in advance, commencing on the first day of the month following the month in which such declaration was made by CMHC or as CMHC may otherwise agree in its sole and absolute discretion. In such circumstances, interest payments shall be due and payable in arrears monthly on the first day of the month until and including the date on which the Forgivable Loan is repaid in full or as CMHC may otherwise agree in its sole and absolute discretion.

## 5 COMPUTATION OF INTEREST

Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue and be compounded monthly on overdue interest, if any. The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by law. For the purposes of the *Interest Act* (Canada), the yearly rate of interest to which any rate calculated on the basis of a period of time different from the actual number of days in the year (360 days, for example) is equivalent is the stated rate multiplied by the actual number of days in the year (365 or 366, as applicable) and divided by the number of days in the shorter period (360 days, in the example), and the parties hereto acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates and that the calculations herein are to be made using the nominal rate method and not on any basis that gives effect to the principle of deemed reinvestment of interest.

## 6 REPAYMENT OF PRINCIPAL

- (a) Commencing on the Principal Amortization Date, the principal balance outstanding under each Repayable Loan Facility will be amortized according to an amortization schedule to be agreed between CMHC and the Borrower at such time based on an amortization period of 40 years, resulting in blended payments of principal and interest being payable on the 1st Business Day of each month following the Principal Amortization Date until the end of the Term. Repayment in full of the remaining principal balance of the Repayable Loans and any interest or other payments due to CMHC shall be due on the final day of the Term.
- (b) If the final advance under a Loan Facility has not been made on or before the Repair Program Completion Outside Date, CMHC may in its sole and absolute discretion require the Borrower to begin repayment of a portion of the principal of the Loan outstanding under such Loan Facility prior to the final advance.
- (c) An equal one-twentieth portion of the principal amount of the Forgivable Loan shall be forgiven on each anniversary of the date of the final advance in respect of the Forgivable Loan, provided that no Event of Default has occurred. To the extent any principal amount

of any Forgivable Loan is not forgiven, repayment in full of the remaining principal balance of such Forgivable Loan and any interest or other payments due to CMHC shall be due on the final day of the Term, or as CMHC may otherwise agree in its sole and absolute discretion.

- (d) If either CMHC or the Borrower becomes aware that the number of Housing Units in the Portfolio has dropped below the Minimum Unit Count at any time after all of the Loans have been fully advanced (including by way of a notification and/or updated Repair Properties List delivered by the Borrower pursuant to Section 14(c)), then a *pro rata* portion (based on the ratio of (i) the decrease in the number of Housing Units below the Minimum Unit Count to (ii) the Minimum Unit Count) applied to the principal amount outstanding of the Forgivable Loan (immediately before CMHC or the Borrower having become aware of such decrease in the number of Housing Units) shall be accelerated and immediately due and payable.
- (e) If, as at December 31, 2027 (as evidenced by the delivery of the annual financial reports and financial statements provided to CMHC pursuant to Section 13(a)(ii) and (c) in respect of the 2027 fiscal year), the aggregate outstanding principal amount of all Loans will cause the CMHC funding proportion of the aggregate principal amount of all funding by CMHC, the Guarantor and other funding sources (pursuant to any Co-Investment Agreements or otherwise) of Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower in respect of only Completed Work under the Repair Program, to exceed the Maximum CMHC Funding Proportion, then the amount by which the aggregate outstanding principal amount of all drawn Loans at any time exceeds the Maximum CMHC Funding Proportion, as applied on a *pro rata* basis to the principal amount outstanding of each Repayable Loan and of the Forgivable Loan, shall be accelerated and immediately due and payable.
- (f) The Loans shall be closed to voluntary prepayment, either in whole or in part, prior to the expiration of their respective Terms.
- (g) The Borrower may, at its option, agree with CMHC to extend the Term of any of the Repayable Loans, in whole and not in part, for an additional ten (10) years (each such modification, an “**Extension**”) pursuant to one or more written offers (each an “**Extension Offer**”) made from time to time by the Borrower to CMHC, under any Repayable Loan. In connection with each Extension, the Borrower will provide notification to CMHC, no later than 90 days prior to the end of the Term of any applicable Repayable Loan, that it wishes to extend such Repayable Loan for an additional ten (10) year term (each new extended end of Term maturity date for an extended Repayable Loan, an “**Extended Maturity Date**”) and confirming that the criteria outlined in paragraphs (i) to (iv) (inclusive) below are or will be satisfied. CMHC shall respond within 30 days to acknowledge receipt of the notice and that the process and procedures for the Extension will be carried out. To the extent that CMHC does not respond to an Extension Offer by the applicable due date or notifies the Borrower that the criteria outlined in paragraphs (i) to (iv) (inclusive) are not satisfied, it shall be deemed to have rejected such Extension. The consummation and effectiveness of each Extension shall be subject to the following:
  - (i) no Event of Default, any event or circumstance that constitutes an Event of Default or that, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default, shall have occurred and be continuing at the time any Extension Offer is delivered to CMHC or at the time of such Extension (after giving effect to such Extension);
  - (ii) each of the Repayable Loans extended pursuant to any Extension (as applicable, “**Extended Repayable Loans**”) shall have the same terms as the relevant original Repayable Loan (the “**Existing Repayable Loan**”), except that (A) the final

maturity date of any Extended Repayable Loan will be ten (10) years later than the end of the Term at the time of such Extension; (B) CMHC shall calculate a new Interest Rate, in its sole and absolute discretion, for each Extended Repayable Loan, which shall apply to the relevant Extended Repayable Loan for the duration of the extended Term (and, for the avoidance of doubt, the interest rate with respect to the Extended Repayable Loan may be higher or lower than the interest rate for the relevant Existing Repayable Loan); and (C) for the avoidance of doubt, no repayment of any Extended Repayable Loan shall be permitted unless such repayment is accompanied by repayment of all earlier maturing Repayable Loans (including previously extended Repayable Loans) in accordance with the terms hereof (or all earlier maturing Repayable Loans (including previously extended Repayable Loans) shall otherwise be or have been terminated and repaid in full in accordance with the terms hereof);

- (iii) the representations and warranties of the Borrower contained herein or in any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct, in each case, on and as of at the time any Extension Offer is delivered to CMHC or at the time of such Extension (after giving effect to such Extension), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects, or true and correct, as the case may be, as of such earlier date; and
- (iv) all documentation in respect of such Extension shall be consistent with the foregoing and on or before the date of any Extension, CMHC shall have received all other information and documents required by it, as CMHC may reasonably require in connection with such Extension,

and, in connection with any Extension, the Borrower shall follow such procedures, if any, as may be reasonably established by, or acceptable to, CMHC to accomplish the purposes of this Section 6(g) and the Borrower and CMHC shall enter into any amendments to this Agreement and the other Loan Documents as may be required by CMHC in order to effect and reflect the Extension, in each case on terms consistent with this Section 6(g). Promptly following the consummation and effectiveness of any Extension, CMHC will furnish to the Borrower written notice setting forth the Extended Maturity Date and material economic terms of the Extension, including the interest rate and the aggregate principal amount of each Repayable Loan after giving effect to the Extension and attaching a copy of the fully executed Extension amendment.

## 7 PAYMENTS GENERALLY

- (a) With respect to each Repayable Loan, amounts payable by the Borrower hereunder shall be paid by direct debit from an account designated by the Borrower, the particulars of which been provided to CMHC (the "**Repair Program Loan Payment Account**").
- (b) Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest payable under this Agreement is payable both before and after any or all of default, maturity date, demand and judgment.

## 8 CONDITIONS PRECEDENT

- (a) **Conditions Precedent to Effectiveness of Agreement.** The effectiveness of this Agreement is subject to and conditional upon the satisfaction (in form and substance satisfactory to CMHC, in its sole discretion) of each of the following conditions precedent (and the date on which the last condition precedent is satisfied or waived and this

Agreement becomes effective, as confirmed in writing by CMHC, is referred to herein as the “**Closing Date**”):

- (i) CMHC shall have received executed counterparts of this Agreement, the other Loan Documents, and the Material Repair Program Documents;
- (ii) CMHC shall have received and shall be satisfied with its review of the Action Plan, the Plans and Specifications, the Repair Program Budget and the Repair Schedule;
- (iii) CMHC shall be satisfied with PPSA (if applicable), insolvency and judgment searches against each of the Credit Parties in those jurisdictions as CMHC shall make confirming that the Properties and all other Collateral are not subject to any Encumbrances other than Permitted Encumbrances;
- (iv) if applicable, CMHC shall be satisfied with sub-searches confirming that no Encumbrances have been registered on title to the Properties other than Permitted Encumbrances;
- (v) CMHC shall be satisfied with the results of its diligence, including legal, corporate, and financial diligence, and diligence with respect to the legal structure of the Credit Parties (including any principals) and the Portfolio, any Co-Investment Agreements, and with respect to zoning, permitting and title to the Properties;
- (vi) CMHC shall have received evidence of the completion of, or of arrangements reasonably satisfactory to CMHC for the completion of, any other actions, recordings and filings of or with respect to this Agreement, the Material Repair Program Documents and the other Loan Documents that CMHC may deem necessary;
- (vii) CMHC shall have received and be satisfied with its review of the Repair Program Budget and Material Repair Program Documents;
- (viii) CMHC shall have received from the Borrower and be satisfied with its review of the Drawdown Schedule;
- (ix) CMHC shall have received an Energy Efficiency Report prepared by a qualified third party and such other third party reports (as appropriate, supported by reliance letters addressed to CMHC), as CMHC requires in its sole discretion;
- (x) CMHC shall have received in respect of each of the Credit Parties, certified on or just prior to the Closing Date by an appropriate corporate officer of each of the Credit Parties:
  - (A) a copy of its organization documents, as in effect on the Closing Date;
  - (B) a copy of its by-laws or equivalent document, as in effect on the Closing Date;
  - (C) copies of the resolutions of its board of directors, authorized subcommittee thereof, or other equivalent body authorizing the execution, delivery and performance of the documents to which it is a party; and
  - (D) the names and true signatures of the officers authorized to execute, deliver and perform, as applicable, this Agreement and all other documents to be

delivered hereunder, together with a certificate of good standing or equivalent document from the applicable Governmental Authority of its jurisdiction of incorporation or organization as of a recent date;

- (xi) CMHC shall have received a customary written legal opinion from counsel to each of the Credit Parties, addressed to CMHC and dated on or just prior to the Closing Date, as to (A) the creation and existence of each Credit Party, (B) the capacity and due authorization of each Credit Party to enter into and perform its obligations under the Loan Documents to which it is a party, (C) the absence of conflicts with law and regulations and the organizational documents of each Credit Party, (D) the enforceability of the obligations of each Credit Party under the Loan Documents to which it is a party, (E) if applicable, security matters and (F) such other matters as CMHC may require;
- (xii) CMHC shall have received evidence that the Borrower shall have opened the Repair Program Funding Account and entered into a pre-authorized debit (PAD) Agreement for making payments to CMHC from the Repair Program Loan Payment Account by direct debit in accordance with Section 6(a), and executed and delivered any documentation required in respect thereof;
- (xiii) CMHC shall have been paid all accrued and unpaid fees, and reasonable costs and expenses to the extent then due and payable to CMHC on or just prior to the Closing Date;
- (xiv) CMHC shall have received a certificate signed by an officer on behalf of each Credit Party, dated on or just prior to the Closing Date:
  - (A) confirming that such Credit Party has received all required co-investment commitments and governmental authorizations and third party approvals (or arrangements reasonably satisfactory to CMHC in lieu of such co-investment commitments and approvals) from each relevant third party and applicable Governmental Authority that are contemplated hereby and/or that are necessary in connection with the Repair Program and/ or that may be required by Applicable Laws; and
  - (B) confirming the solvency of such Credit Party.
- (xv) CMHC shall have received from each of the Credit Parties the documentation and other information that is required by CMHC in respect of its “know-your customer” policies and procedures;
- (xvi) CMHC shall have received such financial and other information or documents relating to each of the Credit Parties as CMHC may reasonably require;
- (xvii) CMHC shall have received confirmation, certified by an officer of the Borrower, that (A) there are two thousand and eighty-two (2,082) Housing Units, which are within 13 buildings located in the City of London (such number of Housing Units, or such other number of Housing Units as may be agreed to in writing by CMHC from time to time in its sole discretion in accordance with the terms hereof, is referred to herein as the “**Minimum Unit Count**”) in the Portfolio that are the subject of the Repair Program (the Housing Units that are subject to the Repair Program from time to time are referred to herein as the “**Subject Units**”); (B) either (1) all of the Subject Units are occupied or available for occupancy and will be occupied or available for occupancy throughout the Repair Program Execution; or (2) if all of the Subject Units are not occupied or available for occupancy or will not be

occupied or available for occupancy throughout the Repair Program Execution, this is solely due to the Subject Units being temporarily vacant as a result of repairs or renewal thereof and a tenant placement plan satisfactory to CMHC has been made by the Borrower so that any relocated tenant is not materially adversely impacted by the Repair Program Execution;

- (xviii) CMHC shall have received evidence satisfactory to it that the Repair Program will be effected, and the Portfolio will be operated, such that the Portfolio Affordability Requirements, the Portfolio Accessibility Requirements and the Portfolio Energy Efficiency Requirements will be satisfied; and
  - (xix) CMHC shall have received evidence that the Credit Parties have in place appropriate insurance for its business and assets as required by CMHC from time to time, including with respect to the Repair Program and the Properties, that meets at least the Insurance Requirements pursuant to the terms hereof, including (A) copies of all initial certificates of insurance; and (B) an opinion of an Insurance Consultant relating to such insurance, which has been prepared in accordance with the Insurance Requirements and is in form and substance satisfactory to CMHC in its sole and absolute discretion.
- (b) **Conditions Precedent to Drawdowns.** The obligation of CMHC to advance any Drawdown hereunder is subject to and conditional upon the satisfaction of each of the following conditions precedent on or just prior to the date the applicable Drawdown Notice is delivered (or such earlier date as may be specified below):
- (i) CMHC shall have received a completed Drawdown Notice from the Borrower;
  - (ii) as at the date of the applicable Drawdown Notice, CMHC shall have received sufficient evidence of the Repair Program Costs expended by the Borrower or invoiced to the Borrower for Completed Work that will be funded by the Drawdown made pursuant to the applicable Drawdown Notice, including by way of a Completion Report attached to the Drawdown Notice as Appendix A thereto;
  - (iii) in the case of each Repayable Loan Facility, the Interest Rate shall have been set by CMHC;
  - (iv) if applicable, CMHC shall be satisfied with sub-searches confirming that no Encumbrances have been registered on title to the Properties other than Permitted Encumbrances;
  - (v) the representations and warranties deemed to be repeated pursuant to Section 12 on each Drawdown Date will continue to be true and correct as if made on and as of the Drawdown Date;
  - (vi) no default or Event of Default or Ratings Trigger Event will have occurred and be continuing on the Drawdown Date, or would result from making the requested advance;
  - (vii) a Material Adverse Change will not have occurred and be existing on the Drawdown Date, or would result from making the requested advance;
  - (viii) the Credit Parties must have delivered to CMHC all reporting covenants required by Section 13;

- (ix) CMHC shall have received evidence satisfactory to it that the Minimum Borrower Contribution will have been invested by the Borrower as of the Drawdown Date;
  - (x) CMHC shall have received evidence that the Repair Program achieves a minimum Debt Service Coverage Ratio of 1.0x after giving effect to such Drawdown;
  - (xi) CMHC shall have received evidence satisfactory to it that the full budgeted funding and contributions by the Guarantor and any other funding sources (pursuant to any Co-Investment Agreements or otherwise) have been made or will be made contemporaneously with a Drawdown hereunder;
  - (xii) CMHC shall have received confirmation from the Borrower that all Permits and approvals necessary for (A) any Repair Program Execution to be undertaken in respect of the Portfolio pursuant to the Repair Program, in respect of which the Drawdown is being made and (B) any prior Repair Program Execution undertaken in respect of the Portfolio pursuant to the Repair Program, are in place at the time of such Drawdown;
  - (xiii) all other terms and conditions of this Agreement upon which the Borrower may obtain advances that have not been waived will have been fulfilled as of the Drawdown Date;
  - (xiv) CMHC shall have received confirmation from the Borrower, certified by an officer of the Borrower in the Drawdown Notice, that the Minimum Unit Count is satisfied and either (A) all of the Subject Units are occupied or available for occupancy and will be occupied or available for occupancy throughout the Repair Program Execution; or (B) if all of the Subject Units are not occupied or available for occupancy or will not be occupied or available for occupancy throughout the Repair Program Execution, this is solely due to the Subject Units being temporarily vacant as a result of repairs or renewal thereof and a tenant placement plan satisfactory to CMHC has been made by the Borrower so that any relocated tenant is not materially adversely impacted by the Repair Program Execution;
  - (xv) CMHC shall have been paid all accrued and unpaid fees, and reasonable costs and expenses to the extent then due and payable to CMHC on or just prior to the Drawdown Date; and
  - (xvi) if a Ratings Trigger Event has occurred and CMHC has delivered one or more Collateral Coverage Notices to the Credit Parties in accordance with Section 14(a)(xviii), the Collateral Coverage Ratio shall be equal to or greater than the Applicable Collateral Coverage Ratio.
- (c) **Documentation.** All documents and evidence executed and/or delivered pursuant to this Section 8 must be in full force and effect, and in form and substance satisfactory to CMHC in its sole and absolute discretion.
  - (d) **Waiver.** The conditions set forth in Sections 8(a), 8(b) and 8(c) are inserted for the sole benefit of CMHC and may be waived by CMHC, in whole or in part (with or without terms or conditions), in respect of any Drawdown without prejudicing the right of CMHC at any time to assert such conditions in respect of any subsequent Drawdown.

## 9 RECORDS

- (a) CMHC will maintain records evidencing each Drawdown made by the Borrower under this Agreement. CMHC will record the amount of each borrowing thereunder, the payment of

principal and interest and all other amounts becoming due or paid to CMHC under this Agreement. CMHC's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to CMHC pursuant to this Agreement.

- (b) CMHC reserves the right to review, analyze and audit the costs of the Borrower in connection with the Repair Program to ensure compliance with this Agreement and the Program. The Borrower will maintain proper and detailed records and statements of account, including receipts, vouchers, invoices, and other documents related to the Repair Program Costs and shall permit CMHC, or its designated representative, to access to such records and statements for audit and inspection purposes within five (5) Business Days of such written request from CMHC.

## 10 LOAN DOCUMENTS AND SECURITY

- (a) CMHC's security in respect of the Loans and all other obligations of the Credit Parties to CMHC under this Agreement and the other Loan Documents shall include the security interests (where applicable) created in favour of CMHC by the following documents in form and substance satisfactory to CMHC in its sole and absolute discretion (and which, if applicable, shall be registered under applicable legislation), subject only to Permitted Encumbrances:
  - (i) a security agreement signed by the Borrower granting a first priority security interest over the Repair Program Funding Account;
  - (ii) an Operating Agreement in respect of the Repair Properties;
  - (iii) an unlimited payment and performance guarantee and, if applicable, indemnity and postponement of claim from the Guarantor in favour of CMHC;
  - (iv) if required by CMHC pursuant to Section 14(a)(xviii), with respect to each Post-Closing Designated Property:
    - (A) a first priority mortgage granted by the applicable Credit Party in favour of CMHC in respect of such Post-Closing Designated Property (to be registered on title to such Post-Closing Designated Property) in an amount equal to 120% of the Available Commitment;
    - (B) a first priority, site-specific general security agreement signed by the applicable Credit Party granting a security interest in all of the present and after acquired personal property of such Credit Party comprising or otherwise relating to such Post-Closing Designated Property;
    - (C) an Operating Agreement in respect of such Post-Closing Designated Property;
    - (D) a first priority general assignment of rents and leases security interest signed by the applicable Credit Party/ies in respect of such Post-Closing Designated Property;
    - (E) if requested by CMHC, a first priority security assignment signed by the applicable Credit Party/ies of all insurance policies relating to such Post-Closing Designated Property; and

- (F) if requested by CMHC, a first priority security assignment signed by the applicable Credit Party/ies of all Material Repair Program Documents relating to such Post-Closing Designated Property; and
- (v) if requested by CMHC, any other security, intercreditor agreements, subordination agreements and ancillary documentation from time to time deemed necessary by CMHC in its sole and absolute discretion.

## 11 RECOURSE

CMHC shall have full recourse to the Borrower and Guarantor and the Collateral for the full term of the Loans.

## 12 REPRESENTATIONS AND WARRANTIES

Each of the Credit Parties represents and warrants to CMHC, as of the Closing Date and (subject to any amendments or exceptions from time to time approved in writing by CMHC in its sole and absolute discretion) as of each Drawdown Date, that:

- (a) it is duly incorporated, amalgamated, continued, created or established, as the case may be, and validly existing under the laws of its jurisdiction of incorporation, amalgamation or continuance, creation or establishment, as the case may be, and is duly registered or qualified to carry on business in the Province of Ontario;
- (b) it has the power, authority and right:
  - (i) to enter into and deliver, and to exercise its rights and perform its obligations under, the Loan Documents and all other instruments and agreements delivered by it pursuant to any of the Loan Documents, and
  - (ii) to own its property and carry on its business as currently conducted and as currently proposed to be conducted by it and without limiting the foregoing (A) the Borrower has all necessary power and authority to own the real and personal property comprising the Portfolio and to develop and complete the Repair Program and is duly licensed, registered and qualified to carry out such activities and (B) each Credit Party has all necessary power and authority to, if applicable, own, develop and operate all real and personal property owned by it constituting Collateral;
- (c) the execution, delivery and performance of the Loan Documents to which it is a party have been duly authorized by all necessary corporate and other actions and do not violate its respective constating documents, any Applicable Laws or any agreements to which it is subject or by which it is bound;
- (d) it has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required as to the date hereof in connection with the execution and delivery by it of each of the Loan Documents to which it is a party and the consummation of the transactions contemplated in the Loan Documents;
- (e) it has paid or made adequate provision for the payment of all taxes levied on it or on the Portfolio, the Collateral or its income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such taxes, except taxes that are not material in amount or that are not delinquent (or if delinquent are either (A) Permitted Encumbrances, or (B) being contested in good faith,

and in respect of which non-payment would not individually or in the aggregate constitute, or be reasonably likely to cause, a Material Adverse Change), and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge threatened, by any Governmental Authority regarding any taxes that constitutes or could reasonably be expected to become a Material Adverse Change nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of taxes;

- (f) its most recent financial statements provided to CMHC fairly present its financial position as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, no Material Adverse Change has occurred;
- (g) it is not subject to any judgment, order, writ, enforcement charge, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or could reasonably be expected to become, a Material Adverse Change;
- (h) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which could reasonably be expected to have a Material Adverse Change, and there are no circumstances of which it is aware which might give rise to any such proceeding which has not been fully disclosed to CMHC;
- (i) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a default or an Event of Default or a Ratings Trigger Event or a breach of any covenant or other term or condition in respect of any other of its outstanding Debt ;
- (j) there are no liabilities (including contingent liabilities) that, in the aggregate, are material in respect of the Repair Program or that constitute or could reasonably be expected to become a Material Adverse Change, which have not been previously disclosed in writing to CMHC;
- (k) it:
  - (i) has not committed any act of bankruptcy;
  - (ii) is not insolvent, or has not proposed or given notice of its intention to propose, a compromise or arrangement to its creditors generally;
  - (iii) has not had an application for a bankruptcy order, or application for the appointment of a receiver, trustee, inspector, monitor or similar party filed against it;
  - (iv) has not made a voluntary assignment in bankruptcy, taken any proceeding with respect to any stay, proposal, sale, compromise or arrangement, taken any proceeding or corporate action to have itself declared bankrupt, liquidated, dissolved or wound-up, taken any proceeding to have a receiver appointed of any part of its assets;
  - (v) has not had the holder of any Encumbrance take possession of its property; or

- (vi) has not had an execution or distress become enforceable or become levied, or an enforcement of security or foreclosure, on any material portion of its assets and property;
- (l) it is not in default under any other loan or contribution provided by CMHC nor any other loan or contribution and any related operating agreements or any Co-Investment Agreement from other funding sources in respect of the Repair Program or the Portfolio;
- (m) the Repair Properties and the Housing Units listed in the Repair Properties List constitute the Portfolio that is the subject of the Repair Program;
- (n) the Borrower has good and marketable title, free and clear of all Encumbrances other than Permitted Encumbrances, to (A) all of its properties, (B) all other real and personal property comprising the Portfolio and related to the Repair Program and (C) all Collateral owned by it;
- (o) to the best of its knowledge and belief, after due inquiry and all reasonable investigation:
  - (i) it is not engaged in any unfair labour practice that constitutes or could reasonably be expected to become a Material Adverse Change; and there is no unfair labour practice complaint pending against it or threatened against it, before any Governmental Authority that if adversely determined could reasonably be expected to become a Material Adverse Change;
  - (ii) no grievance or arbitration arising out of or under any collective bargaining agreement is pending against it or threatened against it, that could reasonably be expected to become a Material Adverse Change; and
  - (iii) no strike, labour dispute, slowdown or stoppage is pending against it or threatened against it and no union representation proceeding is pending with respect to any of its employees, except (with respect to any matter specified in this sentence, either individually or in the aggregate) such as could not reasonably be expected to become a Material Adverse Change;
- (p) except as disclosed to CMHC in writing and accepted by CMHC, to the best of its knowledge after due inquiry, it, the Repair Program and the Portfolio are in compliance with all Applicable Laws (other than Environmental Laws, which are addressed below) except for any non-compliance that individually or in the aggregate could not reasonably be expected to become a Material Adverse Change, and there are no facts known or which ought reasonably to be known, in either case after due enquiry, which could give rise to a notice of non-compliance to such extent with any Applicable Laws (other than Environmental Laws, which are addressed below);
- (q) to the best of its knowledge, there are no pending or proposed changes to Applicable Laws which would render illegal or materially restrict the Repair Program Execution or operation of the Repair Program;
- (r) the Repair Properties are zoned to permit the Repair Program Execution and operation of the Repair Program and the existing and proposed uses of the Properties comply in all material respects with all Applicable Laws;
- (s) it has not received notice of any proposed re-zoning of all or any part of the Properties that could be reasonably likely to become a Material Adverse Change in respect of the Repair Program Execution of the Repair Program or otherwise nor has it received notice of any expropriation of all or any part of the Properties;

- (t) the only real property interests necessary for the Repair Program Execution in respect of the Repair Program in accordance with the Action Plan are the real property interests comprising the Repair Properties and any easements, interests or rights appurtenant thereto;
- (u) it is in good standing under each Repair Contract;
- (v) no event has occurred and is continuing that would constitute a material breach of or a material default under any Material Repair Program Document to which it is a party is binding upon it and, to the best of its knowledge, is a binding agreement of each other Person who is a party thereto;
- (w) to the best of its knowledge after due inquiry:
  - (i) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Properties or the business or assets of the Borrower or the Guarantor, by a Government Authority or any third party, in respect of which there is a reasonable likelihood of a determination adverse to the Borrower or the Guarantor, as applicable, and which, if so adversely determined, constitutes or could reasonably be expected to become a Material Adverse Change;
  - (ii) the Properties (for the avoidance of doubt, including, without limitation, the Subject Units) are in compliance with, and it operates in compliance with, all applicable Environmental Laws and there are no Hazardous Materials in, on, under, migrating from or to the Properties not in compliance with Environmental Laws, except to the extent that non-compliance does not individually or in the aggregate constitute and could not reasonably be expected to become a Material Adverse Change; and
  - (iii) it possesses all Permits as may be necessary to conduct its business, in compliance with requirements of Applicable Laws, and such permits will not expire during the Term, except to the extent that failure to have any such Permits in place does not individually or in the aggregate constitute and could not reasonably be expected to become a Material Adverse Change;
- (x) there are no claims, demands, actions or other proceedings pending or, to the knowledge of any Credit Party, threatened, affecting any Collateral, the Repair Program Execution, the operation of the Repair Program on the Repair Properties at law or in equity before or by any Governmental Authority, with respect to aboriginal rights, treaty rights or the duty to consult;
- (y) neither the Credit Parties nor any Properties are subject to any outstanding judgment, order, writ, injunction or decree with respect to aboriginal rights, treaty rights or the duty to consult affecting the Repair Program Execution or the operation of the Repair Program on the Repair Properties or otherwise affecting any Property, and neither the Repair Program nor the Properties are subject to a modern treaty;
- (z) it is not a non-resident for the purposes of Section 116 of the *Income Tax Act* (Canada);
- (aa) it has in place appropriate insurance for its business and assets as required by CMHC from time to time, including with respect to the Repair Program and the Properties, that meets at least the Insurance Requirements and is consistent with the recommendations of the Insurance Consultant opinion prepared as described in Section 8(a)(xix), except where the failure to have such policies of insurance in place would not constitute and could not reasonably be expected to become a Material Adverse Change;

- (bb) it is in compliance with all terms and conditions of all insurance policies issued in respect of the Repair Properties and the Repair Program and, if applicable, in respect of any Post-Closing Designated Properties; and
- (cc) the contents of the Integrity Declaration remain true and correct.

Sections 12(a) to (l), (n) to (t) and (v) to (cc) shall survive and remain in full force and effect in accordance with their terms, notwithstanding the termination of this Agreement or the repayment, satisfaction or discharge of all obligations under any Loan Document until the termination of the Operating Agreement.

### 13 REPORTING COVENANTS

- (a) The Borrower covenants and agrees with CMHC to deliver (or cause to be delivered) to CMHC, at the expense of the Borrower (each of the following to be in form and substance satisfactory to CMHC in its sole and absolute discretion):
  - (i) **Quarterly Progress Reports:** following the earliest of (i) the first advance to the Borrower hereunder, and (ii) the first advance under any Co-Investment Agreement, as soon as available and in any event within thirty (30) days after the end of its fiscal quarter, progress reports prepared in relation to the Repair Program by a Qualified Professional, in each case providing detailed information regarding the planning, design, construction, financing, revenue generation and performance monitoring of the Repair Program including:
    - (A) an update to the Drawdown Schedule, Repair Program Budget and Repair Schedule together with comments on any material variances from the original Drawdown Schedule, Repair Program Budget and Repair Schedule provided to CMHC; and
    - (B) comments on any material changes to the Repair Program or any potential or actual problem areas which have been identified and may affect completion of the Repair Program in accordance with the Repair Program Budget and Repair Schedule provided to CMHC.
  - (ii) **Annual Progress Reports:** on an annual basis within one hundred and twenty (120) days of the end of each fiscal year of the Borrower:
    - (A) an energy performance report in respect to such fiscal year prepared by the Borrower and validated by a Qualified Professional, reporting on the progress in respect of such fiscal year as measured against the baseline energy use and greenhouse gas emissions for the Portfolio as established in the Energy Efficiency Report;
    - (B) a progress report (an “**Annual Progress Report**”) certified by an officer of the Borrower in the form of Schedule G in respect of such fiscal year, which will include detailed information in relation to performance monitoring of the Repair Program and progress updates with respect to the Action Plan, including:
      - (1) the number of Subject Units;
      - (2) confirmation that the Minimum Unit Count is satisfied and that either (I) all of the Subject Units are occupied or available for occupancy and will be occupied or available for occupancy

throughout the Repair Program Execution; or (II) if all of the Subject Units are not occupied or available for occupancy or will not be occupied or available for occupancy throughout the Repair Program Execution, this is solely due to the Subject Units being temporarily vacant as a result of repairs or renewal thereof and a tenant placement plan satisfactory to CMHC has been made by the Borrower so that any relocated tenant is not materially adversely impacted by the Repair Program Execution;

- (3) confirmation of the satisfaction of, or progress satisfactory to CMHC toward the satisfaction of, the Portfolio Affordability Requirements, the Portfolio Accessibility Requirements and the Portfolio Energy Efficiency Requirements pursuant to the terms hereof, including (x) the average percentage of the Median Market Rental Rate of the rents of all Subject Units in respect of such fiscal year, (y) the number and percentage of Subject Units satisfying the Portfolio Accessibility Requirements, and (z) the conversion count of the Subject Units that have become units that meet the Portfolio Accessibility Requirements, in respect of such fiscal year;
- (4) the total amount of Repair Program Costs that have been expended by the Borrower (or that have been invoiced to the Borrower) in respect of Completed Work in such fiscal year and cumulatively since the date hereof [and confirmation that the aggregate CMHC funding proportion of such cumulative repair costs does not exceed the maximum CMHC funding proportion thereof permitted by Section 3(a)(ii);
- (5) an updated Action Plan, Plans and Specifications, Repair Program Budget, Repair Schedule and Drawdown Schedule; and
- (6) such other information as CMHC deems necessary, including reports, the frequency of which may vary, that include, but are not limited to, the information required in Schedule G,

and noting any material variances that occurred (x) in such fiscal year from the Action Plan, Plans and Specifications, Repair Program Budget, Repair Schedule and Drawdown Schedule most recently delivered to CMHC in accordance with the terms hereof and (y) cumulatively from the Action Plan, Plans and Specifications, Repair Program Budget, Repair Schedule and Drawdown Schedule delivered to CMHC in accordance with 8(a)(ii).

- (b) **One-time Report Upon Completion:** Within sixty (60) days of the date of final advance, a report to CMHC identifying all material deviations from the Plans and Specifications, including those that may have impacted the Repair Program's energy consumption or greenhouse gas ("GHG") emissions plan, accessibility plan and overall eligibility under the Program; where such deviations have resulted in or are likely to have a 10% or more change in the energy consumption or GHG emissions of the Portfolio, and an updated Energy Efficiency Report for use by CMHC to assess energy consumption and GHG emission reduction performance of the completed Portfolio as against the Portfolio Energy Efficiency Requirements.
- (c) **Audited Financial Statements:** Each Credit Party covenants and agrees with CMHC to deliver (or cause to be delivered) to CMHC, at the expense of the relevant Credit Party, as soon as available and in any event within one hundred and twenty (120) days after the end

of each of its fiscal years, its annual audited financial statements including a balance sheet/statement of financial position, statement of income/statement of operations, statement of changes in equity/statement of changes in net assets, statement of cash flows and source and application of funds for such fiscal year, which will be prepared in accordance with GAAP on an audited basis, and the auditor's report shall include an opinion on the compliance of the Borrower with this Agreement (such financial statements and auditor's report to be in form and substance satisfactory to CMHC in its sole and absolute discretion).

- (d) All reporting required under this Agreement shall be stand-alone Repair Program reporting, isolating the Repair Program's financial and operating information from that of other properties owned by the Borrower, if any.
- (e) The Borrower shall ensure that the use of personal information of tenants or occupants required to fulfill the foregoing reporting obligations, if any, is authorized and consented to by such persons and is otherwise in accordance with applicable privacy laws.
- (f) Sections 13(a)(ii)(B)(1),(2) and (3), 13(c), 13(d) and 13(e) shall survive and remain in full force and effect in accordance with its terms, notwithstanding the termination of this Agreement or the repayment, satisfaction or discharge of all obligations under any Loan Document until the termination of the Operating Agreement.

## 14 COVENANTS

- (a) **Positive Covenants.** Each Credit Party covenants and agrees with CMHC, while this Agreement is in effect and except as otherwise permitted by the prior written consent of CMHC, to:
  - (i) pay all sums of money when due by it under this Agreement;
  - (ii) maintain a minimum Debt Service Coverage Ratio of 1.0x;
  - (iii) keep its existence in full force and effect and carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice and all Applicable Laws;
  - (iv) take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business;
  - (v) comply with all Material Repair Program Documents, Material Licences and requirements of Applicable Law;
  - (vi) promptly provide CMHC with all information reasonably requested by it from time to time at reasonable intervals in connection with this Agreement concerning its financial condition, the Properties and the Subject Units and during normal business hours and from time to time at reasonable intervals upon reasonable notice, permit representatives of CMHC to inspect and take extracts from its financial and other records, including records stored in computer data banks and computer software systems regarding the Properties and the Subject Units, and to discuss its financial condition with its senior officers and its auditors;
  - (vii) maintain documents, vouchers, records and accounts that pertain to the Properties and the Subject Units for not less than seven (7) years following the date of receipt or production of such documents, vouchers, records and accounts and maintain books, records and accounts in accordance with GAAP;

- (viii) keep all property necessary for its business in good working order and condition, normal wear and tear excepted, except to the extent that failure to do so does not individually or in the aggregate constitute and could not reasonably be expected to become a Material Adverse Change;
- (ix) comply with the provisions of the Construction Lien Act, including retaining any Holdbacks required thereby, and in the event that any Encumbrance is registered under the Construction Lien Act against any Property (or notice of such Encumbrance is provided to CMHC), the applicable Credit Party shall cause such Encumbrance to be vacated or discharged within ten (10) days of the earlier of: (i) date of registration thereof or the date any Credit Party has received written notice thereof, or (ii) the date that such Credit Party has been provided written notice thereof by CMHC, with any payment thereunder being made from financial resources other than the Loans (and, for the avoidance of doubt, no Drawdowns will be permitted under the Loan Facilities until such Encumbrance is vacated or discharged to the satisfaction of CMHC);
- (x) pay or discharge, or cause to be paid or discharged, before the same will become delinquent (i) all taxes imposed upon it or upon its income or profits or in respect of its business or any Property and file all tax returns in respect thereof, (ii) all lawful claims for labour, materials and supplies, (iii) all required payments under any of its Debt, and (iv) all other obligations; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings and an appropriate financial reserve in accordance with GAAP and satisfactory to CMHC has been established and so long as CMHC is satisfied that the security is not in jeopardy;
- (xi) provide evidence satisfactory to CMHC annually of the payment of all taxes assessed and levied in relation to the Properties, as soon as available and in any event within thirty (30) days of the confirmation that all of the current year's taxes have been paid;
- (xii) diligently and efficiently manage and operate the Repair Program to meet its financial obligations on a sustainable and permanent manner on a long-term basis and to maintain the Properties in a satisfactory state of repair, in each case in accordance with (i) prudent industry practice; (ii) all Material Licences; (iii) in the case of the Repair Properties, the Material Repair Program Documents, the Action Plan, the Repair Program Budget, the Repair Schedule and the Plans and Specifications; and (iv) all insurance policies issued in respect of the Properties and the Repair Program, in all material respects;
- (xiii) provide a copy of any advance request (together with supporting documentation) made pursuant to any Co-Investment Agreement or otherwise in respect of any contribution from any funding source for the Repair Program;
- (xiv) from time to time, when requested by CMHC, provide to CMHC evidence of its full compliance with its representations and warranties in Section 12;
- (xv) maintain in place appropriate insurance for its business and assets as required by CMHC from time to time, including with respect to the Repair Program and the Properties, that meets at least the Insurance Requirements and is consistent with the recommendations of the Insurance Consultant opinion prepared as described in Section 8(a)(xix), except where the failure to have such policies of insurance in place would not constitute and could not reasonably be expected to become a Material Adverse Change, and promptly provide CMHC with copies of any

certificates of insurance issued to it from time to time and not previously provided to CMHC in accordance with this Agreement;

- (xvi) ensure that, as at December 31, 2027 (as evidenced by the delivery of the annual financial reports and financial statements provided to CMHC pursuant to Section 13(a)(ii) and (c) in respect of the 2027 fiscal year), the aggregate outstanding principal amount of all Loans will not cause the CMHC funding proportion of the aggregate principal amount of all funding by CMHC, the Guarantor and other funding sources (pursuant to any Co-Investment Agreements or otherwise) of Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower in respect of only Completed Work under the Repair Program, to exceed the Maximum CMHC Funding Proportion;
  - (xvii) ensure that either (I) all of the Subject Units are occupied or available for occupancy and will be occupied or available for occupancy throughout the Repair Program Execution; or (II) if all of the Subject Units are not occupied or available for occupancy or will not be occupied or available for occupancy throughout the Repair Program Execution, this is solely due to the Subject Units being temporarily vacant as a result of repairs or renewal thereof and a tenant placement plan satisfactory to CMHC has been made by the Borrower so that any relocated tenant is not materially adversely impacted by the Repair Program Execution; and
  - (xviii) if at any time following the occurrence of a Ratings Trigger Event the Collateral Coverage Ratio is less than the Applicable Collateral Coverage Ratio and if required by CMHC in its sole and absolute discretion as notified by CMHC in writing to the Credit Parties (each such notice, a “**Collateral Coverage Notice**”), grant security in respect of one or more Post-Closing Designated Properties (and certain other related property relating thereto) in accordance with Section 10(a)(iv) and otherwise comply with the Post-Closing Mortgaged Property Requirements with respect to such Post-Closing Designated Property/ies, such that, no later than the 30<sup>th</sup> day following receipt by the Credit Parties of such Collateral Coverage Notice, the Collateral Coverage Ratio shall be equal to or greater than the Applicable Collateral Coverage Ratio (which shall be specified in the applicable Collateral Coverage Notice);
  - (xix) promptly notify CMHC of any event which could result in any cost overrun or material delay in the Repair Program Execution in respect of any of the Repair Properties;
  - (xx) promptly fund in full, to the satisfaction of CMHC, all costs overruns and change orders related to in the Repair Program, as and when they occur, or they may be indicated in any progress report delivered to CMHC pursuant to Section 13(a) or otherwise upon the CMHC’s request.
- (b) **Special Covenants.** The Borrower covenants and agrees with CMHC that, except as otherwise permitted by the prior written consent of CMHC:
- (i) **Affordability:** for the duration of the Social Housing Covenant Period, the Borrower will ensure that the rents for 50% of the Subject Units which are occupied or available for occupancy in a fiscal year do not exceed 50% of the Median Market Rental Rate (the “**Portfolio Affordability Requirements**”);
  - (ii) **Accessibility:** by December 31, 2027, and then for the duration of the remainder of the Social Housing Covenant Period, (A) a minimum of 20% of the Subject Units will meet or exceed the Accessibility Criteria (the “**Portfolio Accessibility Requirements**”); and

- (iii) **Energy Efficiency:** the Borrower will make upgrades and changes to the Repair Properties within the Portfolio in order to achieve, by December 31, 2027, and then for the duration of the remainder of the Social Housing Covenant Period, (A) a minimum of a 25% reduction in energy use across the Portfolio; and (B) a minimum of a 25% reduction in greenhouse gas emissions across the Portfolio, in each case as measured against the baseline energy use and greenhouse gas emissions for the Portfolio measured as of the period between August 2016 and August 2018 specified in the Energy Efficiency Report (collectively, the “**Portfolio Energy Efficiency Requirements**”).
  
- (c) **Notices.** Each Credit Party covenants and agrees with CMHC, while this Agreement is in effect, to promptly notify CMHC on becoming aware of:
  - (i) in the case of the Borrower, any Dispositions of Subject Units or acquisitions of Housing Units, as applicable, no later than 30 Business Days prior to the closing of any such Disposition or acquisition;
  - (ii) the occurrence of any litigation, dispute, arbitration or other proceeding the result of which if determined adversely would be a judgment or award against it that would result in a Material Adverse Change to it, and from time to time provide CMHC with all information requested by CMHC concerning the status of any such proceeding;
  - (iii) any Material Adverse Change or any matter that is likely to have a Material Adverse Change of which it becomes aware or ought to have been aware, using reasonable diligence;
  - (iv) any event which constitutes, or which, with notice, lapse of time, or both, would constitute a default or an Event of Default or a Ratings Trigger Event, of which it becomes aware or ought to have been aware, using reasonable diligence;
  - (v) any circumstance whereby the Drawdown Schedule will be materially altered, including material changes under any Co-Investment Agreement or other funding or contribution agreement in connection with the Repair Program or the Portfolio, delays in respect of the completion of the Repair Program and any circumstance where the costs of the Repair Program are expected to exceed those set forth the Repair Program Budget;
  - (vi) the occurrence of an event of Force Majeure, describing in reasonable detail the effects of such event on the Repair Program, the action which the Borrower intends to take to remedy such event and the estimated date when the event of Force Majeure will be remedied and will cease to impair the Repair Program;
  - (vii) the cessation of any event of Force Majeure;
  - (viii) any damage to or destruction of any Properties or other real or personal property that forms part of the Repair Program or the Collateral, which might give rise to an insurance claim, if the cost of any repairs to or replacement of assets of the relevant Credit Party constitutes or could reasonably be expected to become a Material Adverse Change;
  - (ix) any material instrument related to the Repair Program of which such Credit Party has notice or which is registered against title to the Repair Program, and provide to CMHC a true copy of such instrument;

- (x) any threatened expropriation or notice of expropriation with respect to the Properties or other real property of such Credit Party that constitutes or could reasonably be expected to become a Material Adverse Change, such notice to be delivered forthwith upon the such Credit Party becoming aware of such threatened expropriation or its receipt of notice of such proceedings and each Credit Party covenants and agrees that no such claim shall be compromised or settled without the prior written consent of CMHC; or
- (xi) any non-compliance with Environmental Laws relating to the Properties, the Subject Units or the Repair Program, and of any notice, investigation, non-routine inspection or material inquiry by any Governmental Authority in connection with any Environmental Laws relating to the Properties, the Subject Units or the Repair Program, except to the extent that non-compliance does not individually or in the aggregate constitute and could not reasonably be expected to become a Material Adverse Change,

and in the case of (i), no later than five (5) Business Days following the closing of any such Disposition or acquisition, the Borrower shall provide an updated Repair Properties List to CMHC, noting the Repair Properties, including all Subject Units, which have been removed or added to the Repair Properties List, and the Repair Properties List will be deemed to be amended, from time to time, upon delivery of an updated Repair Properties List to CMHC.

- (d) **Negative Covenants.** Each Credit Party covenants and agrees with CMHC, while this Agreement is in effect and except as otherwise permitted by the prior written consent of CMHC, that it shall not:
  - (i) take any action, or permit any action to be taken, constituting or likely to result in a breach of any provision in this Agreement;
  - (ii) make any Disposition, or permit any Disposition to be made, of any Property (or any portion thereof) other than in accordance with the terms hereof;
  - (iii) change its name without providing CMHC with at least thirty (30) days' prior written notice thereof;
  - (iv) make any change to its fiscal year end;
  - (v) consolidate, amalgamate or merge with any other Person; enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate structure; voluntarily liquidate, wind-up or dissolve itself, or permit any voluntary liquidation, winding-up or dissolution, in each case without the prior written consent of CMHC (which consent may be withheld in its sole and absolute discretion), and the Credit Parties agree to pay any fees and costs of CMHC in connection with any of the foregoing;
  - (vi) amend its organizational documents, or permit its organizational documents to be amended, in a manner that would be prejudicial to the interests of CMHC under the Loan Documents;
  - (vii) permit all or any portion of any Property to be owned by any other Person, except pursuant to a Disposition made in accordance with the terms hereof;
  - (viii) permit any Encumbrance to exist upon any Property or Collateral, except Permitted Encumbrances;

- (ix) without the prior written consent of CMHC (A) revise (or permit to be revised) the Plans and Specifications in any material respect; or (B) make (or permit to be made) any material modifications to the Repair Program that could cause the Repair Program not to be maintained and operated in accordance with the Plans and Specifications as approved by CMHC (and upon any such revision the Borrower shall forthwith provide a copy to CMHC);
  - (x) permit the Repair Program or the Portfolio to be owned, maintained or operated by or on behalf of any Person other than the Borrower;
  - (xi) without the prior written consent of CMHC, enter into any new Material Repair Program Document, or make or permit any material amendment, variation or alteration to, or consent to any assignment or transfer of, or waive or surrender any of its material rights or material entitlements under, any Material Repair Program Document;
  - (xii) amend or permit the amendment of the Repair Program Budget without the prior written consent of CMHC (regardless of whether such changes are within the initial contingency budget), and upon any revision of the Repair Program Budget, the Borrower will forthwith provide a copy to CMHC;
  - (xiii) revise or permit the revision of the Repair Schedule without the prior written consent of CMHC and only so long as the Borrower can demonstrate that it has contributed additional Borrower Contribution sufficient to cover any increased Repair Program Costs including any cost overruns arising in connection therewith;
  - (xiv) enter into or renew, amend, terminate, forfeit or cancel any Repair Contracts (or permit such actions) without CMHC's prior written approval, and for such purposes the Borrower shall provide drafts of all Repair Contracts and any amendments thereto to CMHC prior to their acceptance by the Borrower;
  - (xv) enter into or renew, amend, terminate, forfeit or cancel any Leases in respect of the Portfolio, unless such amendments, renewals, terminations, forfeitures or cancellations reflect in all material respects good business practice and such material terms as a prudent owner of a similar property would accept having regard to all relevant factors and the leasing practice in the market at the relevant time;
  - (xvi) with respect to the Borrower only, incur any Debt which exceeds the Permitted Debt Level; or
  - (xvii) become a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).
- (e) Sections 14(a)(iii), 14(a)(xiv), 14(b), 14(c)(i) to (iv), 14(c)(vi) to (xi), 14(d)(i) to (xi) and 14(d)(xv) to (xvii) shall survive and remain in full force and effect in accordance with their terms, notwithstanding the termination of this Agreement or the repayment, satisfaction or discharge of all obligations under any Loan Document until the termination of the Operating Agreement.

## 15 DEFAULT

Without limiting any other rights of CMHC under this Agreement, if any one or more of the following events (herein an "**Event of Default**") has occurred and is continuing:

- (a) use of the proceeds of the Loans received by the Borrower for purposes other than the purpose set out in Section 2(c), including use of the proceeds of the Loans for any purpose other than the purpose for which they were advanced;
- (b) fraud or intentional misrepresentation by any Credit Party;
- (c) gross negligence or criminal acts of any Credit Party resulting in the forfeiture, seizure or loss of any Property or any portion thereof;
- (d) misapplication or misappropriation of rents, insurance proceeds or condemnation awards received by any Credit Party;
- (e) any Credit Party fails to pay when due any amounts payable under the Loan Documents, and such failure remains un-remedied for three (3) Business Days;
- (f) any Credit Party breaches or fails to fulfill any one or more of its obligations under the Loan Documents, other than non-payment (which is addressed in paragraph (e) above), and has not remedied such breach or failure to the sole satisfaction of CMHC, within any cure period provided for herein or in the other Loan Documents, as applicable;
- (g) any fraud, misconduct, or false Integrity Declaration (or failure by any Credit Party to advise CMHC of any change in circumstances, subsequent to such Credit Party's submission to CMHC of the Integrity Declaration, which would thereafter prevent such Credit Party from confirming the truth and accuracy of the contents therein);
- (h) any representation or warranty made or deemed to have been made by any Credit Party in any Loan Document or in any certificate or ancillary document provided for in any Loan Document shall be false or inaccurate in any materially adverse respect;
- (i) if CMHC (in its sole and absolute discretion) considers that the Repair Program is not proceeding in a timely manner or if the Borrower otherwise discontinues or abandons the Repair Program (for a single period of twenty (20) days or more);
- (j) if CMHC (in its sole and absolute discretion) considers that the Portfolio Affordability Requirements, Portfolio Accessibility Requirements and Portfolio Energy Efficiency Requirements are not satisfied or that the Borrower is not making timely progress toward the satisfaction of the Portfolio Affordability Requirements, Portfolio Accessibility Requirements and Portfolio Energy Efficiency Requirements;
- (k) if substantial completion of the Repair Program has not been achieved by the Repair Program Completion Outside Date;
- (l) if CMHC (in its sole and absolute discretion) considers that a Material Adverse Change has occurred;
- (m) any Credit Party is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, insolvent;
- (n) if proceedings are started by any person to dissolve, liquidate, or wind-up any Credit Party or to suspend any of its operations;
- (o) any secured creditor, encumbrancer or lienholder, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienholder, takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any

significant part of the assets of any Credit Party or gives notice of its intention to do any of the foregoing;

- (p) any Encumbrance securing an obligation of any Credit Party to CMHC shall, in whole or in part, cease to be a perfected as required pursuant to the Loan Documents;
- (q) any breach or default by any Credit Party under any Co-Investment Agreement or under any other CMHC loan or contribution program (or any related operating agreement); or
- (r) if any other event or circumstance occurs that CMHC (in its sole and absolute discretion) considers is likely to materially and adversely affect the ability of the Borrower to successfully proceed with the Repair Program or of any Credit Party to otherwise perform all or any of its obligations under the Loan Documents,

then, in such event, the ability of the Borrower to make further Drawdowns under the Loan Facilities shall immediately terminate and CMHC may at its option, by written notice to the Borrower, (i) terminate its commitments hereunder, and (ii) declare the Loans to be immediately due and payable in whole, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Credit Parties accrued hereunder and under the other Loan Documents, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Credit Parties.

## 16 REMEDIES

The rights set out herein shall be without limitation, and shall be in addition to all other rights and remedies of CMHC otherwise available under any other provision of the Loan Documents, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, all of which rights shall be cumulative. Furthermore, each of the Credit Parties acknowledges and agrees that:

- (a) the Program and the Loans made to the Borrower in support of the Repair Program are intended to further the public interest by achieving certain social outcomes which are of fundamental importance to the federal government of Canada and its agencies, including CMHC;
- (b) CMHC would not have made the Loans to the Borrower without receiving the commitment of the Credit Parties to comply with the covenants set forth in this Agreement (including the special covenants set out under Section 14(b));
- (c) in the event of default under this Agreement, CMHC, the Program, other affordable housing providers, the broader affordable housing sector and the public interest will sustain harm, the extent of which cannot be pre-determined or remedied through compensation;
- (d) without restricting or limiting the remedies CMHC may otherwise have upon a breach of this Agreement, CMHC may seek relief by other available legal and equitable remedies, including, without limitation, damages, disgorgement of profits and/or remedies of seizure, injunction and specific performance notwithstanding the termination of this Agreement; and
- (e) all costs and expenses, including the fees of appraisers, advisors, consultants and lawyers, associated with enforcing CMHC's rights under the Loan Documents shall be at the cost of the Credit Parties.

## 17 INDEMNIFICATION

- (a) Each of the Credit Parties irrevocably and unconditionally agrees, jointly and severally, to indemnify and hold harmless CMHC, and any of its officers, directors, employees,

controlling persons, members and representatives, and any of its successors (each of the foregoing, an “**Indemnified Person**”) from and against any and all losses, claims, damages, liabilities, fees, costs and expenses (including fees and disbursements of legal counsel, accounting advisors, receivers and other advisors, together with any interest that may accrue) in connection with:

- (i) enforcement of rights and remedies of CMHC in respect of any Credit Party under the Loan Documents, the PPSA or at law; and
- (ii) the failure of any Credit Party to comply with all Environmental Laws and any losses suffered by such Indemnified Person for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under or migrating from or to the Properties, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material in, on or under, migrating from or to the Properties (for the avoidance of doubt, including, without limitation the buildings on the Properties), or the discharge, emission, leak, spill, radiation or disposal by any Credit Party of any Hazardous Material into or upon the Properties (for the avoidance of doubt, including, without limitation, the buildings on the Properties), the atmosphere, or any watercourse or body of water; including the costs (including legal and professional fees on a full indemnity basis) of defending and/or counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by any Indemnified Person of any such action or matter,

whether individual, joint and several, or otherwise, to which any such Indemnified Person may become subject arising out of or in connection with this Agreement, any other Loan Document or any actual or threatened claims, actions, suits, inquiries, litigation, investigation or proceeding (any such claims, actions, suits, inquiries, litigation, investigation or proceeding, a “**Proceeding**”) relating to any of the foregoing, regardless of whether any such Indemnified Person is a party thereto, provided that none of CMHC or any Credit Party, any other Indemnified Person, any of such Person’s respective affiliates, or the respective directors, officers, employees, advisors, and agents of any of the foregoing, shall be liable for any indirect, special, punitive or consequential damages in connection with this Agreement or any other Loan Document; and provided further that, that the foregoing shall not apply to indemnity obligations with respect to damages of such type suffered by a third party and for which an Indemnified Person may be or become liable. This indemnity is independent of and in addition to any right CMHC may have to seek recovery of costs in any litigation that may result in respect of this Agreement or any other Loan Document, and shall form part of the obligations secured. The indemnity obligations contained in this Section 17 shall survive and remain in full force and effect in accordance with their terms, notwithstanding the termination of this Agreement or the repayment, satisfaction or discharge of all obligations under any Loan Document.

- (b) Each of the Credit Parties also agrees, jointly and severally, to pay (or, at the discretion of such Indemnified Person, reimburse) each such Indemnified Person promptly upon demand for any reasonable fees of legal counsel, court costs, fees of expert witnesses, and other reasonable fees, costs or expenses incurred in connection with investigating or defending any of the foregoing or in connection with the enforcement of any provision of this Agreement, provided that the indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent that they are found in a court of competent jurisdiction to have resulted from the gross negligence or wilful misconduct of such Indemnified Person.
- (c) Each of the Credit Parties will not, without the prior written consent of each applicable Indemnified Person, effect any settlement of any pending or threatened Proceedings in

respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability on claims that are the subject matter of such Proceedings, (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person, and (iii) includes customary confidentiality and non-disparagement agreements.

- (d) Any costs incurred by CMHC under this Agreement shall, from the date of such costs being incurred by CMHC through to the date such costs are repaid by the Credit Parties, be deemed advanced to the Credit Parties and shall form part of the obligations secured by this Agreement.

## 18 FUNDING AND RIGHT TO TERMINATE

- (a) Notwithstanding any provision to the contrary, CMHC may terminate the Available Commitment by written notice to the Borrower if CMHC, in its sole and absolute discretion, considers that (i) fraud, misconduct or misrepresentation by any Credit Party or a representative of any Credit Party has occurred; or (ii) any Credit Party has made a false Integrity Declaration or any Credit Party has failed to advise CMHC of any change in circumstances, subsequent to the submission by such Credit Party to CMHC of its Integrity Declaration, which would thereafter prevent any Credit Party from confirming the truth and accuracy of the contents therein.
- (b) CMHC may terminate the Available Commitment by written notice (such notice, the “**Notice of Termination**”) to the Borrower for any reason if funding for the Program is no longer available due to no or insufficient appropriations by the Government of Canada. In such event, CMHC will advance funding for the invoices relating to the Repair Program Costs expended by the Borrower or invoiced to the Borrower for Completed Work up to the date of the Notice of Termination.

## 19 COMMON TERMS

The following provisions apply to this Agreement and the other Loan Documents and are referred to in the Loan Documents as the “**Common Terms**”:

- (a) **Interpretation.** Any reference in this Agreement to gender includes all genders and words importing the singular include the plural and vice versa (and definitions of terms herein apply equally to the singular and plural forms of the terms so defined). The division of this Agreement into Sections, Exhibits and Schedules and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this Agreement. The Schedules are considered to be part of this Agreement.
- (b) **Currency.** Unless otherwise provided, all dollar amounts are in Canadian currency.
- (c) **Accounting Terms.** Accounting terms used in connection with this Agreement are to be interpreted in accordance with accounting principles generally accepted in Canada, including those set out in the CPA Canada Handbook at the relevant time in effect from time to time in Canada applied in a consistent manner.
- (d) **Limitations.** Neither the preparation and execution of the Loan Documents nor the perfection of the security interests created under the Security Documents or the advance of any monies by CMHC shall bind CMHC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of any Credit Party

to CMHC. The eligibility of the Borrower for the Loans does not constitute an assurance that it will be approved for CMHC loan insurance, or other forms of CMHC or federal assistance.

- (e) **Successors and Assignment.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. CMHC may assign all or part of its rights and obligations under this Agreement to any Person. The rights and obligations of the Credit Parties under this Agreement may not be assigned without the prior written consent of CMHC.
- (f) **Set-Off.** CMHC is authorized, but not obligated, at any time, to apply any amount, whether or not then due, which CMHC otherwise owes any Credit Party, towards satisfaction of the obligations of such Credit Party due to CMHC under this Agreement or any other Loan Document. In any claims by CMHC against any of the Credit Parties, such Credit Party may not assert any set-off or counterclaim that it may have against CMHC.
- (g) **Notices.** Any notice, direction, demand or other communication given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it (personally or by courier) or sending it by electronic means addressed to the relevant party at the address set out on the signature pages of this Agreement. Any such communication is deemed to have been validly and effectively given if delivered or transmitted by electronic means on the day of such delivery or transmission if such day is a Business Day and delivery or transmission was made prior to 4:00 pm (Ottawa time) and otherwise on the next Business Day. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.
- (h) **Statutory Notice.** Notwithstanding the Notice provision of these Common Terms, if any statute in force in Ontario relating to the enforcement of the Security Documents requires notice to be given in a manner different from that set forth herein, notice given in the manner prescribed by such statute shall be effectively made under the relevant Security Document.
- (i) **Amendments and Waivers.** No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Credit Parties and CMHC. No failure or delay, on the part of CMHC, in exercising any right or power hereunder or under any Loan Document shall operate as a waiver thereof.
- (j) **Rights Cumulative.** CMHC's rights and remedies set out in the Loan Documents and in any other agreement held by CMHC from any Credit Party are cumulative and no right or remedy contained in the Loan Documents is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between any Credit Party and CMHC that may be in effect from time to time.
- (k) **Severability.** If any term, covenant, obligation or provision in this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining terms, covenants, obligations or provisions of this Agreement.
- (l) **Further Assurances.** Each of the Credit Parties covenants and agrees with CMHC that it will, forthwith at any time and from time to time at the request of CMHC and at its own cost, execute and deliver to CMHC all such financing statements, schedules, assignments, instruments, deeds and documents and do all such further acts and things which CMHC may require for the purpose of carrying into effect the purposes of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge

granted, including in connection with any changes to Applicable Laws (whether arising as a result of statutory amendments, court decisions or otherwise) which requires the execution and delivery of different forms of documentation. After the occurrence of an Event of Default and for so long as such Event of Default is continuing, each of the Credit Parties irrevocably constitutes and appoints CMHC, or any receiver appointed by the court or CMHC, its true and lawful attorney (such power of attorney, being coupled with an interest, shall not be revoked by the dissolution, surrender of charter, winding-up, bankruptcy or insolvency of that party), with full power of substitution, to do any of the foregoing in its name whenever and wherever CMHC or any such receiver may consider it to be necessary or expedient. For the avoidance of doubt, the Credit Parties will bear the reasonable or invoiced out-of-pocket fees, costs and expenses incurred by CMHC in connection with this Section 19(l) on a joint and several basis.

- (m) **No Partnership.** Nothing herein contained shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between any Credit Party and CMHC; it being understood and agreed that none of the provisions herein contained or any acts of CMHC or any Credit Party, shall be deemed to create any relationship between CMHC and such Credit Party other than the relationship of lender and borrower or guarantor, as applicable. Each of the Credit Parties shall rely on its own independent experts in connection with the Repair Program.
- (n) **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The courts of such jurisdiction shall exclusively hear any dispute related to the validity, interpretation or performance of this Agreement.
- (o) **Conflict.** To the extent of any conflict, ambiguity or inconsistency between the provisions of this Agreement and the provisions of the other Loan Documents, the provisions of this Agreement shall prevail to the extent of such conflict, ambiguity or inconsistency.
- (p) **Communications and Privacy.**
  - (i) Each Credit Party agrees that, if it intends to make reference to CMHC and/or the Government of Canada or the Loans, it must obtain the written consent of CMHC in advance of any communications, including communication with the public, public information products, news releases signage advertising or other activities.
  - (ii) CMHC and each Credit Party agree that where there is a request or proposal to make public any information one party has provided to the other pursuant to this Agreement the party receiving the request or proposing to make the information public will give the other party at least one month's notice to the extent possible under access to information legislation. Information the disclosure of which is prevented by federal or provincial privacy legislation will not be made public.
- (q) **No Merger.** This Agreement shall not operate by way of merger of any of the obligations hereunder.
- (r) **Entire Agreement.** This Agreement, the Loan Documents and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Loans and supersedes all prior understandings, whether written or oral, between CMHC and the Credit Parties with respect thereto. There are no verbal agreements, undertakings or representations in connection with the Loans.

- (s) **Time.** Time is of the essence in all provisions of this Agreement.
- (t) **Conflict of Interest.** Each of the Credit Parties shall avoid any conflict of interest during the term of this Agreement and shall immediately declare any existing, potential or apparent conflict and shall, upon direction of CMHC, take steps to eliminate any conflict, or perception that a conflict of interest exists or could arise. In the event that a conflict of interest, real or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate this Agreement by written notice to the Borrower.
- (u) **Official Languages.** In areas of significant demand, and in accordance with Ontario's *French Language Services Act*, each Credit Party agrees to provide all information and services pertaining to the Repair Program in both French and English. Each Credit Party will use the criteria for information and services in the *Official Languages Regulations* made pursuant to Canada's *Official Languages Act* as a guideline to determine "significant demand". Representatives of local French language groups will be or will have been consulted.
- (v) **No benefit.** No member of the House of Commons or of the Senate of Canada or of the Legislature of Ontario shall be admitted to any share or part of this Agreement, or to any benefit arising therefrom.
- (w) **Accountability Framework.** CMHC and each Credit Party agree that governments must be mutually accountable to the public for the use of public funds and for the achievement of housing outcomes and report these outcomes in an open, transparent, effective and timely manner.
- (x) **Early Warning.** The Guarantor will advise CMHC in writing if the aggregate amount of the Guarantor's debt servicing cost has exceeded the amount that is \$50,000,000 (fifty million dollars) less than its annual debt and financial obligation limit as determined pursuant to O. Reg 403/02 to the Municipal Act, 2001 based on the most recent notification from the Ministry of Municipal Affairs and Housing.
- (y) **Confidentiality and Announcements.** CMHC and each Credit Party agree to comply with the terms set out in Schedule J.
- (z) **Counterparts and Electronic Delivery.** This Agreement may be executed in any number of separate counterparts and all such signed counterparts will together constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its signature on the execution page hereof to the other parties by means of recorded electronic transmission (including in PDF form) and such transmission shall constitute valid delivery of an executed copy of this Agreement to the receiving party.
- (aa) **Return by Borrower of Mistaken Payments.** If either of the Credit Parties receives at any time from CMHC any payment in connection with this Agreement which was made as a result of a mistake or error on the part of CMHC or in respect of payments which were not due to either of the Credit Parties under this Agreement at such time (each, a "**Mistaken Payment**"), the relevant Credit Party/ies shall pay in full the amount of any such Mistaken Payment to CMHC on demand, together with interest thereon for each day from and including the date such Mistaken Payment was received by the relevant Credit Party/ies, at a fluctuating rate *per annum* equal to the interbank rate for overnight funds which is applicable to such Mistaken Payment in accordance with market practice. A certificate of CMHC submitted to either of the Credit Parties with respect to any Mistaken Payment owing under this Section shall be *prima facie* evidence thereof, absent manifest error. The parties hereto agree that a Mistaken Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by either of the Credit Parties, except, in each case,

to the extent such Mistaken Payment is, and solely with respect to the amount of such Mistaken Payment that is, comprised of funds received by CMHC from any Credit Party for the purpose of making such Mistaken Payment. To the extent permitted by applicable law, neither of the Credit Parties shall assert any right or claim to a Mistaken Payment, and each of the Credit Parties hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by CMHC for the return of any Mistaken Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

*(Signature pages follow)*

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement.

**CANADA MORTGAGE AND HOUSING CORPORATION**

By:

\_\_\_\_\_  
Name:

Title:

By:

\_\_\_\_\_  
Name:

Title:

Address:

700 Montreal Road

Ottawa, ON K1A 0P7

Email: nhs-contracting@CMHC.ca

*We have authority to bind CMHC.*

**LONDON & MIDDLESEX COMMUNITY HOUSING  
INC.**

By:

---

Authorized Signing Officer

Name:

Address:

Email:

---

Authorized Signing Officer

Name:

Address:

Email:

*I/We have the authority to bind the Borrower.*

The undersigned acknowledges and confirms its agreement with the foregoing terms and conditions, as guarantor, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**THE CORPORATION OF THE CITY OF LONDON**

**By:**

\_\_\_\_\_  
Name:

Title:

Address:

Email:

\_\_\_\_\_  
Name:

Title:

Address:

Email:

*I have authority to bind the Guarantor.*

## SCHEDULE A DEFINITIONS

For the purpose of this Agreement, the following terms and phrases shall have the following meanings:

**“Accessibility Criteria”** means the accessibility requirements as set forth in CMHC’s minimum accessibility requirements published from time to time.

**“Action Plan”** means a plan for the Repair Program which (i) includes detailed information as to how the Borrower will meet the Portfolio Affordability Requirements, Portfolio Accessibility Requirements and Portfolio Energy Efficiency Requirements pursuant to the terms of this Agreement and such other information as CMHC deems necessary and (ii) attaches the Plans and Specifications, the Repair Program Budget and the Repair Schedule (as such plan may from time to time be amended, restated, supplemented, otherwise modified or replaced with the prior written consent of CMHC, acting in its sole and absolute discretion), and the Action Plan as at the date hereof is attached hereto as Schedule F.

**“Annual Progress Report”** has the meaning set out in Section 13(a)(ii)(B).

**“Applicable Collateral Coverage Ratio”** means, as of any date of determination, the Collateral Coverage Ratio specified in the Collateral Coverage Notice most recently delivered to the Credit Parties by CMHC.

**“Applicable Laws”** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction (and, for avoidance of doubt, Applicable Laws includes Environmental Laws).

**“Available Commitment”** has the meaning set out in Section 2(a).

**“Borrower”** has the meaning set out in the preamble.

**“Borrower Contribution”** means, at any time and from time to time, the aggregate of (a) the Net Asset Value of the Repair Properties; (b) any monetary contribution to the Repair Program by the Borrower; and (c) any non-monetary contribution to the Repair Program by the Borrower, as CMHC shall in its sole and absolute discretion consent to being included in the calculation of **“Borrower Contribution”**.

**“Business Day”** means a day on which CMHC is open for business in Ottawa, Ontario excluding Saturday, Sunday and any other day which shall be a holiday or a day on which banking institutions are closed in the Province of Ontario.

**“CCQ”** means the Civil Code of Quebec, and, where applicable, the regulations promulgated thereunder.

**“Closing Date”** has the meaning ascribed thereto in Section 8(a).

**“Co-Investment Agreements”** means the agreements, commitments or other arrangements between the Borrower, on the one hand, and the Guarantor or any other Person, on the other hand, where such Person has agreed to invest, contribute (whether monetarily or otherwise) or provide funding with respect to the Repair Program, and **“Co-Investment Agreement”** means any of them.

**“Collateral”** means all property (whether real or personal and whether now owned or hereafter acquired) in respect of which any Encumbrance has been granted (or purported to have been granted) pursuant to any Security Document.

**“Collateral Coverage Notice”** has the meaning set out in Section 14(a)(xviii).

**“Collateral Coverage Ratio”** means, as of any date of determination, the ratio of (i) the most recent Net Asset Value of the Mortgaged Properties to (ii) the Available Commitment as of such date of determination.

**“Common Terms”** has the meaning ascribed thereto in Section 19.

**“Completed Work”** shall mean work completed and in place in connection with the Repair Program.

**“Completion Report”** means, in respect of any Drawdown Notice delivered hereunder, a report satisfactory to CMHC in its sole and absolute discretion showing the actual Repair Program Costs expended by the Borrower or invoiced to the Borrower for Completed Work that will be funded with the proceeds of the corresponding Drawdown, including a summary and line-by-line itemization, and attached to such Drawdown Notice as Appendix A thereto.

**“Construction Lien Act”** means *Construction Act*, R.S.O. 1990, c. C.30, and any amendments or successor legislation thereto.

**“Consultant Contracts”** means the contracts entered into by or on behalf of the Borrower with Consultants in respect of the Repair Program.

**“Consultants”** means, as applicable, the architect and any geotechnical, environmental and other engineers for the Repair Program.

**“Costs to Complete”** means, as at the date of calculation, that amount established by CMHC, which is the aggregate of (without duplication):

- (a) the amount of all Repair Program Costs not then actually incurred for Completed Work (by payment by the Borrower or invoiced to the Borrower); and
- (b) the amount of all Repair Program Costs then actually incurred for Completed Work (as evidenced by an invoice to the Borrower), to the extent not paid in full;

as of such date.

**“Credit Parties”** means the Borrower and the Guarantor, and **“Credit Party”** means any one of them.

**“DBRS Morningstar”** means DBRS Limited and its successors.

**“Debt”** means, with respect to any Person, all obligations that, in accordance with GAAP, would then be classified as a liability of such Person, provided, however, that there will not be included for the purpose of this definition any obligation that is on account of (A) reserves for deferred income taxes or general contingencies, (B) minority interests in subsidiaries, (C) trade accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business, or (D) deposits made by tenants pursuant to the terms of their related Leases.

**“Debt Service Coverage Ratio”** means, as of the date of determination, the ratio of the Borrower’s annual net operating income (determined in accordance with GAAP) from the Repair Properties to the cash required annually by the Borrower to cover the repayment of all interest and principal on outstanding indebtedness relating to the Repair Properties, for the Borrower’s most recently ended four full fiscal quarters for which internal annual or quarterly financial statements are available.

**“Designated Properties”** means (a) such real properties (if any) of the Credit Parties as shall have been agreed to in writing by CMHC in its sole and absolute discretion in consultation with the Credit Parties following the delivery of a Collateral Coverage Notice and (b) all structures and improvements on such real properties from time to time, and **“Designated Property”** means any one of them.

**“Disposition”** means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb **“Dispose”** has a corresponding meaning.

**“Drawdown”** has the meaning set out in Section 3(a).

**“Drawdown Date”** has the meaning set out in Section 3(e).

**“Drawdown Notice”** has the meaning set out in Section 3(c).

**“Drawdown Schedule”** means the schedule of when advances will be requested in connection with this Agreement and, as required by CMHC, any Co-Investment Agreement and the annual Loan commitment amounts described therein, which shall be appended hereto as Schedule E (as such schedule may from time to time be amended, restated, supplemented, otherwise modified or replaced with the prior written consent of CMHC, acting in its sole and absolute discretion).

**“Encumbrance”** or **“Encumbrances”** means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, title retention agreement or arrangement, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s property, or any consignment by way of security or capital lease of property by such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation (and including, for the avoidance of doubt and without limitation, any financing statement under the PPSA, any registration or recording on title to any real property and any other statement, registration, recording, notice or other filing under any statute governing notice of security interests in real or personal property).

**“Energy Efficiency Report”** means the report entitled “Equest Modelling Results”, together with the reliance letter dated September 28, 2020 and addressed to CMHC, which report is prepared by Efficiency Engineering (a Kontrol Energy Company) using designated energy simulation software satisfactory to CMHC and details the analysis of the energy consumption and greenhouse gas (**“GHG”**) emission performance of the Repair Properties prior to execution of the Repair Program and the analysis of energy consumption and GHG emission performance of the Repair Properties following the completion of the execution of the Repair Program.

**“Environmental Laws”** means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives, and the like, of any Governmental Authority in the relevant jurisdiction relating to environmental or occupational health and safety matters (as they relate to exposure to a hazardous substance) and the assets and undertaking of such Person and the intended uses thereof in connection with such matters, including all such requirements relating to: (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a hazardous substance); and (d) hazardous substances or conditions (matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous substance, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB-contaminated fluids or equipment, lead-based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments).

**“Event of Default”** has the meaning set out in Section 15.

**“Existing Repayable Loan”** has the meaning set out in Section 6(g).

**“Extended Maturity Date”** has the meaning set out in Section 6(g).

**“Extended Repayable Loans”** has the meaning set out in Section 6(g).

**“Extension”** has the meaning set out in Section 6(g).

**“Extension Offer”** has the meaning set out in Section 6(g).

**“Force Majeure”** means any of the following events which prevents or materially impairs the operation of the Repair Program and is not caused by and is beyond the reasonable control of the Borrower: acts of God, floods, earthquakes, tidal waves, hurricanes, windstorms, severe weather conditions, lightning, fire, wars (whether declared or not), riots, insurrections, rebellions, civil commotions, sabotage, partial or entire failure of utilities, strikes, walkouts or other labour disruptions, delays in transportation, accidents, shortages of and inability to procure labour, materials and supplies (after all reasonable efforts have been made by the Borrower to obtain replacement for such labour, materials and supplies); orders, legislation, regulations and directives of any Governmental Authorities; or epidemics, pandemics, or other national or regional emergencies (including, without limitation, any localized or widespread occurrence of an infectious virus, disease, pathogen or other harmful agent). For greater certainty, lack of funds, the state of the apartment rental market in the relevant jurisdiction or any wilful or negligent act or omission on the part of the Borrower (or any of them) does not constitute Force Majeure.

**“Forgivable Loan”** means the aggregate of all advances actually made under the Forgivable Loan Facility.

**“Forgivable Loan Commitment Amounts”** has the meaning set out in Section 2(a)(ii).

**“Forgivable Loan Facility”** has the meaning set out in Section 2(a)(ii).

**“GAAP”** means those accounting principles that are from time to time approved by the Chartered Professional Accountants of Canada, or any successor institute, including Canadian Public Sector Accounting Standards.

**“Governmental Authority”** means the government of Canada or any other nation, or of any political subdivision thereof, whether provincial, territorial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supranational bodies and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

**“Guarantor”** has the meaning set out in the preamble.

**“Hard Costs”** means any amounts expended or to be expended for work, services or materials done, performed, placed or furnished in connection with the Repair Program, all as more particularly set out in the Repair Program Budget (and, for the avoidance of doubt, Hard Costs shall not include amounts payable pursuant to the terms of the Consultant Contracts).

**“Hazardous Materials”** means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health; and without restricting the generality of the foregoing, including any pollutants, contaminants, waste, hazardous waste or dangerous goods that are regulated by any Environmental Laws or that are designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by any Environmental Laws.

**“Holdback”** means any amount required to be retained by or on behalf of any Credit Party in respect of the value of work, services and materials actually done, performed, placed or furnished on or in the Properties, in accordance with the Construction Lien Act.

**“Housing Unit”** means:

- (a) a dwelling unit, including a bed, in respect of a Property in the Portfolio that is shelter accommodation; or
- (b) a self-contained residential dwelling unit intended for human habitation as housing accommodation, in respect of a Property in the Portfolio that is affordable rental housing, shelter housing, transitional housing, supportive housing, community housing, mixed use market and affordable rental housing or urban indigenous community housing.

**“Indemnified Person”** has the meaning set out in Section 17(a).

**“Insurance Consultant”** means an insurance consultant who is a Qualified Professional satisfactory to CMHC in its sole and absolute discretion.

**“Insurance Requirements”** means the insurance requirements of CMHC from time to time as applied by CMHC to the Repair Program and the Properties, which shall be at least the minimum insurance requirements as set forth in Schedule H (as such schedule may be amended, supplemented or replaced from time to time by CMHC in its sole and absolute discretion) with insurers licensed to carry on business in the jurisdiction of the Properties, with an A.M. Best Company, Inc. financial rating of not less than A– (unless CMHC in its sole and absolute discretion consents to another standard).

**“Interest Rate”** means the fixed rate of interest confirmed by CMHC pursuant to Section 4.

**“Integrity Declaration”** means the declaration made by each Credit Party and submitted to CMHC in connection with its application for the Loan Facilities, including any schedules attached thereto, with any amendments thereto as acknowledged by CMHC, as such declaration may from time to time be amended, restated, supplemented, otherwise modified or replaced with the prior written consent of CMHC, acting in its sole and absolute discretion.

**“Lease”** means any lease, sublease, agreement to lease, offer to lease, licence or right of occupation granted from time to time entitling the lessee, sublessee or grantee thereunder to use or occupy all or any part of any Property.

**“Loans”** means, collectively, the Repayable Loans and the Forgivable Loan.

**“Loan Documents”** means (a) this Agreement, (b) the Security Documents, (c) any guarantee and/or indemnity granted by the Guarantor, and (d) all present and future agreements, documents, certificates and instruments delivered by the Credit Parties to CMHC pursuant to or in respect of this Agreement or the Security Documents, in each case as the same may at any time and from time to time be amended, restated, supplemented, otherwise modified or replaced, and **“Loan Document”** means any one of the Loan Documents.

**“Loan Facilities”** has the meaning set out in Section 2(a)(ii).

**“Material Adverse Change”** means any event or occurrence which, when considered individually or together with other events or occurrences, has a material adverse effect on (a) the business, assets, liabilities, operations, results of operations, condition (financial or other) or prospects of any of the Credit Parties; (b) the operation of the Repair Program in accordance with the terms hereof, including the satisfaction of the Portfolio Accessibility Requirements, the Portfolio Affordability Requirements and the Portfolio Energy Efficiency Requirements; (c) the ability of any of the Credit Parties to perform its obligations in all material respects; (d) the Net Asset Value of the Repair Properties or the Net Asset Value of the Designated Properties; (e) the value of any of the Collateral; (f) the enforceability of the Loan Documents; or (g) any Encumbrance securing any obligation of any Credit Party to CMHC. For the avoidance of doubt,

Material Adverse Change does not include a change in general economic conditions unless same in turn causes any of the foregoing events.

**“Material Licences”** means all licences, permits or approvals issued by any Governmental Authority to a Credit Party and which are at any time on or after the date of this Agreement necessary or material to the Repair Program or the breach or default of which would result in a Material Adverse Change.

**“Material Repair Program Documents”** means:

- (a) the Repair Program Budget;
- (b) the Plans and Specifications;
- (c) the Repair Schedule; and
- (d) all development agreements and other material contracts with respect to the Repair Program designated as Material Repair Program Documents by CMHC from time to time, provided that CMHC has notified the Borrower of such designation,

and **“Material Repair Program Document”** means any one of them.

**“Maximum CMHC Funding Proportion”** means **[58.52]**%<sup>1</sup> of the aggregate of all funding by CMHC, the Guarantor and other funding sources (pursuant to any Co-Investment Agreements or otherwise) of Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower in respect of only Completed Work under the Repair Program, tested as of December 31, 2027, as evidenced by the delivery of the annual financial reports and financial statements provided to CMHC pursuant to Section 13(a)(ii) and (c) in respect of the 2027 fiscal year.

**“Median Market Rental Rate”** means the median rental rate for the City of London rental market and relevant Housing Unit type within the Portfolio, as described in CMHC’s rental market survey or any successor publication published from time to time.

**“Minimum Borrower Contribution”** means an amount of Borrower Contribution that ensures that (x) the sum of (A) the Borrower Contribution; (B) the undrawn portion of the Loan Facilities; and (C) any other undrawn capital sources that CMHC may, in its sole and absolute discretion, approve, at all times exceeds (y) the Costs to Complete.

**“Minimum Unit Count”** has the meaning set out in Section 8(a)(xvii).

**“Mistaken Payment”** has the meaning ascribed thereto in Section 19(z).

**“Moody’s”** means Moody’s Investors Service, Inc. and its successors.

**“Mortgaged Properties”** means the Designated Properties in respect of which all of the Post-Closing Mortgaged Property Requirements have been satisfied, and **“Mortgaged Property”** means any one of the Mortgaged Properties.

**“Net Asset Value”** means, with respect to any Property, the net valuation of such Property as assessed by the Municipal Property Assessment Corporation.

**“Notice of Termination”** has the meaning set out in Section 18(b).

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<sup>1</sup> Note to Draft: May need to be adjusted once the funding schedule is settled.

**“Offset Properties”** means any and all Designated Properties that are not Repair Properties, and **“Offset Property”** means any one of the Offset Properties.

**“Operating Agreement”** means an agreement entered into between the Credit Parties and CMHC with respect to, *inter alia*, the obligation of the Credit Parties to adhere to certain covenants relating to the Repair Program Execution and operation of the Repair Properties, as set out in more detail therein, during and after the expiration of the Term.

**“Permits”** means all permits, consents, orders, waivers, applications, authorizations, licences, certificates, approvals, registrations, franchises, rights, privileges and exemptions or the like issued or granted to any Credit Party by any Governmental Authority or by any third party to any Credit Party or with respect to any Property (including any Permits relating to Environmental Laws).

**“Permitted Debt Level”** means Debt which does not exceed 85% of the Net Asset Value of the Repair Properties at any given time.

**“Permitted Encumbrance”** means (i) in the case of any Repair Property that is not a Post-Closing Designated Property, the Encumbrances described in Schedule C and any other Encumbrance, provided that each Encumbrance would not individually or in the aggregate with other Encumbrances constitute, or could reasonably become, a Material Adverse Change and (ii) in the case of any Collateral, the Encumbrances described in Schedule C.

**“Person”** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

**“Plans and Specifications”** means the plans and specifications (including all structural, architectural, mechanical, electrical, landscape and interior design specifications) pertaining to the development and execution of the Repair Program prepared by or at the direction of the Borrower and approved by CMHC prior to the date hereof (as such plans and specifications may from time to time be amended, restated, supplemented, otherwise modified or replaced with the prior written consent of CMHC, acting in its sole and absolute discretion).

**“Portfolio”** means all of the Repair Properties and Subject Units considered together as a whole.

**“Portfolio Accessibility Requirements”** has the meaning set out in Section 14(b)(ii).

**“Portfolio Affordability Requirements”** has the meaning set out in Section 14(b)(i).

**“Portfolio Energy Efficiency Requirements”** has the meaning set out in Section 14(b)(iii).

**“Post-Closing Designated Properties”** means (a) such real properties (if any) of the Credit Parties as shall have been agreed to in writing by CMHC in its sole and absolute discretion in consultation with the Credit Parties following the delivery of a Collateral Coverage Notice and (b) all structures and improvements on such real properties from time to time, and **“Post-Closing Designated Property”** means any one of the Post-Closing Designated Properties.

**“Post-Closing Mortgaged Property Requirements”** means, with respect to any Post-Closing Designated Property:

- (a) all the requirement of Section 10(a)(iv) shall have been satisfied with respect to such Post-Closing Designated Property;
- (b) CMHC shall be satisfied with PPSA, insolvency and judgment searches against each Credit Party that owns such Post-Closing Designated Property in those jurisdictions as

CMHC shall make confirming that such Post-Closing Designated Property and all other Collateral relating thereto are not subject to any Encumbrances other than Permitted Encumbrances;

- (c) CMHC shall be satisfied with sub-searches confirming that no Encumbrances have been registered on title to such Post-Closing Designated Property other than Permitted Encumbrances;
- (d) CMHC shall be satisfied with the results of its diligence, including title, zoning, permitting and legal diligence in respect of such Post-Closing Designated Property and all other Collateral relating thereto;
- (e) CMHC shall have received evidence of the completion of, or of arrangements reasonably satisfactory to CMHC for the completion of, all other actions, recordings and filings of any documentation with respect to such Post-Closing Designated Property and all other Collateral relating thereto that CMHC may deem necessary in order to protect, perfect and maintain the security interests created by the Security Documents;
- (f) CMHC shall have received a legal opinion from counsel to the of the applicable Credit Party, addressed to CMHC, as to such matters as CMHC may require in connection with the granting of security in favour of CMHC in respect of such Post-Closing Designated Property and all other Collateral relating thereto and the entry by such Credit Party into the Loan Documents executed and delivered by it in connection therewith;
- (g) CMHC shall have received evidence that a lender's policy of title insurance in favour of CMHC satisfactory to it has been put in place with respect to such Post-Closing Designated Property;
- (h) CMHC shall have received either (i) evidence satisfactory to CMHC from an independent qualified environmental consultant satisfactory to CMHC that such Post-Closing Designated Property is not impacted by Hazardous Materials, provided that any reports prepared by such consultant shall be supported by reliance letters addressed to CMHC; or (ii) evidence that such Post-Closing Designated Property has been remediated/cleaned up of any Hazardous Materials and the results have been confirmed by an independent qualified environmental consultant satisfactory to CMHC or a record of site condition has been accepted by the applicable environmental and any relevant Governmental Authority, provided that any reports prepared by such consultant shall be supported by reliance letters addressed to CMHC, as determined (in CMHC's discretion) to be required in respect of the relevant Post-Closing Designated Property; and
- (i) CMHC shall have received evidence that the Credit Parties have in place appropriate insurance for its business and assets as required by CMHC from time to time, including with respect to such Post-Closing Designated Property and all other Collateral relating thereto, that meets at least the Insurance Requirements pursuant to the terms hereof, including (A) copies of all initial certificates of insurance; and (B) an opinion of an Insurance Consultant relating to such insurance, which has been prepared in accordance with the Insurance Requirements and is in form and substance satisfactory to CMHC in its sole and absolute discretion.

**"PPSA"** means the *Personal Property Security Act* (Ontario) and the regulations thereunder, as from time to time in effect; provided, however, that if the attachment, perfection or priority of any Encumbrance in favour of CMHC on any Collateral is governed by the personal property security laws of any jurisdiction in Canada other than the laws of the Province of Ontario, **"PPSA"** means those personal property security laws (including the CCQ) in such other jurisdiction in Canada for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

**“Principal Amortization Date”** means, in respect of any Loan, the first day of the month following the date of the final Drawdown under the Loan Facility under which such Loan was made.

**“Properties”** means collectively, the Repair Properties and the Offset Properties, and **“Property”** means any one of them.

**“Qualified Professional”** means a professional, satisfactory to CMHC, who is qualified in the relevant field in accordance with generally accepted industry practices, and may include an individual employed by a party hereto.

**“Ratings Agencies”** means, collectively, DBRS Morningstar, Moody's and S&P, and **“Ratings Agency”** means any one of them.

**“Ratings Trigger Event”** means, as of any date of determination, (a) any public announcement that the municipal credit rating of the Guarantor as determined by any Ratings Agency that provides a municipal credit rating for the Guarantor, whether as of the date hereof or in the future, has been down-graded by the relevant Ratings Agency below the Threshold Rating; or (b) any Ratings Agency that provides a municipal credit rating for the Guarantor, whether as of the date hereof or in the future, ceases to provide a municipal credit rating for the Guarantor.

**“Repair Contracts”** means all contracts, sub contracts and agreements entered into by or on behalf of the Borrower relating to the Repair Program Execution, including contracts, sub contracts and agreements relating to the supply of material or services to or for the Repair Program, and **“Repair Contract”** shall mean any of them.

**“Repair Program”** means capital expenditures and maintenance work in respect of the Housing Units on the Repair Properties and facilities ancillary thereto located on the Repair Properties, to preserve the useful life of the Portfolio and achieve, among other things, the Portfolio Affordability Requirements, the Portfolio Accessibility Requirements and the Portfolio Energy Efficiency Requirements in respect of the Portfolio.

**“Repair Program Budget”** means the budget of all Repair Program Costs (the aggregate amount of which shall not exceed \$68,583,856), which budget shall include a line-by-line itemization of Repair Program Costs (including contingency amounts) and specify the Net Asset Value of the Repair Properties, as prepared by the Borrower and approved by CMHC prior to the date hereof (as such budget may from time to time be amended, restated, supplemented, otherwise modified or replaced with the prior written consent of CMHC, acting in its sole and absolute discretion). The Repair Program Budget as at the date hereof is attached hereto as Schedule I.

**“Repair Program Completion Outside Date”** means December 31, 2027.

**“Repair Program Costs”** means the aggregate of all Hard Costs and all Soft Costs expended or to be expended to complete the Repair Program in accordance with the Plans and Specifications and Repair Schedule.

**“Repair Program Execution”** means the design and execution of the Repair Program in accordance with the Action Plan.

**“Repair Program Funding Account”** has the meaning ascribed thereto in Section 3(f).

**“Repair Program Loan Payment Account”** has the meaning ascribed thereto in Section 7(a).

**“Repair Properties”** means the real properties set forth on the Repair Properties List and all structures and improvements on such real properties from time to time, and **“Repair Property”** means any one of them.

**“Repair Properties List”** means Schedule D, as such list may be amended in accordance with Section 14(c) from time to time and/or otherwise amended, restated, supplemented, otherwise modified or replaced from time to time with the prior written consent of CMHC, acting in its sole and absolute discretion.

**“Repair Schedule”** means the repair and renewal schedule provided to, and approved by, CMHC prior to the date hereof (as such schedule may from time to time be amended, restated, supplemented, otherwise modified or replaced with the prior written consent of CMHC, acting in its sole and absolute discretion).

**“Repayable Loan”** means the aggregate of all advances actually made under each Repayable Loan Facility, and **“Repayable Loans”** means, collectively, all of the Repayable Loans.

**“Repayable Loan Commitment Amounts”** has the meaning set out in Section 2(a)(i).

**“Repayable Loan Facilities”** has the meaning set out in Section 2(a)(i).

**“S&P”** means S&P Global Ratings and its successors.

**“Security Documents”** means, collectively, the security agreements referred to in this Agreement (including, without limitation, Section 10) and any other security granted to CMHC as security for the Loans or any other obligations of the Credit Parties hereunder or under any of the other Loan Documents, in each case as the same may at any time and from time to time be amended, restated, supplemented, otherwise modified or replaced, and **“Security Document”** means any one of the Security Documents.

**“Social Housing Covenant Period”** means the period commencing on the date of the first Drawdown under the Loan Facilities and ending on the twentieth (20<sup>th</sup>) anniversary of the final Drawdown under the Loan Facilities.

**“Soft Costs”** means all amounts expended or to be expended in respect of the Repair Program other than Hard Costs and the cost of acquiring the Repair Properties (and, for the avoidance of doubt, Soft Costs include, without limitation, fees (excluding reimbursables for Hard Costs) payable to Consultants pursuant to the terms of any Consultant Contracts, taxes, surveys, construction insurance, bonding costs, legal fees, promotion of the Repair Program, financing, leasing, and pre-operating costs).

**“Subject Units”** has the meaning set out in Section 8(a)(xvii).

**“Term”** means, as applicable:

- (a) with respect to each Repayable Loan, ten (10) years commencing on the date of the first Drawdown under the applicable Repayable Loan Facility, subject to any extension pursuant to Section 6(g), provided that (i) if the first Drawdown is made on or before the 15<sup>th</sup> day of a month, the Term will commence on the first day of that month, and (ii) if the first advance is made after the 15<sup>th</sup> day of a month, the Term will commence on the first day of the following month; and
- (b) with respect to the Forgivable Loan, a period commencing on the date of the first Drawdown under the Forgivable Loan Facility, provided that (i) if such first Drawdown is made on or before the 15<sup>th</sup> day of a month, the Term will commence on the first day of that month, and (ii) if such first Drawdown is made after the 15<sup>th</sup> day of a month, the Term will commence on the first day of the following month, and ending on the date that is twenty (20) years after (x) the date of the final Drawdown under the Forgivable Loan Facility, if such date is on the first day of a month, or (y) the first day of the month following the date of the final Drawdown under the Forgivable Loan Facility, if the date of such final Drawdown is not on the first day of a month,

provided, however, that the Term may be extended or further extended, as the case may be, at the sole and absolute discretion of CMHC on such terms as the parties may mutually agree at the time of extension.

**“Threshold Ratings”** means:

- (a) as of any date of determination following the date hereof but prior to the occurrence of any public announcement as described in paragraph (b) following the date hereof:
  - (i) in the case of DBRS Morningstar: Not Applicable;
  - (ii) in the case of Moody’s: AAA; and
  - (iii) in the case of S&P: Not Applicable;
- (b) following any public announcement that either (i) the municipal credit rating of the Guarantor, as determined by any Ratings Agency, has either been down-graded by the relevant Ratings Agency or up-graded by the relevant Ratings Agency from time to time following the date hereof, the most recent then in effect credit ratings as determined by the applicable Rating Agency; or (ii) any Rating Agency that does not provide a municipal credit rating for the Guarantor as of the date hereof provides a municipal credit rating for the Guarantor following the date hereof, the most recent then in effect credit ratings as determined by the applicable Ratings Agency,

and **“Threshold Rating”** means any one of them.

**“Total Repayable Loan Commitment Amount”** has the meaning set out in Section 2(a)(i).

**“Total Forgivable Loan Commitment Amount”** has the meaning set out in Section 2(a)(ii).

**SCHEDULE B  
FORM OF DRAWDOWN NOTICE**

TO: Canada Mortgage and Housing Corporation (“**CMHC**”)  
FROM: London & Middlesex Community Housing Inc.(the “**Borrower**”)  
DATE: [•]

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- 1 This Drawdown Notice is delivered pursuant to the credit agreement made as of [•] between the Borrower and CMHC, as the same has been amended or modified to the date hereof (the “**Credit Agreement**”). All terms used in this Drawdown Notice that are defined in the Agreement have the same meanings herein.
- 2 The Borrower hereby requests the following Repayable Loan Drawdown:
  - (a) Drawdown Date:
  - (b) Amount:
- 3 The Borrower hereby requests the following contemporaneous Forgivable Loan Drawdown:
  - (a) Drawdown Date:
  - (b) Amount:
- 4 Evidence of the actual Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower for only the Completed Work that will be funded by the Repayable Loan Drawdown and Forgivable Loan Drawdown made pursuant to this Drawdown Notice, by way of the Quarterly Completion Report attached hereto for identification purposes as Appendix A. ***[As at December 31, 2027 (as evidenced by the delivery of the annual financial reports and financial statements provided to CMHC pursuant to Section 13(a)(ii) and (c) in respect of the 2027 fiscal year), the aggregate outstanding principal amount of all Loans will not cause the CMHC funding proportion of the aggregate principal amount of all funding by CMHC, the Guarantor and other funding sources (pursuant to any Co-Investment Agreements or otherwise) of Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower in respect of only Completed Work under the Repair Program, to exceed the Maximum CMHC Funding Proportion.]<sup>2</sup>***
- 5 The Debt Service Coverage Ratio as of the date hereof is no less than the minimum Debt Service Coverage Ratio of 1.0x.
- 6 The Minimum Unit Count is satisfied and as of the date hereof either (i) all of the Subject Units are occupied or available for occupancy; or (ii) if all of the Subject Units are not occupied or available for occupancy, this is solely due to the Subject Units being temporarily vacant as a result of repairs or renewal thereof and a tenant placement plan satisfactory to CMHC has been made by us so that any relocated tenant is not materially adversely impacted by the Repair Program Execution.

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<sup>2</sup> Note to Schedule B: To be included only in the final Drawdown Notice in the final fiscal quarter of the final year of the Repair Program.

- 7 The Portfolio Affordability Requirements are satisfied as of the date hereof and will be satisfied on the Drawdown Date.
- 8 The Minimum Borrower Contribution for the Repair Program will have been invested by the Borrower as of the Drawdown Date.
- 9 The Borrower has received all governmental authorizations and third party approvals (or arrangements reasonably satisfactory to CMHC in lieu of such authorizations and approvals) required as of the date hereof and will be satisfied on the Drawdown Date from each relevant third party and applicable Governmental Authority that are contemplated hereby and/or that are necessary in connection with the Repair Program and/ or that may be required by Applicable Laws.
- 10 All of the representations and warranties of the Borrower contained in the Credit Agreement and the representations and warranties of the Credit Parties contained in the other Loan Documents are true and correct on as of the date hereof and will be satisfied on the Drawdown Date as though made on and as of the date hereof and on the Drawdown Date, as the case may be, subject to changes thereto:
- (a) given to CMHC by the Borrower and accepted in writing by CMHC; and
  - (b) expressly contemplated by the terms of the Credit Agreement and disclosed to CMHC in writing.
- 11 All of the conditions precedent to the Repayable Loan Drawdown and Forgivable Loan Drawdown requested hereby that have not been waived in writing by or on behalf of CMHC have been satisfied as of the date hereof and will be satisfied on the Drawdown Date.
- 12 No default or Event of Default or Ratings Trigger Event has occurred and is continuing on the date hereof or will have occurred and be continuing on the Drawdown Date, or will result from the Drawdown requested hereby.

**LONDON & MIDDLESEX COMMUNITY HOUSING  
INC.**

By:

\_\_\_\_\_  
Authorized Signing Officer

Name:

Address:

Email:

*I have authority to bind the Borrower.*

**Appendix A**

**Quarterly Completion Report**

*[Quarterly Completion Report to be attached for identification purposes.]*

**SCHEDULE C  
PERMITTED ENCUMBRANCES**

- 1 Encumbrances in favour of CMHC;
- 2 Encumbrances for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- 3 undetermined or inchoate encumbrances, liens, rights of distress and charges incidental to construction, maintenance or current operations that have not at such time been filed or exercised and of which CMHC has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- 4 reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially and adversely impair the use of the affected land for the development, Repair Program Execution and operation of the Repair Program;
- 5 permits, reservations, covenants, servitudes, right of access or user licences, easements, rights of way and rights in the nature of easements (including licences, easements, rights of way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas and oil pipelines, steam and water mains or electric light and power, or telephone, telecommunication, television and telegraph conduits, poles, wires and cables) that do not materially and adversely impair the use of the affected land for the development, the Repair Program Execution and operation of the Repair Program;
- 6 title defects, irregularities or other matters relating to title that are of a minor nature and that do not materially and adversely impair the use of the affected land for the development, the Repair Program Execution and operation of the Repair Program;
- 7 the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- 8 the Encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- 9 security given to a public utility or any Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;
- 10 the Encumbrance created by a judgment of a court of competent jurisdiction or Encumbrance (including claims pursuant to the applicable Construction Lien Act ("**Construction Claim Encumbrances**")) filed and/ or created against a Credit Party, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by such Credit Party and does not constitute and could not reasonably be expected to cause, individually or in aggregate with other Construction Claim Encumbrances, a Material Adverse Change;

- 11 encroachments by the Repair Program or structures thereon over neighbouring lands (including public streets) and minor encroachments by neighbouring lands or structures thereon over the Portfolio, so long as, in the former case, there are written agreements permitting such encroachments and they have been complied with;
- 12 subdivision, development, servicing and site plan agreements, undertakings and agreements made pursuant to applicable planning and development legislation, entered into with or made in favour of any Governmental Authority, or public or private utility relating to the development, the Repair Program Execution and operation of the Repair Program, provided that they have been complied with;
- 13 Leases relating to the Portfolio that have been entered into in accordance with this Agreement;
- 14 all municipal by-laws and regulations and other municipal land use instruments, including official plans, zoning and building by-laws, restrictive covenants and other land use limitations, public or private, and other restrictions as to the use of the Portfolio;
- 15 (A) Encumbrances in respect of which CMHC has received such releases, discharges, financing change statements, payout letters or other documents evidencing the termination thereof as may be satisfactory to CMHC in its sole and absolute discretion and (B) if agreed to by CMHC in its sole and absolute discretion, Encumbrances in respect of which CMHC has received such subordination agreements or intercreditor agreements evidencing the subordination thereof, or such estoppels, "no interest" letters, comfort letters or other confirmations that such Encumbrances do not relate to any Collateral, as may be satisfactory to CMHC in its sole and absolute discretion; and
- 16 such other Encumbrances as are agreed to in writing by CMHC.

**SCHEDULE D  
REPAIR PROPERTIES LIST**

Asset Type	Asset Grouping Description	Inventory	Total # Units	Total # Existing "Modified"	# of Bedrooms					Total Unit Est. SQFT	% of Unit SQFT	Total Building SQFT (Est.)		
					Bach	1	2	3	4				5	
Real Property	<b>Muti-Res</b>	202 McNay St.	251	46		250	1				118,585	75%	158,078	
		345 Wharnccliffe Rd. N	145	3		144	1				68,171	70%	97,250	
		349 Wharnccliffe Rd. N	145	7		144	1				68,171	70%	97,250	
		30 Baseline Rd. W	251	26		250	1				117,640	75%	157,500	
		85 Walnut St.	232	30		231	1				108,708	72%	151,307	
		241 Simcoe St.	217	5		216	1				106,175	73%	146,364	
		170 Kent St.	212	7		211	1				102,075	70%	145,460	
		580 Dundas St.	151	9		125	25	1			58,642	74%	79,000	
		<b>Multi-Res Total</b>	<b>1604</b>	<b>133</b>		<b>125</b>	<b>1471</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>748,166</b>		<b>1,032,209</b>	
		<b>TownHouse Complexes</b>	Allan Rush	100	1				86	14				93,931
			245-345 Marconi Blvd.	51	2				37	10	4			56,048
			961-1183 Huron	110	1			67	43					104,640
			160-422 Boullee St.	136	3				100	22	14			147,800
			370 Pond Mills Rd.	81	0			15	50	16				88,902
			<b>Townhouse Total</b>	<b>478</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>316</b>	<b>62</b>	<b>18</b>			<b>491,321</b>
		<b>REAL PROPERTY TOTAL</b>		<b>2082</b>	<b>140</b>	<b>125</b>	<b>1471</b>	<b>90</b>	<b>316</b>	<b>62</b>	<b>18</b>			<b>1,523,530</b>

**SCHEDULE E  
DRAWDOWN SCHEDULE**

<b>Cash Flow</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>TOTAL</b>
Planned Project Est. Cost	\$2,201,656	\$8,154,777	\$8,490,482	\$10,366,790	\$6,195,963	\$2,569,150	\$-	\$37,978,818
Additional Contingency	\$308,182	\$308,182	\$308,182	\$308,182	\$308,182	\$308,182	\$308,182	\$2,157,272
<b>TOTAL</b>	<b>\$2,509,838</b>	<b>\$8,462,959</b>	<b>\$8,798,664</b>	<b>\$10,674,971</b>	<b>\$6,504,145</b>	<b>\$2,877,331</b>	<b>\$308,182</b>	<b>\$40,136,090</b>

[●NTD: CMHC to obtain updated Schedule prior to closing.]

**SCHEDULE F  
ACTION PLAN**

**SCHEDULE G  
ANNUAL PROGRESS REPORTS**

<b>TO:</b> Canada Mortgage and Housing Corporation (“ <b>CMHC</b> ”)	<b>Borrower:</b> London & Middlesex Community Housing Inc. (the “ <b>Borrower</b> ”)
--	--

I, \_\_\_\_\_, the \_\_\_\_\_ of London & Middlesex Community Housing Inc., hereby certify as of \_\_\_\_\_:

- 1 I am familiar with and have examined the provisions of the credit agreement made as of [●] between London & Middlesex Community Housing Inc., as borrower, and CMHC, as lender, as amended to the date hereof (the “**Credit Agreement**”) and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of London & Middlesex Community Housing Inc. Terms defined in the Credit Agreement have the same meanings when used in this certificate.
  
- 2 The representations and warranties contained in the Credit Agreement are true and accurate in all material respects as of the date hereof.
  
- 3 No event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default.
  
- 4 The number of Subject Units is \_\_\_\_\_, so the Minimum Unit Count is satisfied, and as of the date hereof either (i) all of the Subject Units are occupied or available for occupancy and will be occupied or available for occupancy throughout the Repair Program Execution; or (ii) if all of the Subject Units are not occupied or available for occupancy or will not be occupied or available for occupancy throughout the Repair Program Execution, this is solely due to the Subject Units being temporarily vacant as a result of repair or renewal thereof and a tenant placement plan satisfactory to CMHC has been made by the Borrower so that any relocated tenant is not materially adversely impacted by the Repair Program Execution.
  
- 5 There are \_\_\_\_\_ Subject Units which are occupied or available for occupancy in the applicable fiscal year. For \_\_\_\_\_% of such Units, the average % of the Median Market Rental Rate of the rents thereof in respect of the applicable fiscal year is \_\_\_\_\_%.
  
- 6 The number of Repair Properties in respect of the applicable fiscal year in which access to all of the Subject Units and the common areas is barrier free and will meet or exceed the criteria identified in the Accessibility Criteria is \_\_\_\_\_. Consequently, the overall conversion count of the Subject Units that have become units that meet the Portfolio Accessibility Requirements in respect of the applicable fiscal year is \_\_\_\_\_.
  
- 7 The total amount of Repair Program Costs that have been expended by the Borrower (or that have been invoiced to the Borrower) in respect of Completed Work in the fiscal year is \$ \_\_\_\_\_ and cumulatively since the date of the Credit Agreement is \$ \_\_\_\_\_.
  
- 8 ***[I have reviewed the current Action Plan, Plans and Specifications, Repair Program Budget, Repair Schedule, the Repair Properties List and the Drawdown Schedule, including any amendments, supplements or replacements that have been made since the date of the Credit Agreement in accordance with the terms thereof,] OR [I have reviewed an updated [Action Plan], [Plans and Specifications], [Repair Program Budget], [Repair Schedule], [Repair Properties List] [and/or] [Drawdown Schedule], which has been mutually agreed and***

**approved by CMHC, is/are attached hereto as Appendix A,<sup>3</sup> and I confirm that they remain accurate as of the date hereof.**

- 9 ***[As at December 31, 2027 (as evidenced by the delivery of the annual financial reports and financial statements provided to CMHC pursuant to Section 13(a)(ii) and (c) in respect of the 2027 fiscal year), the aggregate outstanding principal amount of all Loans will not cause the CMHC funding proportion of the aggregate principal amount of all funding by CMHC, the Guarantor and other funding sources (pursuant to any Co-Investment Agreements or otherwise) of Repair Program Costs that the Borrower has expended or that have been invoiced to the Borrower in respect of only Completed Work under the Repair Program, to exceed the Maximum CMHC Funding Proportion.]<sup>4</sup>***
- 10 Any and all funds received from CMHC previously as advances under the Credit Agreement have been expended or are being held in trust solely for the purpose for which they were advanced and in accordance with the terms of the Credit Agreement.
- 11 The Quarterly Completion Reports delivered in connection with the Drawdown Notices delivered in this calendar year are true and accurate in all material respects.
- 12 All of the statements contained in this certificate are true, complete and accurate in all material respects as of the date hereof.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

<sup>3</sup> Note to Schedule G: Appropriate language to be selected at the time of delivery of the certificate.

<sup>4</sup> Note to Schedule G: To be included only in the final Annual Progress Report in the final year of the Repair Program.

**Appendix A**

**[Action Plan[and/or] [Repair Properties List] [and/or]]**

**[Drawdown Schedule]**

**SCHEDULE H  
INSURANCE REQUIREMENTS**

1 Scope Of Work – Insurance Consultant.

- (a) The Insurance Consultant should conduct an in-depth review of the project, including key document(s) in order to assess the risk and recommend adequate coverage for insurance. This may include, but is not limited to a review of:
  - (i) Project plans and specifications, construction schedule, project budget, professional reports (Geo-technical/Soil test report, environment assessment report etc.);
  - (ii) Construction contracts including sub-trades (as applicable), contractor/sub-contractor profile, claims history; and
  - (iii) Any other documentation, as required.
- (b) The Insurance Consultant should review CMHC's insurance requirements, as provided to them by the Borrower. This document outlines the types of insurance and riders that are required by CMHC.
- (c) The Insurance Consultant is expected to submit a report commenting on any key risks and recommending adequate insurance coverage (\$ policy limits) for the policies outlined in the CMHC insurance requirements, as provided to them by the Borrower. Any additional coverage types or riders that the Insurance Consultant deems applicable to the project should also be considered and included within the recommendation, along with a brief rationale.
- (d) The Insurance Consultant will engage with the Borrower and the insurance broker to ensure that the requirements are clearly communicated, request and review certificates of insurance, resolve issues (if any) and confirm that all recommended coverage is in place.
- (e) The Insurance Consultant will submit a report to CMHC and the same should comply with the below requirements:
  - (i) prepared and signed by an Insurance Consultant holding a Certificate in Risk Management (CRM) designation and/or Construction Risk and Insurance Specialist (CRIS) designation, and be in good standing with its governing body;
  - (ii) addressed to and delivered directly to CMHC, along with evidence of the Insurance Consultant's professional liability (errors and omissions) insurance;
  - (iii) include a summary confirming that the recommended coverage outlined in the report is sufficient for the size, location, and scope of the project being assessed;
  - (iv) include details of all applicable insurances, including but not limited to:
    - (A) limit(s) of insurance;
    - (B) policy period;
    - (C) named insured(s);
    - (D) insurer/ policy number;

- (E) coverages included;
- (F) deductible(s);
- (G) cancellation notice period; and
- (H) as applicable only with respect to any Mortgaged Properties so long as any amounts are due under this Agreement or the Operating Agreement is in force, name CMHC as mortgagee and first loss payee or additional insured, as applicable;

(v) include copies of the certificate(s) of insurance.

2 Insurance During Repair Program. From the date hereof until completion of the Repair Program (unless otherwise specified below), the Credit Parties shall maintain or cause to be maintained with insurance companies acceptable to CMHC:

- (a) all risks builder's (including coverage against the perils of earthquake, flood, testing and commissioning Hard and Soft Costs) coverage written on the latest edition of the CCDC approved form for the full replacement cost of each Repair Property or, as applicable, each Mortgaged Property, excluding land costs. Such insurance shall:
  - (i) only in the case of Repair Properties, include a soft cost endorsement in an amount of not less than 25% of total Soft Costs;
  - (ii) name the Credit Parties as first named insured thereunder and name all others required to be named under any of the Material Repair Program Documents, including architects, engineers, consultants, contractors, sub-contractors and trades of every tier as additional insureds;
  - (iii) as applicable only with respect to the insurance associated with any Mortgaged Properties so long as any amounts are due under this Agreement or the Operating Agreement is in force, name CMHC as mortgagee and first loss payee or additional insured, as applicable, and have attached the standard Insurance Bureau of Canada mortgage clause;
  - (iv) in the case of boiler and machinery insurance, have limits of not less than the replacement value of the equipment forming part of the work (and the insurance coverage shall not be less than the insurance provided by a comprehensive boiler and machinery policy);
  - (v) contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against CMHC; and
  - (vi) otherwise be in such form as CMHC shall require or as required under any of the Material Repair Program Documents;
- (b) wrap-up liability insurance written on the latest edition of the CCDC approved form with a minimum combined single limit of liability of not less than \$25,000,000 per occurrence. Such insurance shall:
  - (i) name the Credit Parties as first named insured and CMHC as an additional insured and name all others required to be named under any of the Material Repair

Program Documents, including architects, engineers, consultants, contractors, sub-contractors and trades of every tier as additional insureds;

- (ii) contain a waiver by the insurer of all rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against CMHC and others to whom the Credit Parties have granted such waivers under any of the Material Repair Program Documents;
  - (iii) contain a cross-liability clause and a severability of interests clause; and
  - (iv) otherwise be in such form as CMHC shall require or as required under any of the Material Repair Program Documents.
- (c) Commercial Automobile Insurance with limits of not less than \$5,000,000 combined single limit per accident for bodily injury (including death), statutory accident benefits and property damage per occurrence.
- (d) Worker's compensation coverage for all employees engaged in the Repair Program in accordance with the statutory requirement of the province or territory in which the Repair Program is being executed.
- (e) Contractor's environmental liability insurance with a limit of not less than \$5,000,000 inclusive, providing coverage for, but not limited to bodily injury (including death) and property damage arising out of pollution conditions caused while working at the sites of other, sudden and gradual pollution, on-site and off-site clean-up costs and completed operations. Only in the case of any Mortgaged Properties so long as any amounts are due under this Agreement or the Operating Agreement is in force, CMHC is to be added as an additional insured and policy shall contain a cross liability clause. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 24 months after the completion or termination of the agreement.
- (f) Contractor's equipment insurance coverage covering equipment used by the Credit Parties for the performance of the work, coverage is to be on a replacement cost basis or shall be in a form acceptable to CMHC.
- (g) Errors and omissions liability (also known as Professional Liability) insurance and maintain it in force throughout the duration of the agreement, in an amount usual for a contract of this nature but for not less than \$2,000,000 per loss and in the annual aggregate, inclusive of defence costs; if the policy is written on a claims made basis, coverage must be in place for a period of at least 24 months after the completion or termination of the agreement.

3 Operating Insurance. So long as any amounts are due under this Agreement or the Operating Agreement is in force the Credit Parties shall, in relation to each Repair Property, maintain or cause to be maintained all risks insurance on a 100% replacement cost basis, mechanical breakdown, business interruption 12 month indemnity period, general liability insurance and such other insurance in form and in such amounts and with such deductibles as are customary in the case of owners of properties similar to each Repair Property and in any event as are acceptable to CMHC. As applicable only with respect to the insurance associated with any Mortgaged Properties so long as any amounts are due under this Agreement or the Operating Agreement is in force, CMHC shall be named as first mortgagee and first loss payee or additional insured, as applicable, under such policies.

4 Other Conditions

- (a) All insurance required to be maintained by the Credit Parties in respect of any Mortgaged Properties so long as any amounts are due under this Agreement or the Operating Agreement is in force, pursuant to Sections 1 to 3 above, shall provide that no cancellation or termination thereof, for any reason whatsoever, shall take effect unless the insurer concerned has given CMHC not less than 30 days prior written notice of such proposed action.
- (b) The Credit Parties shall provide written notice to CMHC forthwith upon learning that an insurer described in this Schedule intends to cancel, or intends to make or has made a material change to, any insurance referred to in this schedule.
- (c) The Credit Parties will provide, at CMHC's request, detailed certificates of insurance or a certified copy of the insurance policy for all policies required hereunder to be purchased and maintained by the Credit Parties in a form acceptable to CMHC.
- (d) It shall be the sole responsibility of the Credit Parties to decide whether or not any other insurance coverage, in addition to the Insurance Requirements stipulated herein, is necessary for its own protection or to fulfill its obligations.
- (e) CMHC shall be entitled to require the Credit Parties to maintain coverage of such other risks and perils as CMHC may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

5 Proceeds of Insurance. With regard to the insurance described in Sections 1 to 3 above in respect of any Mortgaged Properties so long as any amounts are due under this Agreement or the Operating Agreement is in force, subject to the terms of any Permitted Encumbrances and Material Repair Program Documents having priority over the Encumbrances granted pursuant to the Security Documents, the following shall apply:

- (a) So long as no Default or Event of Default has occurred and is continuing, the proceeds of all such insurance (other than workers' compensation insurance, errors and omissions insurance and third party liability insurance which may be remitted to the Credit Parties without condition or further action by CMHC) shall be dealt with as follows:
  - (i) If the total amount of such proceeds equals or exceeds \$500,000, they shall be payable directly into an escrow account of CMHC as designated by CMHC (which account shall be subject to the security interest created by the Security Documents) to be disbursed by CMHC on a monthly basis against receipts payable in not more than 30 days for expenses incurred in repairing the damage or destruction or replacing property in respect of which the insurance is payable and otherwise in accordance with the customary disbursement procedures utilized by CMHC in such case, for release by CMHC to the Credit Parties to be applied by the Credit Parties in repairing the damage or destruction or replacing property in respect of which the insurance is payable upon receipt of:
    - (A) a certificate of an officer of the Credit Parties stating that the proceeds of such insurance together with other funds held or arranged by the Credit Parties are sufficient to fully repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable;
    - (B) a letter of undertaking of the Credit Parties to fully repair, rebuild and replace the damage or destruction in respect of which the insurance proceeds are payable; and

- (C) evidence satisfactory to CMHC that the proceeds of insurance together with the other funds held or arranged by the Credit Parties will be sufficient to repair, replace or rebuild the damage or destruction in respect of which the insurance proceeds are payable.
  - (ii) The proceeds of any business interruption insurance shall be payable to the Credit Parties to be applied on account of ongoing obligations of the Credit Parties under the Loan Documents or in respect of each Mortgaged Property as the same fall due from time to time.
  - (iii) The proceeds of all insurance held by CMHC shall, unless and until the same are applied or released to the Credit Parties as aforesaid, constitute continuing collateral security for the obligations of the Credit Parties under the Loan Documents (other than the Guarantee).
  - (iv) If the total amount of such proceeds is less than \$500,000, they shall be released to the Credit Parties subject to delivery of the documents set out in Sections 5(a)(i)(A), (B) and (C).
- (b) If an Event of Default has occurred and is continuing:
- (i) The proceeds of all insurance other than workers' compensation insurance, errors and omissions insurance and third party liability insurance shall be payable to CMHC to be applied by it, at its option, in reduction of the amounts outstanding under the Loan Documents or released by CMHC to the Credit Parties upon receipt of:
    - (A) an officer's certificate of each of the Credit Parties stating that the proceeds of such insurance together with other funds held or arranged by the Credit Parties are sufficient to fully repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable;
    - (B) a letter of undertaking of the Credit Parties to fully repair, rebuild and replace the damage or destruction in respect of which the insurance proceeds are payable; and
    - (C) evidence satisfactory to CMHC that the proceeds of insurance together with the other funds held or arranged by the Credit Parties will be sufficient to repair, replace or rebuild the damage or destruction in respect of which the insurance proceeds are payable.
  - (ii) The proceeds of any business interruption insurance shall be payable to CMHC to be held by CMHC as additional collateral security for the obligations of the Credit Parties under the Loan Documents (other than the Guarantee), to be applied on account of ongoing obligations of the Credit Parties under the Loan Documents or in respect of each Mortgaged Property as the same fall due from time to time and, to the extent of any surplus, firstly to arrears of such payments and thereafter, if CMHC has opted to release proceeds of insurance to the Credit Parties pursuant to and in accordance with Section 5(a)(i), then the balance of the proceeds of business interruption insurance shall be payable to the Credit Parties, failing which the balance, if any, remaining after application of such proceeds as aforesaid shall be paid to CMHC as partial prepayment of the Loan.

The proceeds of all insurance held by CMHC shall, unless and until the same are applied or released to the Credit Parties as aforesaid, constitute continuing collateral security for the obligations of the Credit Parties under the Loan Documents (other than the Guarantee)..

**SCHEDULE I  
REPAIR PROGRAM BUDGET**

See attached

**SCHEDULE J  
CONFIDENTIALITY AND ANNOUNCEMENTS**

**1 Confidentiality**

- (a) None of the terms or substance of the Loan Documents nor any discussion with CMHC in connection with the Loan Documents and the due diligence, shall be disclosed, directly or indirectly, by the Credit Parties to any other person or entity, except with CMHC's prior written consent and except as outlined in this Schedule J.
- (b) In order to allow the Credit Parties to seek other financing in the event that the Credit Parties do not already have such monies/support in place, this letter may be disclosed to any existing or potential investors of the Credit Parties (including other levels of government such as provinces, territories or municipalities and their respective entities) and to their respective officers, directors, employees, attorneys, agents, accountants, advisors, controlling persons and equity holders who are directly involved in the consideration of the Repair Program on a need to know and confidential basis, but the details of the Agreement are otherwise confidential.
- (c) The Credit Parties have been advised that as a Crown Corporation, CMHC is subject to federal legislation, including the *Access to Information Act* (Canada) and the *Privacy Act* (Canada) or other similar legislation. In certain specific circumstances, information submitted to CMHC may be required to be disclosed pursuant to federal legislation. In such cases, to the extent reasonably possible, CMHC will make efforts to advise the Credit Parties of the required disclosure prior to releasing the information. CMHC acknowledges that the Guarantor is a municipality and is subject to provincial legislation including the *Municipal Freedom of Information and Protection of Privacy Act*, the *Municipal Act*, or other similar legislation. In certain specific circumstances, information submitted to the Guarantor may be required to be disclosed pursuant to provincial legislation. In such cases, to the extent reasonably possible, the Guarantor will make efforts to advise CMHC of the required disclosure prior to releasing the information.
- (d) The Credit Parties agree that the information submitted to or collected by CMHC in connection with the Credit Parties' application to the Program and the transactions contemplated hereunder may be used or disclosed for the following purposes:
  - (i) to assess the Credit Parties eligibility for the funding requested under the Program;
  - (ii) to assess the Credit Parties application, including for prioritization of applications received;
  - (iii) to communicate to the Credit Parties possible opportunities under other National Housing Strategy programs;
  - (iv) to communicate to the Credit Parties possible collaboration opportunities with external parties;
  - (v) for information verification and due diligence purposes, including to detect and protect CMHC from errors and fraud;
  - (vi) for any purpose related to the provision of CMHC funding or mortgage loan insurance generally, where applicable;
  - (vii) for analytics, policy analysis, data analysis, auditing and research by CMHC;

- (viii) for evaluation and efficient administration of the Program and the National Housing Strategy; and
  - (ix) for use by CMHC and the Government of Canada for any purpose (ix) related to the *National Housing Act* (Canada).
- (e) CMHC and parties engaged on its behalf or collaborating with CMHC to administer the Program, where applicable, are authorized to process and store such information and disclose it, on a need to know basis, to the office of the Minister responsible for CMHC, the Government of Canada, and provinces, territories or municipalities that may invest in, or otherwise provide support for, the Credit Parties' Repair Program or otherwise collaborate with CMHC, for the purposes outlined in Section 1(d) of this Schedule J.
  - (f) If the Credit Parties receive the Loans, then CMHC, the Minister for CMHC, the Government of Canada and any other provinces, territories or municipalities that invest in, or otherwise provide support for, the Credit Parties' Repair Program shall have the right to publicize details of the Repair Program, the funding assistance and the name of the successful Credit Parties. The Credit Parties confirm their consent to the disclosure of this information.

## 2 Announcements

- (a) No announcement or public disclosure relating to the Loan Documents may be made prior to receiving written approval from CMHC.
- (b) If the Credit Parties plan to publish any reports and/or materials relating to the Repair Program or aspects of the Repair Program supported by the Loans, the Credit Parties shall
  - (i) notify CMHC in writing of any such publication at least fifteen (15) business days prior to such publication and
  - (ii) if so requested by CMHC in writing, acknowledge CMHC's financial support of the Repair Program or aspects of the Repair Program in such publication in the following manner:
 

“This project received financing from Canada Mortgage and Housing Corporation (CMHC); however, the views expressed are the personal views of the author and CMHC accepts no responsibility for them / Ce projet est financé en partie par la Société canadienne d' hypothèques et de logement (SCHL), cependant, les opinions exprimées sont les opinions personnelles de l' auteur et la SCHL n' accepte aucune responsabilité pour ces opinions.”
- (c) If requested by CMHC, the Credit Parties shall publicly acknowledge the making of the Loans in a manner acceptable to CMHC, acting reasonably, which may include the erection of one or more signs at the Repair Properties with the name and logo of CMHC and/or the federal government in a form approved by CMHC.
- (d) If requested by CMHC, the Credit Parties agree to participate in surveys and other research approaches such as case studies conducted by CMHC or its agents, in respect of the Repair Program, the Program and Canada's National Housing Strategy.
- (e) CMHC acknowledges that the Guarantor has notified and advised CMHC of its intention to place the Credit Agreement, the Guarantee, the Operating Agreement and the Certificate of Officer on the public Council agenda attached to a public report regarding the Repair Program and the Loan Documents; the submission deadline for this public report is November 1, 2021 at 9 a.m. ET. CMHC acknowledges that the Guarantor is subject to open meeting requirements under the section 239 of the *Municipal Act*, 2001. CMHC will advise the Guarantor of any concerns.

**OPERATING AGREEMENT**

**THIS AGREEMENT** made as of [●], 2021.

**BETWEEN:**

**CANADA MORTGAGE AND HOUSING CORPORATION**

(hereinafter referred to as “**CMHC**”)

**OF THE FIRST PART;**

- and -

**LONDON & MIDDLESEX COMMUNITY HOUSING INC.**

(hereinafter referred to as the “**Borrower**”)

**OF THE SECOND PART;**

- and -

**THE CORPORATION OF THE CITY OF LONDON**

(hereinafter referred to as the “**Guarantor**”, with the Borrower and the Guarantor being referred to herein collectively as the “**Credit Parties**” and each of them being referred to herein as a “**Credit Party**”)

**OF THE THIRD PART.**

**WHEREAS** pursuant to Section 95 of the National Housing Act (the “**Act**”), CMHC may make a loan to any person to assist with the payment of capital costs of housing projects and determine the terms and conditions on which it makes such loan;

**AND WHEREAS** the Borrower is an eligible loan borrower under the National Housing Co-investment Fund (the “**Program**”), which is administered by CMHC as part of Canada’s National Housing Strategy, and the Borrower is taking one or more Loans from CMHC under the Program to assist with the financing of the Repair Program;

**AND WHEREAS** pursuant to the requirements of the Program, the Credit Parties have entered into a credit agreement with CMHC dated as of [●] (as amended, restated, modified or supplemented from time to time, the “**Loan Agreement**”);

**AND WHEREAS** pursuant to the requirements of the Program, the Credit Parties have entered into certain Co-Investment Agreements;

**AND WHEREAS** it is a condition of the Loans that, *inter alia*, the Repair Program be established, maintained and operated in compliance with the terms and conditions set forth herein and in the Loan Agreement, including certain affordability, energy efficiency and accessibility requirements;

**AND WHEREAS** the parties wish to enter into this Agreement regarding the operation of the Repair Program by the Credit Parties;

**NOW THEREFORE** in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**Article 1**  
**Definitions, Interpretation and Common Terms**

- 1.1 Except as otherwise set out herein, the terms defined in Schedule A of the Loan Agreement shall have the same meanings where used in this Agreement.
- 1.2 Except as otherwise set out herein, the Common Terms as set out in the Loan Agreement shall apply to this Agreement as if set out in full again here, with such changes as are appropriate to fit context.

**Article 2**  
**Confirmation of Recitals and Acknowledgement  
of Fundamental Purpose and Obligations**

- 2.1 The parties hereby confirm and acknowledge that the statements contained in the foregoing recitals are true and complete in all respects.
- 2.2 Each Credit Party is entering into this Agreement and the Loan Agreement to establish, maintain and operate the Repair Program as affordable rental housing which consists of a total of two thousand and eighty two (2,082) units within 13 buildings located in the City of London, of which the rents for a minimum of 50% of such units which are occupied or available for occupancy in a fiscal year will not exceed 50% of the Median Market Rental Rate, and facilities ancillary thereto for the Term (as defined below) of this Agreement and acknowledges that its fundamental purpose in doing so and in fully performing its obligations in compliance with the terms and conditions of this Agreement is to benefit the public interest by achieving long-term social outcomes which are of fundamental importance to the federal government of Canada and CMHC, including the following:
- (a) the repair and renewal of existing affordable Housing Units and facilities ancillary thereto;
  - (b) the maintenance of the affordability of the Housing Units within the Repair Program;
  - (c) the reduction of the energy consumption and greenhouse gas emissions of the Repair Properties; and
  - (d) the increased accessibility of Housing Units and common areas within the Repair Properties.
- 2.3 Each Credit Party acknowledges that the intention to bind the Credit Parties and the operation of the Repair Program to the fundamental purpose referred to in Section 2.2 arises out of the extraordinary nature of the Loan(s) made to the Borrower and other funding or support provided to the Credit Parties under the Co-investment Agreement as part of the Program.
- 2.4 Each Credit Party further acknowledges that CMHC would not have provided the Loan(s) had the Credit Parties not made a commitment to comply with the terms and conditions set forth herein for the duration of the Term.

**Article 3  
Term**

- 3.1 This Agreement shall become effective on the date hereof and, unless terminated earlier in accordance with Section 8, shall continue in force for the full Social Housing Covenant Period (the “**Term**”).

**Article 4  
Representations And Warranties**

- 4.1 The representations and warranties given by each Credit Party in Section 12 of the Loan Agreement are hereby incorporated by reference, are true and correct as of the date hereof and will be deemed to be repeated on each date of delivery to CMHC of an annual program criteria compliance report pursuant to Section 13(a)(ii) of the Loan Agreement (incorporated by reference pursuant to Article 6 hereof) for the duration of the Term.

**Article 5  
Covenants Regarding The Repair Program**

- 5.1 The covenants applicable to the Credit Parties set forth in Section 14 of the Loan Agreement are hereby incorporated by reference and shall apply *mutatis mutandis* for the duration of the Term.

**Article 6  
Reporting Covenants**

- 6.1 The reporting covenants set forth in Sections 13(a)(ii), 13(c), 13(d) and 13(e) of the Loan Agreement are hereby incorporated by reference and shall apply *mutatis mutandis* for the duration of the Term.

**Article 7  
Transfers**

- 7.1 The parties hereto acknowledge that no Credit Party may make any Disposition, or permit any Disposition to be made, of the Repair Program, the Repair Properties or any part thereof or interest therein, during the term of the Loan Agreement other than in compliance with the Loan Agreement. Furthermore, during the Term of this Agreement, no Credit Party shall make any Disposition, or permit any Disposition to be made, of the Repair Program, the Repair Properties or any part thereof or interest therein without first obtaining from the party to whom a Disposition is made (a “**Transferee**”) a written assumption agreement with CMHC (an “**Assumption Agreement**”), wherein such Transferee agrees with CMHC to be bound by Section 14(b) of the Loan Agreement (which is incorporated by reference herein pursuant to Section 5.1) and to be bound by such other terms, covenants and conditions as may be required by CMHC in its sole and absolute discretion, such Assumption Agreement to be in form and substance acceptable to CMHC in its sole and absolute discretion.
- 7.2 The decision to release any Credit Party from any obligations in connection with the Repair Program, the Repair Properties or any part thereof or interest therein in relation to any Disposition shall be in CMHC’s sole and absolute discretion.

**Article 8  
Termination**

- 8.1 Where CMHC is satisfied in its sole and absolute discretion that the Repair Program will not be proceeding under the Program, this Agreement may be terminated by written notice to the Credit Parties.

- 8.2 Furthermore, CMHC may, in its sole and absolute discretion, terminate this Agreement for any other reason upon notice in writing to the Credit Parties of no less than two (2) weeks, during which time the Credit Parties may make representations on such matters and their effect on the eligibility of the Credit Parties to receive financial assistance or other benefits from CMHC. CMHC may require the Credit Parties to enter into an agreement requiring the Credit Parties to rectify any matter which CMHC deems necessary for the Credit Parties to maintain their eligibility for financial assistance under the Program or other benefits from CMHC.

#### **Article 9 Indemnity**

- 9.1 The indemnity provisions set forth in Section 17 of the Loan Agreement are hereby incorporated by reference and shall apply *mutatis mutandis* for the duration of the Term and shall survive and remain in full force and effect in accordance with their terms, notwithstanding (a) the termination of this Agreement; and/or (b) the termination of the Loan Agreement and/or the repayment, satisfaction or discharge of any obligations of any Credit Party under the Loan Agreement or any other Loan Document.

#### **Article 10 Remedies**

- 10.1 The rights set out herein shall be without limitation, and shall be in addition to all other rights and remedies of CMHC otherwise available under any other provision of the Loan Documents, by operation of law, at equity or otherwise (including, without limitation, damages, disgorgement of profits and/or remedies of seizure, injunction and specific performance notwithstanding the termination of this Agreement), all of which are hereby expressly preserved, all of which rights shall be cumulative. Furthermore, each Credit Party acknowledges and agrees that:
- (a) in the event of default under this Agreement, CMHC, the Program, other affordable housing providers, the broader affordable housing sector and the public interest will sustain harm, the extent of which cannot be pre-determined or remedied through compensation; and
  - (b) all costs and expenses, including the fees of appraisers, advisors, consultants and lawyers, associated with enforcing CMHC's rights under the Loan Documents shall be at the cost of the Credit Parties.

#### **Article 11 Counterparts; Electronic Approvals**

- 11.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Delivery by facsimile, electronic mail or other electronic transmission of an executed counterpart of a signature page to this Agreement (including in PDF form) shall be effective as delivery of an original executed counterpart of this Agreement.

**[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

**CANADA MORTGAGE AND HOUSING CORPORATION**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

Address: 700 Montreal Road, Ottawa, ON  
K1A 0P7

Email: [nhs-contracting@cmhc.ca](mailto:nhs-contracting@cmhc.ca)

*We have authority to bind CMHC.*

**LONDON & MIDDLESEX COMMUNITY HOUSING INC.**

By: \_\_\_\_\_

Authorized Signing Officer

Name:

Address:

Email:

*[I] / [We] have authority to bind the Borrower.*

**THE CORPORATION OF THE CITY OF LONDON**

By: \_\_\_\_\_

Authorized Signing Officer

Name:

Address:

Email:

*[I] / [We] have authority to bind the Guarantor.*

**Schedule A**  
**Repair Properties**

**GUARANTEE**

**THIS GUARANTEE** is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021

**BETWEEN**

**THE CORPORATION OF THE CITY OF LONDON**  
hereinafter referred to as the “**Guarantor**”

**OF THE FIRST PART**

- and –

**CANADA MORTGAGE AND HOUSING CORPORATION**  
hereinafter referred to as the “**Lender**”

**OF THE SECOND PART**

**WHEREAS** the Lender has agreed to make certain credit facilities available to London & Middlesex Community Housing Inc. (the “**Borrower**”) upon the terms and conditions contained in a credit agreement among the Borrower, the Guarantor and the Lender dated as of the date hereof (such credit agreement, as it may at any time or from time to time hereafter be amended, restated, supplemented, otherwise modified or replaced, the “**Loan Agreement**”);

**AND WHEREAS** as a condition precedent to any advance under the Loan Agreement, the Guarantor is required to provide the Lender with a Guarantee that provides a guarantee of all of the Guaranteed Obligations (as such term is defined below);

**AND WHEREAS** the Guarantor is a municipality and the sole shareholder of the Borrower and will from time to time directly benefit from the credit facilities provided to the Borrower under the Loan Agreement;

**NOW THEREFORE** in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned Guarantor, agrees with the Lender as follows:

1. **Definitions.** In this Guarantee, including the recitals herein, capitalized terms used but not defined shall have the respective meanings ascribed to such terms in the Loan Agreement and the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:
  - (a) “**Guarantee**” means this Guarantee, as amended, restated, supplemented, otherwise modified or replaced from time to time;
  - (b) “**Guaranteed Obligations**” means, collectively (i) all debts and liabilities, present or future, direct or indirect, absolute or contingent, due or to become due, matured or not, at any time owing by the Borrower to the Lender under or in connection with the Loan Agreement and the other Loan Documents, including (without limitation) all future advances, re-advances, extensions, renewals or amendments of such debts or liabilities, all interest and fees and all legal and other costs, charges and expenses of the Lender relating thereto or under or in

connection with the Loan Agreement or any other Loan Document and (ii) all other present and future covenants, agreements, terms, conditions and other obligations (whether direct or indirect, absolute or contingent, due or to become due, matured or not) of whatever nature to be performed and observed by the Borrower under or in connection with the Loan Agreement and the other Loan Documents;

- (c) “**Indemnified Person**” has the meaning set out in Section 3;
- (d) “**Proceeding**” has the meaning set out in Section 3;
- (e) “**Section**” means a section or paragraph of this Guarantee; and
- (f) “**Security**” means any security held by the Lender as security for payment of the Borrower’s debts and obligations under the Loan Documents and includes, among other things, any and all guarantees (including this Guarantee).

## 2. **Guarantee.**

- (a) The Guarantor hereby unconditionally and irrevocably guarantees for the benefit of the Lender as a primary and independent obligation by way of a continuing guarantee, the due and punctual payment and performance of the Guaranteed Obligations.
- (b) The obligation of the Guarantor to pay the total amount of the Guaranteed Obligations and all other amounts payable by it to the Lender under this Guarantee (and to perform or cause the performance of all other Guaranteed Obligations) arises, and the Guarantor shall make such payments (and shall perform or cause the performance of such other Guaranteed Obligations), immediately after demand for same is made in writing to it by the Lender (and without any requirement of evidence that the Borrower has failed to pay or perform any or all of the Guaranteed Obligations). In addition, the Guarantor shall pay to the Lender, immediately after written demand therefor is made to the Borrower by the Lender, all costs, charges and expenses incurred by the Lender in collecting and enforcing this Guarantee, including legal fees and disbursements. The unpaid portion of all amounts payable by the Guarantor under this Guarantee shall bear interest from the date of demand therefor, both before and after judgment and default, at the rate or rates then applicable to the Guaranteed Obligations under, and calculated in the manner provided in, the Loan Agreement (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)). The Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the Guaranteed Obligations, except for demand pursuant to this Section 2(b)
- (c) To facilitate the performance of the obligations of the Guarantor under this Section 2 (but not as a condition to such performance), the Lender shall copy the Guarantor on any notice of any default given to the Borrower under the Loan Agreement; provided, for the avoidance of doubt, that, in the event of failure to give any such notice at such time, the amounts guaranteed hereunder and any other amounts payable by the Guarantor hereunder shall not be reduced or

otherwise prejudiced in any manner whatsoever by reason of any such failure (or any delay in giving any such notice) or for any other reason or by any other matter, act, omission, circumstance or other thing of any nature, kind or description, other than due payment and performance in full of all of the Guaranteed Obligations. Furthermore, to facilitate the performance of the obligations of the Guarantor under this Section 2 (but not as a condition to such performance), the Borrower shall notify the Guarantor if at any time any Guaranteed Obligation has not been fulfilled when and as due.

### 3. **Indemnities.**

- (a) The Guarantor irrevocably and unconditionally agrees to indemnify and hold harmless the Lender, and any of its officers, directors, employees, controlling persons, members and representatives, and any of its successors (each of the foregoing, an “**Indemnified Person**”) from and against any and all losses, claims, damages, liabilities, fees, costs and expenses (including fees and disbursements of legal counsel, accounting advisors, receivers and other advisors, together with any interest that may accrue) connected with or arising out of:
- (i) the preparation, execution and delivery of, preservation of rights under, or refinancing, renegotiation or restructuring of, the Loan Documents and the Lender’s rights and remedies thereunder and at law and any related amendment, waiver or consent;
  - (ii) the enforcement of rights and remedies of the Lender in respect of any Credit Party under the Loan Documents, the PPSA or at law;
  - (iii) any of the provisions of the Loan Agreement or any other Loan Document being or becoming void, voidable, unenforceable or invalid;
  - (iv) a default (whether or not constituting an Event of Default) by the Borrower under the Loan Agreement and any enforcement proceedings relating to the Loan Documents;
  - (v) any representation or warranty made or deemed to be made by the Borrower (or any of its officers) in or in connection with any of the Loan Documents or other instrument or document delivered thereunder, which was incorrect in any material respect when made or deemed made or delivered;
  - (vi) the failure by the Borrower to perform or observe any of its covenants, duties or obligations under any of the Loan Documents or other instrument or document delivered thereunder;
  - (vii) any proceedings brought against the Indemnified Person or in which the Indemnified Person otherwise participates due to its entering into or being a party to any of the Loan Documents, or by reason of its exercising or performing, or causing the exercising or performance of, any right, power or obligation under the Loan Documents;

- (viii) any loss suffered or incurred by an Indemnified Person as a result of the failure of Borrower to make a payment or a mandatory repayment in the manner and at the time specified in any of the Loan Documents; and
- (ix) the failure of any Credit Party to comply with all Environmental Laws and any losses suffered by such Indemnified Person for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under or migrating from or to the Properties, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material in, on or under, migrating from or to the Properties (for the avoidance of doubt, without limitation, any buildings), or the discharge, emission, leak, spill, radiation or disposal by any Credit Party of any Hazardous Material into or upon the Properties (for the avoidance of doubt, without limitation, any buildings), the atmosphere, or any watercourse or body of water; including the costs (including legal and professional fees on a full indemnity basis) of defending and/or counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnified Person of any such action or matter,

whether individual, joint and several, or otherwise, to which any such Indemnified Person may become subject arising out of or in connection with this Guarantee, any other Loan Document or any actual or threatened claims, actions, suits, inquiries, litigation, investigation or proceeding (any such claims, actions, suits, inquiries, litigation, investigation or proceeding, a **"Proceeding"**) relating to any of the foregoing, regardless of whether any such Indemnified Person is a party thereto; provided that none of the Lender or any other Indemnified Person, the Guarantor, and any of such Person's respective affiliates, or the respective directors, officers, employees, advisors, and agents of any of the foregoing, shall be liable for any indirect, special, punitive or consequential damages in connection with this Guarantee or any other Loan Document; and provided further that, that the foregoing shall not apply to indemnify obligations with respect to damages of such type suffered by a third party and for which an indemnitee may be or become liable. This indemnity is independent of and in addition to any right the Lender may have to seek recovery of costs in any litigation that may result in respect of this Guarantee or any other Loan Document, and shall form part of the liability and obligations of the Guarantor hereunder. A certificate as to the amount of any loss submitted in good faith by the Lender to the Guarantor shall be conclusive and binding for all purposes, absent manifest error.

- (b) The Guarantor also agrees to pay (or, at the discretion of such Indemnified Person, reimburse) each such Indemnified Person promptly upon demand for any reasonable fees of legal counsel, court costs, fees of expert witnesses, and other reasonable fees, costs or expenses incurred in connection with investigating or defending any of the foregoing or in connection with the enforcement of any provision of this Guarantee, provided that the indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent that they are found in a court of competent

jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person.

- (c) The Guarantor will not, without the prior written consent of each applicable Indemnified Person, effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability on claims that are the subject matter of such Proceedings, (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person, and (iii) includes customary confidentiality and non-disparagement agreements.
  - (d) The indemnity obligations contained in this Section 3 shall survive and remain in full force and effect in accordance with their terms, notwithstanding the termination of this Guarantee and/or the Loan Agreement and/or the repayment, satisfaction or discharge of all obligations under any Loan Document.
  - (e) The Guarantor acknowledges that neither its obligation to indemnify nor any actual indemnification by it of the Lender or any other Indemnified Person in respect of such Person's losses for legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.
4. **Governing Law.** This Guarantee is governed by and shall be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein (without reference to the choice of law rules). The Guarantor agrees that any legal suit, action or proceeding arising out of this Guarantee may be instituted in the courts of Ontario sitting in Toronto, Ontario, and the Guarantor accepts and irrevocably submits to the non-exclusive jurisdiction of said courts and acknowledges their competence and agrees to be bound by any judgment thereof. The Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Guarantee in any court referred to in this Section 4. The Guarantor waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Nothing in this Guarantee shall affect any right that the Lender may otherwise have to bring any action or proceeding against the Guarantor or its assets in the courts of any jurisdiction.
5. **Copy Received.** The Guarantor acknowledges having received and reviewed a copy of the Loan Agreement.
6. **Notices.** Any demand, notice or other communication to be given in connection with this Guarantee shall be given in accordance with the provisions of the Loan Agreement.
7. **No Setoff or Counterclaim.** The Guarantor will make all payments required to be made under this Guarantee without regard to any right of set-off or counterclaim that it has or may have against the Borrower or the Lender.

8. **Application of Moneys Received.** The Lender may in its sole discretion apply all moneys received from the Guarantor, the Borrower or any other Person (including under any Security that the Lender may from time to time hold) upon such part of the Guaranteed Obligations as the Lender considers appropriate.
9. **Exhausting Recourse.** The Lender need not seek or exhaust its recourse against the Borrower or any other Person or under any Security that the Lender may from time to time hold before being entitled to full payment and performance from the Guarantor under this Guarantee.
10. **Absolute Liability.** The Guarantor's liability and obligations under this Guarantee are absolute and unconditional. The liability and obligations of the Guarantor under this Guarantee will not be limited or otherwise affected, nor will the Lender be responsible or owe any duty (as a fiduciary or otherwise) to the Guarantor, nor will the Lender's rights under this Guarantee or otherwise be prejudiced, by any law, regulation, matter, act, omission, circumstance or other thing of any nature, kind or description which but for this provision might operate to affect such liability or obligations, including:
  - (a) any illegality or lack of validity or enforceability of the Loan Documents or any other agreement between the Borrower and the Lender relating to the advance of moneys to the Borrower or any other agreement or instrument relating thereto;
  - (b) any termination, invalidity, unenforceability or release by the Lender of any of its rights against the Borrower or against any other Person or of any Security;
  - (c) any increase, reduction, renewal, substitution or other change in, or discontinuance of the terms relating to the Borrower's indebtedness or the Guaranteed Obligations or to any credit extended by the Lender to the Borrower; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Borrower or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by the Lender in respect of, or in the course of, doing any of these things;
  - (d) accepting compositions from or granting any other amendment or waiver of or any consent to departure from the Loan Agreement or any other agreement between the Borrower, the Guarantor or the Lender relating to the advance of money to the Borrower or any other agreement or instrument relating thereto or granting releases or discharges to the Borrower or any other Person, or any other dealing with the Borrower or any other Person or with any Security that the Lender considers appropriate;
  - (e) any unenforceability, non-perfection or loss of or in respect of any Security held from time to time by the Lender from the Guarantor, the Borrower or any other Person, whether the unenforceability, non-perfection or loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to the Lender's fault or any other reason or any irregularity or defect in the manner or procedure by which the Lender realizes on such Security;

- (f) any change in the Borrower's name or in the Borrower's articles, by-laws or other constating documents; or any reorganization or change in the status, function, control or ownership whether by way of amalgamation, merger, transfer, sale, lease or otherwise of the Borrower or the Borrower's business (in which case this Guarantee shall apply to the Guaranteed Obligations of the resulting entity or business and the term "Borrower" shall include such resulting Person and business);
- (g) any change in the Guarantor's financial condition or that of the Borrower or any other guarantor of the Guaranteed Obligations (including insolvency and bankruptcy);
- (h) if the Guarantor or the Borrower is a corporation, any change in effective control;
- (i) any bankruptcy, winding up, liquidating, dissolution, arrangement or insolvency of the Borrower, the Guarantor or any other Person, or any event, whether or not attributable to the Lender, that may be considered to have caused or accelerated the bankruptcy, winding up, liquidating, dissolution, arrangement or insolvency of the Borrower or any guarantor, or to have resulted in the initiation of any such proceedings;
- (j) the Lender's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Borrower or for all or substantially all of the Borrower's assets;
- (k) any incapacity, disability, or lack or limitation of status or of the power of the Borrower or of the Borrower's directors, managers, officers, partners or agents; the discovery that the Borrower is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Guaranteed Obligations;
- (l) any equities between the Lender, the Guarantor or the Borrower or any defence or right of set-off, compensation, abatement, combination of accounts or cross-claim that the Guarantor or the Borrower may have or, to the extent permitted by applicable law, any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of the Guaranteed Obligations or of the Guarantor in respect of this Guarantee;
- (m) any contest by the Borrower, the Guarantor or any other Person as to the amount of the Guaranteed Obligations, the validity or enforceability of any term of the Loan Agreement or the priority of any Security;
- (n) the assignment of all or any part of the benefits of this Guarantee;
- (o) any non-disclosure to the Guarantor by the Lender, the Borrower or any other Person of any matter (whether now existing or arising hereafter) relating in any way to the Guaranteed Obligations or the liability of the Guarantor hereunder, including without limitation any material change in circumstances or any act or omission of the Lender referred to in this Section 10 or Section 17; and

- (p) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or this Guarantee,

it being the intent of the Guarantor that liability to the Lender under this Guarantee shall be absolute and unconditional under any and all circumstances and shall not be discharged except by the indefeasible payment and performance in full of the Guaranteed Obligations. The Lender shall not be concerned to see or enquire into the powers of the Borrower or its directors, officers, managers or other agents, acting or purporting to act on its behalf, and moneys, advances, renewals or credits in fact borrowed or obtained from the Lender in professed exercise of such powers shall be deemed to form part of the Guaranteed Obligations, notwithstanding that such borrowing or obtaining of moneys, advances, renewals or credits shall be in excess of the powers of the Borrower or its directors, officers, managers or other agents, or be in any way irregular, defective or informal.

11. **Statement Conclusive.** Any account settled or stated by or between the Lender and the Guarantor, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any account stated by the Lender shall, in the absence of manifest mathematical error, be accepted by the Guarantor as *prima facie* evidence of the amount of the sums which are due by the Guarantor to the Lender or remains unpaid by the Guarantor to the Lender hereunder.

12. **The Lender's Priority.**

- (a) If any payment made to the Lender by the Borrower or any other Person is subsequently rescinded, rendered void or must otherwise be returned for any reason (including upon any insolvency, bankruptcy, arrangement or reorganization of the Borrower or otherwise), that will not affect the Guarantor's liability under this Guarantee and this Guarantee shall continue to be effective or be reinstated, as the case may be, all as though such payment had not been made. Until all of the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been indefeasibly paid and performed in full, the Guarantor will have no right of subrogation in respect of payments made to the Lender, and the Guarantor will not require that the Lender (and the Lender will not be obligated to) assign to the Guarantor any Security held, or any other rights that the Lender may have, in connection with the Guaranteed Obligations, and the Guarantor will not assert any right of contribution against any Guarantor for any payment that the Guarantor makes under this Guarantee.

- (b) If the Borrower is in receivership or bankrupt, or (if the Borrower is a corporation) liquidated or wound up, or if the Borrower makes a bulk sale of any assets under applicable law, or if the Borrower proposes any composition or compromise with creditors or any scheme of arrangement, or in any similar proceedings, the Lender will have the right to rank for its full claims and will be entitled to all dividends and other payments until the Lender is paid in full, and the Guarantor will remain liable under this Guarantee and if any amount shall be paid to the Guarantor in connection with any such proceeding at any time when all of the Guaranteed Obligations have not been fully satisfied, such amount shall be held in trust for the benefit of the Lender and forthwith paid to the Lender to be credited against the Guaranteed Obligations.

- (c) If the Lender gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that the Lender holds for payment of the Guaranteed Obligations, that will not be considered, as between the Lender and the Guarantor, to be a purchase of such Security or payment, satisfaction or reduction of the Guaranteed Obligations.
13. **Withholding Taxes.** Unless otherwise required by applicable law, the Guarantor will make all payments under this Guarantee without deduction or withholding for any present or future taxes, charges or withholdings of any kind.
  14. **Judgment Currency.** The Guarantor's liability to pay the Lender in a particular currency (the "**First Currency**") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "**Other Currency**") except to the extent the tender or recovery results in the Lender's effective receipt of the full amount of the First Currency so payable. Accordingly, the Guarantor will be liable to the Lender to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
  15. **Consent to Disclose Information.** The Lender may from time to time give any credit or other information about the Guarantor to, or receive such information from, any credit bureau, reporting agency or other Person.
  16. **Insolvency; Re-organization or other Events.** None of the Guaranteed Obligations will be limited, lessened or released, nor will this Guarantee be discharged, by the recovery of any judgment against the Borrower or any other Person (other than in respect of funds actually received by the Lender in indefeasible repayment of any of the Guaranteed Obligations), by any liquidation, dissolution, winding-up, merger or amalgamation of the Borrower, the Guarantor or any other Person, by any sale or disposition of all or substantially all of the assets of the Borrower, or by any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or other proceedings affecting the Borrower, the Guarantor or any other Person. If at any time the Lender has the right to accelerate payment of moneys owed to it under the Loan Agreement, and such acceleration is prevented or delayed by reason of the insolvency, bankruptcy, arrangement or reorganization of the Borrower, any moratorium affecting the payment of the Guaranteed Obligations or for any other reason with respect to the Borrower, the Guarantor agrees that for the purposes of this Guarantee all such amounts with respect to the Guaranteed Obligations under the terms of any of the Loan Documents will be deemed to have been accelerated and the Guarantor will forthwith pay or cause to be paid to the Lender all such amounts without further notice or demand.
  17. **Dealing with the Borrower and Others.** The obligations and liabilities of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with the moneys advanced by the Lender to the Borrower or any Security thereof, including any loss of or in respect of any Security received by the Lender from the Borrower or others, any increase in liability of the Borrower to the Lender, or by any other matter, act, omission, circumstances or other thing of any nature, kind or description, other than the due payment and performance in full of all of the Guaranteed Obligations. Without limiting the generality of the foregoing, it is agreed that the Lender may, without releasing, discharging, limiting or

otherwise affecting in whole or in part the Guarantor's obligations and liabilities under this Guarantee, (i) grant time, renewals, extensions, indulgences, releases or discharges to the Borrower, (ii) release, discharge, compromise or otherwise deal with or allow any creditor of the Borrower or the Guarantor or any other Person to deal with any and all collateral, mortgages or other Security given by the Borrower or any third party, (iii) do, or omit to do, anything to enforce the payment or performance of any of the Guaranteed Obligations or take or abstain from taking Security or collateral from the Borrower or any other Person or to perfect or abstain from perfecting any security interest, (iv) vary, increase, compromise, exchange, renew, discharge, release, subordinate, postpone, abandon or otherwise deal with any of the Borrower's indebtedness and obligations or any security interest, or (v) otherwise deal with the Borrower and all other Persons and Security as the Lender may see fit.

18. **Waiver.** No amendment or waiver of any provision of this Guarantee will be binding on the Lender unless consented to in writing and signed by the Lender. No waiver of any provision of this Guarantee will constitute a waiver of any other provision, nor will any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. Any waiver by the Lender of the strict performance or compliance with any provision herein contained will not be a waiver of any subsequent default. No waiver will be inferred from or implied by any failure to act or delay in acting by the Lender in respect of any default or by anything done or omitted to be done by the Guarantor. The rights and remedies of the Lender under this Guarantee are cumulative and not alternative and any single or partial exercise by the Lender of any right or remedy will not be deemed to be a waiver of or to affect or prejudice any other rights or remedies to which the Lender may be lawfully entitled. Such rights and remedies are in addition to and not in substitution for any rights or remedies provided by applicable law.
19. **Interest Act.** The Guarantor acknowledges that certain of the rates of interest applicable to the Guaranteed Obligations may be computed on the basis of a year of 360 days or 365 days, as the case may be, and paid for the actual number of days elapsed. For the purposes of the *Interest Act* (Canada), the yearly rate of interest to which any rate calculated on the basis of a period of time different from the actual number of days in the year (360 days, for example) is equivalent to the stated rate multiplied by the actual number of days in the year (365 or 366, as applicable) and divided by the number of days in the shorter period (360 days, in the example), and the parties hereto acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates and that the calculations herein are to be made using the nominal rate method and not on any basis that gives effect to the principle of deemed reinvestment of interest
20. **Miscellaneous:**
- (a) All monetary amounts in this Guarantee, unless otherwise specifically indicated, are stated in Canadian currency.
  - (b) The Guarantor may not assign any of its rights or benefits under this Guarantee, or delegate any of its duties or obligations, without the prior written consent of the Lender.

- (c) The Guarantor shall not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee to (i) be indemnified by the Borrower, (ii) claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) take the benefit of any rights of the Lender under any of the Loan Documents.
- (d) This Guarantee is in addition and without prejudice to and supplemental to all other guarantees and security interests held or which may hereafter be held by the Lender.
- (e) This Guarantee will be binding upon and enforceable against the Guarantor and its successors and permitted assigns, and will enure to the benefit of and be enforceable by the Lender and its successors and assigns.
- (f) The Guarantor will, from time to time hereafter and upon reasonable request of the Lender, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for purposes of giving effect to this Guarantee.
- (g) The Guarantor acknowledges and agrees that the Lender may demand payment in accordance with this Guarantee and commence proceedings against the Guarantor in respect of any claim pursuant to this Guarantee at any time after demand has been made while any of the Guaranteed Obligations remain unpaid, notwithstanding any limitation period under the *Limitations Act, 2002* (Ontario) or any other applicable law or regulation and, to the fullest extent permitted by applicable law, all limitation periods under such Act or other applicable law are hereby expressly excluded. For greater certainty, the Guarantor acknowledges that this Guarantee is a “business agreement” within the meaning of the *Limitations Act, 2002* (Ontario).
- (h) Time shall be of the essence of this Guarantee.
- (i) If any provision of this Guarantee is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable that provision will be severed from this Guarantee and the remaining provisions will continue in full force and effect, without limitation.
- (j) This Guarantee and all documents contemplated by or delivered under or in connection with this Guarantee may be executed and delivered by pdf, facsimile or other electronic format in any number of counterparts, and all counterparts will be construed together to be an original and will constitute one and the same instrument.

***[Signature page follows]***

**THE CORPORATION OF THE CITY OF LONDON**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

*I/We have authority to bind the Guarantor.*

**CANADA MORTGAGE AND HOUSING CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Address:

700 Montreal Road

Ottawa, ON K1A 0P7

Email: [nhs-contracting@CMHC.ca](mailto:nhs-contracting@CMHC.ca)

*We have authority to bind CMHC.*

THE CORPORATION OF THE CITY OF LONDON  
CERTIFICATE OF OFFICER

TO: Canada Mortgage and Housing Corporation (“CMHC”)  
AND TO: Cohen Highley LLP

I, [OFFICER NAME], the [OFFICER ROLE] of The Corporation of the City of London (the “Municipality”), certify for and on behalf of the Municipality, intending that the same may be relied upon by you without further enquiry, as follows:

- 1 I have reviewed such books and records of the Municipality and such other documents and have made such inquiries and investigations as I consider necessary or advisable for the purpose of verifying the matters set out below. This certificate is being given in connection with the credit agreement dated \_\_\_\_\_ (the “Loan Agreement”) between the Municipality, London & Middlesex Community Housing Inc. and CMHC. Capitalized terms used in this certificate without definition have the meanings specified in the Loan Agreement.
- 2 The Municipality has not taken any steps to terminate or change its existence or amalgamate. The Municipality has not received any notice or other communication from any governmental authority or other person of (a) any proceeding to terminate its existence, or (b) any situation which, unless remedied, could result in such termination.
- 3 The Municipality (a) is not bankrupt, an insolvent person, in insolvent circumstances or on the eve of or in contemplation of insolvency, as applicable, within the meaning of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) or similar laws affecting creditors’ rights generally (“**Insolvency Statutes**”); (b) will not become an insolvent person or be put in insolvent circumstances, as applicable, within the meaning of any Insolvency Statute by entering into, or immediately after completing the transactions contemplated by, the Loan Agreement; and (c) no acts or proceedings have been taken by or against the Municipality in connection with, the Municipality has not received any notices or other communications in respect of, and the Municipality is not in the course of, any dissolution, bankruptcy, receivership or reorganization.
- 4 Attached as Exhibit A is a true and complete copy of the by-law passed by The Municipal Council of The Corporation of the City of London (the “**Council**”) at its meeting held on [●] and constituting, inter alia, authority for the Municipality to enter into the Loan Agreement and the other Loan Documents to which it is a party, to execute and deliver the Loan Documents to which it is a party, and to otherwise to complete the transactions contemplated in the Loan Documents (the “**Transaction By-law**”).
- 5 The Transaction By-law was passed by the Council, is in full force and effect, and has not been amended. The Transaction By-Law is the only actions of the Council dealing with the transactions that are the subject matter of the Transaction By-Law.
- 6 The persons identified in Exhibit B occupy the position or positions set out opposite their respective names, and each such person is authorized to execute and deliver agreements on behalf of the Municipality. Exhibit B also includes the genuine signatures of each of the persons who have signed it. Attached as Exhibit C-1 is a true and complete copy of the bylaw appointing such persons to such positions (the “**Appointment By-Law**”). Attached as Exhibit C-2 is a true

and complete copy of the City of London Official Municipal Election Results declaring Mayor Holder elected for the office of Mayor. The Appointment By-Law was duly enacted and has not been amended. There are no other actions that have been taken by the Council in respect of (i) the Appointment By-Law and (ii) the City of London Official Municipal Election Results declaring Mr. Edwin Anthony Holder elected for the office of Mayor, and Mr. Holder continues to be the Mayor of the Municipality.

- 7 The execution and delivery of the Loan Agreement and the Loan Documents to which the Municipality is a party and the performance by the Municipality of its obligations thereunder do not and will not constitute or result in a violation or a breach of, or a default under (a) its governing legislation and any constating documents; (b) the Transaction By-Law; (c) any agreement to which it is a party; or (d) any judgment, order or decree binding on it.
- 8 The Municipality has complied with all laws, obtained all approvals and made all filings required in connection with the transactions contemplated under the Loan Agreement and the other Loan Documents that are necessary in connection with each Project and required under the Loan Documents to be obtained or made on or prior to the date hereof, including all co-investment commitments, government authorizations and third party approvals (or in lieu of such co-investment commitments, government authorizations and third party approvals, has made arrangements reasonably satisfactory to and confirmed in writing by CMHC).
- 9 This certificate may be executed in any number of separate counterparts and all such signed counterparts will together constitute one and the same certificate. To evidence his or her execution of this certificate, an officer may send a copy of his or her signature on the execution pages hereof to the addressees hereof by facsimile or other means of recorded electronic transmission (including in PDF form) and such transmission shall constitute valid delivery of an executed copy of this certificate to the recipient.

**[remainder of page intentionally left blank]**

DATED as of this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

By:

\_\_\_\_\_

**[OFFICER NAME]**

Address:

Email:

**Exhibit A**  
**Transaction By-Law**

**Exhibit B**  
**Incumbency**

<b>Name</b>	<b>Title</b>	<b>Signature</b>

**Exhibit C-1**

**Appointment By-Law: [Name of Officer]**

## **Exhibit C-2**

### **City of London Official Municipal Election Results**

# Hyde Park Business Improvement Association

*"Businesses Working Together to Foster a Vibrant Community"*



City of London  
300 Dufferin Ave.  
London ON  
N6B 1Z2

Attention:  
City Clerk; Cathy Saunders

Dear Cathy,

We are writing to notify the City that there have been two changes to the directors of the Hyde Park BIA Board of Management:

- 1) On October 20<sup>th</sup>, 2021 the Hyde Park BIA Board of Management approved a new Board Member:

Curtis Neville, Manager  
Giant Tiger  
1175 Hyde Park Road  
N6H 5K6

- 2) And on September 15<sup>th</sup>, 2021 the Hyde Park BIA Board of Management accepted the resignation of Christine Buchanan (effective September 30, 2021); Featherfields Bird and Garden (retired from her position).

Please let us know if you require any further information. Many thanks,

On behalf of the Hyde Park BIA Board of Management

Donna Szpakowski; General Manager / CEO



**2022  
ANNUAL BUDGET  
UPDATE**  
City of London

**Budget Tabling**  
**2022 Annual Budget Update**  
November 9, 2021



**2020-2023  
MULTI-YEAR  
BUDGET**  
City of London

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**2022  
ANNUAL BUDGET  
UPDATE**  
City of London

**Budget Document**



**Property Tax, Water,  
Wastewater & Treatment  
Budgets**

2022 ANNUAL BUDGET UPDATE  
Draft – November 9, 2021

[london.ca/budget](http://london.ca/budget)

Accessible online: [www.London.ca/Budget](http://www.London.ca/Budget)

2

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## Agenda

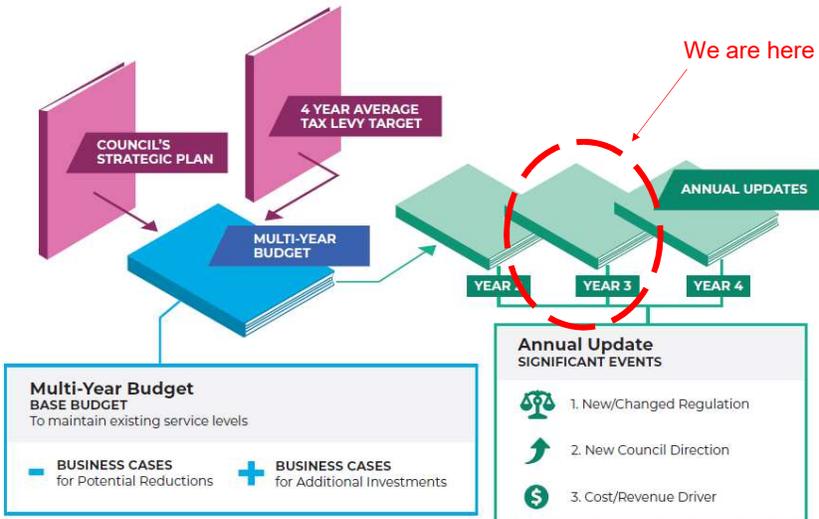
- Refresher: Multi-Year Budget Process & Types of Budget Amendments
- New for 2022: ESG Considerations
- Recap: Property Tax Supported Multi-Year Budget after the 2021 Annual Budget Update
- Refresher: Tax Policy & Key Financial Principles
- Summary of 2022 Property Tax Supported Budget Update
- Overview of Proposed 2022 Budget Amendments
- Overview of 2022 Water and Wastewater & Treatment Budget Amendments
- Anticipated 2022 COVID-19 Impacts
- Looking Forward: 2023 Budget Update
- Key Dates in the 2022 Budget Process
- Public Engagement Overview

3

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## The Multi-Year Budget Cycle at the City of London



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## Categories of Budget Amendments

- 1. New/Changed Regulation**  
A new or changed legislation or regulation with a financial impact to the municipality
- 2. New Council Direction**  
A new Council direction that has transpired after the approval of the Multi-Year Budget
- 3. Cost/Revenue Driver**  
A corporate or service area budget adjustment as result in economic conditions

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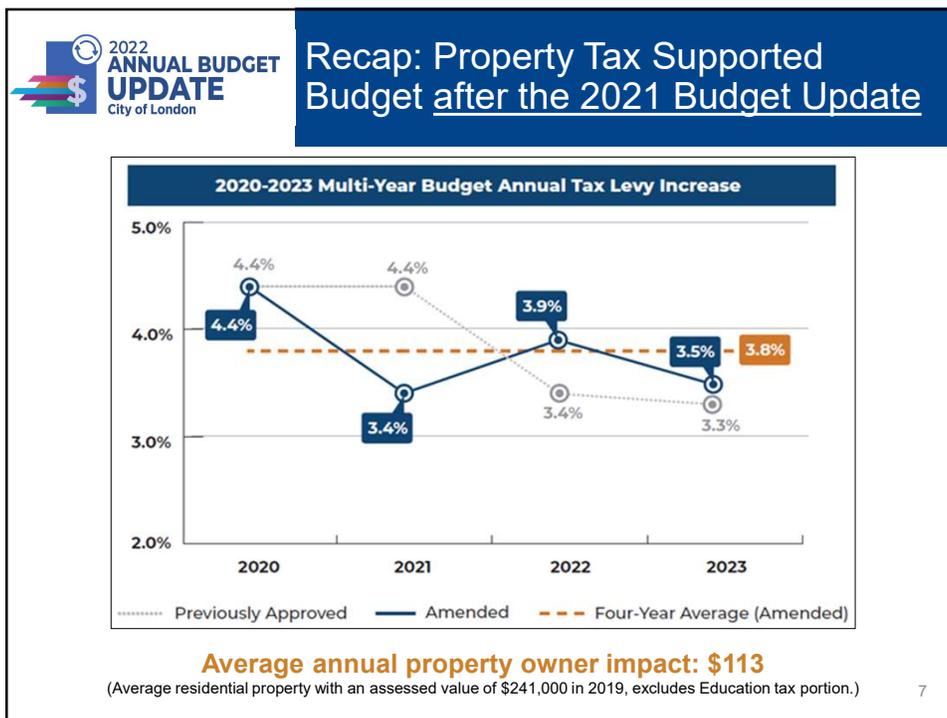


## New for 2022 Budget Update: ESG Considerations

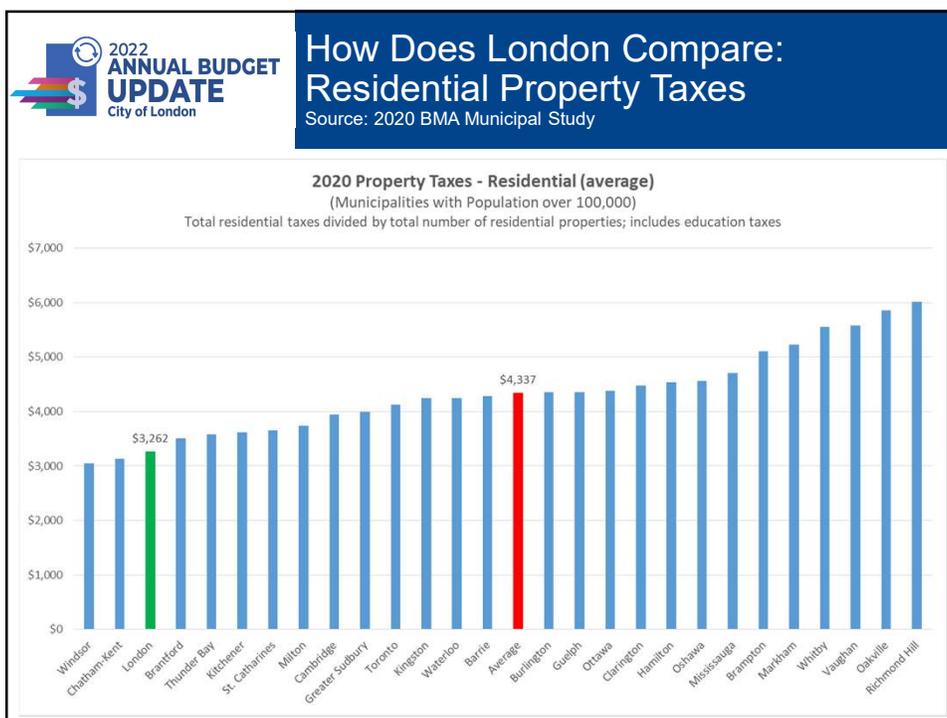
- Building on the initial inclusion of anti-racism & anti-oppression considerations in 2021 budget amendments, all 2022 budget amendments include an expanded section highlighting relevant Environmental, Social and Governance (ESG) considerations
- Environmental Considerations:
  - Will the amendment help the City reach its target of net-zero greenhouse gas emissions by 2050?
  - Will the amendment increase resilience to extreme weather or climate change impacts?
  - Have relevant stakeholders been consulted?
- Socio-economic Equity Impact Considerations:
  - What specific equity-deserving or other vulnerable groups are affected?
  - What barriers or needs does the amendment address?
  - What are the anticipated positive and negative impacts of the amendment?
  - Have relevant stakeholders been consulted?
- Governance Considerations:
  - Are there risks or approving or not approving the amendment?
  - How will the progress, results and impacts of the amendment be monitored and reported?

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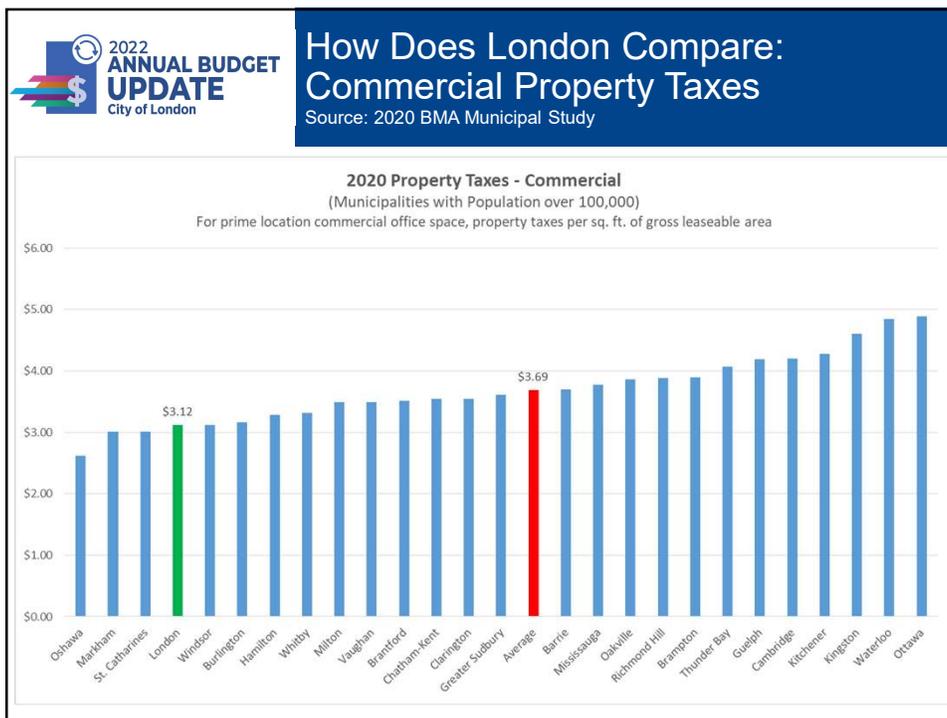
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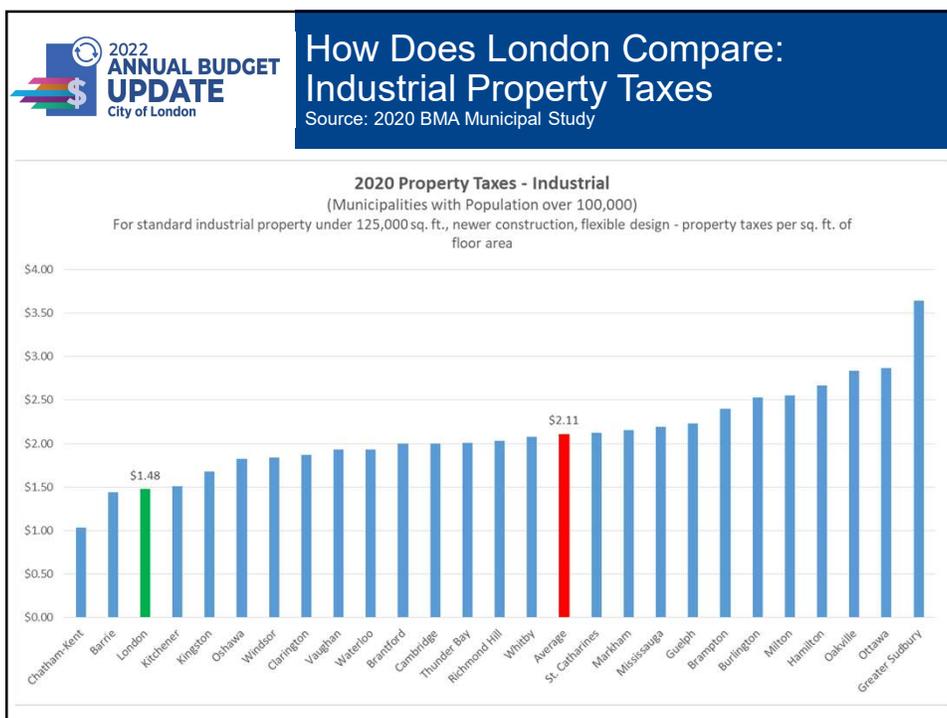
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**2022 ANNUAL BUDGET UPDATE**  
City of London

## Refresher: Tax Policy

- The actual year over year tax levy increase for a particular property is determined by multiple factors, only two of which are controlled by the City:
  - Controllable {
    - Council approved budget increase
    - Council approved tax policy
  - Uncontrollable {
    - Education tax policy (Provincial)
    - Change in assessed value of the property (determined by MPAC – an independent not-for-profit corporation)
    - Other Provincial legislation (e.g. introduction of new classes, requirements for the capping of increases, etc.)
- If the assessed value of a property increases more or less than the class average, the increase will change accordingly
- Tax policy is approved separately **after** budget approval

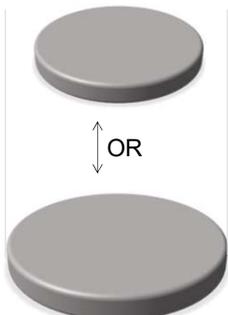
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**2022 ANNUAL BUDGET UPDATE**  
City of London

## Budget vs. Tax Policy - Illustrated

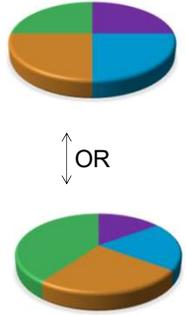
**NET EXPENDITURE BUDGET**



“How big is the pie?”

Aggregate amount to be funded by taxpayers

**TAX POLICY**



“How is the pie sliced?”

Between property classes: residential, multi-residential, commercial, industrial, etc.

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## Refresher: Key Financial Principles

- One-time funding is appropriate to fund one-time costs, but should not be used to implement permanent programs with ongoing costs;
- Alternate sources of revenue should be considered to cover only those expenses that are linked to them, to ensure that this funding is not required to support other expenses in the event that the funding is reduced or eliminated;
- Council should avoid taking on services/programs where there is pressure to “fill in” for services/programs that are generally the responsibility of other levels of government;
- When considering new initiatives, consider the total cost of the initiative (both one-time and ongoing operating costs), cash flow requirements and benefits to the community;

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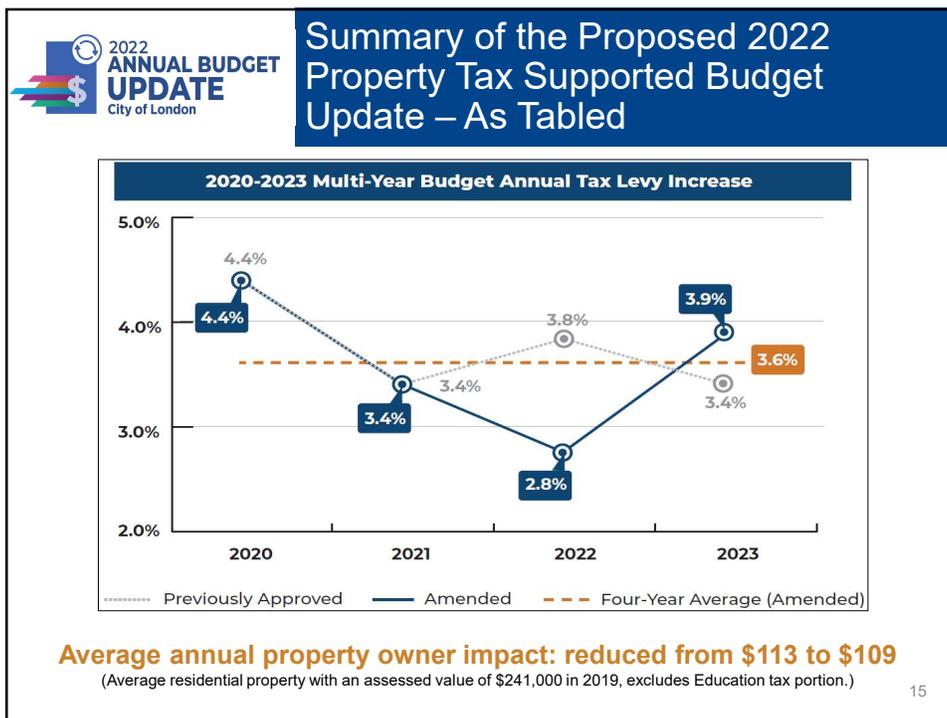


## Refresher: Key Financial Principles – cont'd

- Avoid taking on more/new services without considering long-term exit strategies;
- The City of London should determine its own capital priorities. New infrastructure programs introduced by the federal and provincial governments should be assessed relative to the capital needs and priorities of the City and ability to fund these initiatives;
- Ensure that reserves and reserve funds are kept at an adequate level to ensure the Corporation maintains sufficient liquidity; and
- Debt is appropriate for certain large-scale growth and service improvement capital projects, but should generally be avoided for lifecycle renewal projects.

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#	Description	Tax Levy Impact		
		2022	2023	2024 & Beyond
P-1	Reductions due to zero-based reviews and other budget right-sizing	(\$3,712)	(\$3,282)	(\$3,282)
	Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service levels. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, Civic Administration has identified permanent budget reductions that can be implemented without impacting service levels.			
P-2	Middlesex-London Health Unit - Additional operating costs due to inflationary pressures	\$640	\$640	\$640
	Through the 2021 budget process, the Middlesex-London Health Unit determined that an increase of \$762,000 (City of London: \$640,000 and County of Middlesex: \$122,000) was required for 2021, made up largely of inflationary and incremental premises cost pressures. Due to timing, this increase was not reflected in the City's 2021 Budget Update and must be included in the 2022 Budget Update.			

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#	Description	Tax Levy Impact		
		2022	2023	2024 & Beyond
P-3	RBC Place London funding support	\$0	\$0	\$0
	Current COVID-19 restrictions continue to hamper the recovery of the tourism and events industry, including RBC Place London. Current operational and cash flow analysis shows a significant need for additional City of London funding support during the first few months of 2022 based on the current number and nature of events on the books. As a result, RBC Place London is looking to proactively address the projected operational and cash flow shortfall through a one-time \$850,000 request in order to continue to operate and maintain the facility through 2022. This request is recommended to be funded from the Operating Budget Contingency Reserve, resulting in no tax levy impact.			
P-4	Private Parking Enforcement Program – Increased fines	(\$100)	(\$100)	(\$100)
	One of the parking services offered to property owners is the Private Parking Enforcement Program. This Program has been offered for several years and is the third highest ticket issuance category in terms of volume of charges. As this Program is more of a deterrent for private property trespassing than a parking issue on public property, it would be timely to re-examine the penalty amount of \$45 as an adequate amount to deter repeated offences. Increasing the penalty to \$60 would be a reasonable deterrent to repetitive trespassing for parking purposes.			

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#	Description	Tax Levy Impact		
		2022	2023	2024 & Beyond
P-5	Reduction in required Child Care and Ontario Works investments	(\$2,773)	\$0	\$0
	In the 2020-2023 Multi-Year Budget, in light of provincial funding changes, Council approved additional funding for the Ontario Works program and for the development of anticipated new child care centres. As a result of the COVID-19 pandemic and associated recovery benefits, the Ontario Works program has experienced a decreased caseload along with a decrease in employment related expenses resulting in net funding of \$1.1 million not being required for 2022. Further, the development of anticipated child care centres has been delayed due to COVID-19, resulting in the municipal portion of the Child Care Expansion Plan Funding not being required in 2022 (\$1.6 million).			
P-6	Reduction to previously approved Business Cases - Infrastructure Gap and Community Building Projects	(\$650)	(\$650)	(\$650)
	This amendment seeks Council's approval regarding a permanent decrease of \$600,000 to the Council approved 2020 to 2023 Additional Investment Business Case 4B - City of London Infrastructure Gap and cancellation of 2020 to 2023 Additional Investment Business Case 17A – Community Improvement Plan - Community Building Projects, resulting in a permanent reduction of \$50,000.			

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#	Description	Tax Levy Impact		
		2022	2023	2024 & Beyond
P-7	Reduction to Neighbourhood and Athletic Grant Programs	(\$235)	(\$235)	(\$235)
	Three programs providing community grants have been identified as potential budget reduction opportunities: the Neighbourhood Decision Making Program; the Neighbourhood Small Events Fund; and the Athletic Travel Grants Program. This budget amendment outlines permanent reductions to the Neighbourhood Decision Making Program and the Neighbourhood Small Events fund, and the elimination of the Athletic Travel Grants Program.			
P-8	Parks Naturalization and Reduction in Tree Trimming	(\$258)	(\$258)	(\$258)
	This budget amendment has been proposed to help alleviate tax levy pressures without significantly reducing service levels through reductions in the limits of grass cutting in parks and along select roadsides and reductions to proactive tree trimming.			

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#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
P-9	Continuation of the City's Invasive Plant Species Management Strategy	\$375	\$375	\$375
	The City has a comprehensive Invasive Plant Species Management Strategy that has been actively addressing invasive plants across the City since 2018. This business case seeks additional funding to support these efforts for 2022 to 2024.			
P-10	Transportation - Realignment and Adjustment of Growth Capital Project Budgets	\$4,074	\$5,117	\$4,241
	Various large, complex transportation projects (Sunningdale, Southdale & Wharcliffe widening projects) have and/or are progressing through planning and environmental assessment stages which have provided better information to inform the required budgets and their timing.			

**NOTE: These capital budget amendments do not have a tax levy impact.**

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#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
P-11	Development of Long Term Waste Disposal Capacity	\$1,720	\$0	\$8,610
	The estimated cost to construct the proposed expansion of the W12A Landfill site needs to be amended based on the final proposed expansion option identified in the Environmental Assessment process. It should be noted that the estimated total lifecycle cost to construct the proposed landfill expansion option is approximately \$8.1 million less than previously estimated, however the timing and amounts of funding required over the coming years have changed.			
P-12	Zero-Emission Bus Implementation Strategy	\$25,960	\$0	\$0
	London Transit is planning to begin the transition to a zero-emission bus fleet. The initial implementation step calls for London Transit to procure 10 battery electric buses and 7 chargers (3 overhead and 4 plug-in). This project will also require facilities work to upgrade the grid connection, install the required charging equipment, and retrofit facilities to accommodate the zero-emission buses.			

**NOTE: These capital budget amendments do not have a tax levy impact.**

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#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
W-1	Schedule Changes for Water Lifecycle Renewal Projects	(\$1,206)	\$1,206	\$0
	A schedule change to defer the projects in this amendment is needed to align works with the timing of the Transportation Sunningdale Road Widening project. Aligning the timing of different infrastructure needs in a location is to the financial advantage to the City as the restoration costs are shared. It is also socially advantageous for the public, as it causes less construction disruption with lane and road closures.			
W-2	Schedule Changes for Water Growth Projects	(\$7,614)	\$7,614	\$0
	The need, scope, and timing of the projects in this budget amendment are under review as part of a servicing study that is expected to be completed in 2022. This amendment will allow this study to confirm if these projects and their current scopes are appropriate, in the City's best interests, and that the timing aligns with the projected needs for future residential, institutional, commercial, and industrial growth.			
<p><b>These amendments <u>do not</u> impact the previously approved Water rate increases (2.5% increase effective January 1, 2022 and 2.5% increase effective January 1, 2023)</b></p>				

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#	Description	Operating Budget Impact		
		2022	2023	2024 & Beyond
WWT-1 (Part A)	Reduce Energy Budget at Greenway Wastewater Treatment Plant	(\$700)	(\$717)	(\$717)
	Wastewater has realized significant savings in energy costs over the past few years. These savings are a result of initiatives at Greenway Wastewater Treatment Plant, which have created significant reductions in electrical consumption, and accordingly, savings in energy costs.			
#	Description	Capital Budget Impact		
		2022	2023	2024-2029 Total
WWT-1 (Part B)	Create Dedicated Program for Sewage Bypass and Overflow Elimination	\$700	\$717	\$4,679
	Part B of this amendment is being recommended to use the permanent reduction outlined in Part A to develop a new capital program. It will fund small to medium size standalone bypass and overflow elimination projects, as well as similar components of larger wastewater projects.			
<p><b>These amendments <u>do not</u> impact the previously approved Wastewater rate increases (2.5% increase effective January 1, 2022 and 2.5% increase effective January 1, 2023)</b></p>				

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## Anticipated COVID-19 Impacts in 2022

- Many services will continue to experience persistent COVID-19 financial impacts into 2022; total corporate impact currently anticipated to be approx. \$17M, including:

Area/Impact	Potential Financial Impact (\$M)
London Transit Commission – lower than normal ridership	\$2.8 - \$5.6
Parking – continued lower than anticipated parking revenues	\$3.5
Corporate Financing – lower than anticipated interest rates impacting investment income; reduced payment in lieu of taxes from London Airport	\$2.8
Neighbourhood and Recreation Services – uncertain participation rates in recreation programs & facilities	\$2.4
RBC Place – gradual resumption of large events	\$2.1

- \$12.3M contributed to the Operating Budget Contingency Reserve from 2020 surplus for future COVID-19 impacts is available to offset these pressures – no further budget amendments suggested at this time. 25

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## Looking Forward – 2023 Budget Update

- 2023 Annual Budget Update will continue to provide opportunities to address emergent needs and flexibility to adjust the tax levy as required.
- Civic Administration remains committed to ensuring the efficiency and effectiveness of service delivery and will continue to utilize a variety of tools during 2022 to further identify efficiencies and opportunities to address the 2023 tax levy increase in preparation for the 2023 Annual Budget Update.
- Other emerging developments for 2023 (e.g. implementation of producer pay responsibility for the recycling program) may provide further opportunities to reduce the planned tax levy increase.

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## Key Dates in the Budget Process

What / Where	Date
Tabling of the 2022 Annual Budget Update SPPC at 4:00pm	November 9
Public Participation Meeting SPPC at 4:00pm	November 29
2022 Annual Budget Update Review SPPC at 9:30am	December 2 December 3 (if required)
Final Approval of the 2022 Annual Budget Update Council at 4:00pm	December 21

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## Upcoming 2022 Budget Update Public Engagement Activities

Description	Date
Social Media & Digital Advertising	Ongoing through Budget Approval
Budget Webpage ( <a href="http://www.london.ca/budget">www.london.ca/budget</a> ) – all materials available	Ongoing
GetInvolved.London.ca Website – education & guidance on how to get more information or submit feedback	Ongoing
Virtual Budget Information Session #3	November 17 6:00pm
Public Participation Meeting	November 29 SPPC at 4:00pm
Support for Councillors' Engagement Activities	As Requested
Virtual Meetings with Community Groups	As Requested
Virtual Meetings with Advisory Committees	As Requested
Phone Calls (519-661-4638), E-mails ( <a href="mailto:budget@london.ca">budget@london.ca</a> )	As Requested
E-mail Updates via Newsletter	Ongoing

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**2020-2023  
MULTI-YEAR  
BUDGET**  
City of London

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# Property Tax, Water, Wastewater & Treatment Budgets

2022 ANNUAL BUDGET UPDATE  
Draft – November 9, 2021



[london.ca/budget](https://london.ca/budget)

## Acknowledgment

The City of London aspires to be a diverse community which honours, welcomes, and accepts all peoples. We respectfully acknowledge that the City of London is located on the traditional territories of the Anishnaabeg, Haudenosaunee, Lunaapeewak, and Attawandaron peoples, who have had longstanding relationships with the land and the region. The City of London also recognizes its relationships with the local First Nations Communities, including Chippewas of the Thames First Nation, Oneida Nation of the Thames, and Munsee Delaware Nation. We acknowledge the diverse histories, races, cultures, religions and ethnicities of those who call London home. The City of London values the significant contributions made by all Londoners.

## Steps Towards Anti-Racism and Anti-Oppression at the City of London

Municipal Council has affirmed its commitment to eliminating systemic racism and oppression in our community. As individuals who serve the public, facing this troubling reality is both daunting and uncomfortable – and, for many, deeply personal. While this work demands urgency, the actions needed to deconstruct systems of racism and oppression will require sustained commitment and courageous action to drive transformative change.

It is a sombre obligation. It is also an important opportunity. Londoners in the community and within the organization provided valuable insights on how the City of London can use its strength and position as an influential leader to drive anti-racism and anti-oppression work.

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# Executive Summary

## Property Tax Supported Budget

The 2022 Annual Budget Update includes \$1.06 billion in operating expenditures funded through \$692.3 million in property taxes and \$371.7 million in non-tax revenues for 2022. The City is planning capital investments of \$312.1 million in 2022, part of a 10-year capital plan (2020 to 2029) of \$2.9 billion. The 2022 Annual Budget Update document contains a total of 12 property tax related budget amendments. If all budget amendments are approved, the average annual property tax revenue increase over the 2020 to 2023 Multi-Year Budget period decreases from 3.8% to 3.6% with the 2022 property tax revenue increase being reduced to 2.8% from the previous 3.8%.

## Water Rate Supported Budget

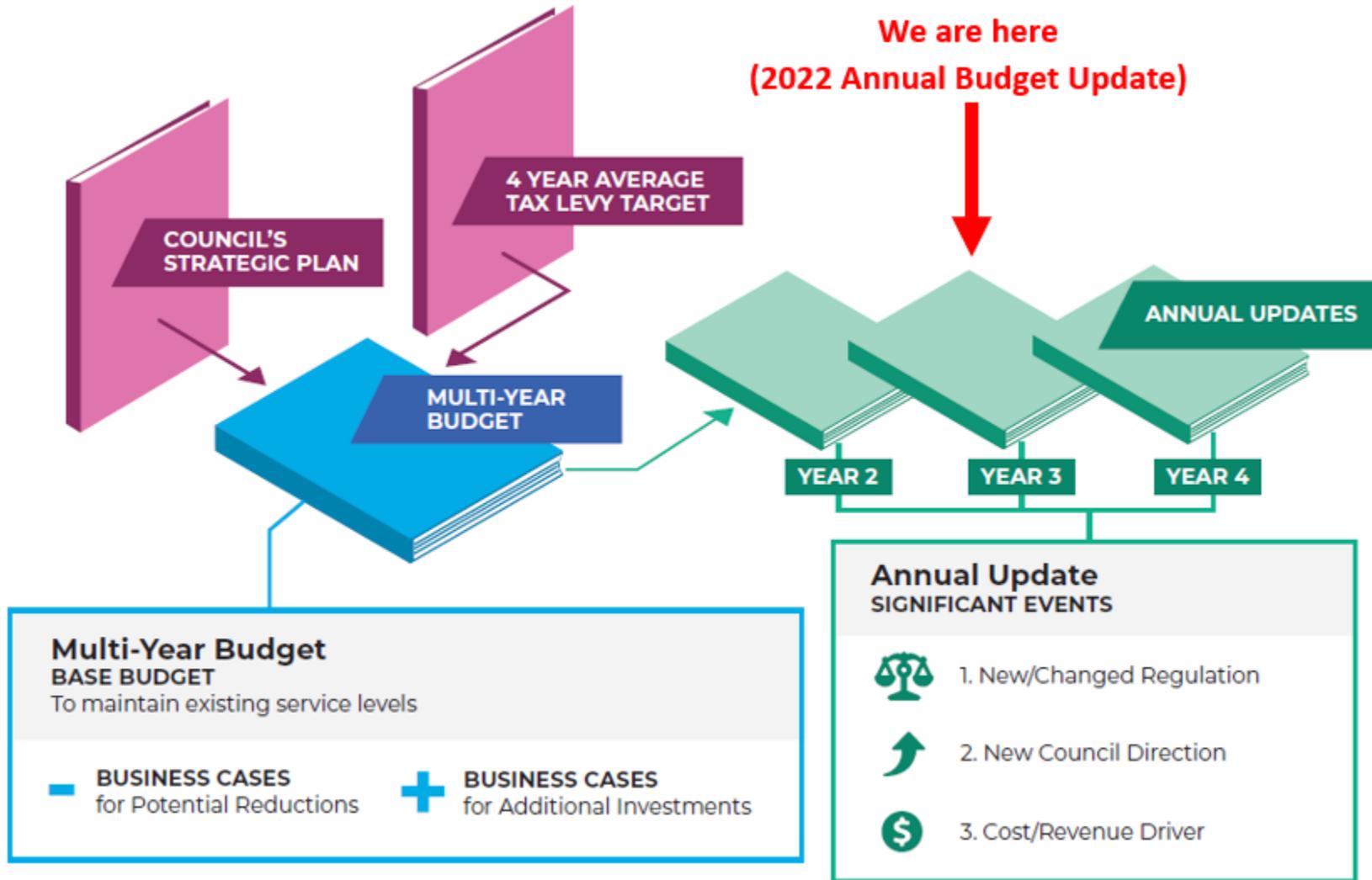
The 2022 Annual Budget Update includes \$90.5 million in operating expenditures and \$90.5 million in operating revenues with an average annual water rate increase over the 2020 to 2023 Multi-Year Budget of 2.5%. The City is planning capital investments of \$34.7 million in 2022, part of a 10-year capital plan (2020 to 2029) of \$483.1 million. There are two budget amendments proposed in the 2022 Annual Budget Update, noting that approval of these amendments will not impact the water rate increase.

## Wastewater and Treatment Rate Supported Budget

The 2022 Annual Budget Update includes \$113.7 million in operating costs and \$113.7 million in operating revenues with an average annual wastewater and treatment rate increase over the 2020 to 2023 Multi-Year Budget of 3.2%. The City is planning capital investments of \$98.9 million in 2022, part of a 10-year capital plan (2020 to 2029) of \$979.3 million. There is one budget amendment proposed in the 2022 Annual Budget Update, noting that approval of that amendment will not impact the wastewater & treatment rate increase.

# Multi-Year Budget Process Refresher

The graphic below is an illustration of the Multi-Year Budget Process. This Multi-Year Budget represents the second four-year budget approved by Municipal Council. Rather than approving a budget annually, Municipal Council approves the four-year budget, with the last year being subject to reconfirmation by the new term of Municipal Council. The 2020 to 2023 Multi-Year Budget aims to provide the financial resources to implement the 2019 to 2023 Strategic Plan.



# Annual Update Process Refresher

Consistent with previous Annual Updates, changes to years 2022 to 2023 of the current Multi-Year Budget are being brought forward to provide flexibility to address special events or circumstances that require funding and resource adjustments. Each budget amendment is classified into the following three categories:

## 1. **New/Changed Regulation**

A new or changed legislation or regulation with a financial impact to the municipality

## 2. **New Council Direction**

A new Council direction that has transpired after the approval of the Multi-Year Budget

## 3. **Cost/Revenue Driver**

A corporate or service area budget adjustment as a result of a change in economic conditions

Each budget amendment that has an impact on the remaining years of the Multi-Year Budget (2022 to 2023) is supported by a Multi-Year Budget Amendment Case that provides Municipal Council with the rationale for the amendment and the financial and staffing impacts.

Budget amendments are only brought forward and approved once per year. Adjustments are limited to once per year, during the annual update period, to ensure that all requests are considered together.

# Environmental, Social and Governance Considerations

Globally, there has been a growing trend of enhanced reporting of Environmental, Social and Governance (ESG) factors, in both evaluating specific business or government decisions as well as evaluation of organizations in their entirety. This approach has gained momentum over the last couple of years and has risen to such prominence that credit rating agencies, including the City of London's rating agency, are moving forward to separately assess and report ESG factors.

The growing emphasis on ESG factors aligns well with the work that has already been initiated at the City of London with respect to climate change and anti-racism and anti-oppression efforts. In order to achieve the City's Council-approved objective of having net-zero greenhouse gas emissions by 2050 and improved resilience to the impacts of climate change, the City must first understand our emissions and climate risks. We can then plan for our decisions to drive decarbonization of City activities and improve our resilience to climate impacts. The Climate Emergency Awareness and Screening Process is currently being developed and implemented to ensure that City staff are equipped with the required knowledge to identify emission sources and climate risks, explore potential alternatives, and recommend courses of action in line with an appropriate response to the climate emergency. Understanding and addressing climate issues directly in the budgeting process is key to ensuring that, wherever feasible, our investments position the City for a low-carbon, resilient future.

Additionally, Municipal Council has affirmed its commitment to eliminating systemic racism and oppression in our community. As individuals who serve the public, facing this troubling reality is both daunting and uncomfortable – and, for many, deeply personal. While this work demands urgency, the actions needed to deconstruct systems of racism and oppression will require sustained commitment and courageous action to drive transformative change. Londoners in the community and within the organization provide valuable insights on how the City of London can use its strength and position as an influential leader to drive anti-racism and anti-oppression work. The integration of equity impacts into the budget process began with the inclusion of an Anti-Racism and Anti-Oppression section that was added to each Budget Amendment in the 2021 Budget Update process with the assistance of the Anti-Racism and Anti-Oppression Working Group.

For the 2022 Annual Budget Update, Civic Administration has implemented an ESG evaluation of all budget amendments, incorporating important climate change and equity impact assessments, as well as any governance considerations, in an "Environmental, Social and Governance Considerations" section of each budget amendment. This section, structured as a series of questions to address the key considerations, was developed with the assistance of the City's Climate Change Planning team and the Anti-Racism and Anti-Oppression Working Group. This approach will continue to be refined and improved for the 2023 Annual Budget Update based on feedback from the process.

Looking further into the future, exploring the implementation of a carbon budget to parallel the City's financial operating and capital budgets is a long-term objective. By initiating the integration of climate emergency issues into the budgeting process now, the intent is to identify needs (staff resources, technical data and expertise, etc.) as well as the process(es) for emissions and climate risk management that will best integrate with the existing system used to manage City finances. Additionally, as further tools are developed to assist in assessing the impacts of programs, policies and services on equity-deserving groups (e.g., the Anti-Racism and Anti-

Oppression lens currently under development), these tools will be integrated into the budget process to ensure that budget requests fully consider the impacts on these groups. Further integration of climate and equity impact considerations into other aspects of the City's budgeting process (e.g., Business Plans, base budgets, etc.) will occur in preparation for the City's 2024 to 2027 Multi-Year Budget.

## COVID-19 Pandemic Impacts

The global COVID-19 pandemic continued to impact the City of London and the community in 2021 and is projected to impact the 2022 budget year as well. While the Multi-Year Budget was approved prior to emergency orders being invoked, it has demonstrated many of its advantages through these turbulent times. As previously outlined, benefits of a multi-year budget include, among others, flexibility in the allocation of resources, efficient use of time and resources, and support of the City's Aaa credit rating.

With the 2021 Annual Budget Update, and continuing with this 2022 Annual Budget Update, budget amendments have been included that allow for a direct response to impacts from the pandemic. Resourcing needs have been modified to respond to service disruptions and expenditure increases have been deferred to align with updated timing, which in many cases provide for adjustments to reduce the tax levy.

The efficient use of time and resources by utilizing the multi-year budgeting approach has also provided Civic Administration the capacity to focus on quantification and monitoring of financial impacts resulting from COVID-19, both on the operating and capital budgets. This further supports the ability to complete applications and reporting requirements to obtain financial support from Federal and Provincial levels of government to help offset experienced financial pressures. The flexibility provided by the City's multi-year budgeting approach was acknowledged by the City of London's credit review agency, Moody's, not only through affirmation of the City's Aaa rating with a stable outlook, but also with specific references in their credit opinion:

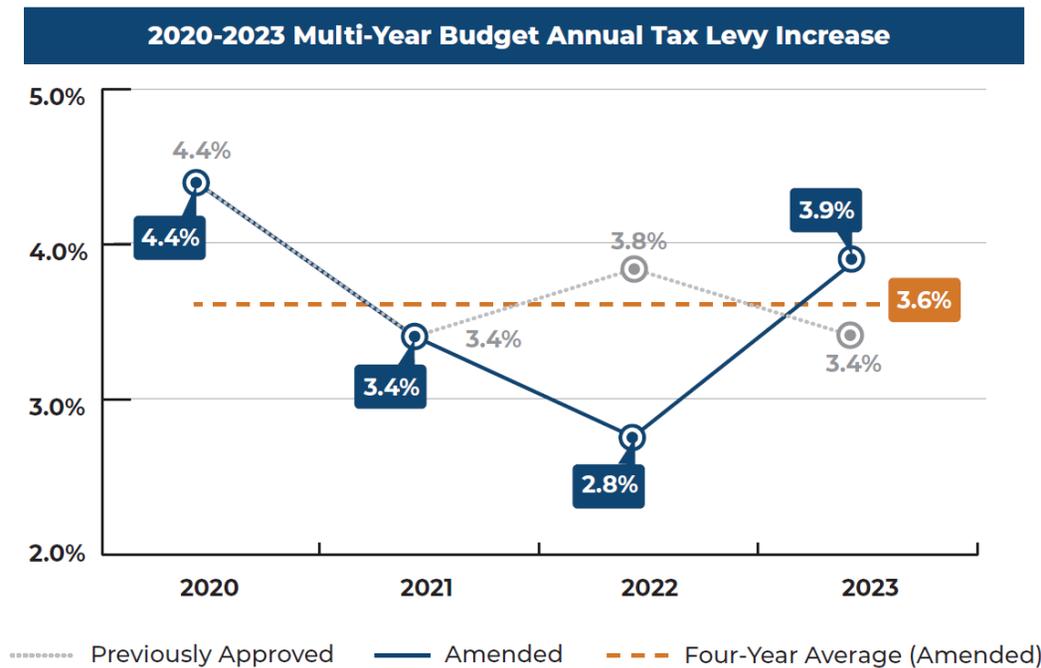
“In our view, the multi-year budget approach proved beneficial during the pandemic given the city's plans were already well developed which made the process to find mitigating measures relatively easier than for other municipalities that still needed to ‘build’ their budget.” – Moody's Credit Opinion for City of London, July 23, 2021

# Budget in Brief – Property Tax Supported Budget

On March 2, 2020, Municipal Council approved the City’s second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual tax levy increase from rates of 3.9%. After the first annual update to the Multi-Year Budget (2021), the four-year average annual increase from rates was 3.8%. The City of London is now in the second annual update to the Multi-Year Budget (2022).

The 2022 Annual Budget Update document contains a total of 12 property tax budget amendments. Ten of the budget amendments are being recommended by Civic Administration with two budget amendments submitted for Municipal Council’s consideration. All four of the capital budget amendments can be accommodated within the capital plan or via one-time funding sources resulting in no increase to the tax levy. Of the eight operating budget amendments, six would result in tax levy reductions, one would have no tax levy impact, and one would result in a tax levy increase.

Should Municipal Council approve all of the budget amendments, the 2022 increase from rates would decrease to 2.8% from the previously approved 3.8% increase while the four-year average annual increase would become 3.6%. The graph below illustrates the amended increases from rates for the remainder of the Multi-Year Budget period should all of the budget amendments be approved.



Note: Previously approved rates are recalculated taking into account assessment growth impact in each annual update year of the Multi-Year Budget period.

## Budget In Brief – Property Tax Supported Budget

### Operating Tax Levy Revenue Overview (\$ Thousands)

#### 2022 Annual Update

Operating Budget	2020 Tax Levy Revenue	2021 Tax Levy Revenue	2022 Tax Levy Revenue	2023 Tax Levy Revenue	2020 to 2023 Average % Increase/Decrease
Previously Approved % Increase From Rates <sup>1</sup>	4.4%	3.4%	3.8%	3.4%	3.8%
Previously Approved Budget	642,901	673,581	699,372	723,382	
Amendment <sup>2</sup>			-7,087	-3,885	
Amended Budget	642,901	673,581	692,284	719,498	
Amended % Increase From Rates	4.4%	3.4%	2.8%	3.9%	3.6%

Subject to rounding.

#### Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each annual update of the Multi-Year Budget period.
2. Amendment reflects impacts of all budget amendments as applicable.

### Gross Operating Expenditure and Non-Tax Levy Revenue Budget Overview (\$ Thousands)

#### 2022 Annual Update

Operating Budget	2020 Expenditure	2020 Non-Tax Levy Revenue	2021 Expenditure	2021 Non-Tax Levy Revenue	2022 Expenditure	2022 Non-Tax Levy Revenue	2023 Expenditure	2023 Non-Tax Levy Revenue
Previously Approved Budget	1,007,784	364,883	1,041,639	368,058	1,069,086	369,714	1,092,031	368,648
Amendment <sup>1</sup>					-5,131	1,956	-2,778	1,106
Amended Budget	1,007,784	364,883	1,041,639	368,058	1,063,955	371,670	1,089,252	369,755

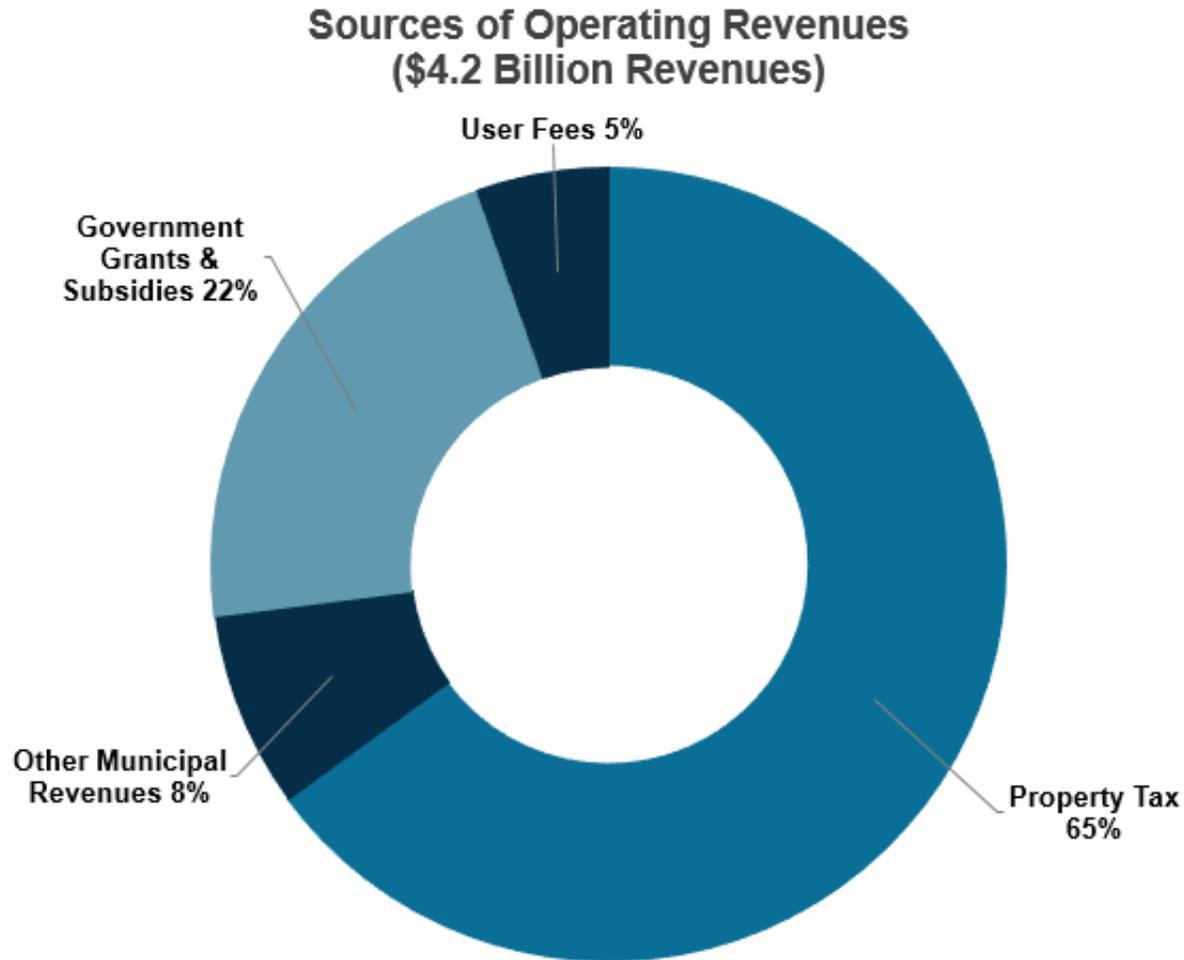
Subject to rounding.

#### Notes

1. Amendment reflects impacts of budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments.

# Budget In Brief – Property Tax Supported Budget

Total operating revenues in the 2020 to 2023 Multi-Year Budget are \$4.2 billion. As shown in the chart below, the largest source of revenue is property taxes which accounts for 65% of total revenues.

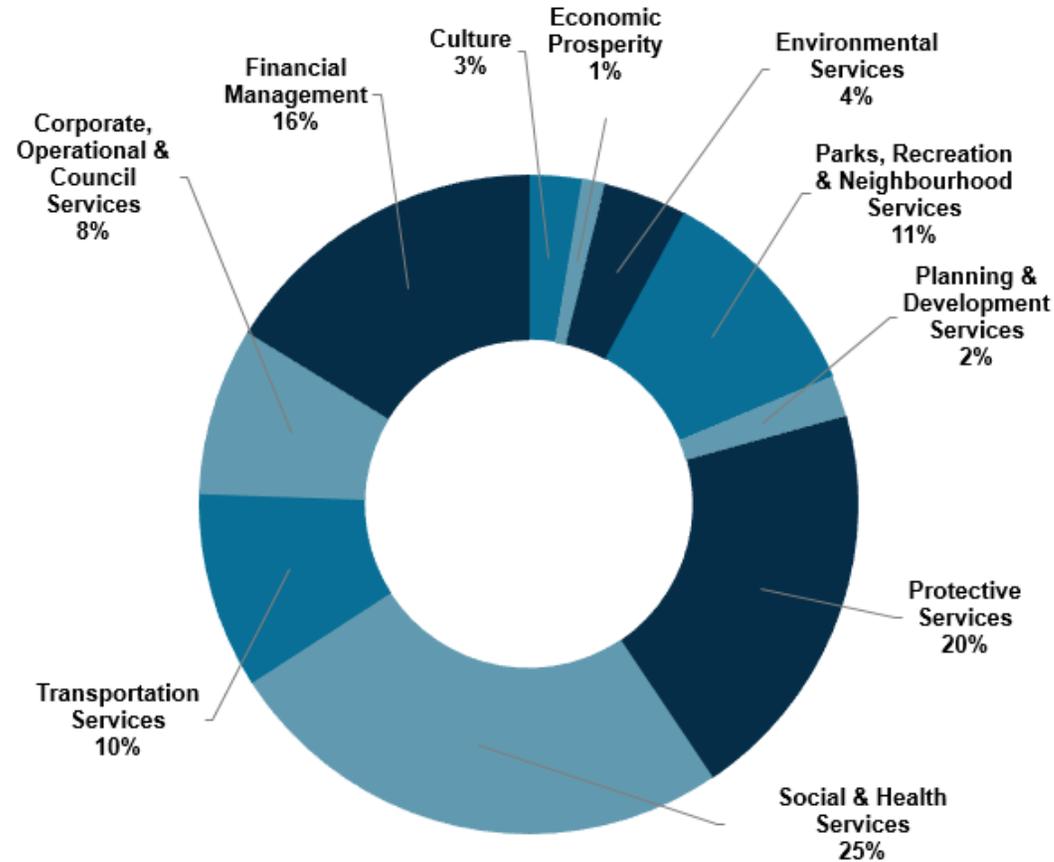


Note: Amounts reported include the impact of 2022 budget amendments.

# Budget In Brief – Property Tax Supported Budget

The allocation of 2020 to 2023 Multi-Year Budget operating expenditures by service program is shown in the chart below.

## How Operating Dollars are Spent By Service Program (\$4.2 Billion Expenditure)



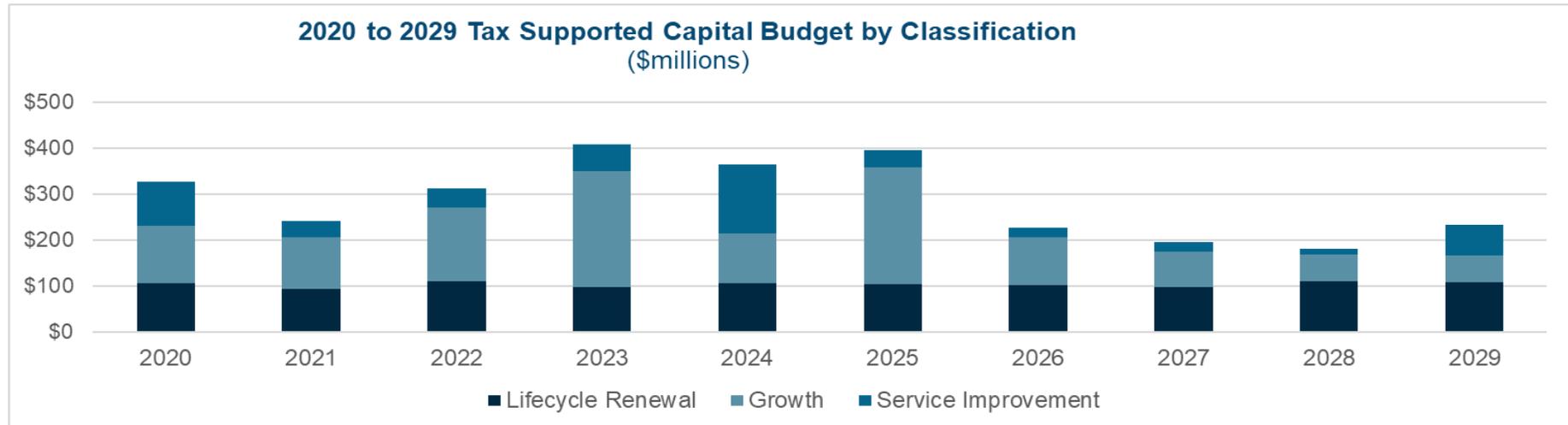
Note: Amounts reported include the impact of 2022 budget amendments.

# Budget In Brief – Property Tax Supported Budget

## 2020 to 2029 Capital Budget Overview (\$ Millions)

Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
<b>Lifecycle Renewal</b> projects maintain infrastructure that is in place today (e.g. road resurfacing and replacing equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs	\$407	\$1,033
<b>Growth</b> projects extend services into newly developed areas of the City (e.g. a road widening to handle additional traffic from new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$647	\$1,306
<b>Service Improvement</b> projects provide a new or improved level of service or address an emerging need (e.g. purchasing property for industrial land). These projects are optional, but the case may be compelling.	\$232	\$542
<b>Total</b>	<b>\$1,286</b>	<b>\$2,880</b>

Subject to rounding.



# 2020-2023 Average Daily Cost of Municipal Services

Average Daily Cost of Municipal Services: \$8.53<sup>1</sup>

<b>18%</b> London Police Services 	<b>\$1.52</b>	<b>4%</b> Neighbourhood & Recreation Services 	<b>\$0.32</b>	<b>2%</b> Housing Services 	<b>\$0.14</b>	<b>.6%</b> Council Services 	<b>\$0.05</b>	<b>.3%</b> Conservation Authorities 	<b>\$0.03</b>
<b>13%</b> Capital Financing 	<b>\$1.09</b>	<b>4%</b> Garbage, Recycling & Composting 	<b>\$0.31</b>	<b>1%</b> Economic Development 	<b>\$0.09</b>	<b>.5%</b> Housing Development Corporation 	<b>\$0.04</b>	<b>.3%</b> Animal Services 	<b>\$0.02</b>
<b>10%</b> Fire Services 	<b>\$0.84</b>	<b>3%</b> Land Ambulance 	<b>\$0.29</b>	<b>1%</b> Middlesex-London Health Unit 	<b>\$0.09</b>	<b>.5%</b> Corporate Security & Emergency Management 	<b>\$0.04</b>	<b>.3%</b> Museum London 	<b>\$0.02</b>
<b>9%</b> Corporate Services 	<b>\$0.78</b>	<b>3%</b> Library Services 	<b>\$0.27</b>	<b>.9%</b> Long Term Care 	<b>\$0.08</b>	<b>.5%</b> Public Support Services 	<b>\$0.04</b>	<b>.1%</b> All Other Areas 	<b>\$0.01</b>
<b>7%</b> Roadways 	<b>\$0.61</b>	<b>3%</b> Social & Community Support Services 	<b>\$0.27</b>	<b>.7%</b> Development Services 	<b>\$0.06</b>	<b>.4%</b> Arts, Culture & Heritage Advisory & Funding 	<b>\$0.03</b>		
<b>6%</b> London Transit Commission 	<b>\$0.52</b>	<b>2%</b> Parks & Urban Forestry 	<b>\$0.19</b>	<b>.7%</b> Planning Services 	<b>\$0.06</b>	<b>.3%</b> Corporate Planning & Administration 	<b>\$0.03</b>		
<b>5%</b> Debt Servicing 	<b>\$0.44</b>	<b>2%</b> London & Middlesex Community Housing 	<b>\$0.17</b>	<b>.6%</b> Corporate Financing - Other 	<b>\$0.05</b>	<b>.3%</b> Tourism & Sports Attraction 	<b>\$0.03</b>		

Subject to rounding.  
<sup>1</sup>Calculated based on the average assessed value of \$241,000 for a residential property.  
 (excludes education tax portion and impacts of tax policy.)

Note: Amounts reported include the impact of 2022 budget amendments.

## Budget In Brief – Water Budget

On March 2, 2020, Municipal Council approved the City’s second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual Water rate increase of 2.5%.

The City of London, consistent with its Multi-Year Budget Policy, is undertaking its second annual update for the 2020 to 2023 Multi-Year Budget period. The 2022 Annual Budget Update continues to progress achievement of the City’s Strategic Plan while recognizing pressures experienced due to the global coronavirus pandemic (COVID-19). For the 2022 Annual Budget Update, the rate increase for Water will be 2.5%, as contemplated in the 2020 to 2023 Multi-Year Budget. The impact to the average ratepayer is outlined in the table below:

### 2020 to 2023 Impact on Average Residential Customer from Approved Rate Changes<sup>1</sup>

Total Annual Amount	2019	2020	2021	2022	2023
Water	\$486	\$499	\$511	\$524	\$537
Annual Change	N/A	\$13	\$12	\$13	\$13

Subject to rounding.

#### Notes

1. The budgeted residential cost is based on an average residential consumption of 200 m<sup>3</sup> (BMA Municipal Study).

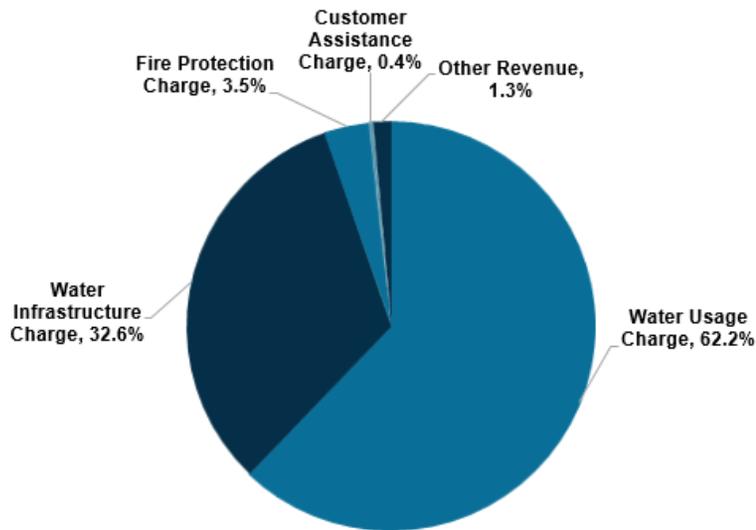
For 2022 there are two budget amendments for Water. The 2020 to 2023 Multi-Year Budget for Water is as follows:

### Water – 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

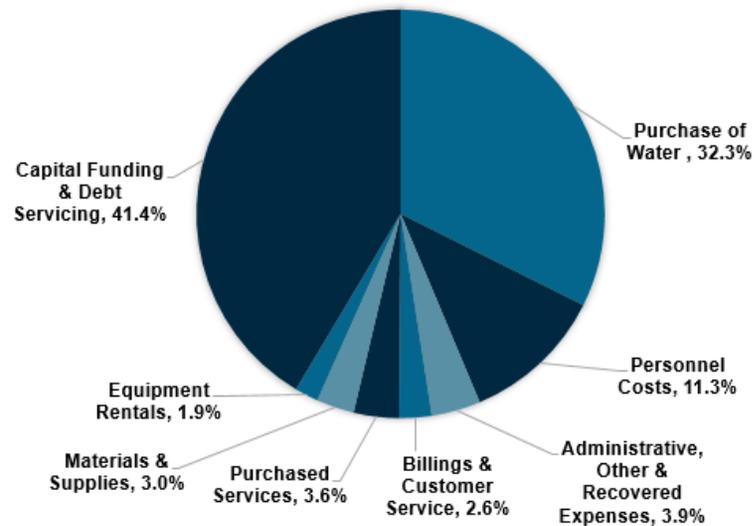
Water	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Water Rate Increase (Previously Approved)	2.5%	2.5%	2.5%	2.5%	2.5%
Total Water Budget	84,739	87,488	90,530	93,695	
Increase over Prior Year Budget	4,843	2,750	3,041	3,166	
Increase over Prior Year Budget (%)	6.1%	3.2%	3.5%	3.5%	4.1%

Subject to rounding.

**REVENUE BUDGET - WATER  
FOUR YEAR AVERAGE (2020-2023)**



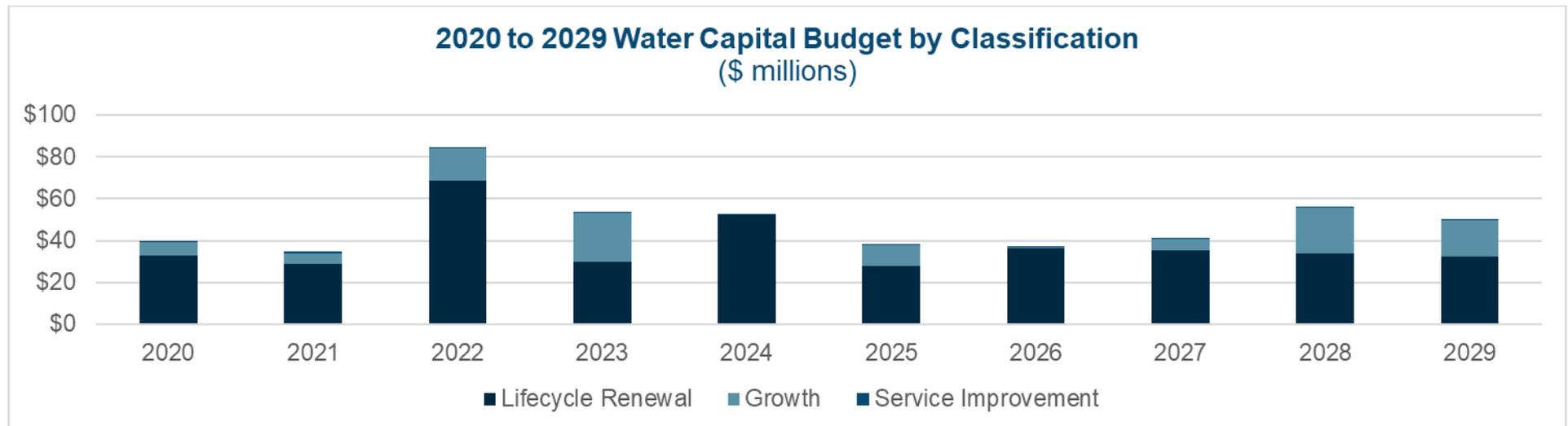
**EXPENDITURE BUDGET - WATER  
FOUR YEAR AVERAGE (2020-2023)**



## 2020 to 2029 Water Capital Budget Overview (\$ Millions)

Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
<b>Lifecycle Renewal</b> projects maintain infrastructure that is in place today (e.g. reservoirs, watermains, valves, etc.). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$167	\$382
<b>Growth</b> projects extend services into newly developed areas of the City (e.g. a watermain to service new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$35	\$96
<b>Service Improvement</b> projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a water pumping station). These projects are optional, but the case may be compelling.	\$2	\$5
<b>Total</b>	<b>\$205</b>	<b>\$483</b>

Subject to rounding.



## Budget In Brief – Wastewater and Treatment Budget

On March 2, 2020, Municipal Council approved the City’s second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual Wastewater and Treatment rate increase of 3.2%.

The City of London, consistent with its Multi-Year Budget Policy, is undertaking its second annual update for the 2020 to 2023 Multi-Year Budget period. The 2022 Annual Budget Update continues to progress achievement of the City’s Strategic Plan while recognizing pressures experienced due to the global coronavirus pandemic (COVID-19). In particular, due to the onset of COVID-19 and associated financial challenges experienced by many households and businesses, the additional rate increase for 2020 approved through the 2020 to 2023 Multi-Year Budget was deferred to 2021. The deferral was associated with the transfer of a portion of Conservation Authorities’ costs from the property tax supported budget to the Wastewater and Treatment budget. The approved 2021 Wastewater and Treatment rates included a phase-in approach, with the rate increase associated with the transfer of the Conservation Authorities’ costs implemented through an additional 2.7% rate increase which took effect July 1, 2021. For the 2022 Annual Budget Update, the rate increase for Wastewater and Treatment will be 2.5%, as contemplated in the 2020 to 2023 Multi-Year Budget. The impact to the average ratepayer is outlined in the table below:

### 2020 to 2023 Impact on Average Residential Customer from Approved Rate Changes<sup>1,2</sup>

Total Annual Amount	2019	2020	2021	2022	2023
Sanitary	\$404	\$414	\$430	\$446	\$458
Storm	\$196	\$200	\$208	\$216	\$221
Total	\$600	\$614	\$638	\$662	\$679
Annual Change	N/A	\$14	\$24	\$24	\$17

Subject to rounding.

#### Notes

1. The budgeted residential cost is based on an average residential consumption of 200 m<sup>3</sup> (BMA Municipal Study).
2. Impact on Average Residential Customer reflects impacts associated with the rate increase deferral due to COVID-19 resulting in a phased-in increase in 2021 with the full year impact of the rate increase reflected in 2022.

For 2022 there is one budget amendment for Wastewater and Treatment. The 2020 to 2023 Multi-Year Budget for Wastewater and Treatment is as follows:

### Wastewater and Treatment – 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

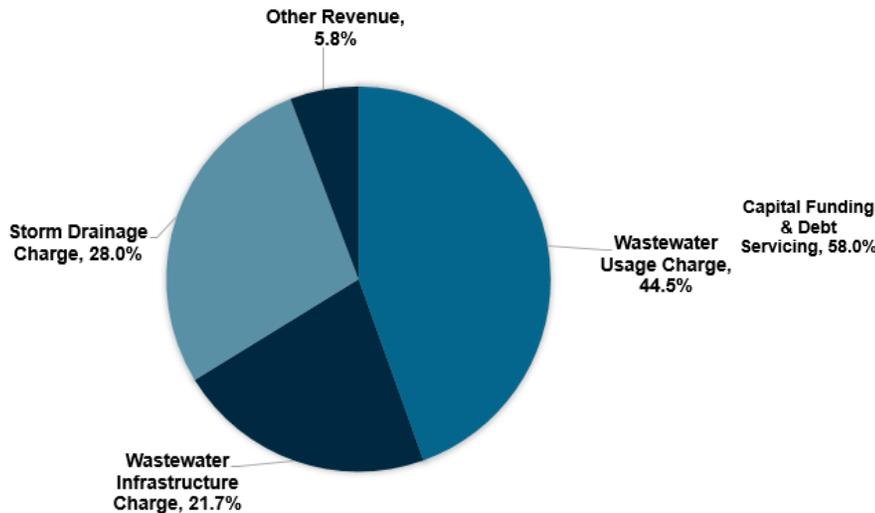
Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Wastewater and Treatment Rate Increase (Previously Approved <sup>1</sup> )	2.5%	5.2%	2.5%	2.5%	3.2%
Total Wastewater and Treatment Budget	106,500	109,937	113,668	117,544	
Increase over Prior Year Budget	8,318	3,437	3,731	3,876	
Increase over Prior Year Budget (%)	8.5%	3.2%	3.4%	3.4%	4.6%

Subject to rounding.

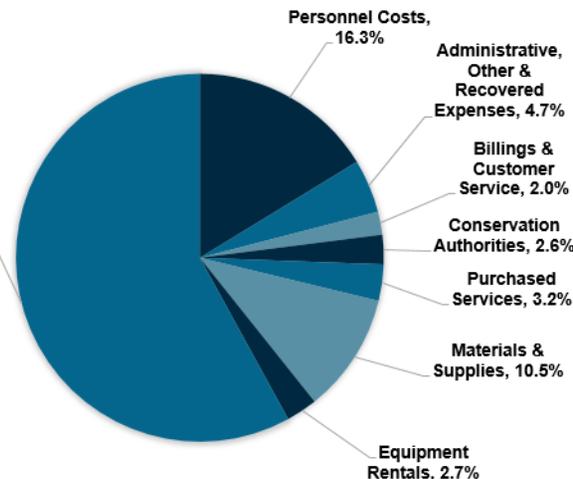
Note

1. Timing of rate implementation was deferred from 2020 to 2021 as a result of the COVID-19 pandemic as previously noted.

**REVENUE BUDGET - WASTEWATER  
FOUR YEAR AVERAGE (2020-2023)**



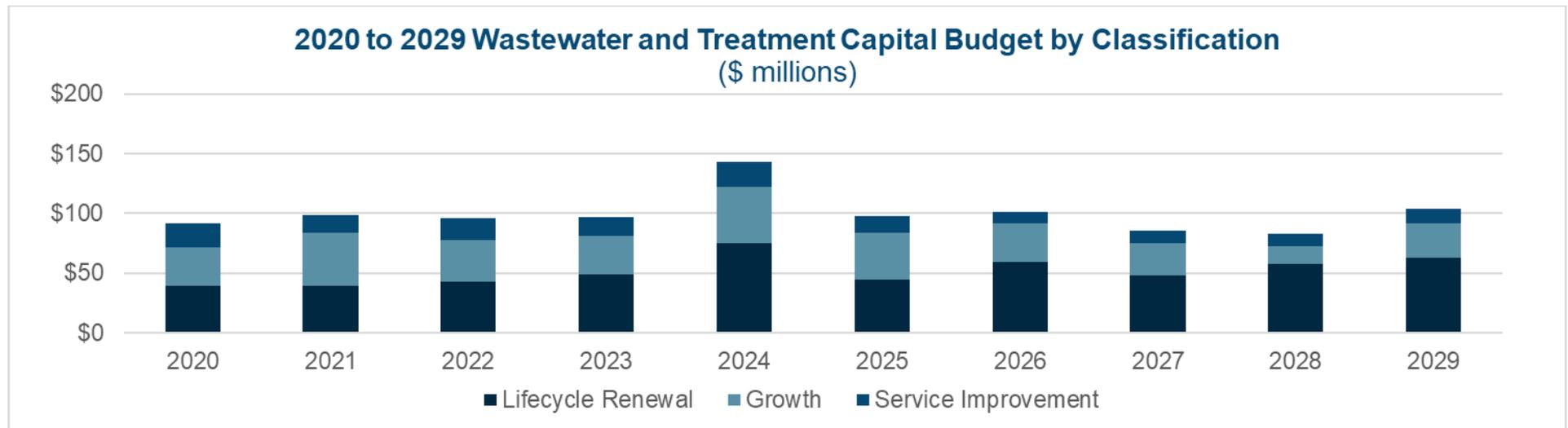
**EXPENDITURE BUDGET - WASTEWATER  
FOUR YEAR AVERAGE (2020-2023)**



## 2020 to 2029 Wastewater and Treatment Capital Budget Overview (\$ Millions)

Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
<b>Lifecycle Renewal</b> projects maintain infrastructure that is in place today (e.g. local and trunk sewers, wastewater treatment plants and equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$162	\$495
<b>Growth</b> projects extend services into newly developed areas of the City (e.g. a trunk sewer to service new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$140	\$331
<b>Service Improvement</b> projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a wastewater treatment plant). These projects are optional, but the case may be compelling.	\$71	\$153
<b>Total</b>	<b>\$373</b>	<b>\$979</b>

Subject to rounding.



# Public Sector Accounting Board Reconciliation

## Reconciliation of Draft Budgets (Property Tax, Water, Wastewater and Treatment) to Public Sector Accounting Board Financial Statement Budget

Ontario municipalities must adhere to Public Sector Accounting Board (PSAB) accounting standards and reporting requirements. As allowed under Ontario Regulation 284/09, when preparing the budget, The City of London, like most municipalities, excludes typical PSAB items such as costs related to amortization expense, post-employment benefit expense and solid waste landfill closure and post-closure expense. However, the regulation does require that the municipality report to Council on the impact of these excluded costs prior to budget approval.

The tables on the following pages show the 2020 and 2021 approved budgets and the 2022 and 2023 amended budgets plus adjustments to comply with PSAB format, including the following items:

1. Expenses for the amortization of tangible capital assets.
2. Reserve fund contributions and pay as you go contributions for capital asset additions.
3. The current year's post-employment benefit expense for early retirement and accrued sick leave for employees that are eligible for these benefits. The City's consolidated liability as at December 31, 2020 was \$181.7 million. Reserve fund balances of \$143.9 million as of December 31, 2020 are available to offset this obligation. The City makes reserve fund contributions to offset the liabilities created from post-employment expenses depending upon generated surpluses and personnel cost savings.
4. The City has a landfill closure and post-closure liability of \$46.3 million. The Sanitary Landfill Reserve Fund, with a balance of \$26.0 million as of December 31, 2020, is for sanitary landfill activity and funds could be utilized to partially offset this liability.

If the above items were included in the 2020 to 2023 budgets, the projected annual PSAB surplus would increase.

## Reconciliation of Property Tax Draft Budget to PSAB Financial Statement Budget (\$ Thousands)

Tax Supported Budget	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
Property Tax	642,901	673,581	699,372	723,382
Property Tax - Draft Budget Amendments	0	0	-7,087	-3,885
Government Grants and Subsidies	225,409	225,963	225,892	226,153
User Fees	54,445	56,227	58,559	59,677
Municipal Revenues - Other	75,181	77,611	79,131	79,546
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	9,848	8,257	8,088	4,379
<b>Total Revenues</b>	<b>1,007,784</b>	<b>1,041,639</b>	<b>1,063,955</b>	<b>1,089,252</b>
Personnel Costs	376,301	394,144	403,611	416,555
Administrative Expenses	7,360	7,395	7,183	7,227
Financial Expenses - Other	11,230	11,268	11,298	11,329
Financial Expenses - Interest and Discount on Long-term Debt	4,941	4,440	4,426	4,360
Financial Expenses - Debt Principal Repayments	31,200	30,420	28,048	27,799
Financial Expenses - Transfers to Reserves and Reserve Funds	66,484	68,190	69,228	71,510
Financial Expenses - Transfers to Capital	49,675	51,269	54,258	54,981
Purchased Services	214,230	225,568	232,381	239,444
Materials and Supplies	39,922	39,155	39,675	39,955
Vehicle and Equipment	25,078	25,827	26,418	26,443
Transfers	201,101	204,123	207,410	209,795
Other Expenses	941	1,094	1,359	1,371
Recovered Expenses	-20,679	-21,254	-21,340	-21,517
<b>Total Expenses</b>	<b>1,007,784</b>	<b>1,041,639</b>	<b>1,063,955</b>	<b>1,089,252</b>
<b>Net Surplus (Deficit) Per Draft Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Subject to rounding.

## PSAB Reporting Requirements Reconciliation – Property Tax Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
	<b>Projected Net PSAB Surplus</b>	<b>134,916</b>	<b>105,390</b>	<b>133,969</b>	<b>137,716</b>
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	9,848	8,257	8,088	4,379
Deduct Expense	Transfers to Reserves and Reserve Funds	-66,484	-68,190	-69,228	-71,510
Deduct Expense	Transfers to Capital	-49,675	-51,269	-54,258	-54,981
Deduct Expense	Debt principal repayments	-31,200	-30,420	-28,048	-27,799
PSAB Adjustment	Capital program funding earned in year <sup>1</sup>	-92,221	-50,814	-90,528	-101,860
PSAB Adjustment	Capital projects not resulting in tangible capital assets <sup>2</sup>	45,182	33,244	43,242	56,574
PSAB Adjustment	Amortization <sup>3</sup>	90,521	95,025	99,811	104,874
PSAB Adjustment	Developer contributions of assumed tangible capital assets <sup>4</sup>	-19,662	-20,562	-21,980	-23,698
PSAB Adjustment	Loss on disposal of tangible capital assets <sup>5</sup>	1,707	1,595	1,566	1,572
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund <sup>6</sup>	-23,266	-22,006	-23,611	-26,044
PSAB Adjustment	Government Business Enterprises adjustments <sup>7</sup>	-6,350	-6,089	-7,089	-6,930
PSAB Adjustment	Other	514	514	1,189	1,154
PSAB Adjustment	Landfill liability <sup>8</sup>	2,455	2,059	2,296	2,304
PSAB Adjustment	Employee future benefit liability <sup>9</sup>	3,715	3,266	4,581	4,249
	<b>Net Surplus (Deficit) Per Draft Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Subject to rounding.

## Reconciliation of Water Draft Budget to PSAB Financial Statement Budget (\$ Thousands)

Water Budget	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
Property Tax	0	0	0	0
Draft Budget Amendments	0	0	0	0
Government Grants and Subsidies	0	0	0	0
User Fees	84,604	87,353	90,395	93,560
Municipal Revenues - Other	135	135	135	135
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	0	0	0	0
<b>Total Revenues</b>	<b>84,739</b>	<b>87,488</b>	<b>90,530</b>	<b>93,695</b>
Personnel Costs	9,687	11,461	11,693	11,939
Administrative Expenses	3,231	3,281	3,330	3,380
Financial Expenses - Other	74	74	74	74
Financial Expenses - Interest and Discount on Long-term Debt	24	13	7	3
Financial Expenses - Debt Principal Repayments	327	337	105	108
Financial Expenses - Transfers to Reserves and Reserve Funds	13,741	14,362	15,478	16,410
Financial Expenses - Transfers to Capital	20,793	21,414	22,054	22,713
Purchased Services	3,030	3,088	3,152	3,215
Materials and Supplies	29,790	30,900	32,039	33,209
Vehicle and Equipment	1,608	1,652	1,686	1,730
Transfers	0	0	0	0
Other Expenses	2,759	2,765	2,771	2,774
Recovered Expenses	-325	-1,859	-1,859	-1,860
<b>Total Expenses</b>	<b>84,739</b>	<b>87,488</b>	<b>90,530</b>	<b>93,695</b>
<b>Net Surplus (Deficit) Per Draft Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Subject to rounding.

PSAB Reporting Requirements Reconciliation – Water Rate Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
	Projected Net PSAB Surplus	20,570	21,902	23,031	18,348
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	0	0	0	0
Deduct Expense	Transfers to Reserves and Reserve Funds	-13,741	-14,362	-15,478	-16,410
Deduct Expense	Transfers to Capital	-20,793	-21,414	-22,054	-22,713
Deduct Expense	Debt principal repayments	-327	-337	-105	-108
PSAB Adjustment	Capital program funding earned in year <sup>1</sup>	-1,388	-1,421	-743	-1,425
PSAB Adjustment	Capital projects not resulting in tangible capital assets <sup>2</sup>	6,333	5,505	4,802	11,710
PSAB Adjustment	Amortization <sup>3</sup>	17,881	18,771	19,716	20,717
PSAB Adjustment	Developer contributions of assumed tangible capital assets <sup>4</sup>	-7,011	-7,017	-7,660	-8,517
PSAB Adjustment	Loss on disposal of tangible capital assets <sup>5</sup>	686	485	582	544
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund <sup>6</sup>	-1,728	-1,515	-1,614	-1,774
PSAB Adjustment	Government Business Enterprises adjustments <sup>7</sup>	0	0	0	0
PSAB Adjustment	Other	-580	-683	-598	-484
PSAB Adjustment	Landfill liability <sup>8</sup>	0	0	0	0
PSAB Adjustment	Employee future benefit liability <sup>9</sup>	98	86	121	112
	Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

## Reconciliation of Draft Wastewater and Treatment Budget to PSAB Financial Statement Budget (\$ Thousands)

Wastewater and Treatment Budget	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
Property Tax	0	0	0	0
Draft Budget Amendments	0	0	0	0
Government Grants and Subsidies	30	30	30	30
User Fees	105,660	109,097	112,828	116,704
Municipal Revenues - Other	810	810	810	810
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	0	0	0	0
<b>Total Revenues</b>	<b>106,500</b>	<b>109,937</b>	<b>113,668</b>	<b>117,544</b>
Personnel Costs	17,356	17,915	18,509	19,135
Administrative Expenses	5,464	5,546	5,629	5,714
Financial Expenses - Other	0	0	0	0
Financial Expenses - Interest and Discount on Long-term Debt	1,094	847	631	486
Financial Expenses - Debt Principal Repayments	8,654	8,346	5,207	4,239
Financial Expenses - Transfers to Reserves and Reserve Funds	29,361	31,824	37,927	41,214
Financial Expenses - Transfers to Capital	21,764	22,395	23,046	23,717
Purchased Services	3,493	3,549	3,609	3,670
Materials and Supplies	11,635	11,682	11,132	11,240
Vehicle and Equipment	2,994	3,048	3,096	3,150
Transfers	2,788	2,854	2,921	2,991
Other Expenses	7,328	7,373	7,443	7,501
Recovered Expenses	-5,431	-5,442	-5,482	-5,513
<b>Total Expenses</b>	<b>106,500</b>	<b>109,937</b>	<b>113,668</b>	<b>117,544</b>
<b>Net Surplus (Deficit) Per Draft Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Subject to rounding.

PSAB Reporting Requirements Reconciliation – Wastewater and Treatment Rate Supported Budget  
(\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget
	Projected Net PSAB Surplus	34,954	30,407	34,554	36,624
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	0	0	0	0
Deduct Expense	Transfers to Reserves and Reserve Funds	-29,361	-31,824	-37,927	-41,214
Deduct Expense	Transfers to Capital	-21,764	-22,395	-23,046	-23,717
Deduct Expense	Debt principal repayments	-8,654	-8,346	-5,207	-4,239
PSAB Adjustment	Capital program funding earned in year <sup>1</sup>	-5,082	-1,046	-4,710	-4,710
PSAB Adjustment	Capital projects not resulting in tangible capital assets <sup>2</sup>	11,887	12,737	13,700	13,325
PSAB Adjustment	Amortization <sup>3</sup>	48,719	51,143	53,718	56,443
PSAB Adjustment	Developer contributions of assumed tangible capital assets <sup>4</sup>	-20,695	-21,037	-21,204	-21,446
PSAB Adjustment	Loss on disposal of tangible capital assets <sup>5</sup>	588	574	593	584
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund <sup>6</sup>	-9,900	-9,486	-10,191	-11,343
PSAB Adjustment	Government Business Enterprises adjustments <sup>7</sup>	0	0	0	0
PSAB Adjustment	Other	-867	-881	-496	-507
PSAB Adjustment	Landfill liability <sup>8</sup>	0	0	0	0
PSAB Adjustment	Employee future benefit liability <sup>9</sup>	175	154	216	200
	Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

## PSAB Reconciliation Notes

1. Represents capital revenue such as provincial and federal grants and other contributions. Does not include debenture financing, transfers from operating or reserve funds. Estimate is based on the approved capital budget for the respective years 2020 to 2023.
2. For PSAB purposes, any expenses not considered to be part of the cost of a tangible capital asset are expensed as operating expenses. Therefore, although funded through capital, these expenses will be included in the operating expenses in the year incurred and will be reflected in the Statement of Operations on the financial statements. Estimated based on 13.86% of the capital expenditure budget, based on 2019 actuals.
3. Represents the annual writedown of the tangible capital assets over the useful life of the asset. Estimated annual average increase of 4.79% based on 5 year rolling average.
4. Contributed tangible capital assets are tangible capital assets that become the ownership of the City when a subdivision is assumed by the City. These assets are recognized at estimated fair market value during the year of assumption. These assets are predominantly comprised of roads infrastructure. Estimate based on 5 year rolling average.
5. When an asset is replaced prior to the end of its useful life, an adjustment must be made to expense the remaining book value. Amount fluctuates from year to year. Estimate based on 5 year rolling average.
6. Transactions recorded directly to reserve funds must be accounted for through the operating or capital fund. This includes recognition of development charge levies and Canada Community-Building Fund grants earned in the year.
7. London Hydro Inc., Fair-City Joint Venture and City-YMCA Joint Venture are considered Government Business Enterprises (GBE). At year end, the City must record the City's share of earnings based on our percentage ownership in each GBE. Estimate based on 5 year rolling average.
8. Represents the annual increase in the estimated future cost of post-closure related to landfills. Estimate based on 5 year rolling average.
9. Represents the annual change in the estimated future costs of employee benefits. Estimate based on 5 year rolling average.

# Budget Recommendations

## Property Tax Budget Amendments (amounts rounded to the nearest thousand)

- a) That the following 2020 to 2023 Multi-Year Budget amendment cases recommended by Civic Administration **BE APPROVED**;
- i. Budget Amendment Case #P-1 – Various Services – Budget Right-Sizing  
2022 to 2023 Total: Operating Expenditure -\$4,982,000; Tax Levy -\$6,994,000
  - ii. Budget Amendment Case #P-2 – Middlesex London Health Unit – Inflationary Pressures  
2022 to 2023 Total: Operating Expenditure \$1,280,000; Tax Levy \$1,280,000
  - iii. Budget Amendment Case #P-3 – RBC Place London – Funding Support  
2022 to 2023 Total: Operating Expenditure \$850,000; Tax Levy \$0
  - iv. Budget Amendment Case #P-4 – Private Parking Enforcement – Increased Fines  
2022 to 2023 Total: Operating Expenditure \$0; Tax Levy -\$200,000
  - v. Budget Amendment Case #P-5 – Child Care and Ontario Works – Reduction in Required Investment  
2022 to 2023 Total: Operating Expenditure -\$2,773,000; Tax Levy -\$2,773,000
  - vi. Budget Amendment Case #P-6 – Infrastructure Gap and Community Building Projects – Reductions  
2022 to 2023 Total: Operating Expenditure -\$1,300,000; Tax Levy -\$1,300,000
- b) That the following 2020 to 2023 Multi-Year Budget amendment cases **BE CONSIDERED**;
- i. Budget Amendment Case #P-7 – Neighbourhood Strategic Initiatives and Funding and Sports Services – Reduction to Neighbourhood and Athletic Travel Grant Programs  
2022 to 2023 Total: Operating Expenditure -\$470,000; Tax Levy -\$470,000
  - ii. Budget Amendment Case #P-8 – Parks Planning and Design, Parks and Horticulture and Urban Forestry – Naturalization and Reduction in Tree Trimming  
2022 to 2023 Total: Operating Expenditure -\$516,000; Tax Levy -\$516,000
- c) That the following 2020 to 2023 Multi-Year Budget capital amendment cases recommended by Civic Administration **BE APPROVED**;
- i. Budget Amendment Case #P-9 – Invasive Species Management - Capital  
2022 to 2023 Total: Capital Expenditure \$750,000; Tax Levy \$0
  - ii. Budget Amendment Case #P-10 – Transportation – Capital Project Adjustments  
2022 to 2023 Total: Capital Expenditure \$9,191,000 Tax Levy \$0
  - iii. Budget Amendment Case #P-11 – Long-term Disposal Capacity – Revised Costs  
2022 to 2023 Total: Capital Expenditure \$1,720,000 Tax Levy \$0
  - iv. Budget Amendment Case #P-12 – LTC – Zero Emission Buses

2022 to 2023 Total: Capital Expenditure \$25,960,000; Tax Levy \$0

### Other Budget Recommendations

- d) That the Reserves and Reserve Funds Overview **BE RECEIVED** for information; it being noted projections are subject to annual review and adjustment (Appendix C).
- e) That the Debt Overview (Appendix D) **BE RECEIVED** for information.
- f) That the reconciliation of the draft Property Tax Budget to the Public Sector Accounting Board financial statement budget **BE RECEIVED** for information.
- g) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the operating budget (Appendix A):
  - i. The amended 2022 operating budget **BE READOPTED** in the gross expenditure amount of \$TBD and the tax levy amount of \$TBD after recognizing \$TBD of increased taxation from assessment growth;
  - ii. The amended 2023 operating budget **BE READOPTED** in the gross expenditure amount of \$TBD and the tax levy amount of \$TBD.
- h) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the capital budget (Appendix B):
  - i. The amended 2022 capital budget **BE READOPTED** in the amount of \$TBD;
  - ii. The amended 2023 capital budget **BE READOPTED** in the amount of \$TBD;
  - iii. The amended 2024 to 2029 capital forecast **BE APPROVED** in principle in the amount of \$TBD.
- i) That Civic Administration **BE DIRECTED** to bring forward any necessary by-laws regarding the tax levy, the operating and capital budgets for introduction at Municipal Council.

### Water Budget Recommendations (amounts rounded to the nearest thousand)

- j) That the following 2020 to 2023 Multi-Year Budget amendment cases recommended by Civic Administration **BE APPROVED**;
  - i. Budget Amendment Case #W-1 – Schedule Changes for Water Lifecycle Renewal Projects  
2022 to 2023 Total: Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$0
  - ii. Budget Amendment Case #W-2 – Schedule Changes for Water Growth Projects  
2022 to 2023 Total: Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$0

- k) That the Water Reserves/Reserve Funds Overview for the 2020 to 2023 Multi-Year Budget **BE RECEIVED** for information.
- l) That the reconciliation of the draft Water Budget to the Public Sector Accounting Board financial statement budget **BE RECEIVED** for information.
- m) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the 2022 to 2023 operating budgets and 2022 to 2023 capital budgets and associated forecasts for Water Services:
  - i. The amended 2022 operating budget for Water Services **BE READOPTED** in the gross expenditure amount of \$TBD and gross revenue amount of \$TBD;
  - ii. The amended 2023 operating budget for Water Services **BE READOPTED** in the gross expenditure amount of \$TBD and gross revenue amount of \$TBD;
  - iii. The amended 2022 capital budget for Water Services **BE READOPTED** in the amount of \$TBD;
  - iv. The amended 2023 capital budget for Water Services **BE READOPTED** in the amount of \$TBD;
  - v. The amended 2024 to 2029 capital forecast for Water Services **BE APPROVED** in principle in the amount of \$TBD;

It being noted that all rates and charges related to the provision of Water Services were increased by 2.5% effective January 1, 2020 as approved by Council on November 26, 2019, increased by 2.5% effective January 1, 2021 and will be increased 2.5% effective January 1 each year for 2022 to 2023 as approved by Council on October 27, 2020.

#### **Wastewater and Treatment Budget Recommendations (amounts rounded to the nearest thousand)**

- n) That the following 2020 to 2023 Multi-Year Budget amendment case recommended by Civic Administration **BE APPROVED**;
  - i. Budget Amendment Case #WWT-1 – Reduce Energy Budget at Greenway Wastewater Treatment Plant and Create Dedicated Program for Sewage Bypass and Overflow Elimination  
2022 to 2023 Total: Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$1,417,000
- o) That the Wastewater and Treatment Reserves/Reserve Funds Overview for the 2020 to 2023 Multi-Year Budget **BE RECEIVED** for information.
- p) That the reconciliation of the draft Wastewater and Treatment Budget to the Public Sector Accounting Board financial statement budget **BE RECEIVED** for information.
- q) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the 2022 to 2023 operating budgets and 2022 to 2023 capital budgets and associated forecasts for Wastewater and Treatment Services:

- i. The amended 2022 operating budget for Wastewater and Treatment Services **BE READOPTED** in the gross expenditure amount of \$TBD and gross revenue amount of \$TBD;
- ii. The amended 2023 operating budget for Wastewater and Treatment Services **BE READOPTED** in the gross expenditure amount of \$TBD and gross revenue amount of \$TBD;
- iii. The amended 2022 capital budget for Wastewater and Treatment Services **BE READOPTED** in the amount of \$TBD;
- iv. The amended 2023 capital budget for Wastewater and Treatment Services **BE READOPTED** in the amount of \$TBD;
- v. The amended 2024 to 2029 capital forecast for Wastewater and Treatment Services **BE APPROVED** in principle in the amount of \$TBD;

It being noted that all rates and charges relating to the provision of Wastewater and Treatment Services were increased by 2.5% effective January 1, 2020 as approved by Council on November 26, 2019, increased by 2.5% effective January 1, 2021, and 2.7% effective July 1, 2021, and 2.5% effective January 1 each year for 2022 and 2023 as approved by Council on October 27, 2020.

# Property Tax Supported Budget

## 2020 to 2023 Multi-Year Budget Recap

On March 2, 2020, Municipal Council approved the 2020 to 2023 Multi-Year Budget, marking the second time the City has approved a four-year budget. The 2020 to 2023 budget resulted in a 3.9% average annual property tax rate increase. This was comprised of a base operating budget (to maintain existing service levels) average annual increase of 3.0%, which also included Municipal Council approved provincial impacts, eight Municipal Council approved business cases for tax levy reductions resulting in an average annual reduction of 0.2%, and 24 Municipal Council approved business cases for additional investment which resulted in an additional average annual increase of 1.1%.

On January 12<sup>th</sup>, 2021, Municipal Council approved the 2021 Annual Budget Update. This was the first annual update to the 2020-2023 Multi-Year Budget. As part of the 2021 Annual Budget Update, Municipal Council approved a total of eleven budget amendments that were the result of new or changed provincial regulation, new Council direction, or an unanticipated cost or revenue driver. After the first annual update to the 2020-2023 Multi-Year Budget, the four-year average annual increase from rates is 3.8%. Appendix E contains a detailed and itemized breakdown of the business cases approved as part of the 2020 to 2023 Multi-Year Budget and their impacts.

In addition to the operating budget, Municipal Council also approved a 2020 to 2023 Multi-Year Capital Budget totalling \$1.2 billion as well as approving in principle a six-year forecast resulting in a ten year capital plan (2020 to 2029) of approximately \$2.8 billion.

2020 to 2023 Multi-Year Capital Budget	2024 to 2029 Capital Forecast	2020 to 2029 Capital Plan
\$1,224,833,000	\$1,528,599,000	\$2,753,432,000

Subject to rounding.

# 2022 Annual Budget Update

## COVID-19 Pandemic

COVID-19 continues to have a significant financial impact on the City's Property Tax Supported Budget. The City continues to incur lost revenues and additional costs related to COVID-19. Based on forecasts included in the City's 2021 Mid-Year Operating Budget Monitoring Report, total projected COVID-19 related financial impacts to the 2021 Property Tax Supported Budget are estimated to be in excess of \$70 million. However, significant Federal and Provincial support has been made available since the onset of the pandemic through various programs announced this year and unused funding carried over from 2020. In addition, net operational savings are projected primarily from temporary closures or reduced operations in various programs, services and facilities throughout the City due to public health restrictions. Combining the Federal and Provincial funding support with net operational savings is projected to be sufficient to cover the residual deficit impacts of COVID-19 in 2021.

Due to the evolving nature of the pandemic, future financial impacts are difficult to forecast. Civic administration will continue to actively assess the financial impacts of COVID-19 after budget approval and will continue to report to Municipal Council with any further adjustments to the Multi-Year Budget, as needed.

In light of the previously mentioned financial impacts and continued uncertainty as it relates to the potential impacts of COVID-19 on the City's Multi-Year Budget, guidance was issued to service areas to support the 2022 Annual Budget Update process. The following principles were established:

### Operating Budget:

Consistent with the guidance provided as part of the 2021 Budget Update, all civic service areas and agencies, boards and commissions (ABC's) were required to remain within their 2022 and 2023 operating budget allocation. Only budget amendments resulting in net budget reductions were to be included in the 2022 Annual Budget Update for Municipal Council's consideration. If a civic service area or ABC believed they required an increase to their 2022 or 2023 operating budget, advanced approval from the City Treasurer would have been required prior to proceeding with the development of the budget amendment, which would need to be supported by strong rationale and be unavoidable.

### Capital Budget:

Increases to the 10 year capital plan with a tax levy impact were not permitted except with advanced approval from the City Treasurer and would require strong rationale and be unavoidable to be supported. Only the following capital budget amendments were permitted for Municipal Council's consideration:

- Budget amendments resulting in reductions to the 10 year capital plan;
- Budget amendments resulting in no net change to the 10 year capital plan (i.e. adjustments to project timing only), subject to the ability of the associated funding sources to accommodate the change;

- Budget amendments resulting in an increase to the 10 year capital plan with no tax levy impact and advanced approval from the City Treasurer; and
- Budget amendments resulting in an increase to the 10 year capital plan, as directed by Council resolution.

### Linkage to Service Review Program:

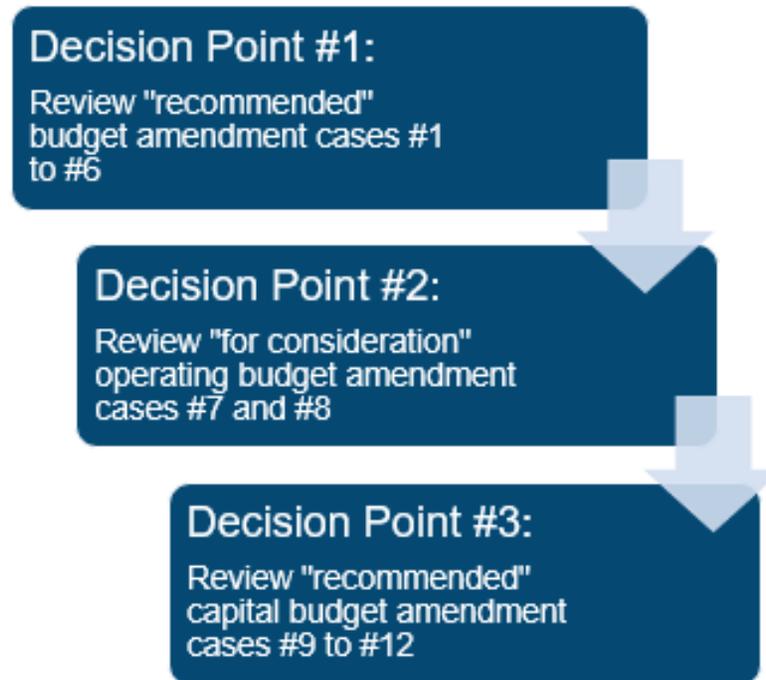
As outlined in the October 19, 2021 Service Review Initiatives report to the Strategic Priorities and Policy Committee, Civic Administration remains committed to enhancing the efficiency and effectiveness of City of London services while minimizing the cost to taxpayers. In preparing the 2020-2023 Multi-Year Budget, more than \$17 million of incremental reductions were incorporated in the approved budget by 2023 based on an analysis of past spending. Additionally, through the 2021 Annual Budget Update Process, six budget amendments totalling almost \$6 million were presented and approved by Council based on right-sizing of budget resources to anticipated needs for 2021.

In preparation for the 2022 Annual Budget Update, in recognition of the anticipated tax levy increase for 2022, Civic Administration undertook an extensive analysis of potential opportunities for reductions using zero-based review techniques. These reviews yielded a number of potential reductions, which are reflected in Budget Amendment #P-1: Budget Right-Sizing. Additionally, further reductions are proposed in Budget Amendment #P-5 and Budget Amendment #P-6 related to previously approved provincial impacts which can be deferred for 2022 and previously approved additional investments that can be reduced. Finally, further opportunities to reduce the property tax levy increase, should Council wish to consider them, are outlined in Budget Amendments #P-7 and #P-8.

# Budget Amendment Overview

Should Municipal Council choose to approve all budget amendments, the 2022 annual tax levy increase would decrease from 3.8% to 2.8%. The budget amendments can be broken down into the following three decision points:

- Decision Point #1: Six operating budget amendments are being recommended by Civic Administration. Of the recommended operating budget amendments, four result in tax levy reductions, one has no tax levy impact, and one would result in a tax levy increase.
- Decision Point #2: Two operating budget amendments are being brought forward for Municipal Council consideration that would result in tax levy reductions if approved.
- Decision Point #3: Four capital budget amendments are being recommended by Civic Administration with an identified source of financing resulting in no impact to the tax levy for the 2020-2023 Multi-Year Budget period.



## Budget Amendment Overview

Budget Amendment Summary (\$ Thousands)	2022 Tax Levy Impact	2023 Tax Levy Impact
Case #P-1 (Operating): Various Services – Budget Right Sizing	-3,712	-3,282
Case #P-2 (Operating): Middlesex London Health Unit Inflationary Pressures	640	640
Case #P-3 (Operating): RBC Place London – Funding Support	0	0
Case #P-4 (Operating): Parking – Private Parking Enforcement Program Increased Fines	-100	-100
Case #P-5 (Operating): Childcare and Ontario Works – Reduction in Required 2022 Investments	-2,773	0
Case #P-6 (Operating): Reduction to Previously Approved Business Cases - Infrastructure Gap and Community Building Projects	-650	-650
Case #P-7 (Operating): Reduction to Neighbourhood and Athletic Travel Grant Programs	-235	-235
Case #P-8 (Operating): Parks Naturalization and Reduction in Tree Trimming	-258	-258
Case #P-9 (Capital): Invasive Species Management	0	0
Case #P-10 (Capital): Transportation Project Adjustments	0	0
Case #P-11 (Capital): Long-term Disposal Capacity	0	0
Case #P-12 (Capital): Initial Implementation of Zero Emission Buses	0	0
<b>Annual Tax Levy Impact</b>	<b>-7,087</b>	<b>-3,885</b>

Subject to rounding.

## Budget Amendment Overview

A summary of all submitted budget amendments are listed below. For further details, please refer to the budget amendment business cases (2022 Annual Budget Update Amendment Cases).

### Operating Budget Amendment Case #P-1: Cost/Revenue Driver

Various Services - Reductions due to zero-based reviews and other budget right-sizing (Recommended)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	-2,706	-2,276
Revenue	-1,006	-1,006
Annual Tax Levy Impact	-3,712	-3,282

Subject to rounding.

#### Description:

Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, Civic Administration has identified permanent budget reductions and budget right-sizing (reduced expenditures and increased revenues) that can be implemented without impacting service levels.

### Operating Budget Amendment Case #P-2: Cost Driver

Middlesex London Health Unit - Additional operating costs due to inflationary pressures (Recommended)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	640	640
Revenue	0	0
Annual Tax Levy Impact	640	640

Subject to rounding.

#### Description:

Through the annual PBMA (Program Budgeting and Marginal Analysis) and 2021 budget process, the Middlesex-London Health Unit determined that an increase of \$762,182 (City of London \$640,233 and County of Middlesex \$121,949) was required for 2021, made up largely of inflationary and incremental premises cost pressures.

## Operating Budget Amendment Case #P-3: Revenue Driver RBC Place London - Funding support (Recommended)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	850	0
Revenue	-850	0
Annual Tax Levy Impact	0	0

Subject to rounding.

### Description:

Current COVID-19 restrictions continue to hamper the recovery of the tourism and events industry overall including RBC Place London. The impact of COVID-19 and subsequent Provincial restrictions continue to negatively impact the venue's ability to fully cover operational costs in 2022 while recovering from this devastating pandemic. Current operational and cash flow analysis shows a significant need for additional City of London funding support during the first few months of 2022 based on the current number and nature of events on the books. As a result, RBC Place London is looking to proactively address the projected operational and cash flow shortfall in order to continue to operate and maintain the facility through 2022. Revenue to support this expenditure shortfall is recommended to be drawn from the Operating Budget Contingency Reserve.

## Operating Budget Amendment Case #P-4: Revenue Driver

### Parking - Private parking enforcement program increased fines (Recommended)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	0	0
Revenue	-100	-100
Annual Tax Levy Impact	-100	-100

Subject to rounding.

### Description:

One of the parking services offered to property owners is the Private Parking Enforcement Program. This Program has been offered for several years and is the third highest ticket issuance category in terms of volume of charges. As this Program is more of a deterrent for private property trespassing than a parking issue on public property, it would be timely to re-examine the penalty amount of \$45 as an adequate amount to deter repeated offences. Increasing the penalty to \$60 would be a reasonable deterrent to repetitive trespassing for parking purposes. This would generate approximately \$100 thousand of additional revenue annually, noting that this is not the purpose of the penalty increase.

## Operating Budget Amendment Case #P-5: Cost Driver

### Child Care and Ontario Works - Reduction in required 2022 investments (Recommended)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	-2,773	0
Revenue	0	0
Annual Tax Levy Impact	-2,773	0

Subject to rounding.

#### Description:

In the 2020-2023 Multi-Year Budget, Council approved additional funding for the Ontario Works Program in light of Provincial funding changes as well as additional funding for the development of anticipated new child care centres. As a result of the COVID-19 pandemic and associated recovery benefits, the Ontario Works program has experienced a decreased caseload along with a decrease in employment related expenses resulting in net funding of \$1.143 million not required for 2022. Further, the development of anticipated child care centres has been delayed due to COVID-19, resulting in the municipal portion of the Child Care Expansion Plan Funding now not required in 2022 (\$1.63 million).

## Operating Budget Amendment Case #P-6: Cost Driver

### Reductions to Previously Approved Business Cases - Infrastructure Gap and Community Building Projects (Recommended)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	-650	-650
Revenue	0	0
Annual Tax Levy Impact	-650	-650

Subject to rounding.

#### Description:

The reason for this budget amendment is to seek Council's approval regarding an additional permanent reduction of \$600 thousand to the Council approved 2020 to 2023 Additional Investment Business Case 4B - City of London Infrastructure Gap and a reduction of \$50 thousand to the Council approved 2020 to 2023 Additional Investment Business Case 17A – Community Improvement Plan - Community Building Projects.

## Operating Budget Amendment Case #P-7: Cost Driver

### Reduction to Neighbourhood and Athletic Travel Grant Programs (For Consideration)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	-235	-235
Revenue	0	0
Annual Tax Levy Impact	-235	-235

Subject to rounding.

#### Description:

Three programs providing community grants have been identified as potential budget reduction opportunities: the Neighbourhood Decision Making Program; the Neighbourhood Small Events Fund; and the Athletic Travel Grants Program. This budget amendment outlines permanent reductions to the Neighbourhood Decision Making Program and the Neighbourhood Small Events Fund, and the elimination of the Athletic Travel Grants Program.

## Operating Budget Amendment Case #P-8: Cost Driver

### Parks Naturalization and Reduction in Tree Trimming (For Consideration)

Operating Budget Amendment (\$ Thousands)	2022	2023
Expenditure	-258	-258
Revenue	0	0
Annual Tax Levy Impact	-258	-258

Subject to rounding.

#### Description:

This budget amendment has been proposed to help alleviate tax levy pressures without significantly reducing service levels through reductions in the limits of grass cutting in parks and along select roadsides and reductions to proactive tree trimming.

Capital Budget Amendment Case #P-9: New Council Direction  
 Urban Forestry - Continuation of the City's Invasive Plant Species Management Strategy  
 (Recommended)

Invasive Species Management Strategy (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	375	375	750	375	1,125
Source of Financing: Urban Forestry Renewal Reserve Fund	0	0	-375	-375	-750	-375	-1,125
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

**Description:**

The City has a comprehensive Invasive Plant Species Management Strategy that has been actively addressing invasive plants across the City since 2018. This business case seeks additional funding to support these efforts for 2022 to 2024.

Capital Budget Amendment Case #P-10: Cost Driver  
 Roadway Planning and Design - Realignment and Adjustment of Capital Growth Project Budgets  
 (Recommended)

Sunningdale Road, Southdale Road, Wharnccliffe Road (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	4,074	5,117	9,191	4,241	13,432
Source of Financing: Capital Levy, Tax Supported Debt, City Services Roads (DC's) Reserve Fund	0	0	-4,074	-5,117	-9,191	-4,241	-13,432
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

**Description:**

These are large, complex projects that have and/or are progressing through planning and environmental assessment stages which have provided better information to inform the required budgets and their timing.

## Capital Budget Amendment Case #P-11: Cost Driver

### Garbage Collection and Disposal - Development of Long Term Disposal Capacity (Recommended)

Development of Long Term Disposal Capacity (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	1,720	0	1,720	8,610	10,330
Source of Financing: Solid Waste Renewal Reserve Fund, Canada Community-Building Fund	0	0	-1,720	0	-1,720	-8,610	-10,330
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

#### Description:

The estimated cost to construct the proposed expansion of the W12A Landfill site needs to be amended based on the final proposed expansion option identified in the Environmental Assessment process. It should be noted that the estimated total lifecycle cost to construct the proposed landfill expansion option is approximately \$8.1 million less than previously estimated, however the timing and amounts of funding required over the coming years have changed.

## Capital Budget Amendment Case #P-12: Cost Driver

### London Transit Commission - Zero-Emission Bus (ZEB) Implementation Strategy (Recommended)

Zero-Emission Bus (ZEB) Implementation Strategy (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	14,140	11,820	25,960	0	25,960
Source of Financing: Tax Supported Debt, Zero Emission Transit Fund	0	0	-14,140	-11,820	-25,960	0	-25,960
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

#### Description:

London Transit is planning to begin the transition to a zero-emission bus fleet. The initial implementation step calls for London Transit to procure 10 battery electric buses and 7 chargers (3 overhead and 4 plug-in). This project will also require facilities work to upgrade the grid connection, install the required charging equipment, and retrofit facilities to accommodate the zero-emission buses.

## 2023 Considerations

The upcoming 2023 Annual Budget Update will continue to provide opportunities to address emergent needs and flexibility to adjust the tax levy as required. As illustrated throughout the 2020-2023 Multi-Year Budget, amendments have been brought forward to address impacts from the COVID-19 pandemic and to introduce budget reduction opportunities to align required resources with service delivery needs.

Through the 2021 Annual Budget Update, the previously approved 2021 tax levy increase of 4.4% was reduced to 3.4%. After the 2021 Budget Update, the anticipated tax levy increase for 2022 was 3.8%. With the 2022 Annual Budget Update, if all budget amendments are approved, the tax levy increase for 2022 would be 2.8%. As illustrated through the 2021 and 2022 Budget Updates, Civic Administration remains committed to ensuring the efficiency and effectiveness of service delivery and will continue to utilize a variety of tools during 2022 to further look for efficiencies and opportunities to address the 2023 tax levy increase in preparation for the 2023 Annual Budget Update. In addition, other emerging developments for 2023 (e.g. implementation of producer pay responsibility for the recycling program) may provide further opportunities to reduce the planned tax levy increase.



# Operating Summary

## 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Operating Budget	2020 Tax Levy Revenue	2021 Tax Levy Revenue	2022 Tax Levy Revenue	2023 Tax Levy Revenue
Previously Approved % Increase From Rates <sup>1</sup>	4.4%	3.4%	3.8%	3.4%
Previously Approved Budget	642,901	673,581	699,372	723,382
Amendment <sup>2</sup>			-7,087	-3,885
Amended Budget	642,901	673,581	692,284	719,498
Incremental Increase/ Decrease			-7,087	3,203
Amended % Increase From Rates	4.4%	3.4%	2.8%	3.9%

Subject to rounding.

### Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
2. Amendment reflects impacts of all budget amendments as applicable.

## 2020 to 2023 Annual Cost of Municipal Services – Average Residential Property

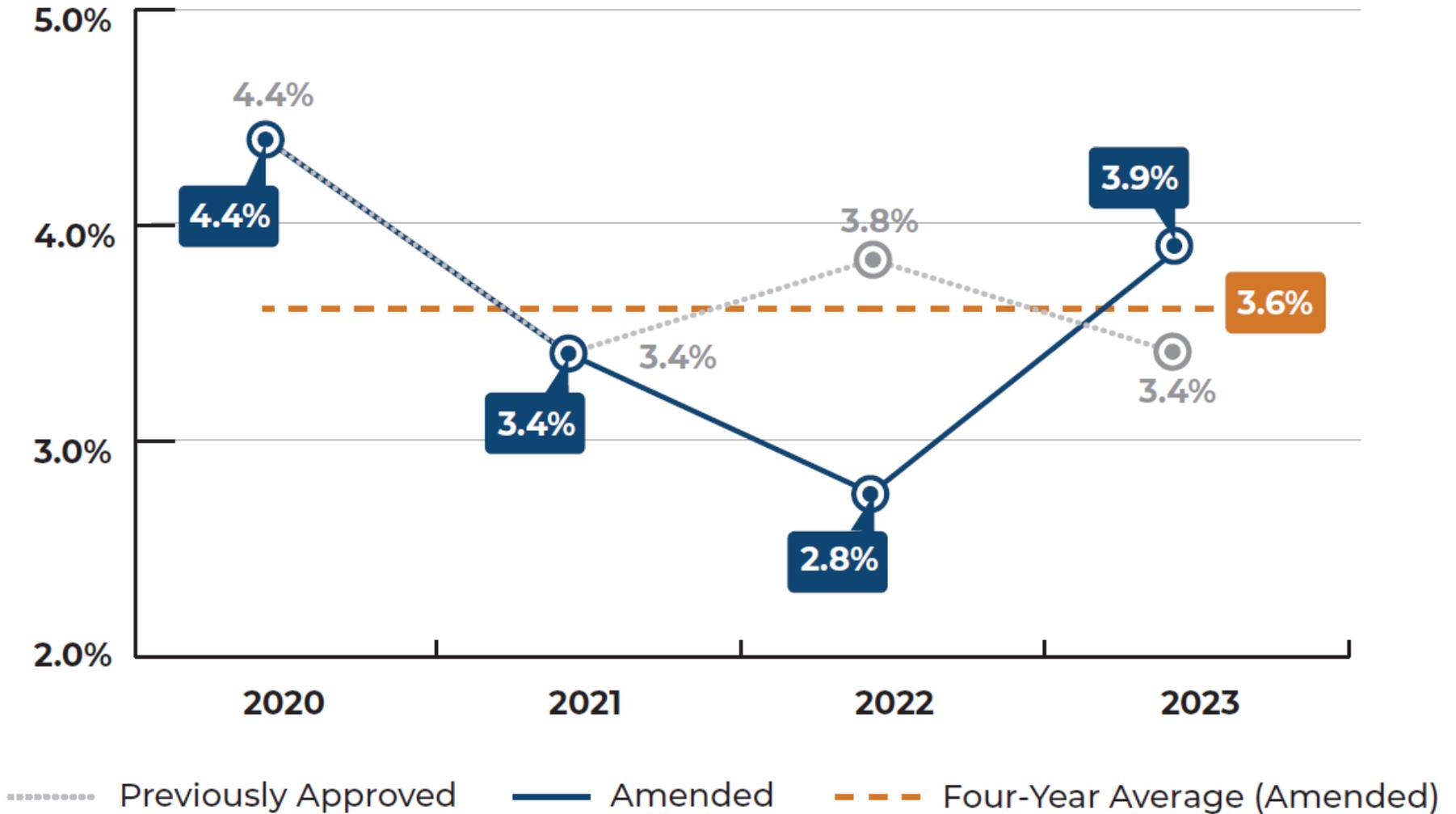
Operating Budget	2020	2021	2022	2023	2020 to 2023 Average
Previously Approved Annual Cost of Municipal Services	2,966	3,067	3,184	3,294	3,128
Impact from Amendments <sup>2</sup>			-32	-18	-13
Amended Annual Cost of Municipal Services	2,966	3,067	3,152	3,276	3,115

Subject to rounding.

### Notes

1. Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).
2. Amendment reflects impacts of all budget amendments as applicable.

## 2020-2023 Multi-Year Budget Annual Tax Levy Increase



Note: Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.

# Capital Summary

## Capital Budget and Ten Year Capital Plan (Including Capital Amendments)

### Capital Budget Summary (\$ Thousands)

Property Tax Support Capital Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	326,074	239,916	291,851	391,322	1,249,163	1,583,002	2,832,165
Total Amended Budget	326,074	239,916	312,069	408,284	1,286,343	1,594,127	2,880,471
Total Amended Budget Increase/Decrease	0	0	20,218	16,962	37,180	11,126	48,306
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	-884	-78	-962	1,803	841
Debenture (D)	0	0	-7,184	-5,836	-13,020	0	-13,020
Reserve Fund (RF)	0	0	-375	2,905	2,530	-8,985	-6,455
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	-11,776	-13,952	-25,728	-3,944	-29,672
Total Source of Financing Increase/Decrease	0	0	-20,218	-16,962	-37,180	-11,126	-48,306
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

## Capital Budget by Classification (\$ Thousands)

Budget Classification	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Lifecycle Renewal Total Approved Budget	105,569	93,994	110,281	97,495	407,339	627,990	1,035,329
Lifecycle Renewal Total Amended Budget	105,569	93,994	109,981	97,195	406,739	626,190	1,032,929
Lifecycle Renewal Increase/Decrease	0	0	-300	-300	-600	-1,800	-2,400
Growth Total Budget	124,545	111,599	155,533	246,275	637,952	654,313	1,292,265
Growth Total Amended Budget	124,545	111,599	159,607	251,391	647,142	658,554	1,305,696
Growth Increase/Decrease	0	0	4,074	5,116	9,190	4,241	13,432
Service Improvement Total Budget	95,960	34,323	26,037	47,553	203,873	300,699	504,572
Service Improvement Total Amended Budget	95,960	34,323	42,482	59,698	232,463	309,384	541,847
Service Improvement Increase/Decrease	0	0	16,445	12,145	28,590	8,685	37,275
Total Amended Budget Increase/Decrease	0	0	20,218	16,962	37,180	11,126	48,306

Subject to rounding.

## Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	105,569	93,994	110,281	97,495	407,339	627,990	1,035,329
Total Amended Budget	105,569	93,994	109,981	97,195	406,739	626,190	1,032,929
Total Amended Budget Increase/Decrease	0	0	-300	-300	-600	-1,800	-2,400
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	300	300	600	1,800	2,400
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	300	300	600	1,800	2,400
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

## Growth Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	124,545	111,599	155,533	246,275	637,952	654,313	1,292,265
Total Amended Budget <sup>1</sup>	124,545	111,599	159,607	251,391	647,142	658,554	1,305,696
<b>Total Amended Budget Increase/Decrease</b>	<b>0</b>	<b>0</b>	<b>4,074</b>	<b>5,116</b>	<b>9,190</b>	<b>4,241</b>	<b>13,432</b>
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	-1,234	-428	-1,662	-297	-1,959
Debenture (D)	0	0	16	74	90	0	90
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	-2,856	-4,762	-7,618	-3,944	-11,562
<b>Total Source of Financing Increase/Decrease</b>	<b>0</b>	<b>0</b>	<b>-4,074</b>	<b>-5,116</b>	<b>-9,190</b>	<b>-4,241</b>	<b>-13,432</b>
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

### Notes

1. Next steps for projects such as the Wonderland Road Widening were recently discussed at the August 31, 2021, Civic Works Committee, via the report titled “Outcome of Climate Lens Screening Applied to Major Transportation Projects”. Based on the approved recommendations from this report, the Multi-Year Growth Budget will be adjusted during the next appropriate cycle. Capital plan adjustments are not available for the 2022 Annual Budget Update.

### 2021 Development Charges Background Study Update

The interim development charges update was initiated in response to legislative changes made to the Development Charges Act through Bill 108 that came into force and effect on January 1, 2020; just prior to the approval of the 2020 to 2023 Multi-Year Budget. The draft 2021 Development Charges Background Study Update and By-law were tabled on July 14, 2020 and subsequently approved by Municipal Council on October 27, 2020.

As a result, amended growth capital budgets are included the City’s growth capital plan. No further changes are recommended through the 2022 Annual Budget Update process.

The next comprehensive Development Charges Background Study is planned to be completed in 2024; taking effect on January 1, 2025.

## Service Improvement Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	95,960	34,323	26,037	47,553	203,873	300,699	504,572
Total Amended Budget	95,960	34,323	42,482	59,698	232,463	309,384	541,847
Total Amended Budget Increase/Decrease	0	0	16,445	12,145	28,590	8,685	37,275
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	50	50	100	300	400
Debenture (D)	0	0	-7,200	-5,910	-13,110	0	-13,110
Reserve Fund (RF)	0	0	-375	2,905	2,530	-8,985	-6,455
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	-8,920	-9,190	-18,110	0	-18,110
Total Source of Financing Increase/Decrease	0	0	-16,445	-12,145	-28,590	-8,685	-37,275
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

# Capital Plan: Infrastructure Funding Updates

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

The City of London was approved for ten transit related projects under this program for a total project cost of \$375 million, with \$103.1 million from the Government of Ontario, \$123.8 million from the Government of Canada and the balance of funding, approximately \$148 million, coming from municipal and other sources. Construction on some Public Transit Stream funded projects started in 2020, with most projects continuing or starting construction in 2021. This funding program allowed the three Rapid Transit projects to proceed and enabled other capital projects in the capital plan to advance with a greater scope and impact.

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

This stream supports community infrastructure priorities. The City of London was approved for two projects under this stream. Labatt Park received \$2.0 million for the installation of accessible washrooms, repair and replacement of bleachers, and replacement of sport lighting, with project completion scheduled for April 2023. Carling Heights Optimist Community Centre (CHOCC) received \$1.9 million for a teaching kitchen space, installation of an elevator, and other building renewal components, with project completion scheduled for March 2024. These projects likely would not have proceeded in the near future without this funding.

## Investing in Canada Infrastructure Program (ICIP) - COVID-19 Community Resilience Stream

In August 2020, the Federal Government announced this program to help with social and economic recovery from the health and economic crisis brought on by COVID-19. London was approved for two categories of projects. Active Transportation, including new cycling facilities, boulevard bicycle path improvements and downtown sidewalk improvements, received \$3.75 million, and Recreation Facilities, including HVAC rehabilitation at the Carling and Stronach arenas and the Boyle Community Centre, received \$1.75 million. Projects are scheduled to be mostly complete by Fall 2022 with some work continuing through 2023. This funding allowed projects that were in the capital plan to be completed much sooner than planned and with a broader scope.

## Green and Inclusive Community Buildings Program (GICB)

In December 2020, the federal government recognized that municipal and community buildings play a role in Canada's climate response and allocated \$1.5 billion for retrofits, repairs or upgrades of existing buildings and the construction of new public buildings. In July and August 2021, the City of London submitted three applications under this program: New Southeast Community Centre and Library (\$25 million requested); Nichols Arena Deep Energy Retrofit (\$2.4 million requested); and, Kinsmen Arena Deep Energy Retrofit (\$2.2 million requested). The federal government is still reviewing all applications under this program. GICB funding would allow the new community centre to be built to a much higher standard of energy efficiency and accessibility. The two retrofit projects would expedite significant energy saving initiatives that were previously scheduled over a longer period of time due to funding constraints.

## Canada Community Revitalization Fund (CCRF)

In June 2021, the Federal Government announced the Canada Community Revitalization Fund (CCRF), a \$500 million program to build and improve community infrastructure projects to help communities rebound from the effects of the COVID-19 pandemic. The Federal Economic Development Agency (FedDev) for Southern Ontario is currently reviewing two applications from the City of London, enhancements to the village green in Hyde Park and upgrades to the parkette adjacent to RBC Place along King Street, for a total of \$1.1 million. CCRF funding would allow these projects to proceed in the near future, much sooner than planned, providing an immediate benefit for the community recovering from COVID-19.

## Other New Funding Programs

The Tourism Relief Fund (TRF), a national investment of \$500 million over two years, supports tourism businesses and organizations to adapt their operations to meet public health requirements while investing in products and services to facilitate their future growth. The Community Building Fund invests in the arts and culture, heritage, tourism, sport and recreation sectors to support Ontario's recovery. Civic Administration is working through applications for both programs. Funding from these programs would greatly benefit the tourism, culture and recreation sectors in London that are still struggling to recover from COVID-19.



# Water Budget

## 2022 Annual Budget Update

On November 26, 2019 Council approved a 2.5% increase in the rate and charges related to the provision of Water Services effective January 1, 2020. Further, on October 27, 2020, Council approved additional increases of 2.5% effective on January 1, each year for 2021, 2022, and 2023.

For 2022, there are two recommended capital budget amendments for Water Services. Both budget amendments are related to schedule changes with no net increase to the overall capital plan; these amendments are detailed in the Budget Amendments section of this document (2022 Annual Budget Update Amendment Cases). There are also various pressures on the capital plan that Civic Administration is monitoring. They include new framework under the Ministry of Environment, Conservation and Parks (MECP) for the excavation, removal and transport of “excess soils” between two or more sites, a major reservoir replacement, and the addition of growth-related infrastructure to provide adequate servicing and ensuring the supply of water into the City is protected.

The new framework under MECP Regulation (406/19) will apply to most construction projects that generate "excess soil." There is some uncertainty to what extent the costs of Water capital projects will be impacted. As a result, the City should anticipate potential pressures on the Water capital plan. City staff are working with the heavy construction industry to understand the potential impact of these changes on costs moving forward. In addition, City staff are working with the engineering consulting community to promote the reuse of soils during capital projects.

Another major budget pressure is the need to replace one of London’s major reservoirs. The Springbank Reservoir No. 2 is nearing the end of its useful life and the detailed design for a future replacement and expansion of the reservoir is currently underway and the budget for the reconstruction of this reservoir was included in the Multi-Year Budget in 2023. The new reservoir will ensure that if the City loses one of its water supplies (Lake Huron or Lake Erie), that water would be available in storage that would meet at least 48 hours of the City's needs. This additional storage will satisfy the City's drinking water storage needs through 2044. Due to the project timing and the timing of the 2020 to 2023 Multi-Year Budget, the budget was established on the basis of the Environmental Assessment estimates before any design had begun. Estimates at this early stage are considered conceptual and are accurate to approximately above or below 25%. Risks to the accuracy include the inherent margin of error in conceptual estimates, design or construction constraints not yet known at that early stage, and any difference between actual and estimated inflation for the specific materials and labour used.

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. The alignment of this pipeline, which was mostly built in the 1960s, has portions on private property in residential backyards as well as sensitive natural features. Due to the sensitivity and scale of this pipeline, an environmental assessment was completed to identify short-term and long-term action items to manage this pipeline. The short-term recommendation includes an asset management

strategy consisting of maintenance, monitoring, and upgrading tasks. There is sufficient funding within the current Multi-Year Budget to complete this work over the budget period. Ongoing funding for monitoring and maintenance will be included in future multi-year budget submissions. The long-term recommendation, which addresses the eventual replacement of this infrastructure, includes the installation of a new single or twinned water transmission main(s) in a different alignment. This work will be incorporated in the 20-year capital plan and included in future multi-year budget submissions.

Lastly, Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 mandates the preparation of a Financial Plan as part of the Municipal Drinking Water License program. This regulation was designed by the Ministry of the Environment in response to Justice Dennis O'Connor's Walkerton Inquiry recommendations. The intent is to ensure that municipalities plan for long-term financial stability of their drinking water systems. The Financial Plan must be updated prior to the renewal of a municipal drinking water license every 5 years. London's Water Financial Plan was updated most recently in May 2020 and can be found on the City's website by visiting: [The City of London's Water Financial Plan](#) or <https://london.ca/living-london/water-environment/water-system> under Annual and Summary Reports.

## COVID-19 Pandemic Impacts

There remains considerable uncertainty with respect to future financial and operational consequences of COVID-19, particularly in the event of the emergence and degree of a future wave(s). Civic Administration will continue to actively assess these impacts and their corresponding financial implications after budget approval and will continue to report to Council with any further adjustments as needed.

## Budget Amendment Overview

### Budget Amendments

There are two budget amendments being recommended by Civic Administration related to the Water capital budget. There will be no impact on Water rates, should Municipal Council choose to approve both of the recommended budget amendments.

A summary of submitted budget amendments are listed below. For further details, please refer to the 2022 Annual Budget Update Amendment Cases.

## Budget Amendment Case #W-1: Cost Driver

### Schedule Changes for Water Lifecycle Renewal Projects

Schedule Changes for Water Lifecycle Renewal Projects (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	-1,206	1,206	0	0	0
Source of Financing: Canada Community-Building Fund (Formerly Federal Gas Tax) and Capital Rates	0	0	1,206	-1,206	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

#### Description:

A schedule change to defer the projects in this amendment is needed to align works with the timing of the Transportation Sunningdale Road Widening project. The budgets for these projects are proposed to be deferred from 2022 to 2023, to align them with the timing of the Transportation project scheduled for construction in 2023. Aligning the timing of different infrastructure needs in a location is to the financial advantage to the City as the restoration costs are shared. It is also socially advantageous for the public, as it causes less construction disruption with lane and road closures.

## Budget Amendment Case #W-2: Cost Driver

### Schedule Changes for Water Growth Projects

Schedule Changes for Water Growth Projects (\$Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	-7,614	7,614	0	0	0
Source of Financing: Water Works Renewal and City Services Water Reserve Fund	0	0	7,614	-7,614	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding

#### Description:

The need, scope, and timing of the projects in this budget amendment are under review as part of a servicing study that is expected to be completed in 2022. This amendment will allow the study to confirm if growth projects and their current scopes are appropriate, in the City's best interests, and that the timing aligns with the projected needs for future residential, institutional, commercial, and industrial growth. Constructing these works without the information from the study would risk limited funds being spent on projects that may not

be required. It should be noted that while these are growth projects, they are intended to address impacts of growth to the wider water network, and as such, no developments will be delayed by deferring these projects.

## Operating Summary

### 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Water	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Water Rate Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Water Budget Revenues	84,739	87,488	90,530	93,695	
Increase over Prior Year Budget	4,843	2,750	3,041	3,166	
Increase over Prior Year Budget (%)	6.1%	3.2%	3.5%	3.5%	4.1%

Subject to rounding.

### Operating Expenditure Budget by Service (\$ Thousands)

Water	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	Total 2020 to 2023 Budget
Water Engineering	2,620	2,712	2,757	2,771	10,860
Water Operations	14,203	14,473	14,585	14,721	57,981
Purchase of Water	27,188	28,257	29,363	30,504	115,312
Water General Administration	40,728	42,046	43,825	45,700	172,299
<b>Total Water</b>	<b>84,739</b>	<b>87,488</b>	<b>90,530</b>	<b>93,695</b>	<b>356,452</b>

Subject to rounding.

# Capital Summary and Ten Year Capital Plan

## Capital Budget Summary (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	45,705	39,727	43,474	75,687	204,594	278,507	483,100
Total Amended Budget	45,705	39,727	34,654	84,508	204,594	278,507	483,100
Total Amended Budget Increase/Decrease	0	0	-8,820	8,820	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	2,091	-524	1,567	0	1,567
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	-1,567	-1,567	0	-1,567
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	6,730	-6,730	0	0	0
Total Source of Financing Increase/Decrease	0	0	8,820	-8,820	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Note: Approved figures include housekeeping adjustments and changes made by the 2021 Development Charges Update.

## Capital Budget by Classification (\$ Thousands)

Budget Classification	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Lifecycle Renewal Total Approved Budget	36,952	32,662	30,145	67,491	167,250	214,992	382,243
Lifecycle Renewal Total Amended Budget	36,952	32,662	28,939	68,697	167,250	214,992	382,243
Lifecycle Renewal Increase/Decrease	0	0	-1,206	1,206	0	0	0
Growth Total Approved Budget	7,983	6,808	12,396	7,767	34,954	60,977	95,932
Growth Total Amended Budget	7,983	6,808	4,782	15,381	34,954	60,977	95,932
Growth Increase/Decrease	0	0	-7,614	7,614	0	0	0
Service Improvement Total Approved Budget	770	256	933	429	2,389	2,537	4,926
Service Improvement Total Amended Budget	770	256	933	429	2,389	2,537	4,926
Service Improvement Increase/Decrease	0	0	0	0	0	0	0
Total Amended Budget Increase/Decrease	0	0	-8,820	8,820	0	0	0

Subject to rounding.

## Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	36,952	32,662	30,145	67,491	167,250	214,992	382,243
Total Amended Budget	36,952	32,662	28,939	68,697	167,250	214,992	382,243
Total Amended Budget Increase/Decrease	0	0	-1,206	1,206	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	524	-524	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	682	-682	0	0	0
Total Source of Financing Increase/Decrease	0	0	1,206	-1,206	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## Growth Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	7,983	6,808	12,396	7,767	34,954	60,977	95,932
Total Amended Budget	7,983	6,808	4,782	15,381	34,954	60,977	95,932
Total Amended Budget Increase/Decrease	0	0	-7,614	7,614	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	1,567	0	1,567	0	1,567
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	-1,567	-1,567	0	-1,567
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	6,048	-6,048	0	0	0
Total Source of Financing Increase/Decrease	0	0	7,614	-7,614	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## 2021 Development Charges Background Study Update

The interim development charges update was initiated in response to legislative changes made to the Development Charges Act through Bill 108 that came into force and effect on January 1, 2020; just prior to the approval of the 2020 to 2023 Multi-Year Budget. The draft 2021 Development Charges Background Study Update and By-law were tabled on July 14, 2020 and subsequently approved by Council on October 27, 2020.

The next comprehensive Development Charges Background Study is planned to be completed in 2024; taking effect on January 1, 2025.

## Service Improvement Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	770	256	933	429	2,389	2,537	4,926
Total Amended Budget	770	256	933	429	2,389	2,537	4,926
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## 2020 to 2029 Source of Financing Overview (\$ Thousands)

Source of Financing	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget Total	2021 to 2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Capital Rate	23,631	22,201	21,964	22,623	90,419	0	148,123	0	238,542
Debt	0	0	0	0	0	0	0	0	0
Reserve Fund	13,552	11,736	7,821	46,598	79,707	0	66,320	0	146,027
Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total Rate Supported</b>	<b>37,183</b>	<b>33,937</b>	<b>29,785</b>	<b>69,221</b>	<b>170,126</b>	<b>0</b>	<b>214,442</b>	<b>0</b>	<b>384,568</b>
Debt	0	0	0	0	0	0	17,254	0	17,254
Reserve Fund	7,134	4,316	4,125	13,180	28,755	0	38,261	0	67,016
Canada Community-Building Fund (Formerly Federal Gas Tax)	1,501	1,425	743	2,107	5,776	0	8,550	0	14,326
Federal Grants	0	0	0	0	0	0	0	0	0
Provincial Grants	0	0	0	0	0	0	0	0	0
Other Government	0	0	0	0	0	0	0	0	0
Other <sup>1</sup>	-113	49	0	0	-64	0	0	0	-64
<b>Sub-Total Non-Rate Supported</b>	<b>8,523</b>	<b>5,790</b>	<b>4,869</b>	<b>15,287</b>	<b>34,467</b>	<b>0</b>	<b>64,064</b>	<b>0</b>	<b>98,532</b>
<b>Total Source of Financing</b>	<b>45,705</b>	<b>39,727</b>	<b>34,654</b>	<b>84,508</b>	<b>204,594</b>	<b>0</b>	<b>278,507</b>	<b>0</b>	<b>483,100</b>

Subject to rounding.

Note 1. The 2020 "Other" non-rate supported source of financing budget is negative due to housekeeping budget adjustments to life-to-date capital projects that occurred in 2020 for lower than anticipated insurance proceeds and utility contributions.

## 2030 and 2031 Capital Budget Overview by Classification (\$ Thousands)

Classification	2030 Forecast	2031 Forecast	2022 to 2031 Amended Ten Year Plan
Lifecycle Renewal	32,501	36,442	381,571
Growth	17,294	2,749	101,183
Service Improvement	558	325	4,782
<b>Total Expenditures</b>	<b>50,353</b>	<b>39,515</b>	<b>487,536</b>

Subject to rounding.

Source of Financing	2030 Forecast	2031 Forecast	2022 to 2031 Amended Ten Year Plan
Capital Rate	26,866	27,403	246,978
Debt	0	0	0
Reserve Fund	5,560	9,327	135,626
Other	0	0	0
<b>Sub-Total Rate Supported</b>	<b>32,425</b>	<b>36,730</b>	<b>382,604</b>
Debt	11,645	0	28,898
Reserve Fund	4,858	1,360	61,784
Canada Community-Building Fund (Formerly Federal Gas Tax)	1,425	1,425	14,250
Federal Grants	0	0	0
Provincial Grants	0	0	0
Other Government	0	0	0
Other	0	0	0
<b>Sub-Total Non-Rate Supported</b>	<b>17,927</b>	<b>2,785</b>	<b>104,932</b>
<b>Total Source of Financing</b>	<b>50,353</b>	<b>39,515</b>	<b>487,536</b>

Subject to rounding.

## 2030 and 2031 Major Capital Projects by Classification (\$ Thousands)

Classification	Project	2030 Forecast	2031 Forecast
Lifecycle Renewal	Infrastructure Renewal Program - Watermains	22,184	22,869
Lifecycle Renewal	Residential Meter Replacement	2,789	2,856
Lifecycle Renewal	Lead and Copper Water Services Replacement	1,901	1,947
Lifecycle Renewal	Watermain Replacement - Commissioners Rd	328	3,344
Lifecycle Renewal	Watermain Rehabilitation and Relining	1,268	1,298
Growth	Watermain Industrial Servicing	15,645	0
Growth	Wonderland Rd Watermain - Oxford to Riverside	1,298	0
Growth	Wonderland Rd Watermain - Beaverbrook to Oxford	121	1,116
Service Improvement	Extension of Water Servicing	254	260

Subject to rounding.

# Water Reserve and Reserve Fund Overview

## Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Building Fund (Formerly Federal Gas Tax)	Canada Community-Build Fund (Federal Gas Tax) Reserve Fund is maintained under the Agreement for Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Canada-Ontario-AMO-City of Toronto made as of June 17, 2005.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure City-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	Planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

## Reserve and Reserve Fund Details (\$ Thousands)

Type	Reserve or Reserve Fund	2020 Uncommitted <sup>2</sup>	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Capital Asset Renewal and Replacement	Water Works Renewal	43,219	50,342	58,145	27,989	63,766
City Services	City Services - Water Distribution	16,390	18,005	19,067	11,160	2,834
Capital Asset Growth	Industrial DC Incentive Program Water	5,679	5,414	5,147	4,877	3,199
Special Projects and New Initiatives	Lead Service Replacement Program	113	118	118	118	115
Special Projects and New Initiatives	Water Customer Assistance	446	451	455	460	488
Special Projects and New Initiatives	Water Efficiency, Effectiveness and Economy Reserve <sup>1</sup>	1,942	2,214	2,334	2,453	3,170
Contingencies / Stabilization and Risk Management	Water Budget Contingency Reserve	9,695	9,695	9,695	9,695	9,695
<b>Total</b>	<b>Water Reserves and Reserve Funds</b>	<b>77,484</b>	<b>86,240</b>	<b>94,961</b>	<b>56,751</b>	<b>83,267</b>

Subject to rounding.

### Notes

1. Water Efficiency, Effectiveness and Economy Reserve balances are increasing because they do not factor in draws until approved by Council.
2. The 2020 Uncommitted balances include updates for the 2020 Year End financial processes, e.g. surplus contributions, that were not available at the time the 2021 Annual Budget Update Document was drafted.

# Wastewater and Treatment Budget

## 2022 Annual Budget Update

On November 26, 2019 Council approved a 2.5% increase in the rates and charges related to the provision of Wastewater and Treatment Services effective January 1, 2020. Further, on October 27, 2020, Council approved additional increases of 2.5% effective on January 1, 2021, 2.7% effective July 1, 2021, 2.5% effective January 1, 2022, and 2.5% effective January 1, 2023.

For 2022, there is one budget amendment being recommended for Wastewater and Treatment Services, impacting the operating and capital budgets. This budget amendment has no net impact on the operating budget, and an increase to the capital budget, with no impact to Wastewater and Treatment rates; it is detailed in the Budget Amendments section of this document (2022 Annual Budget Update Amendment Cases). There are also various pressures that Civic Administration is monitoring. They include new framework under the Ministry of Environment, Conservation and Parks (MECP) for the excavation, removal and transport of “excess soils” between two or more sites, funding needs to address the infrastructure gap, work required as part of the Canada-Ontario Lake Erie Action Plan, reducing sewer system overflows and eliminating combined sewers, and providing service for growth either in new areas or intensification of existing neighbourhoods. The following paragraphs discuss these pressures in more detail.

The new framework under MECP Regulation (406/19) will apply to most construction projects that generate "excess soil." There is some uncertainty to what extent the costs of Wastewater and Treatment capital projects will be impacted. As a result, the City should anticipate potential pressures on the Wastewater capital plan. City staff are working with the heavy construction industry to understand the potential impact of these changes on costs moving forward. In addition, City staff are working with the engineering consulting community to promote the reuse of soils during capital projects.

The 2021 Corporate Asset Management Plan Update was the culmination of efforts from staff across the City who are involved with managing municipal infrastructure assets, including finance and technical service areas and operations staff. The 2021 plan update projected a 10-year infrastructure gap for the sanitary system of \$11.9 million (net of forecasted reserve fund drawdown availability over the next decade). Staff will continue to monitor the Wastewater and Treatment infrastructure gap including undertaking study work to provide higher quality information to better quantify the Wastewater and Treatment infrastructure gap moving forward. The Corporate Asset Management Plan recommended relying on the existing 20-year capital plans and their updates as a means to manage infrastructure gap in Wastewater and Treatment services.

The Great Lakes Water Quality Agreement requires the United States and Canada to reduce phosphorus levels that contribute to algae blooms in Lake Erie by 40% based on levels measured in 2008 with the Thames River Watershed identified as a priority. 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 late 2017. The City's ability to support these actions has been tied to receiving partial federal and provincial funding. To date, there has been no new funding provided to support the City of London actions. If and when additional funding becomes available, City staff will actively pursue this funding.

Flood proofing of several of the City's wastewater treatment plants and flood control dykes have been identified in the previous 2015-2019 corporate strategic plan. It was anticipated that funding would be available as part of the Federal/Provincial infrastructure program. The City of London was successful in securing \$19.8M in federal funding to support the Adelaide and Greenway Wastewater Treatment Plant Flood Protection Project. There are still several remaining wastewater infrastructure projects that require federal/provincial funding. If the federal/provincial program is canceled, a strategy for addressing this need will need to be established as part of a future budget update process.

## COVID-19 Pandemic Impacts

During the approval of the 2020 to 2023 Wastewater and Treatment budget, Council approved Business Case #34 titled, "Transfer portion of Conservation Authority costs to Wastewater and Treatment Budget". An analysis of each of the Conservation Authorities' budgets was undertaken to determine the portion of the budget that related to stormwater-related activities. Based on this analysis it was estimated that approximately 60% (or a 2020 to 2023 average of \$2.89 million) of the Conservation Authorities' levies would be better aligned with the users subject to Wastewater and Treatment rates. The intention was to implement this shift through a further 3.5% increase in Wastewater and Treatment rates as of April 1, 2020. However, due to the onset of the COVID-19 pandemic and associated financial challenges experienced by many households and businesses, this additional rate increase was deferred. The 2021 Wastewater and Treatment rates included a phase-in approach, with the rate increase associated with the transfer of the Conservation Authorities' costs implemented through an additional 2.7% rate increase which took effect July 1, 2021. Accordingly, Civic Administration utilized a portion of the Safe Restart Agreement funding provided by the Federal and Provincial governments to offset the lost revenue for January to June 2021 associated with the delay in implementing this rate increase.

There remains considerable uncertainty with respect to future financial and operational consequences of COVID-19, particularly in the event of the emergence and degree of a future wave(s). Civic Administration will continue to actively assess these impacts and their corresponding financial implications after budget approval and will continue to report to Council with any further adjustments, as needed.

# Budget Amendment Overview

## Budget Amendments

There is one budget amendment being recommended by Civic Administration related to Wastewater and Treatment, which impacts the operating and capital budgets. There will be no impact on Wastewater rates, should Municipal Council choose to approve the recommended budget amendment.

A summary of the submitted budget amendment is listed below. For further details, please refer to the 2022 Annual Budget Update Amendment Cases.

## Budget Amendment Case #WWT-1: Cost Driver

### Part A: Reduce Energy Budget at Greenway Wastewater Treatment Plant

Operating Budget Table (\$ Thousands)

Wastewater Treatment Operations Energy Costs	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget	\$3,120	\$3,035	\$3,066	\$3,081	\$12,302	\$19,824
Amendment	N/A	N/A	-\$700	-\$717	-\$1,417	-\$4,679
Amended Net Budget	\$3,120	\$3,035	\$2,366	\$2,364	\$10,885	\$15,145

Subject to rounding.

Operating Budget Table (\$ Thousands)

Wastewater Treatment Operations Reserve Fund Transfer	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget	\$27,919	\$30,379	\$35,779	\$39,046	\$133,123	\$251,233
Amendment	N/A	N/A	\$700	\$717	\$1,417	\$4,679
Amended Net Budget	\$27,919	\$30,379	\$36,479	\$39,763	\$134,540	\$255,912

Subject to rounding.

## Description:

Civic Administration undertook zero-based reviews to determine where there was strong potential for operational savings based on prior years' results. As part of this review, Wastewater Treatment Operations identified significant savings in energy costs over the past few years. These savings are a result of various initiatives taken at Greenway Wastewater Treatment Plant (Greenway), which have created significant reductions in electrical consumption, and accordingly, savings in energy costs. As a result, it is being recommended to bring forward a budget amendment to reduce the energy budget at Greenway and use the savings to fund priority capital works. This would be a permanent reduction to the energy budget and would be offset by an increase to the contribution to the reserve fund to finance recommended capital works.

## Part B: Create Dedicated Program for Sewage Bypass and Overflow Elimination

Sewage Bypass and Overflow Elimination	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	700	717	1,417	4,679	6,096
Source of Financing: Sewage Works Renewal Reserve Fund.	0	0	-700	-717	-1,417	-4,679	-6,096
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## Description:

Part B of this amendment is being recommended to use the permanent reduction to the Wastewater Treatment Operations energy budget as outlined in Part A, to develop a new capital program. It will fund small to medium size standalone projects, as well as bypass and overflow elimination components of larger wastewater projects. This program is essential, as the reduction of overflows and bypasses from the City of London's (City) wastewater facilities has been identified as a corporate priority. This priority is reflected in Strategic Plan 2019 to 2023 targets related to the reduction in raw sewage overflows experienced, as well as an increase in the ability to treat wet weather flows. Projects funded by the proposed Sewage Bypass and Overflow Elimination capital program would contribute directly to these targets.

# Operating Summary

## 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Wastewater and Treatment Rate Increase (Previously Approved <sup>1</sup> )	2.5%	5.2%	2.5%	2.5%	3.2%
Wastewater and Treatment Revenue Budget	106,500	109,937	113,668	117,544	
Increase over Prior Year Budget	8,318	3,437	3,731	3,876	
Increase over Prior Year Budget (%)	8.5%	3.2%	3.4%	3.4%	4.6%

Subject to rounding.

Note 1. Timing of rate implementation was deferred from 2020 to 2021 as a result of the COVID-19 pandemic.

## Operating Expenditure Budget by Service (\$ Thousands)

Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	Total 2020 to 2023 Budget
Sewer Engineering	2,314	2,388	2,426	2,429	9,556
Stormwater Management	1,514	1,566	1,586	1,586	6,251
Sewer Operations	9,728	9,900	10,037	10,184	39,850
Wastewater and Treatment Operations	21,383	21,520	21,722	21,873	86,498
Wastewater and Treatment General Administration	68,773	71,710	74,976	78,480	293,940
Wastewater Share of Conservation Authority Costs	2,788	2,854	2,921	2,991	11,554
<b>Total Wastewater and Treatment</b>	<b>106,500</b>	<b>109,937</b>	<b>113,668</b>	<b>117,544</b>	<b>447,650</b>

Subject to rounding.

# Capital Summary and Ten Year Capital Plan

## Capital Budget Summary (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	85,787	91,921	98,173	95,451	371,331	601,872	973,203
Total Amended Budget	85,787	91,921	98,873	96,168	372,749	606,551	979,299
Total Amended Budget Increase/Decrease	0	0	700	717	1,417	4,679	6,096
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	-700	-717	-1,417	-4,679	-6,096
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	-700	-717	-1,417	-4,679	-6,096
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Note: Approved figures include housekeeping adjustments and changes made by the 2021 Development Charges Update.

## Capital Budget by Classification (\$ Thousands)

Budget Classification	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Lifecycle Renewal Total Approved Budget	40,983	39,429	38,916	42,620	161,948	333,010	494,959
Lifecycle Renewal Total Amended Budget	40,983	39,429	38,916	42,620	161,948	333,010	494,959
Lifecycle Renewal Increase/Decrease	0	0	0	0	0	0	0
Growth Total Approved Budget	28,429	31,954	44,469	34,826	139,678	191,644	331,323
Growth Total Amended Budget	28,429	31,954	44,469	34,826	139,678	191,644	331,323
Growth Increase/Decrease	0	0	0	0	0	0	0
Service Improvement Total Approved Budget	16,375	20,538	14,788	18,005	69,705	77,217	146,922
Service Improvement Total Amended Budget	16,375	20,538	15,488	18,722	71,122	81,896	153,018
Service Improvement Increase/Decrease	0	0	700	717	1,417	4,679	6,096
Total Amended Budget Increase/Decrease	0	0	700	717	1,417	4,679	6,096

Subject to rounding.

## Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	40,983	39,429	38,916	42,620	161,948	333,010	494,959
Total Amended Budget	40,983	39,429	38,916	42,620	161,948	333,010	494,959
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## Growth Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	28,429	31,954	44,469	34,826	139,678	191,644	331,323
Total Amended Budget	28,429	31,954	44,469	34,826	139,678	191,644	331,323
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## 2021 Development Charges Background Study Update

The interim development charges update was initiated in response to legislative changes made to the Development Charges Act through Bill 108 that came into force and effect on January 1, 2020; just prior to the approval of the 2020 to 2023 Multi-Year Budget. The draft 2021 Development Charges Background Study Update and By-law were tabled on July 14, 2020 and subsequently approved by Council on October 27, 2020.

The next comprehensive Development Charges Background Study is planned to be completed in 2024; taking effect on January 1, 2025.

## Service Improvement Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	16,375	20,538	14,788	18,005	69,704	77,217	146,922
Total Amended Budget	16,375	20,538	15,488	18,722	71,122	81,896	153,018
Total Amended Budget Increase/Decrease	0	0	700	717	1,417	4,679	6,096
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	-700	-717	-1,417	-4,679	-6,096
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	-700	-717	-1,417	-4,679	-6,096
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

## 2020 to 2029 Source of Financing Overview (\$ Thousands)

Source of Financing	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget Total	2021 to 2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Capital Rate	21,613	22,503	22,346	23,017	89,479	0	150,703	0	240,182
Debt	0	0	0	0	0	0	51,281	0	51,281
Reserve Fund	31,936	43,171	31,789	41,907	148,804	1,417	224,025	4,679	372,828
Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total Rate Supported</b>	<b>53,549</b>	<b>65,674</b>	<b>54,135</b>	<b>64,924</b>	<b>238,282</b>	<b>1,417</b>	<b>426,009</b>	<b>4,679</b>	<b>664,291</b>
Debt	7,601	-868	22,982	10,121	39,836	0	78,005	0	117,841
Reserve Fund	19,555	22,024	17,045	16,413	75,037	0	74,277	0	149,314
Canada Community-Building Fund (Formerly Federal Gas Tax)	4,651	4,500	4,500	4,500	18,151	0	27,000	0	45,151
Federal Grants	0	124	0	0	124	0	0	0	124
Provincial Grants	60	60	60	60	240	0	360	0	600
Other Government	0	0	0	0	0	0	0	0	0
Other	371	407	150	150	1,078	0	900	0	1,978
<b>Sub-Total Non-Rate Supported</b>	<b>32,238</b>	<b>26,247</b>	<b>44,738</b>	<b>31,244</b>	<b>134,467</b>	<b>0</b>	<b>180,541</b>	<b>0</b>	<b>315,008</b>
<b>Total Source of Financing</b>	<b>85,787</b>	<b>91,921</b>	<b>98,873</b>	<b>96,168</b>	<b>372,749</b>	<b>1,417</b>	<b>606,551</b>	<b>4,679</b>	<b>979,299</b>

Subject to rounding.

Note: Approved figures include housekeeping adjustments and changes made by the 2021 Development Charges Update.

## 2030 and 2031 Capital Budget Overview by Classification (\$ Thousands)

Classification	2030 Forecast	2031 Forecast	2022 to 2031 Amended Ten Year Plan
Lifecycle Renewal	62,775	48,793	526,114
Growth	28,828	10,022	309,789
Service Improvement	12,241	10,327	138,673
<b>Total Expenditures</b>	<b>103,843</b>	<b>69,142</b>	<b>974,577</b>

Subject to rounding.

Source of Financing	2030 Forecast	2031 Forecast	2022 to 2031 Amended Ten Year Plan
Capital Rate	27,334	27,885	251,284
Debt	7,606	7,788	66,676
Reserve Fund	37,156	20,570	355,447
Other	0	0	0
<b>Sub-Total Rate Supported</b>	<b>72,095</b>	<b>56,243</b>	<b>673,407</b>
Debt	16,843	0	127,951
Reserve Fund	10,195	8,189	126,119
Canada Community-Building Fund (Formerly Federal Gas Tax)	4,500	4,500	45,000
Federal Grants	0	0	0
Provincial Grants	60	60	600
Other Government	0	0	0
Other	150	150	1,500
<b>Sub-Total Non-Rate Supported</b>	<b>31,748</b>	<b>12,899</b>	<b>301,170</b>
<b>Total Source of Financing</b>	<b>103,843</b>	<b>69,142</b>	<b>974,577</b>

Subject to rounding.

## 2030 and 2031 Major Capital Projects by Classification (\$ Thousands)

Classification	Project	2030 Forecast	2031 Forecast
Lifecycle Renewal	Infrastructure Renewal Program - Sanitary Sewers	21,924	16,538
Lifecycle Renewal	Infrastructure Renewal Program - Stormwater Sewers	21,434	13,438
Lifecycle Renewal	Sewer Relining	6,338	6,490
Lifecycle Renewal	Stormwater Treatment Remediation	3,549	3,245
Lifecycle Renewal	Waterways Restoration	2,535	2,596
Growth	Industrial Wastewater Servicing	8,290	0
Growth	Industrial Storm Trunk Sewer Servicing	5,400	0
Growth	Industrial SWM Ponds	5,252	0
Growth	Storm Sewer Built Area Works	2,130	2,181
Growth	SWM Facility - North Lambeth No 6	3,301	0
Service Improvement	UTRCA - Remediating Flood	5,071	5,192
Service Improvement	Targeted Weeping Tile	1,268	1,298
Service Improvement	Wetland Restoration and SWM Treatment Enhancement	1,268	1,298
Service Improvement	Targeted Road and Sidewalk Icing Reduction	1,901	0
Service Improvement	Sewage Bypass and Overflow	847	867

Subject to rounding.

# Wastewater and Treatment Reserve and Reserve Fund Overview

## Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Building Fund (Formerly Federal Gas Tax)	Canada Community-Building Fund (Formerly Federal Gas Tax) Reserve Fund is maintained under the Agreement for Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Canada-Ontario-AMO-City of Toronto made as of June 17, 2005.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure City-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	Planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

## Reserve and Reserve Fund Details (\$ Thousands)

Type	Reserve or Reserve Fund	2020 Uncommitted <sup>2</sup>	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Capital Asset Renewal and Replacement	Sewage Works Renewal	55,105	43,479	47,924	45,528	71,205
Capital Asset Growth	Industrial DC Incentive Wastewater	1,811	1,859	1,906	1,955	2,254
Capital Asset Growth	Industrial Oversizing Sewer	184	1,662	1,679	1,696	1,800
City Services	City Services - Wastewater	5,352	3,087	4,254	5,977	386
City Services	City Services – Stormwater	5,272	3,781	3,603	3,851	5,954
Special Projects and New Initiatives	Wastewater Efficiency, Effectiveness and Economy Reserve <sup>1</sup>	3,588	4,001	4,415	4,828	7,309
Special Projects and New Initiatives	Sump Pump, Sewage Ejector and Storm Private Drain Connection	469	473	478	483	513
Special Projects and New Initiatives	Disconnection of Sewer Cross Connection Loan Program	120	121	122	123	131
Contingencies / Stabilization and Risk Management	Wastewater Budget Contingency Reserve	11,643	11,643	11,643	11,643	11,643
<b>Total</b>	<b>Wastewater and Treatment Reserves and Reserve Funds</b>	<b>83,544</b>	<b>70,108</b>	<b>76,024</b>	<b>76,083</b>	<b>101,195</b>

Subject to rounding.

### Notes

1. Wastewater Efficiency, Effectiveness and Economy Reserve balances are increasing because they do not factor in draws until approved by Council.
2. The 2020 Uncommitted balances include updates for the 2020 Year End financial processes e.g. surplus contributions, that were not available at the time the 2021 Annual Budget Update Document was drafted.

# 2022 Annual Budget Update Amendment Cases



## 2022 Annual Budget Update

### Budget Amendment # P-1

Strategic Area of Focus: Leading in Public Service  
 Strategy: Conduct targeted service reviews.  
 Budget Amendment Type: Cost/Revenue Driver  
 Description: Reductions due to zero-based reviews and other budget right-sizing  
 Service(s): Various  
 Lead: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	-\$3,712	-\$3,282	-\$6,994
Annual Incremental Tax Levy Impact	N/A	N/A	-\$3,712	\$430	-\$3,282
Estimated Annual Tax Levy Impact %	N/A	N/A	-0.55%	0.08%	-0.12% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	-\$17.55	-\$15.46	-\$8.25 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Reductions Due to Zero-Based Reviews and Other Budget Right-Sizing

### What is the reason for the budget amendment?

As outlined in the City of London's 2019 to 2023 Strategic Plan, the Corporation is committed to "increasing the effectiveness and efficiency of service delivery" and "maintaining London's finances in a transparent and well-planned manner to balance equity and affordability over the long-term." Consistent with these objectives, Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, the Civic Administration has identified permanent budget reductions and budget right sizing that can be implemented without impacting service levels.

#### Operating Budget Table (\$ Thousands)

Zero-Based Reviews and Other Budget Right-Sizing	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	-\$3,412	-\$2,982	-\$6,394	-\$17,892
Amended Net Budget (Tax Levy)	\$0	\$0	-\$3,412	-\$2,982	-\$6,394	-\$17,892

Subject to rounding.

#### Capital Budget Expenditure Amendment Table (\$ Thousands)

Street Light Maintenance	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS512322	\$2,844	\$2,977	\$3,111	\$3,184	\$12,116	\$21,258
Amendment	N/A	N/A	-\$300	-\$300	-\$600	-\$1,800
Amended Budget	\$2,844	\$2,977	\$2,811	\$2,884	\$11,516	\$19,458

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	\$300	\$300	\$600	\$1,800
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
<b>Amended Budget</b>	<b>\$2,844</b>	<b>\$2,977</b>	<b>\$2,811</b>	<b>\$2,884</b>	<b>\$11,516</b>	<b>\$19,458</b>

Subject to rounding.

Notes:

- 1) The 2030 capital gross expenditure is \$3,575,840.
- 2) The 2031 capital gross expenditure is \$3,668,860.

Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	-1.0	-1.0
# of Full-Time Equivalents Impacted	N/A	N/A	-1.3	-1.3
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	-\$62	-\$62

Subject to rounding.

Note: This represents a currently vacant position.

## Additional Details

As a result of performing zero-based budget reviews and trend analysis across various services, total reductions in the amount of \$3.7 million in 2022 and \$3.3 million in 2023 have been identified. As previously noted, these reductions do not impact service levels.

Reductions were identified in a variety of areas, including:

- Reduction to corporate contingency budget (\$1 million);
- Right-sizing of revenues for supplementary taxes (\$500 thousand);
- Right-sizing of revenues from the W12A landfill based on prior years' experience (\$300 thousand);
- Review of utilities budgets for City facilities (\$257 thousand);
- Right-sizing of budgets in the waste diversion area (\$430 thousand in 2022 only);
- Review of annual maintenance costs for streetlights (\$300 thousand);
- Right-sizing of Taxation office revenues (\$180 thousand)

- Remaining amount (\$750 thousand) due to right sizing of operational expenses and revenues from other various service areas across the organization

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

No – this amendment is strictly to better align budgets with actual spending. There are no greenhouse gas emission impacts.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No – this amendment is strictly to better align budgets with actual spending. There are no impacts related to climate change resilience.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

No – this amendment is strictly to better align budgets with actual spending. There are no climate change considerations requiring consultation.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

None – this amendment is strictly to better align budgets with actual spending. There are no service level impacts and therefore no impacts to equity-deserving groups.

- 2) What barriers or needs does this amendment address?

None - this amendment is strictly to better align budgets with actual spending. There are no service level impacts.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

This amendment will reduce the required tax levy, and this will make services more affordable (low impact).

4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

None – this amendment is strictly to better align budgets with actual spending. There are no anticipated negative impacts.

5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

No – this amendment is strictly to better align budgets with actual spending. There are no equity impacts requiring consultation.

#### Governance Considerations:

1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

No – this amendment is strictly to better align budgets with actual spending. There are no identified risks as remaining budgets will be sufficient to accommodate required spending in the relevant areas.

2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

No – there are no identified risks of not proceeding.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

The changes resulting from this amendment will be reflected in the corporate budget monitoring process.

# 2022 Annual Budget Update

## Budget Amendment # P-2

Strategic Area of Focus: Strengthening our Community  
 Strategy: Deliver health protection and promotion programs guided by population health surveillance  
 Budget Amendment Type: Cost Driver  
 Description: Additional operational costs due to inflationary pressures  
 Service(s): Middlesex-London Health Unit (MLHU)  
 Lead: Emily Williams, Director, Healthy Organization & Interim CEO, MLHU

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	\$640	\$640	\$1,280
Annual Incremental Tax Levy Impact	N/A	N/A	\$640	\$0	\$640
Estimated Annual Tax Levy Impact %	N/A	N/A	0.10%	0.00%	0.02% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	\$3.02	\$3.01	\$1.51 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Additional operational cost due to inflationary pressures

### What is the reason for the budget amendment?

Through the annual PBMA (Program Budgeting and Marginal Analysis) and 2021 budget process, the Middlesex-London Health Unit determined that an increase of \$762,182 (City of London \$640,233 and County of Middlesex \$121,949) was required for 2021, made up largely of inflationary and incremental premises cost pressures. The budget increase was approved by the Board of Health in 2021.

Operating Budget Table (\$ Thousands)

Middlesex-London Health Unit	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$6,705	\$6,095	\$6,705	\$6,705	\$26,210	\$40,230
Amendment	N/A	N/A	\$640	\$640	\$1,280	\$3,840
Amended Net Budget (Tax Levy)	\$6,705	\$6,095	\$7,345	\$7,345	\$27,490	\$44,070

Subject to rounding.

### Additional Details

As part of the 2020-2023 Multi-Year Budget, an increase in the City of London's share of the Middlesex-London Health Unit's budget was included to reflect the Province's plan to increase the municipal share of public health funding to 30% effective January 1, 2020, noting that the increase in 2020 was capped at 10%.

In 2020, the provincial government announced support for municipalities and public health units as they continue to respond to COVID-19 by investing in one-time mitigation funding for both the 2020 and 2021 calendar years. This mitigation funding was subsequently reflected in the City's 2021 budget through a budget amendment in 2021 Budget Update. Subsequent to the approval of the City's 2021 Budget Update, Middlesex-London Health Unit's 2021 PBMA and budget process identified additional inflationary and operational pressures related to staffing, required programmatic investments, and incremental premises cost pressures for the new office location in Citi Plaza. Middlesex-London Health Unit determined that an increase of \$762,182 (City of London \$640,233 and County of Middlesex \$121,949) was required for 2021.

This increase was included in MLHU's 2021 budget and approved at the Finance & Facilities Committee (FFC) on Feb. 11, 2021 and subsequently approved at the full Board of Health (BOH) meeting on Feb. 18, 2021. As noted above, this increase was approved after the finalization of the City's 2021 Budget Update, and therefore must be reflected in the 2022 Budget Update to ensure sufficient funding is available for this ongoing obligation.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

Funding within the 2021 MLHU budget directly supports the Environmental Health and Infectious Diseases (EHID) team at MLHU which is accountable for related comprehensive public health programs, inclusive of a protocol to alert the general public, local agencies, stakeholders, and the media, in a coordinated manner, of the forecast of extreme weather events. This is to ensure that everyone, with special consideration for people experiencing homelessness and those most vulnerable, is provided with recommendations to prepare appropriately for the effects of extreme temperatures. The amended funding will support continuity of current service levels ensuring adequate services remain in place regarding severe weather conditions.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

The 2021 Budget provides an overview of the work of MLHU and outlines the programs and services that are delivered to the community to meet the Ontario Public Health Standards: Requirements for Programs, Services and Accountability, 2018. Typically, the Budget is presented as part of a fulsome Annual Service Plan (ASP); however, due to COVID-19, this process was truncated and impacted the level of consultation undertaken. The 2021 budget, including the increased funding request, was approved by the FFC and the full Board of Health in February of 2021.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment will allow MLHU to continue current operations and investment to additional programs that support vulnerable members of the community. Four key areas of additional investment are outlined below, which highlight the vulnerable groups that are directly affected by the increased funding.

1: Investment Public Health Nurse (PHN) Substance Use Prevention & Drug Strategy Prevention Focused Support.

This investment is to increase MLHU capacity in meeting its public health mandate for substance misuse prevention under the OPHS Substance use and Injury Prevention program standard, and to provide MLHU resources to support the Middlesex-London Community Drug and Alcohol Strategy in implementing recommendations related to prevention.

Substance use and related harms have been a concern in the Middlesex-London community for some time, with significant evidence and surveillance data demonstrating community need. There is growing and broad Canadian evidence, and emerging local evidence, that the COVID-19 pandemic and associated public health measures aimed at controlling viral spread have led to increased substance use and substance related harms, including increased opioid poisonings and deaths and increased rates of alcohol and cannabis use. Notably, there has been impact on substance related risk and protective factors (income, employment, mental well-being, social connection etc.) that are expected to have lasting implications. With future waves of COVID-19 in our communities and the unknowns about life post-pandemic, it is important for MLHU to continue to monitor the negative impacts associated with substance use, deliver related health promotion strategies, engage in policy development work, and leverage supports of community partners in order to reduce the negative impacts on substance use.

#### 2: Nurse-Family Partnership (NFP).

This enhancement will allow program caseload capacity to increase from 100 to 120 women and their children and would ensure the NFP program is available for first-time mothers up to 24 years of age. The NFP program serves as an effective strategy to meet the Board-approved, recovery planning priorities identified by MLHU: domestic violence, mental health promotion, substance use, food insecurity and racism.

#### 3: Introduction of iHEAL Program.

The iHEAL is a comprehensive, health promotion intervention for women who are in the transition of separating from an abusive partner. Public health nurses work in partnership with women for approximately 6 months to address a range of issues that affect women's safety, health and well-being. This intervention aligns with the Substance Use and Injury Prevention Program, supports MLHU's mandate for mental health promotion, and aligns with the priorities proposed by Recovery Planning focused on emerging and priority public health issues (domestic violence, mental health, and possibly substance use). It is essential to note that this individual-level intervention targeting women experiencing violence and at significant risk for exposure to increased violence must be part of a comprehensive population public health approach to addressing violence in our community.

#### 4: Community Outreach Team, Client Travel.

Due to clients being significantly marginalized people with many immediate needs, travel by taxi continues to be the most efficient way to get clients to appointments and other supports in a timely manner and remove travel as a barrier. This helps decrease "no show" rates for appointments and helps the team to work in a more efficient manner by seeing clients each day. Bus tickets are also considered for clients experiencing more stability in their recovery journey.

2) What barriers or needs does this amendment address?

See above response.

3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

As per the above response, the anticipated level of impact of continued funding will be high for vulnerable populations, including those experiencing substance abuse, violence, low income, homelessness or under-housing.

4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No negative impacts are anticipated from this amendment.

5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

The 2021 Budget provides an overview of the work of MLHU and outlines the programs and services that are delivered to the community to meet the Ontario Public Health Standards: Requirements for Programs, Services and Accountability, 2018. Typically, the Budget is presented as part of a fulsome Annual Service Plan (ASP); however, due to COVID-19, this process was truncated and impacted the level of consultation undertaken. The 2021 budget, including the increased funding request, was approved by the FFC and the full Board of Health in February of 2021.

#### Governance Considerations:

1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

No governance risks are anticipated from this amendment.

2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

The inflationary pressures for 2021 have been realized with Collective Agreement requirements solidified for the next year. As well, the investments outlined above have been implemented based on Board of Health approval. Without any additional funding MLHU may result in a shortfall which could require lay-offs of personnel or result in a deficit position at year end. The Senior

Leadership Team (SLT) at MLHU is committed to undertaking a zero-based budgeting process beginning in Q1 of 2022 to ensure funding requirements and budgets are aligned, which will be foundational to budget planning for 2023.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

As per the legislative requirements, MLHU staff and leadership will provide ongoing updates to the BOH on the delivery of mandated and critical public health services, outlining the results and impacts of changes in service delivery.

# 2022 Annual Budget Update

## Budget Amendment # P-3

Strategic Area of Focus:	Growing Our Economy
Strategy:	Continue to engage the community to attract conventions, conferences and multi-day events to London contributing to the community's economic prosperity
Budget Amendment Type:	Revenue Driver
Description:	2022 COVID-19 restriction impacts on RBC Place London convention operations
Service(s):	RBC Place London
Lead:	Lori Da Silva, General Manager and Chief Executive Officer

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## 2022 COVID-19 Restriction Impacts on RBC Place London Convention Operations

### What is the reason for the budget amendment?

The City of London provided operational funding for RBC Place London in 2021 to maintain the facility and enable the team to reopen as the Province moved into Step 3 in August 2021. Recent events with the surge of a fourth wave of cases are delaying recovery in 2021. Event revenue forecasted in the fall of 2021 remains at risk, with planners concerned about further COVID cases and attendees concerned for their health and safety. Current operational and cash flow analysis shows a significant need for additional City of London funding support during the first few months of 2022 based on the current number and nature of events on the books. As a result, RBC Place London is looking to proactively address the projected operational and cash flow shortage in order to continue to operate and maintain the facility through 2022. It is important to note that the funding support requested through this budget amendment will only be flowed to RBC Place if required; should recovery proceed faster than anticipated, this funding support may not be fully required.

Operating Budget Table (\$ Thousands)

RBC Place London <sup>2</sup>	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$648	\$658	\$668	\$678	\$2,652	\$4,068
Expenditure Amendment	N/A	N/A	\$850	\$0	\$850	\$0
Revenue Amendment <sup>1</sup>	N/A	N/A	-\$850	\$0	-\$850	\$0
Amended Net Budget (Tax Levy)	\$648	\$658	\$668	\$678	\$2,652	\$4,068

Subject to rounding.

### Notes

1. The proposed source of financing for this budget amendment is the 2020 Property Tax Supported Surplus that was contributed to the Operating Budget Contingency Reserve to mitigate potential COVID-19 impacts, resulting in no impact to the tax levy.
2. The Operating Budget Table for RBC Place London is representative of net budget (tax levy) only, thus excludes impacts of grants and Reserve Fund contributions allocated to RBC Place London in 2020 and 2021 totalling \$1.6 million and \$3.5 million respectively. These amounts were funded from property tax operating budget year-end surplus resulting in no impact to the tax levy.

### Additional Details

Canada is now experiencing a fourth wave of COVID-19 cases which has impacted the recovery rate of the live event industry. Provincial restrictions remain in place limiting capacity of indoor gatherings with the expectation that restrictions are not likely to be lifted imminently. The uncertainty of capacity size is causing groups to reassess their ability to host indoor in-person events. Many corporations have extended their “work from home” plan with an anticipated staged return in the fall of 2021.

Current COVID-19 restrictions continue to hamper the recovery of the tourism and events industry overall. In 2021, the City of London provided operational funding to RBC Place London covering all deposits on account, regular maintenance and energy costs, salaries and wages to enable the venue to re-open and prepare the facility. Although the venue has officially re-opened its doors to events, many clients require six months to one year to plan and market an event successfully pushing numerous events to postpone until 2022. According to Leger Research's National Pandemic Tracker study results reported on August 17, 2021, Ontarians' level of comfort with activities after protective measures are lifted was 36% for attending large gatherings such as sporting events, concerts or festivals, which is a decrease from 63% reported on July 19, 2021, however, for dining in restaurants the level of comfort increased to 66% from 44% during the same period. This shows that individuals are increasingly less comfortable attending large live events.

Aligning with this trend, RBC Place London continues to suffer from event cancellations. Industry wide experts currently anticipate a 2 to 5-year recovery period for the live events industry. RBC Place London anticipates 18 to 24 months for recovery with a strong regional and provincial market base and international events rebooked for late 2022 and 2023.

Pre COVID-19, the venue was successfully generating \$15 to \$22 million annually in economic spend from hosting multi-day conventions and conferences, corporate meetings and events, social and entertainment events for the community. RBC Place London employed 105 associates many of whom are students and lower income citizens. The impact of COVID-19 has devastated the live events industry and as a City owned venue, RBC Place London has not qualified for any other direct Provincial or Federal funding to date. In 2020, Council supported RBC Place London with a grant to support operations for the remainder of 2020 in the amount of \$1.6 million as part of the 2020 Mid-Year Operating Budget Monitoring Report and COVID-19 Financial Impacts. In 2021, Council forgave the Promissory Note between the City of London and RBC Place London as part of the 2021 Annual Budget Update (outstanding principal balance of approximately \$1.4 million). Also in 2021, RBC Place London received \$3.5 million of funding based on the report RBC Place London - COVID-19 Financial Impacts, presented at the Strategic Priorities and Policy Committee on April 27, 2021. This included a grant in the amount of \$2.5 million to sustain operations through 2021, and a one-time contribution of \$1.0 million to the RBC Place Renewal Reserve Fund to ensure that the current RBC Place capital plan remains fully funded despite pressures on the reserve fund. Despite the support received in 2020 and 2021, the impact of COVID-19 and subsequent Provincial restrictions continue to negatively impact the venue's ability to fully cover operational costs in 2022 while recovering from this devastating pandemic.

RBC Place London is eager to continue to align our strategic plans with Tourism London, Downtown London, London Economic Development Corporation, Fanshawe College and the City of London for industry and downtown London recovery and growth, by driving direct economic impact through hosting events. As recovery for the events industry is anticipated to be a 2 to 5 year timeline, RBC Place London recovery will be slower than anticipated due to additional cancellations being experienced in the last quarter of 2021 as a result in the ongoing safety concerns and COVID-19 restrictions. While RBC Place London was hoping not to request any further operational funding assistance from the City of London, should the requested 2022 funding not be approved and current government restrictions remain in place, RBC Place London will not be financially able to remain open and at risk of termination and severance of associates should the Infectious Disease Emergency Leave (IDEL) not be extended into 2022.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions target.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No, no impact on climate resilience.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

No, as there are no anticipated climate related impacts associated with this amendment.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

Some key demographic data regarding RBC Place's staff is as follows:

Female – 48%; Visible Minority – 17%; Low Income (full-time and part-time) – 62%

- 2) What barriers or needs does this amendment address?

The issue of limited cash flow in order to continue to host smaller events and pay event staff until the industry recovers from the restrictions.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

High impact – the ability to continue to pay wages to event staff. This will maintain an income stream for many RBC Place employees who are reliant on this employment income.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No significant anticipated negative impacts resulting from the amendment.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

The past 18 months of ongoing governmental restrictions and subsequent changes directly impacting the live events industry, has made budgeting and forecasting challenging. Should the fourth wave of current COVID restrictions remain in place until the second quarter of 2022, the ability of RBC Place London to minimize the operational loss with restricted revenue will be difficult. Should the current Provincial restrictions on hosting indoor events be completely removed by the end of 2021, RBC Place London will be in a much better position to rebuild lost revenue in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2022. Ongoing review of government restrictions and client discussions, monthly updated forecasts and cash flow projections will continue to assist in managing potential risks. Monthly monitoring will enable the team at RBC Place London to regularly report recovery status which may minimize the need for this additional operational funding or provide advance warning of a more dire situation requiring additional funding support in 2022.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Yes – the inability to continue to operate and maintain the building as per agreement with the City of London.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Regular reporting to the City of London Finance Supports Service Area regarding progress and impacts of the funding will be provided. This information will be summarized in the semi-annual Operating Budget Monitoring Report provided to Council.

# 2022 Annual Budget Update

## Budget Amendment # P-4

Strategic Area of Focus:	Leading in Public Service
Strategy:	Conduct targeted service reviews
Budget Amendment Type:	Revenue Driver
Description:	Private Parking Enforcement Program – Increased fines to reduce repeat offences of unauthorized parking on private property
Service(s):	Parking
Lead:	George Kotsifas, Deputy City Manager, Planning and Economic Development

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	-\$100	-\$100	-\$200
Annual Incremental Tax Levy Impact	N/A	N/A	-\$100	\$0	-\$100
Estimated Annual Tax Levy Impact %	N/A	N/A	-0.01%	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	-\$0.48	-\$0.47	-\$0.24 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

# Private Parking Enforcement Program – Increased Fines to Reduce Repeat Offences of Unauthorized Parking on Private Property

## What is the reason for the budget amendment?

One of the parking services offered to property owners is the Private Parking Enforcement Program. This Program has been offered for several years and is the third highest ticket issuance category in terms of volume of charges. As this Program is more of a deterrent for private property trespassing than a parking issue on public property, it would be timely to reexamine the Administrative Monetary Penalty amount of \$45 as an adequate amount to deter repeated offences.

Operating Budget Table (\$ Thousands)

Parking	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	-\$3,642	-\$3,764	-\$3,890	-\$3,887	-\$15,183	-\$23,322
Amendment	N/A	N/A	-\$100	-\$100	-\$200	-\$600
Amended Net Budget (Tax Levy)	-\$3,642	-\$3,764	-\$3,990	-\$3,987	-\$15,383	-\$23,922

Subject to rounding.

## Additional Details

This will impact commercial properties as well as residential properties that are part of the Private Property Parking Program. This amendment seeks to increase voluntary compliance through specific and general deterrence, allowing residents and business patrons space to park. The five-year average for private parking enforcement charges is approximately 7,000 per year. Increasing the penalty amount by \$15 would be a reasonable deterrent to repetitive trespassing for parking purposes. The penalty amount increase would generate additional penalty revenue notwithstanding that this is not the purpose of the penalty increase but rather a budget consequence.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

It is unknown if this amendment will affect climate change. Less illegal parking may result in vehicle owners taking alternative forms of transportation, but we would not be able to measure the effect.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No, this initiative will have no impact on resilience to extreme weather events.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not applicable. This amendment does not have any climate-change related impacts.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment does not have a significant impact on equity-deserving or other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment addresses the problem of people leaving their vehicles on private properties (Residential and Commercial) without authorization. These vehicles take up viable parking space for people that are accessing these properties for lawful purposes. The increased fine poses a deterrent and encourages compliance with the By-law.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

This amendment would have a positive impact on private property owners, business patrons and residents of multi-residential buildings. By increasing the fine amount, a greater deterrent to non-compliance is achieved, ensuring parking spaces are free for people attending these properties with lawful purpose.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No. There are no negative anticipated impacts.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

We have consulted with some private property owners who are part of the Private Property Parking Enforcement Program, who feel that this amendment will greatly assist in ensuring voluntary compliance with the By-law and keeping unauthorized vehicles off their property.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

No there are no risks associated with this amendment

2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There are no risks associated with not proceeding with this amendment.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

Progress, results and impacts will be monitored by Parking Services and Compliance staff through the ticket management software including impacts for Private Property Parking, Screening Requests, Hearing Requests and financial impacts.

# 2022 Annual Budget Update

## Budget Amendment # P-5

Strategic Area of Focus: Strengthening our Community; Growing Our Economy

Strategy: Improve access to licenced child care and early years opportunities;  
Increase Ontario Works client participation within employment activities

Budget Amendment Type: Cost Driver

Description: Part A: Reduction in required Child Care investment in 2022 due to impacts of COVID-19  
Part B: Reduction in Ontario Works investment in 2022 due to impacts of COVID-19

Service(s): Children’s Services; Ontario Works

Lead: Kevin Dickins, Deputy City Manager, Social and Health Development

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	-\$2,773	\$0	-\$2,773
Annual Incremental Tax Levy Impact	N/A	N/A	-\$2,773	\$2,773	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	-0.41%	0.41%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	-\$13.11	\$0	-\$3.28 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Part A - Reduction in required Child Care investment in 2022 due to impacts of COVID-19

### What is the reason for the budget amendment?

During the 2020-2023 Multi-Year Budget development process, service system planning forecasts anticipated the development of new child care centres that would necessitate additional funding to support new fee subsidy and other operational costs. Growth in the number of child care spaces is supported through Provincial Child Care Expansion Plan Funding (Expansion Plan funding).

With the onset of the COVID-19 pandemic, the development of anticipated new child care centres has been delayed; therefore, the municipal portion of the Expansion Plan funding (\$1.63 million) will not be required in 2022. The funding is expected to be needed in 2023 and beyond as new centres become operational, and therefore should remain in place as approved for 2023 and into the future.

Operating Budget Table (\$ Thousands)

Children's Services	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$7,782	\$7,400	\$8,780	\$8,841	\$32,803	\$53,046
Amendment	N/A	N/A	-\$1,630	\$0	-\$1,630	\$0
Amended Net Budget (Tax Levy)	\$7,782	\$7,400	\$7,150	\$8,841	\$31,173	\$53,046

Subject to rounding.

### Additional Details

#### Capital overview

- In collaboration with the Ministry of Education and other partners, the City of London is supporting the development of new child care capital builds, including:
  1. A planned Southeast Public School (name to be determined) (TVDSB);
  2. River Heights Public School (TVDSB); and
  3. St. Anne Catholic School (LDCSB).
- Capital funding to support these three centres has been committed by the Ministry of Education.
- When complete, these capital projects will create an additional 264 licensed child care spaces in the London and Middlesex child care system.

## Expansion plan funding overview

- The London and Middlesex licensed child care system continues to grow to meet the needs of families; Expansion Plan funding supports the associated increased operational costs for services including fee subsidy, special needs resourcing, and capacity building to avoid putting additional strain on the existing system. Expansion Plan funding is cost-shared between the Province (80%) and City of London (20%) as Service System Manager.

## COVID-19 impacts

- The capital projects identified above were anticipated to be in the building phase in 2020 and require ongoing operational support beginning in 2021; however, due to the impacts of COVID-19, these projects are now projected to open later in 2022.
- Given construction delays in these capital projects, planning forecasts suggest the municipal portion of Expansion Plan funding will not be needed for 2022.
- The municipal portion of Expansion Plan funding will be needed in 2023, as previously approved by Council, to provide operational funding that supports continued quality, stability, accessibility, and affordability of the growing child care and early years system.

## Strategic Plan connection and KPI impacts

- The one-time budget reduction will not impact Strategic Plan metrics associated with service system management of child care. The ongoing challenges of COVID-19 will impact overall metrics related to number of additional licensed child care spaces and number of children in receipt of child care fee subsidy; the budget amendment is responsive to these ongoing challenges.

## Community impact

- COVID-19 has highlighted the economic and social importance of child care, particularly for equity-deserving populations, and the City of London is committed to supporting a strong, accessible, equitable child care and early years system. Given delays in system expansion due to COVID-19, no impacts are anticipated related to the one-time reduction of the municipal portion of Expansion Plan funding, it being noted that the provincial 80% portion of the funding will remain available for investment regardless of whether the municipality contributes the recommended 20%.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

This amendment does not have any climate-change related impacts.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not Applicable. This amendment does not have any climate-change related impacts.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

The provision of child care fee subsidy is primarily a function of income level. Moreover, while many families require child care, single parent households, which are most often led by women, may face additional pressures and need. However, as noted in this amendment, there are no anticipated long-term equity impacts through this amendment as this amendment is a result of uncontrollable construction delays and funding will remain in place for 2023 and beyond.

- 2) What barriers or needs does this amendment address?

The amendment is responsive to delays in capital construction and the expansion of child care spaces in 2022 due to COVID-19. Longer-term, the Expansion Plan funding will continue to assist in addressing the need for additional affordable child care spaces.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

Through this amendment, the City of London will reduce the need for the municipal portion of the planned 2022 Expansion Plan funding investment with no anticipated impacts to the child care system, given delays in the expansion of child care spaces due to COVID-19.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

The delays in the construction of the new spaces are an unfortunate result of COVID-19. However, specific to this amendment, there are no anticipated long-term negative impacts related to this one-time budget amendment as funding will remain in place for 2023 and beyond.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Civic Administration contacted London's four school boards (TVDSB, LDCSB, CSC Providence, and CS Viamonde) to review capital plans and timelines. Civic Administration also analyzed and incorporated the impact of this budget amendment as part of budget forecasting for 2022.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

There are no anticipated risks associated with approving this amendment. System forecasting has been adjusted to reflect delays in the growth of child care spaces due to COVID 19, reducing the need for Expansion Plan funding in 2022.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There are no anticipated risks associated with not approving this amendment.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

In line with existing practice, the Child Care and Early Years budget will be built to maximize the impact of child care and early years system investments in accordance with provincial guidelines and local priorities. Civic Administration will continue to work with school boards and operators to track future system growth against available resources. If emergent issues arise regarding system growth or resource constraints, Civic Administration will contact internal and external stakeholders to identify the issue and develop strategies to address it.

## Part B: Reduction in Ontario Works investment in 2022 due to impacts of COVID-19

### What is the reason for the budget amendment?

In the 2020-2023 Multi-Year Budget, Council approved additional funding of approximately \$1.74 million for the Ontario Works Program in light of Provincial funding changes that resulted in the Ministry of Children, Community and Social Services (the “Ministry”) capping all municipalities at 2018 funding levels. This created financial and resourcing pressures for the City to cover the 50% Provincial cost share of inflationary or other service cost increases. One notable increase was the cost of employment related expenses to cover a 17% rate increase for bus passes essential for participation in employment activities and to address existing demand in services.

With the onset of the COVID-19 pandemic and associated recovery benefits from the Government of Canada to support Canadians, the Ontario Works program has experienced a decrease in caseload along with a decrease in employment related expenses in 2021. Civic administration anticipates this reduction to continue in 2022, because of the extension of recovery benefits by the Government of Canada and the decline in caseload may take some time to recover to pre-COVID levels. As a result, an estimated net \$1.143 million funding for 2022 will not be required, inclusive of the cost of employment related expenses and deferral of staffing recruitment to align with caseload recovery.

#### Operating Budget Table (\$ Thousands)

Ontario Works	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$13,689	\$13,945	\$14,554	\$14,716	\$56,904	\$88,296
<b>Amendment</b>	<b>N/A</b>	<b>N/A</b>	<b>-\$1,143</b>	<b>\$0</b>	<b>-\$1,143</b>	<b>\$0</b>
Amended Net Budget (Tax Levy)	\$13,689	\$13,945	\$13,411	\$14,716	\$55,761	\$88,296

Subject to rounding.

#### Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	-5.0	0.0
# of Full-Time Equivalents Impacted	N/A	N/A	-5.0	0.0
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	-\$450	\$0

Subject to rounding.

## Additional Details

The COVID-19 pandemic and the resulting recovery benefits extended by the Government of Canada has impacted caseload and related employment expenses. The Ministry has forecasted an increase in caseload from 2021 to 2022 of approximately 15%. The average caseload for 2021 is forecasted to be approximately 9,180, and with an increase of 15% caseload could reach up to 10,556 in 2022. Despite the predicted increase, caseload would remain much lower than our pre-COVID level of 11,170 (average caseload in 2019) and our budgeted caseload of 11,500. Given the drop in caseload, and the recovery back to pre-COVID levels, there are reduced employment related expenses and a reduced need for staff support expected in 2022. This amendment reflects a one-time reduction of employment related expenses and deferral of recruitment for 5 positions.

Civic Administration will reassess the caseload position as the impacts of COVID-19 and recovery benefits phase out in 2022. If a continued reduction in caseload is experienced, further reductions may be brought forward through the 2023 Annual Budget Update process. Because of the uncertainty in the current environment, Civic Administration is not considering permanent reductions at this time.

Link to Report to Community and Protective Services Committee, May 11, 2021: 2020 Ontario Works Participant and Service Delivery Profile

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=80769>

## Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

This amendment does not have any climate-change related impacts.

- 3) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not applicable. This amendment does not have any climate-change related impacts.

## Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

Ontario Works provides employment supports to the following equity-deserving groups: First Nations, Metis, Inuit, Racial Minorities, Immigrants & Newcomers, Women, Persons with Disabilities, LGBTQ2S Communities, Persons with Low Income, Persons with Low Literacy, Homeless/Under-Housed, and Victims of Violence.

- 2) What barriers or needs does this amendment address?

This budget item addresses access to transportation and adequate caseworker support. Current caseload in 2021 reflects approximately 10,000 adults, of which 6,400 are participating in employment-related activities requiring access to transportation and caseworker supports. However, given the reduced caseload, it is anticipated that budget resources will be sufficient to support the cost of employment-related activities and caseworker support for the projected 2022 caseload.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

The reduction in investment in 2022 will have a positive impact for Londoners by reducing the tax levy.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

Because the forecasted increase in caseload for 2022 remains below 2019 actuals (provincial funding is based on 2019 actuals), Civic Administration is not anticipating any negative impacts resulting from this one-time reduction.

- 5) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

No, because caseload size for 2022 is forecasted to be lower than 2019, Civic Administration is expecting to be able to manage employment expenses and caseworker support within the existing provincial budget without impact to those receiving services.

## Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

The risk of approving this amendment relates to caseload. A forecasted caseload has been used to estimate the reduction presented. If caseload is higher than forecasted in 2022, then there is a risk of budget pressures in this area. Frequent monitoring of caseload will assist in managing and mitigating this risk.

2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There are no significant risks of not proceeding with this amendment.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

The progress, results and impacts will be monitored monthly and communicated through the mid-year and year-end budget monitoring reports to the Corporate Services Committee.

# 2022 Annual Budget Update

## Budget Amendment # P-6

Strategic Area of Focus:	Building A Sustainable City, Strengthening our Community
Strategy:	Part A: Prioritize investment in assets to implement the Asset Management Plan Part B: Invest in community building projects
Budget Amendment Type:	Cost Driver
Description:	Reductions to Previously Approved "For Consideration" Business Case: Part A: City of London Infrastructure Gap Part B: Community Improvement Plan – Community Building Projects
Service(s):	Part A: Capital Financing Part B: Planning Services
Lead:	Part A: Anna Lisa Barbon, Deputy City Manager, Finance Supports Part B: George Kotsifas, Deputy City Manager, Planning and Economic Development

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	-\$650	-\$650	-\$1,300
Annual Incremental Tax Levy Impact	N/A	N/A	-\$650	\$0	-\$650
Estimated Annual Tax Levy Impact %	N/A	N/A	-0.10%	0.00%	-0.02% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	-\$3.08	-\$3.06	-\$1.53 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Part A: City of London Infrastructure Gap, Decrease Tax Supported Reserve Fund Contribution

### What is the reason for the budget amendment?

The reason for this budget amendment is to seek Council's approval regarding a permanent decrease of \$600 thousand to the Council approved 2020 to 2023 Additional Investment Business Case 4B - City of London Infrastructure Gap. This additional investment provides for increased tax supported contributions to the Infrastructure Gap Reserve Fund to mitigate growth in the City's approximate \$666.9 million 10-year infrastructure gap. In March of 2020, Council approved this investment in annual increments of \$750 thousand starting in 2020, thus, by 2023 the contribution to the Infrastructure Gap Reserve Fund would have increased to \$3 million per year. However, as part of the 2021 Annual Budget Update, Council approved a permanent decrease to this investment of \$500 thousand starting in 2021, thus, by 2023 this Business Case now represents an investment of \$2.5 million per year to the Infrastructure Gap Reserve Fund. If this 2022 budget amendment is approved by Council, a further permanent decrease of \$600 thousand starting in 2022 will result in this investment representing a \$1.9 million tax supported contribution per year to the Infrastructure Gap Reserve Fund by 2023.

Operating Budget Table (\$ Thousands)

Infrastructure Gap Reserve Fund Contribution	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$750	\$1,000	\$1,750	\$2,500	\$6,000	\$15,000
Amendment	N/A	N/A	-\$600	-\$600	-\$1,200	-\$3,600
Amended Net Budget (Tax Levy)	\$750	\$1,000	\$1,150	\$1,900	\$4,800	\$11,400

Subject to rounding.

## Additional Details

The financial consequences of COVID-19 continue to be experienced by Londoners and are likely to continue into the foreseeable future. As such, Civic Administration has brought forward this budget amendment to reduce the tax levy pressures in 2022 and 2023.

All else being equal, if approved, this budget amendment has associated risks. These risks include, but are not limited to, further growth of the infrastructure gap, intergenerational inequities in lifecycle renewal capital financing, inability to maintain current levels of service, and the need for increased future additional investment requests to mitigate growth in the infrastructure gap. However, risks such as these may be fully or partially offset by existing mitigation strategies such as one-time contributions to the Infrastructure Gap Reserve Fund in accordance with the Council approved Surplus/Deficit and Assessment Growth policies, asset management condition assessments which inform capital projects, and annual assessment growth cases for new assets directly owned by the City. Furthermore, when assessing the reasonability of this budget amendment, Civic Administration confirmed that these savings can be achieved without impacting the 2022 to 2031 lifecycle renewal capital plan presented in the 2022 Annual Budget Update for Council approval.

To provide further context to this budget amendment, the following summarizes the current infrastructure gap and recent trends. The 2022 to 2031 capital plan includes a lifecycle renewal program totalling \$1.05 billion. This budget supports directly owned infrastructure with a replacement value of approximately \$22.1 billion. The budget, along with applicable uncommitted reserve fund balances, establishes the reference point to assess if a funding gap exists and assists in determining current levels of service, monitoring the gap, and informing the management of City assets. Based on the results of the Corporate Asset Management Plan 2021 Review, despite the planned lifecycle renewal expenditures and available reserve fund balances, a 10-year infrastructure gap of \$666.9 million exists and this gap represents 3.0% of the replacement value. This infrastructure gap and the gap's percentage of replacement value has increased since the 2019 Corporate Asset Management Plan when the gap equaled \$568.8 million and the gap percentage of replacement value was 2.8%. Thus, to achieve future infrastructure sustainability, the City will require either an increase in investment in infrastructure renewal, or a reduction in the number of services or levels of services the City provides. Approval of this budget amendment would marginally increase the infrastructure gap as a percentage of replacement value, from 3.01% to 3.04%.

Lastly, it is important to note that since the inception of Corporate Asset Management in 2010, Council has made significant financial and non-financial investments to mitigate the infrastructure gap. Examples of these investments are:

- Creating the Capital Infrastructure Gap Reserve Fund (as listed in recommendation #8 in the 2014 Corporate Asset Management Plan), with subsequent related business cases and assessment growth cases in the Tax Supported Source of Reserve Fund Contribution Table below;
- Creating a Council-approved Corporate Asset Management Policy which includes principles of a long-term forward-looking asset management perspective, committing to alignment with City plans and strategies, and take into account Council-approved budgets and other financial plans;
- Supporting an infrastructure gap mitigation strategy over 25 years in the 2019 Corporate Asset Management Plan to recognize the long-term approach required to manage the infrastructure gap;
- Investment in asset management systems totalling \$5.3 million (\$2.8 million in 2012 to 2021 life-to-date financing and \$2.5 million in future 2022 to 2031 financing);

- Establishment of financial policies that ensure prudent financial planning, such as the Capital Budget and Financing Policy and the Reserve/Reserve Fund Policy, as well as financial policies that seek to maximize public funds by allocating a portion of one-time surpluses to the infrastructure gap, such as the Surplus/Deficit Policy and the Assessment Growth Policy;
- Approval of the CARR Reserve Fund Rationalization report recommendations that aligned the City’s lifecycle renewal reserve fund portfolio with the City’s asset management plan categories; further entrenching the ties between asset management and financial planning.
- 2022 to 2023 annual reserve fund contributions of \$31.3 million dedicated to mitigating the infrastructure gap (as outlined in the following table), noting that since approval of the CARR Reserve Fund Rationalization Report in 2020, these contributions have been proportionately reallocated to their applicable lifecycle renewal reserve fund, e.g. Transportation Renewal RF, Recreation Renewal RF, etc.;

Tax Supported Source of Reserve Fund Contribution 2022 to 2023 Table (\$ Thousands)

Tax Supported Contribution Source	2022	2023
2016 Strategic Investment Case #7	\$6,000	\$7,000
2017 Assessment Growth Case #19 (permanent)	\$500	\$500
2018 Assessment Growth Case #23 (permanent)	\$500	\$500
2019 Assessment Growth Case #28 (permanent)	\$1,000	\$1,000
2020 to 2023 Additional Investment Case #4A (permanent)	\$1,000	\$1,000
2020 to 2023 Additional Investment Case #4B (permanent) <sup>1</sup>	\$1,150	\$1,900
2020 Assessment Growth Case #24 (permanent)	\$2,369	\$2,369
2021 Assessment Growth Case #21 (permanent)	\$2,271	\$2,271
<b>Total</b>	<b>\$14,790</b>	<b>\$16,540</b>

Notes:

1. Contributions presented for additional investment case # 4B assume Council approval of 2022 budget amendment #5A, which reduces the annual contribution by \$600 thousand.

For additional information regarding the Corporate Asset Management Plan and 2020 to 2023 additional investment business case, refer to the committee meetings and reports as well as other online information sources noted below:

- July 26, 2021, Report to the Corporate Services Committee – Corporate Asset Management Plan 2021 Review

- September 8, 2020, Report to the Corporate Services Committee – Corporate Asset Management Plan 2020 Review
- August 26, 2019, Report to Strategic Priorities and Policy Committee – 2019 Corporate Asset Management Plan
- April 8, 2019, Report to Strategic Priorities and Policy Committee – Corporate Asset Management Policy
- Get Involved London Website – Business Cases for Additional Investments, business case number 4 City of London Infrastructure Gap page 47 of document (link and Uniform Resource Locator below)  
<https://london.ca/sites/default/files/2020-11/2020%20to%202023%20Multi%20Year%20Budget%20Business%20Case%20Cerlox.ah%20FINAL%20as%20of%20November%203%2C%202020.pdf>

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

No, as this amendment does not pertain to necessary service improvements to reach the 2050 target. Also, it is difficult to quantify the environmental impact of increasing the infrastructure gap. However, timely rehabilitation and repair is considered cost efficient and consistent with less greenhouse gas emissions to complete this work, thus, this amendment may not help the City reach its 2050 emissions target.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

It is difficult to quantify the resiliency impact of increasing the infrastructure gap. However, as adequate funding to keep infrastructure in good repair is consistent with maintaining infrastructure resiliency this amendment may not increase the City's asset resiliency or climate change-related impacts.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Yes, the Corporate Asset Management group consults extensively with service and finance groups during the Corporate Asset Management Plan preparation and subsequently annual Plan reviews (which include Report Card summaries for Transportation, Parks, Recreation, and Corporate Facilities). The Corporate Asset Management Plan reviews include reassessing level of service metrics and appropriate reinvestment rates. Thus, there is an underlying level of work and collaboration in the Corporate Asset Management processes.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

Given tax supported directly owned City infrastructure (such as Facilities, Roads, Recreation, etc.) are assets that are used by City of London residents (or used to provide services for them), this indicates many equity-deserving and vulnerable groups are potentially impacted.

2) What barriers or needs does this amendment address?

In certain respects, none – reducing funding to mitigate the infrastructure gap (instead of using this funding to increase the amount of repair or rehabilitation work) will have an impact on City of London residents. It may unintentionally continue systemic barriers and decrease the quality-of-life for residents who use this infrastructure on a regular basis. However, systemic burdens should be reduced given the tax rate burden is being decreased.

3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

A positive, medium impact is expected from this amendment. The decreased tax burden is considered highly positive but offset by reducing the opportunity to decrease the City's infrastructure gap. This information also informs the Corporate Asset Management Program and future Corporate Asset Management Plans. It assists decision makers (senior City administration and Council) in having informed equity-based decisions for City infrastructure.

4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

Yes, a reduction in funding is expected to negatively impact the City's infrastructure gap (i.e. increase the gap). However, as outlined in the "Additional Details" section of the amendment, the City has various financial and non-financial mitigation strategies that may either fully or partially address this negative impact.

5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Yes, primarily subject matter experts such as City of London service groups and Finance (as described earlier).

Governance Considerations:

1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

Yes, reducing embedded funding sources for mitigating the City's infrastructure gap indicates the tax supported gap (now at \$655.0 million) will increase to \$660.4 million. This is inconsistent with the Corporate Asset Management Plan recommendation to mitigate the infrastructure gap growth.

2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

This amendment has been brought forward as an option to reduce the tax levy. If Council does not proceed with this amendment, there will be no change to the current tax levy from this amendment.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

Corporate Asset Management annually reports the results to Council advising if they are meeting or not meeting level of service targets and, since the 2019 Corporate Asset Management Plan, has provided annual reviews to Council on the City’s infrastructure gap. Any funding changes to the Capital Infrastructure Gap Reserve Fund will be encapsulated in the future Corporate Asset Management Plan or Corporate Asset Management Plan reviews.

## Part B: Community Improvement Plan, Decrease Funding for Community Building Projects

### What is the reason for the budget amendment?

The Community Building Projects program supports small scale beautification, activation and functional projects and initiatives within and surrounding the City’s urban main streets. Due to the pandemic and anticipated increased funding opportunities from other levels of government, less projects have come forward from local communities in the last two years.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Community Building Projects	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – PD1115	\$30	\$30	\$50	\$50	\$160	\$300
Amendment	N/A	N/A	-\$50	-\$50	-\$100	-\$300
Amended Budget	\$30	\$30	\$0	\$0	\$60	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	\$50	\$50	\$100	\$300
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
Amended Budget	\$30	\$30	\$0	\$0	\$60	\$0

Subject to rounding.

## Additional Details

The Community Building Projects program supports a variety of non-incentive and small-scale projects located within neighbourhood-based Community Improvement Plans (CIPs), outside of the Downtown. This program provides seed funding to get local initiatives off the ground and build local capacity for sustainable commercial districts and attractive and engaging public spaces.

Examples of projects and initiatives supported by this program include:

- Container planting and hanging basket programs;
- Way-finding, gateway and destination signage;
- Public art including alleyway beautification, crosswalk painting, and utility box wraps;
- Coordinated permanent and moveable street furniture including benches, patios, and café tables;
- Support and cost-sharing for Business Improvement Areas and community association initiatives;
- Retrofit of existing community gathering places to provide shade structures, event space, and seating areas;
- Creative lighting and enhanced lighting for safety;
- Branding and advertising; and,
- Targeted incentive programs for items like signage, weather protection, lighting, and patios.

Due to the impact of the pandemic, there have been fewer projects and initiatives come forward than anticipated in the last two years. As the economy recovers, there is an anticipated increase in investment from other levels of government to support economy and community recovery. Within the foreseeable future, remaining capital funding from prior years is sufficient to support the local Community Improvement Plan's recovery.

## Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

This amendment does not have any climate-change related impacts.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not applicable. This amendment does not have any climate-change related impacts.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

The Community Building Projects supports local Business Improvement Areas and Business Associations and other community stakeholders in implementing community initiatives and projects. It is not anticipated to significantly impact specific equity-deserving groups.

- 2) What barriers or needs does this amendment address?

This amendment will not address barriers or needs from an equity impact lens.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

This amendment will have a positive impact for Londoners by reducing the tax levy.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No significant anticipated negative impacts resulting from the amendment.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

This amendment will result in reduced funding available to Community Improvement Plans. This can be mitigated as there are increasing funding opportunities from other levels of government.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There have been no identified risks of not proceeding with this amendment.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

Funding opportunities and community needs will continue to be monitored. Budget will be adjusted through annual budget update and/or multi-year budget based on changes in funding opportunities available from other levels of government or growing needs from local communities.

# 2022 Annual Budget Update

## Budget Amendment # P-7

Strategic Area of Focus:	Strengthening our Community; Leading in Public Service
Strategy:	Support neighbourhood festivals, cultural events, and activities across the city; Strengthen engagement opportunities for all Londoners to participate in their neighbourhoods;
Budget Amendment Type:	Cost Driver
Description:	<b>Part A:</b> Reduction of Neighbourhood Decision Making Grant Program <b>Part B:</b> Reduction of Neighbourhood Small Events Fund Grant Program <b>Part C:</b> Reduction of Athletic Travel Grants
Service(s):	Neighbourhood Strategic Initiatives and Funding; Sport Services
Lead:	Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	-\$235	-\$235	-\$470
Annual Incremental Tax Levy Impact	N/A	N/A	-\$235	\$0	-\$235
Estimated Annual Tax Levy Impact %	N/A	N/A	-0.03%	0.00%	-0.01% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	-\$1.11	-\$1.11	-\$0.55 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## What is the reason for the budget amendment?

Three programs providing community grants have been identified as potential budget saving opportunities. These programs include: the Neighbourhood Decision Making Program; the Neighbourhood Small Events Fund; and the Athletic Travel Grants Program. This budget amendment outlines permanent reductions to the Neighbourhood Decision Making Program and the Neighbourhood Small Events fund, and the Athletic Travel Grants Program.

## Part A - Reduction of Neighbourhood Decision Making Program

Operating Budget Table (\$ Thousands)

Neighbourhood Decision Making Program	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$250	\$250	\$250	\$250	\$1,000	\$1,500
Amendment	N/A	N/A	-\$125	-\$125	-\$250	-\$750
Amended Net Budget (Tax Levy)	\$250	\$250	\$125	\$125	\$750	\$750

## Additional Details

The Neighbourhood Decision Making Program provides an opportunity for community members to directly decide how to spend a portion of the municipal budget in their neighbourhoods on an annual basis. The purpose of the program is to engage, empower and connect residents by bringing neighbours together around community-driven projects that enhance and strengthen their neighbourhoods.

The program provides opportunities for community members to participate in their neighbourhoods, learn about how municipal government works, and to make decisions that directly impact their lives. It provides opportunities for the City to learn about what people want in their neighbourhoods, work collaboratively across service areas to assess and implement ideas, and to support community members through a defined and consistent process. The Neighbourhood Decision Making Program has shown year-over-year increases in the number of successful projects funded as well as significant increases in the number of individuals participating in voting.

Pending approval of this budget amendment, the Neighbourhood Decision Making Program will be reduced by \$125 thousand starting in 2022. Information about the program reduction will be communicated to the public in the spring of 2022. This amendment will impact the following Strategic Plan metrics:

- Number of residents that voted in Neighbourhood Decision Making
- Number of Neighbourhood Decision Making Ideas implemented
- Number of residents who submitted ideas through Neighbourhood Decision Making

- Percentage of neighbourhoods that participate in Neighbourhood Decision Making

Links to supporting documents:

[London Strengthening Neighbourhood Strategy: Neighbourhood Decision Making Program \(June 17, 2019\)](#)

## Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

This amendment does not have any climate-change related impacts.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not applicable. This amendment does not have any climate-change related impacts.

Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

The Neighbourhood Decision Making Program outreach strategy includes supports for neighbourhoods that may be experiencing barriers to participation, this includes outreach to newcomers, cultural groups, youth, and isolated residents. Reduced funding could affect participation opportunities for these groups.

- 2) What barriers or needs does this amendment address?

This amendment will not address barriers or needs from an equity impact lens but, as noted above, could negatively affect barriers to participation for the aforementioned equity-deserving groups.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

Low impact. The amendment will provide a budget saving opportunity.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

This amendment will result in reduced opportunities to support groups experiencing barriers to participate in neighbourhood programs, events, and activities.

If this program is reduced, Neighbourhood and Community Wide Services would continue to use an equity and inclusion lens on all work and seek out opportunities to support anti-racism and anti-oppression.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

This amendment will result in reduced funding available to Londoners to improve their local communities and support neighbourhood events and activities.

This can be mitigated through sharing clear and transparent information with community organizations and the public and continuing to support community development through existing programs.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Outside of the potential risks noted in the previous section, there have been no additional identified risks of not proceeding with this amendment.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Pending approval of the 2022 Municipal Budget, a detailed communications plan will be developed to inform community organizations, community members and other stakeholders about the changes to community granting programs. Information will be shared in a timely manner, allowing stakeholders time to prepare for the changes. Feedback related to the budget amendment will be collected and analyzed.

## Part B - Reduction of Neighbourhood Small Events Fund Grant Program

Operating Budget Table (\$ Thousands)

Neighbourhood Small Events Fund	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$20	\$20	\$20	\$20	\$80	\$120
Amendment	N/A	N/A	-\$10	-\$10	-\$20	-\$60
Amended Net Budget (Tax Levy)	\$20	\$20	\$10	\$10	\$60	\$60

### Additional Details

The Neighbourhood Small Events Fund provides a one-time grant of up to \$500 per year to community/neighbourhood groups to assist with event expenses such as: venue rentals, first aid stations, portable washrooms, etc.

The program removes barriers for neighbours looking to engage and lead in their communities. It promotes opportunities to neighbours to build relationships, connect to their communities, and come together for no cost.

Pending approval of this budget amendment, the Neighbourhood Small Events Fund will be reduced by \$10 thousand starting in 2022. Information about the program reduction will be communicated to the public in the spring of 2022. This amendment will impact the following Strategic Plan metrics:

- Dollars invested to support community organizations through Neighbourhood Small Events Fund

### Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London’s net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

This amendment does not have any climate-change related impacts.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

This amendment does not have any climate-change related impacts.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

The Neighbourhood Small Events Fund reduces barriers to hosting and supporting neighbourhood events by providing grants to off-set costs. This amendment may impact groups that have limited funds available to support an event in their neighbourhood.

- 2) What barriers or needs does this amendment address?

This amendment will not address barriers or needs from an equity impact lens but, as noted above, could negatively affect groups with limited funds to support neighbourhood events.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

Low impact. The amendment will provide a budget saving opportunity.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

This amendment will result in reduced opportunities to support groups experiencing barriers to participate in neighbourhood events.

If this program is reduced, Neighbourhood and Community Wide Services would continue to use an equity and inclusion lens on all work and seek out opportunities to support anti-racism and anti-oppression.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

This amendment will result in reduced funding available to Londoners to support neighbourhood events and activities.

This can be mitigated through sharing clear and transparent information with community organizations and the public and continuing to support community development through existing programs.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Outside of the potential risks noted in the previous section, there have been no additional identified risks of not proceeding with this amendment.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Pending approval of the 2022 Municipal Budget, a detailed communications plan will be developed to inform community organizations, community members and other stakeholders about the changes to community granting programs. Information will be shared in a timely manner, allowing stakeholders time to prepare for the changes. Feedback related to the budget amendment will be collected and analyzed.

## Part C - Reduction of Athletic Travel Grants

### Operating Budget Table (\$ Thousands)

Athletic Travel Grants	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$119	\$119	\$119	\$119	\$476	\$714
Amendment	N/A	N/A	-\$100	-\$100	-\$200	-\$600
Amended Net Budget (Tax Levy)	\$119	\$119	\$19	\$19	\$276	\$114

### Additional Details

The Athletic Travel Grants Program provides up to \$100 per competitor/team member (up to a maximum of \$500) to local amateur sporting teams or individuals who win championships in the current year, or the immediately preceding year, or attain standards prescribed by the Provincial and/or National and/or International governing body, which qualify them to enter Provincial, National or International championship competitions.

The program assists sport teams and/or individuals with expenses such as travel and accommodations noting that the Athletic Travel Grants Program is only a supportive grants program and not intended to wholly support an individual or team for travel expenses in quest of a championship.

Pending approval of this budget amendment, the Athletic Travel Grants program will be significantly reduced starting in 2022 saving \$100 thousand annually. Information about reduction of the program will be communicated to stakeholders in the spring of 2022.

Links to supporting Council Policy: [Athletic Travel Grants | City of London](#)

### Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London's net-zero greenhouse gas emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

This amendment does not have any climate-change related impacts.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not applicable. This amendment does not have any climate-change related impacts.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment does not have a significant impact on equity-deserving or other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment will not address barriers or needs from an equity impact lens.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

Low impact. The amendment will provide a budget saving opportunity.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

This amendment will result in reduced opportunities to support groups for athletic travel.

If this program is reduced, Neighbourhood and Community Wide Services would continue to use an equity and inclusion lens on all work and seek out opportunities to support anti-racism and anti-oppression.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

This amendment will result in reduced funding available to support athletic travel expenses.

This can be mitigated through sharing clear and transparent information with community organizations and the public and continuing to support community development through existing programs.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There have been no identified risks of not proceeding with this amendment.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Pending approval of the 2022 Municipal Budget, a detailed communications plan will be developed to inform community organizations, community members and other stakeholders about the changes to community granting programs. Information will be shared in a timely manner, allowing stakeholders time to prepare for the changes. Feedback related to the budget amendment will be collected and analyzed.

# 2022 Annual Budget Update

## Budget Amendment # P-8

Strategic Area of Focus:	Building a Sustainable City
Strategy:	Implement strategies, policies, and programs to conserve natural areas and features Plant more trees to increase the city's tree canopy cover Londoners can move around the City safely and easily in a manner that meets their needs.
Budget Amendment Type:	Cost Driver
Description:	A) Park and Road-Side Naturalization: Reduction in the limits of grass cutting in parks and select roadsides. B) Urban Forestry: Reduce tree trimming.
Service(s):	Parks Planning and Design & Parks and Horticulture; Urban Forestry
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	-\$258	-\$258	-\$516
Annual Incremental Tax Levy Impact	N/A	N/A	-\$258	\$0	-\$258
Estimated Annual Tax Levy Impact %	N/A	N/A	-0.04%	0.00%	-0.01% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	-\$1.22	-\$1.22	-\$0.61 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Part A - Park and Roadside Naturalization: Reduction in the Limits of Grass Cutting in Parks and Select Roadsides

### What is the reason for the budget amendment?

The City cuts grass in over 470 parks and open space areas across the City, and along most arterial roads and some secondary roads where there is no adjacent landowner fronting the road.

Over the last 20 years, the City has slowly reduced the area of grass cutting in parks in support of naturalization, tree planting and our first pollinator-friendly garden was installed in 2000. To continue this effort and to support our new Climate Change initiatives, Parks has looked closely at a more deliberate reduction in the area we mow to reduce gasoline use and to cut emissions. We are aiming at a 10% reduction overall to the 1040 hectares of mowing in Parks.

In addition, there are several areas along our roads where we can also reduce the amount of boulevard grass cutting without impacting road safety or aesthetics.

This plan also supports overall budgetary constraints for 2022.

### Operating Budget Table (\$ Thousands)

Parks Planning & Design and Parks & Horticulture	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$9,282	\$9,487	\$9,628	\$9,764	\$38,161	\$58,584
Amendment	N/A	N/A	-\$158	-\$158	-\$316	-\$948
Amended Net Budget (Tax Levy)	\$9,282	\$9,487	\$9,470	\$9,606	\$37,845	\$57,636

Subject to rounding.

### Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	0.0	0.0
# of Full-Time Equivalents Impacted	N/A	N/A	-3.0	-3.0
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	-\$158	-\$158

Subject to rounding.

Note: The number of summer staff hired may not be affected but length of work term may be reduced.

## Additional Details

Some of the newly naturalized areas will be planted with trees to help meet the City's Tree Planting Strategy and Million Tree goal. Some areas will remain as meadows to provide for pollinator habitat and support overall landscape diversity.

## Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

Yes, as an interim step to electrifying our Parks Fleet, a reduction in mowing reduces the amount of gasoline used and emissions produced by our lawn mowing equipment.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

Yes, this plan will increase our hectares of natural areas and increase our tree planting area on City lands.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Yes, staff presented this plan to Trees and Forests Advisory Committee in July 2021.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment does not have a significant impact on equity-deserving or other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not have a significant impact on specific barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

This amendment will have a positive impact for Londoners by reducing the tax levy.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No significant negative anticipated impacts resulting from the amendment.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

Yes, the increase of ticks in the London area is growing each year, with an associated risk of Lyme Disease. Signage has been posted near all wooded areas to warn the public of possible ticks. Naturalization areas will be kept away from any existing managed pathway/trails.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Yes, planned efforts to reach our Climate Change targets will be impacted.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

The number of hectares of mowing reduction will be tracked each year. A calculation will be made to translate that number to hours of machine time, litres of gas saved, and emissions reduced.

## Part B - Urban Forestry: Reduce Tree Trimming

### What is the reason for the budget amendment?

The budget amendment will help alleviate tax levy pressures without significantly reducing service levels and frequencies of urban tree trimming in London. Proactive tree trimming is done to reduce the danger of hazard trees as well as “low limbing” along boulevards to help maintain sight lines and tree health. Hazard trees will still be able to be dealt with in a timely manner, but proactive trimming will be delayed without creating substantial tree health or resident health concerns.

Operating Budget Table (\$ Thousands)

Forestry Operations	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$4,357	\$4,760	\$4,792	\$4,822	\$18,731	\$28,932
Amendment	N/A	N/A	-\$100	-\$100	-\$200	-\$600
Amended Net Budget (Tax Levy)	\$4,357	\$4,760	\$4,692	\$4,722	\$18,531	\$28,332

Subject to rounding.

### Additional Details

There will be no full-time staffing impact as staffing resources will be directed elsewhere to perform services that are currently contracted, slightly reducing contracted services. The amendment is driven by the need to reduce operating expenditures corporately and this service level reduction results in a minimal impact to residents or tree health. A reduction in proactive tree trimming results in a reduction in managing tree health and eliminating tree hazards. This will be mitigated through a thorough reprioritization of work to ensure hazard trees and tree health considerations factor into the scheduling of work.

### Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

This amendment does not have an impact on the City of London’s net-zero greenhouse has emissions targets.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No, proactive tree trimming is important to the health of trees and reducing the damage that may occur through drought and/or severe storms. As such, there may be a slight negative impact in this regard.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Not applicable. This amendment does not have any significant climate-change related impacts that require consultation with stakeholders.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment does not have a significant impact on equity-deserving or other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not have a significant impact on specific barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

The positive impact with this amendment is a reduction to the budget.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

There are no anticipated significant negative impacts to equity-deserving groups.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

Yes, there is always a risk when approving a reduction of service level frequencies for maintenance activities. Staff will mitigate by reprioritization of service level frequencies.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There have been no identified risks of not proceeding with this amendment.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Staff will monitor the workload, tree health and long-term effects of this amendment and adjust accordingly within budget.

# 2022 Annual Budget Update

## Budget Amendment # P-9

Strategic Area of Focus: Building a Sustainable City  
 Strategy: London has a Strong and Healthy Environment  
 Budget Amendment Type: New Council Direction  
 Description: Continuation of the City’s Invasive Plant Species Management Strategy  
 Service(s): Urban Forestry  
 Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Continuation of the City’s Invasive Species Management Strategy

### What is the reason for the budget amendment?

The City has a comprehensive Invasive Plant Species Management Strategy that has been actively addressing invasive plants across the City since 2018. To collectively address this issue, the Program is implemented by many Divisions within the Environment and Infrastructure Service Area – Parks Planning and Operations; Storm Water; Transportation; and Forestry; and in Planning and Development, who manage the City’s Environmentally Significant Areas.

To support an increase to the City’s efforts to control invasive species, Council last approved an additional year of funding in 2021 funded from the Urban Forestry Renewal Reserve Fund. Consistent with the Council-approved recommendation from the March 2021 report to the Community and Protective Services Committee on this matter, this business case is seeking an additional \$375 thousand per year for 2022, 2023 and 2024. The Urban Forestry Renewal Reserve Fund has sufficient funding to fund this request and continue progressing the City’s Invasive Plant Species Management Strategy.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Invasive Species Management	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – UF1001	\$350	\$375	\$0	\$0	\$725	\$0
<b>Amendment</b>	<b>N/A</b>	<b>N/A</b>	<b>\$375</b>	<b>\$375</b>	<b>\$750</b>	<b>\$375</b>
<b>Amended Budget</b>	<b>\$350</b>	<b>\$375</b>	<b>\$375</b>	<b>\$375</b>	<b>\$1,475</b>	<b>\$375</b>

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund <sup>1</sup>	N/A	N/A	-\$375	-\$375	-\$750	-\$375
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
<b>Amended Budget</b>	<b>\$350</b>	<b>\$375</b>	<b>\$375</b>	<b>\$375</b>	<b>\$1,475</b>	<b>\$375</b>

Subject to rounding.

Notes:

1. The reserve fund source of financing is the Urban Forestry Renewal Reserve Fund.
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Additional Details

In the March 30, 2021, Community and Protective Services Committee report that secured funding for 2021, Council approved the following recommendation: *Civic Administration BE DIRECTED to bring forward a budget amendment case during the 2022 Annual Budget Update to establish funding from 2022 to 2024 for the further continuation of the invasive species management program.*

As this is specialized work requiring unique expertise and licencing, and permits from the Province, all invasive species projects are contracted services.

## Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

Yes – removal of invasive species allows native species to grow and flourish, for a healthier ecosystem and greener City.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

Yes, this work will ensure healthier ecosystems that are more resilient to climate changes.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Yes, the development of the Invasive Plant Species Strategy was supported by the Ontario Invasive Species Centre and endorsed by Environmental Policy and Planning Advisory Committee and the Trees and Forests Advisory Committee.

Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment does not have a significant impact on equity-deserving or other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not have a significant impact on specific barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

No significant socio-economic or equity impacts were identified.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No significant negative anticipated impacts resulting from the amendment.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Not applicable. This amendment did not have any significant impacts that required consultation with stakeholders.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

There have been no identified risks of approving this amendment.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Yes – The increase of invasive species harms the City’s natural woodlands, parks and environmentally significant areas (ESAs). Invasives in City storm ponds can disrupt the planned water cleansing function and on our roads are blocking ditches and critical sight lines.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

The number of hectares of removals is to be tracked each year and part of the Strategic Plan reporting.

# 2022 Annual Budget Update

## Budget Amendment # P-10

Strategic Area of Focus: Building a Sustainable City

Strategy: Implement the strategic program of road improvements identified in the Smart Moves Transportation Master Plan

Budget Amendment Type: Cost Driver

Description: Realignment and Adjustment of Capital Growth Project Budgets  
Part A: TS1496 Sunningdale Road; Part B: TS1629 Southdale Road;  
Part C: TS1355 Wharncliffe Road

Service(s): Roadway Planning and Design

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Realignment and Adjustment of Capital Growth Project Budgets

### Part A: TS1496 Sunningdale Road Project (TS1496, TS1496-3, TS1496-4, TS1496-5)

#### What is the reason for the budget amendment?

This is a large, complex project that has now progressed from the planning, environmental assessment phase into detailed engineering design. As the project design has progressed, better information is available to inform the required budget for this project. This includes additional costs for the relocation of a third-party oil pipeline required to accommodate the roadway improvements. The project includes changes to the profile of the roadway (lowering the roadway grades) to address existing safety issues which triggers the need for lowering of the pipeline. An existing culvert crossing at Sunningdale has also experienced extensive deterioration since it was originally assessed during the planning phase and now requires replacement and capacity improvements to accommodate future growth.

Staff will continue to work with the oil pipeline company through the final design stages and completion of an agreement to explore opportunities to find cost efficiencies in the relocation work.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Sunningdale Road Project - Aggregate	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1496, TS1496-3, TS1496-4, TS1496-5	\$0	\$300	\$1,150	\$25,676	\$27,126	\$26,316
Amendment	N/A	N/A	-\$326	\$5,117	\$4,791	\$4,241
Amended Budget	\$0	\$300	\$824	\$30,793	\$31,917	\$30,557

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	\$16	-\$428	-\$412	-\$297
Debenture (tax supported)	N/A	N/A	\$0	\$73	\$73	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported <sup>1</sup>	N/A	N/A	\$310	-\$4,762	-\$4,452	-\$3,944
Amended Budget	\$0	\$300	\$824	\$30,793	\$31,917	\$30,557

Subject to rounding.

Notes:

1. The non-tax supported source of financing is from the City Services Roads Reserve Fund (Development Charges and Reserve Fund Supported Debt).
2. The 2030 and 2031 capital gross expenditures are both \$0.

### Additional Details

- August 31, 2021, Civic Works Committee, Outcome of Climate Lens Screening Applied to Major Transportation Projects

## Part B: TS1629-1 Southdale Road West (Bostwick to Pine Valley)

### What is the reason for the budget amendment?

This is a large, complex project that has now progressed from the planning, environmental assessment phase into detailed engineering design. As the project design has progressed, better information is available to inform the required budget for this project. This includes additional costs for property and for the relocation of provincial utility infrastructure to accommodate the roadway improvements. In addition, \$500 thousand of construction expenditures are being requested to be advanced from account TS1629-2 (in 2031) to TS1629-1 in order to better align the limits of these two adjoining projects and provide better coordination with the timing of development in the area.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Southdale Road West (Bostwick to Pine Valley)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1629-1	\$423	\$317	\$3,369	\$290	\$4,399	\$0
Amendment	N/A	N/A	\$1,400	\$0	\$1,400	\$0
Amended Budget	\$423	\$317	\$4,769	\$290	\$5,799	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	-\$118	\$0	-\$118	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported <sup>1</sup>	N/A	N/A	-\$1,282	\$0	-\$1,282	\$0
Amended Budget	\$423	\$317	\$4,769	\$290	\$5,799	\$0

Subject to rounding.

Notes:

1. The non-tax supported source of financing is from the City Services Roads Reserve Fund (Development Charges).
2. The 2030 and 2031 capital gross expenditures are both \$0.
3. As noted the 2031 capital gross expenditure for TS1629-2 was reduced by \$500 thousand; leaving a budget of \$13.7 million.

**Additional Details**

- August 31, 2021, Civic Works Committee, Outcome of Climate Lens Screening Applied to Major Transportation Projects

**Part C: TS1355-1 Wharnccliffe Road Grade Separation Project (Becher Street to Springbank)**

**What is the reason for the budget amendment?**

As this project has progressed from the planning and environmental assessment stage, additional information is available to inform the required budget for this project. Additional effort and costs have also been incurred as a result of railway requirements and coordination. Increased costs associated with property and soil remediation have also been encountered.

Project timing is being reviewed to reflect complexities encountered with property acquisition and coordination of traffic impacts with other projects in the area.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wharnccliffe Road – Becher Street to Springbank Drive	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1355-1	\$0	\$24,969	\$0	\$0	\$24,969	\$0
Cumulative Amendment	N/A	N/A	\$3,000	\$0	\$3,000	\$0
Amended Budget	\$0	\$24,969	\$3,000	\$0	\$27,969	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	-\$1,116	\$0	-\$1,116	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported <sup>1</sup>	N/A	N/A	-\$1,884	\$0	-\$1,884	\$0
Amended Budget	\$0	\$24,969	\$3,000	\$0	\$27,969	\$0

Subject to rounding.

## Notes:

1. The non-tax supported source of financing is from the City Services Roads Reserve Fund (Development Charges).
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Additional Details

- August 31, 2021, Civic Works Committee, Outcome of Climate Lens Screening Applied to Major Transportation Projects

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

These projects have been reviewed as part of the Climate Emergency Action Plan screening tool and will provide a sustainable approach to provide a complete street cross-section to promote active transportation and transit use while reducing idling and congestion and improving safety.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

New infrastructure will be designed to provide improved resiliency over the existing conditions.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

The overall project has involved significant stakeholder consultation however there has been no targeted consultation with respect to this budget amendment.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

These projects will include the installation of sidewalks in accordance with city design standards and the London Plan and will be implemented to meet the latest accessibility requirements.

- 2) What barriers or needs does this amendment address?

Within this amendment each project will consider the need for sidewalks (new or rehabilitated), addressing accessibility requirements.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

New, or rehabilitated, sidewalks considered in these projects will have a positive impact on mobility and in general help address accessibility requirements. The impact could be low or high depending on whether a sidewalk currently exists in each project location (or segments of each roadway) and what condition it is currently in.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

This amendment will require support from other transportation program areas which will be managed through deferral of other work.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

The overall project has involved significant stakeholder consultation however there has been no targeted consultation with respect to this budget amendment.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

This amendment will require support from other transportation program areas which will be managed through deferral of other work.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Not proceeding with this project will result in continuing traffic operations and safety concerns at these locations.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Council approval of the tender award will be required for this capital project. Progress of these projects will also be monitored through the semi-annual capital budget monitoring process.

# 2022 Annual Budget Update

## Budget Amendment # P-11

Strategic Area of Focus:	Building a Sustainable City
Strategy:	Complete Waste Disposal Strategy (including the Environmental Assessment for the expansion of the W12A Landfill)
Budget Amendment Type:	Cost Driver
Description:	Updates to estimated costs of development of long term disposal capacity for residual waste generated from residents and businesses in London
Service(s):	Garbage Collection and Disposal
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Development of long term disposal capacity for residual waste generated from residents and businesses in London

### What is the reason for the budget amendment?

The estimated cost to construct the proposed expansion of the W12A Landfill site needs to be amended based on the final proposed expansion option identified in the Environmental Assessment process. It should be noted that the estimated total lifecycle cost to construct the proposed landfill expansion option is approximately \$8.1 million less than previously estimated, however the timing and amounts of funding within those years have changed.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Long Term Disposal Capacity	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – SW6080	\$0	\$0	\$1,000	\$15,000	\$16,000	\$8,000
Amendment	N/A	N/A	\$1,720	\$0	\$1,720	\$8,610
Amended Budget	\$0	\$0	\$2,720	\$15,000	\$17,720	\$16,610

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund <sup>1</sup>	N/A	N/A	\$0	\$3,280	\$3,280	-\$8,610
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported <sup>2</sup>	N/A	N/A	-\$1,720	-\$3,280	-\$5,000	\$0
Amended Budget	\$0	\$0	\$2,720	\$15,000	\$17,720	\$16,610

Subject to rounding.

Notes:

1. The reserve fund source of financing is from the Solid Waste Renewal Reserve Fund.
2. The non-tax supported source of financing is the Canada Community-Building Fund (Formerly Federal Gas Tax).
3. The 2030 capital gross expenditure is \$880,000.
4. The 2031 capital gross expenditure is \$2,550,000.
5. The future (2032 and beyond) anticipated costs of this project have been reduced by \$21,840,000 of tax supported debt financing (\$63,000,000 - \$41,160,000).

## Additional Details

This amendment is required to fund construction of the proposed expansion of the existing W12A Landfill site in accordance with the final proposed expansion alternative identified in the Environmental Assessment. The proposed expansion of the W12A Landfill will provide long term disposal capacity for residual waste generated by businesses and residents of London and is aligned with Council's strategic area of focus in Building a Sustainable City. Overall, the proposed lifecycle cost to construct the expanded W12A Landfill site is less than originally estimated as the proposed and preferred expansion option (vertical expansion only) is less complex to construct in terms of engineered control features. Not proceeding with the proposed amendment presents the risk of not being able to provide residual waste disposal capacity for businesses and residents of London beyond the existing capacity of the W12A Landfill site.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

Yes. The capture, management and utilization of methane from the landfill gas generated at the existing and proposed expanded W12A Landfill is a component of reducing greenhouse gas emissions. This amendment was initially considered as part of the Climate Lens Process in a report submitted to the Civic Works Committee on August 31, 2021. Additional use of the Climate Lens process will occur on specific projects tied to this amendment.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

Yes. The potential effects from climate change impacts are an embedded and important component of the Environmental Assessment process. The preliminary design of the proposed expansion option for the W12A Landfill was developed and has incorporated appropriate engineering controls to provide resilience to extreme weather events.

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Yes. The Environmental Assessment (EA) process requires detailed stakeholder consultations including Indigenous Communities outside of London. The process requires stakeholder concerns to be heard, documented and appropriately addressed as part of the approval process. The EA process allows for numerous opportunities for questions, input and feedback. Engagement has been designed with various types of opportunities to provide comment.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

None. The design, construction and operation of a landfill site is undertaken to meet the disposal needs of all groups in London.

2) What barriers or needs does this amendment address?

This amendment does not have a significant impact on specific barriers or needs.

3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

Affordable and sustainable waste disposal capacity ensures that the least amount of taxpayer funds is required for this service allowing taxpayer funds to be allocated as Council decides.

4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

Since 2009, the City of London has had a comprehensive Community Enhancement and Mitigative Measures Program (CEMMP) to help minimize any negative impacts for neighbours living near the W12A Landfill. The CEMMP has been out for community engagement since November 2020 and will be the subject of discussion and next steps in the fall and winter of 2021 and 2022.

5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

Yes. The Environmental Assessment process requires detailed stakeholder consultations including Indigenous Communities outside of London. The process requires stakeholder concerns to be heard, documented and appropriately addressed as part of the approval process. The Environmental Assessment process allows for numerous opportunities for questions, input and feedback. Engagement has been designed with various types of opportunities to provide comment.

#### Governance Considerations:

1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

There have been no identified risks of approving this amendment.

2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Yes. Not proceeding with the proposed amendment presents the risk of not being able to provide residual waste disposal capacity for businesses and residents of London beyond the existing capacity of the W12A Landfill site.

3) How will the progress, results and impacts of this amendment be monitored and communicated?

The proposed amendment will be monitored through the semi-annual capital monitoring process.

# 2022 Annual Budget Update

## Budget Amendment # P-12

Strategic Area of Focus: Building A Sustainable City

Strategy: Advance sustainability and resiliency strategies.

Budget Amendment Type: Cost Driver

Description: Zero-Emission Bus (ZEB) Implementation Strategy: Business case for initial zero-emission bus implementation of 40-foot battery electric buses and battery chargers.

Service(s): London Transit Commission

Lead: Kelly Paleczny, General Manager, London Transit Commission

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ <sup>1</sup>	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

## Zero-Emission Bus Implementation Strategy: Business Case for Initial Zero-Emission Bus Implementation of 40 Foot Battery Electric Buses and Battery Chargers

### What is the reason for the budget amendment?

London Transit is planning to begin the transition to a zero-emission bus fleet. The initial implementation step calls for London Transit to procure 10 battery electric buses and 7 chargers (3 overhead and 4 plug-in). This project will also require facilities work to upgrade the grid connection, install the required charging equipment, and retrofit facilities to accommodate the zero-emission buses.

#### Operating Budget (\$ Thousands)

Corporate Debt Servicing Costs	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$37,560	\$35,945	\$33,559	\$33,244	\$140,308	\$212,724
Amendment	N/A	N/A	\$0	\$0	\$0	\$8,761
Amended Net Budget (Tax Levy)	\$37,560	\$35,945	\$33,559	\$33,244	\$140,308	\$221,485

Subject to rounding.

#### Capital Budget Expenditure Amendment Table (\$ Thousands)

Zero Emission Bus Implementation Strategy	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – MU1101	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	\$14,140	\$11,820	\$25,960	\$0
Amended Budget	\$0	\$0	\$14,140	\$11,820	\$25,960	\$0

#### Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	-\$7,070	-\$5,910	-\$12,980	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported <sup>1</sup>	N/A	N/A	-\$7,070	-\$5,910	-\$12,980	\$0
Amended Budget	\$0	\$0	\$14,140	\$11,820	\$25,960	\$0

Subject to rounding.

Notes:

1. The non-tax supported source of financing is anticipated to come from Infrastructure Canada’s Zero Emission Transit Fund (ZETF).
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Additional Details

On August 25, 2021, The London Transit Commission approved the initial steps of the Zero-Emission Bus Strategy, which involves the purchase of 10 40-foot battery (400 to 500 kilowatt hour) electric buses and seven chargers (3 overhead and 4 plug-in) and other required infrastructure. The Commission directed LTC staff to work with Civic Administration to develop a budget amendment for inclusion in the 2022 Budget Update. This strategy was developed with the support of Canadian Urban Transit Research and Innovative Consortium (CUTRIC). This initial project will allow London Transit Commission to gain the necessary experience and data to continue with the full fleet conversion to zero-emission buses. London Transit administration is also working with Canadian Urban Transit Research and Innovative Consortium for a joint procurement initiative. This procurement would see multiple transit agencies participate in a procurement for both the bus and charging infrastructure, resulting in a turn-key solution for the initial rollout. The estimated costs of this initial implementation are detailed in the chart below.

### Capital Cost Estimates – Initial Zero-Emission Bus Implementation

ZEB Implementation Element	Units	Low	High
40’ Battery Electric Bus	10	\$ 8,000,000	\$ 11,100,000
High-powered Overhead Charging Equipment	3	870,000	2,160,000
Civil works for installation	N/A	522,000	1,300,000
Low-powered plug-in charging equipment	4	340,000	880,000
Facility works re: grid connection upgrade	N/A	100,000	10,000,000
Data collection and analytics through data loggers	N/A	520,000	520,000
<b>Total</b>	<b>N/A</b>	<b>\$10,352,000</b>	<b>\$ 25,960,000</b>

The above costs do not include any operating cost related to implementing this project such as staff training, which are anticipated to be funded through LTC’s approved operating budget. The other item that is not included in the estimates above is any land costs that may be associated with the installation of remote chargers along designated routes. At this early stage it is premature to determine which routes may be the first to be converted, and as such it is not possible to determine where the optimal locations for remote chargers may be. Recommendations for locations for remote charging infrastructure will be included in the final Zero-Emission Bus Implementation Strategy. The full strategy, inclusive of total financial impacts, is scheduled to be available in the first quarter of 2022, noting that electric

buses currently have a 12 to 18 month purchasing lead time. Furthermore, the initial implementation will need to be analyzed before the full strategy for optimal routes and charging locations can be finalized.

Overall, the project will reduce reliance on fossil fuels and help the City of London reach its net-zero greenhouse gas emission by 2050 target.

Link below to Staff Report #3 – Zero-Emission Bus Implementation Strategy Update on August 25, 2021.

<https://www.londontransit.ca/staff-report-3-zero-emission-bus-implementation-strategy-update-2/>

## Zero-Emission Bus Implementation Funding

On August 10, 2021, the Federal government announced a \$2.75 billion Zero Emission Transit Fund (ZETF) through Infrastructure Canada. This is a five-year program of grants to help communities purchase 5,000 zero emission public transit and school buses, including charging and refueling infrastructure, studies, modelling, and feasibility analysis. The ZETF provides up to 50% of eligible costs. This program builds on the previously announced program from the Canada Infrastructure Bank to provide flexible loan solutions through its \$1.5 billion Zero Emission Bus Initiative. These two programs will be coordinated, but there will be a requirement to work with the Canadian Infrastructure Bank on a loan prior to being eligible for a grant through Infrastructure Canada. Further clarification on the Zero Emission Transit Fund is pending. Currently, this combination of programs is London's first choice for supporting the Zero-Emission Bus Initial Implementation.

Other funding options were reviewed but put on hold pending further information on the above programs. Through the Investing in Canada Infrastructure Program (ICIP) – Public Transit Stream (PTS), London was approved for \$25.2 million to purchase 31 diesel buses for expansion of LTC service. One option is to request that the remaining funding, noting that some expansion buses have already been purchased, be used for electric buses instead. It should also be noted that this funding could not be used for charging infrastructure. This option would result in fewer buses overall because of the additional cost of electric buses, which would divert buses slated for expansion to replacement buses. This alternative would also require a revision to the Transfer Payment Agreement already approved for the PTS program.

Another option is to apply for additional funding through Intake 3 of the ICIP – PTS program which is open for applications until March 2024. Currently, there is \$40 million of funding that was previously allocated to London through ICIP but not yet approved, but there is no certainty that this funding is still available. Other options for this funding include additional active transportation projects currently planned for London but not yet funded.

Once further details are known regarding the ZETF and related Canada Infrastructure Bank program, Civic Administration will re-assess funding options to determine whether that remains the most advantageous funding approach.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

While LTC's emissions are not directly included in the achievement of the Corporation of the City of London's net-zero greenhouse gas emissions target, they are a significant component of community greenhouse gas emissions. Pre-COVID (2019), the LTC fleet used over 7.3 million litres of diesel fuel per year, with associated GHG emissions of 19,900 tonnes per year. The impacts of LTC's conversion from diesel to electric buses will positively impact these results. The extent of the impact will be better known once the full implementation plan is developed.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No, however given the increased reliance on electricity in order to continue to deliver transit service, contingencies are being incorporated into the overall Strategy (e.g. generators and energy storage units that could be used in the event of power failures).

- 3) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

Yes, Canadian Urban Transit Research and Innovative Consortium has developed and recommended implementation of this zero-emission bus project and London Transit Commission will continue to work with Canadian Urban Transit Research and Innovative Consortium during the procurement phase. A staff report on this project was also presented to London Transit Commission.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This amendment does not have a significant impact on equity-deserving or other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not have a significant impact on specific barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

There are no significant socio-economic equity impacts from this amendment.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

There are no significant negative anticipated impacts resulting from this amendment.

- 5) Have you consulted with relevant stakeholders (e.g. advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

This amendment did not have any significant impacts that required consultation with stakeholders.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

A significant risk relates to securing the required funding from Infrastructure Canada's Zero-Emission Transit Fund. The program is designed to provide 50% of the funding for electric bus programs, but uptake on the program will be significant. Civic Administration is considering other sources of funding if this program cannot be accessed.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

It will not allow London Transit to convert its fleet to electric buses that are key to reducing greenhouse gas emissions.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Staff at London Transit Commission is working closely with Canadian Urban Transit Research and Innovative Consortium and a staff report for final Zero-Based Bus Implementation Strategy will be presented to the Commission in February 2022 meeting.

# 2022 Annual Budget Update

## Budget Amendment # W-1

Strategic Area of Focus: Building a Sustainable City

Strategy: Prioritize Investment in Assets to Implement the Asset Management Plan

Budget Amendment Type: Cost Driver

Description: Schedule Changes for Water Lifecycle Renewal Projects  
Part A: Sunningdale Road Watermain Replacement – Richmond Street to Adelaide Street  
Part B: Trunk Watermain Valve Chambers

Service(s): Water

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Rate Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Rate Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Rate Payer Impact \$	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

## What is the reason for the budget amendment?

A schedule change to defer the projects in parts A and B of this amendment is needed to align these works with the timing of the Transportation Sunningdale Road Widening project. The budgets for these projects are proposed to be deferred from 2022 to 2023, to align them with the timing of the Transportation project scheduled for construction in 2023.

## Part A: Schedule Change for Sunningdale Road Watermain Replacement – Richmond Street to Adelaide Street

Capital Budget Expenditure Amendment Table (\$ Thousands)

Sunningdale Road Watermain Replacement – Richmond Street to Adelaide Street	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3577	\$0	\$51	\$682	\$0	\$733	\$766
Amendment	N/A	N/A	-\$682	\$682	\$0	\$0
Amended Budget	\$0	\$51	\$0	\$682	\$733	\$766

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported <sup>1</sup>	N/A	N/A	\$682	-\$682	\$0	\$0
Amended Budget	\$0	\$51	\$0	\$682	\$733	\$766

Subject to rounding.

Notes:

1. The non-rate supported source of financing is the Canada Community-Building Fund (Formerly Federal Gas Tax).
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Part B: Schedule Change for Trunk Watermain Valve Chambers

Capital Budget Expenditure Amendment Table (\$ Thousands)

Trunk Watermain Valve Chambers	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3708	\$400	\$0	\$524	\$0	\$924	\$0
Amendment	N/A	N/A	-\$524	\$524	\$0	\$0
Amended Budget	\$400	\$0	\$0	\$524	\$924	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$524	-\$524	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported	N/A	N/A	\$0	\$0	\$0	\$0
Amended Budget	\$400	\$0	\$0	\$524	\$924	\$0

Subject to rounding.

Notes:

1. The 2030 and 2031 capital gross expenditures are both \$0.

### Additional Details

Aligning the timing of different infrastructure needs in a location is to the financial advantage of the City as the restoration costs are shared. It is also socially advantageous for the public, as it causes less construction disruption with lane and road closures. This amendment will solely align the budget for these two projects with the planned construction year of the Transportation Sunningdale Road Widening project.

### Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

No, this amendment is intended to defer these projects by one year, accordingly, this change will not have a net effect on greenhouse gas emissions.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No, this amendment will solely defer planned projects by one year, and this change will not have a net effect on resilience to extreme weather events or any climate change-related impacts.

- 3) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

No, relevant stakeholders have not been consulted in the development of this budget amendment, as this amendment will not have environmental or climate change impacts.

#### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This budget amendment should not have an impact on any equity-deserving and other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not address any barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

There are no socio-economic equity impacts anticipated resulting from this amendment

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

There are no socio-economic equity impacts anticipated resulting from this amendment

- 5) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

No stakeholders have been consulted with respect to this amendment, as there are no anticipated socio-economic equity impacts.

Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

No, there are no risks of approving this amendment, as Transportation has planned the construction work for the Sunningdale Road Widening project to commence in 2023.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

There are no risks of not proceeding with this amendment. If this amendment is not approved, funding will be committed to this project and not utilized until the Sunningdale Road Widening project proceeds in 2023.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

Water has been participating in the design of the Transportation Sunningdale Road Widening project, and through that process, will be kept informed of any changes to timing or impacts on our proposed works. Any potential future changes to budget timing will be communicated through budget amendments. The final award of the work will be communicated as required by the Procurement of Goods and Services Policy.

# 2022 Annual Budget Update

## Budget Amendment # W-2

Strategic Area of Focus: Building a Sustainable City

Strategy: Continue annual reviews of growth infrastructure plans to balance development needs with available funding.

Budget Amendment Type: Cost Driver

Description: Schedule Changes for Water Growth Projects  
 Part A: Arva Pumping Station Upgrade  
 Part B: Wonderland Road Watermain – Commissioners to Viscount  
 Part C: Medway Watermain (A1) – Arva Pumping Station to Wonderland Road  
 Part D: Wonderland Watermain (A2) – Medway Road to City Limit  
 Part E: Wonderland Watermain (A3) – City Limit to Sunningdale Road

Service(s): Water

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Rate Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Rate Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Rate Payer Impact \$	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

## What is the reason for the budget amendment?

The need, scope, and timing of the projects in parts A through E of this budget amendment are under review as part of a servicing study that is expected to be completed in 2022. This amendment will allow this study to confirm if these projects and their current scopes are appropriate, in the City's best interests, and that the timing aligns with the projected needs for future residential, institutional, commercial, and industrial growth.

## Part A: Arva Pumping Station Upgrade

Capital Budget Expenditure Amendment Table (\$ Thousands)

Arva Pumping Station Upgrade	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3654	\$0	\$340	\$3,133	\$0	\$3,473	\$0
Amendment	N/A	N/A	-\$3,133	\$3,133	\$0	\$0
Amended Budget	\$0	\$340	\$0	\$3,133	\$3,473	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund <sup>1</sup>	N/A	N/A	\$1,566	-\$1,566	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported <sup>2</sup>	N/A	N/A	\$1,567	-\$1,567	\$0	\$0
Amended Budget	\$0	\$340	\$0	\$3,133	\$3,473	\$0

Subject to rounding.

### Notes:

1. The reserve fund source of financing is the Water Works Renewal Reserve Fund.
2. The non-rate supported source of financing is the City Services Water Reserve Fund.
3. The 2030 and 2031 capital gross expenditures are both \$0.

## Part B: Wonderland Road Watermain – Commissioners to Viscount

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wonderland Road Watermain – Commissioners to Viscount	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3658	\$108	\$0	\$2,836	\$0	\$2,944	\$0
Amendment	N/A	N/A	-\$2,836	\$2,836	\$0	\$0
Amended Budget	\$108	\$0	\$0	\$2,836	\$2,944	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported <sup>1</sup>	N/A	N/A	\$2,836	-\$2,836	\$0	\$0
Amended Budget	\$108	\$0	\$0	\$2,836	\$2,944	\$0

Subject to rounding.

Notes:

1. The non-rate supported source of financing is the City Services Water Reserve Fund.
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Part C: Medway Watermain (A1) – Arva Pumping Station to Wonderland Road

Capital Budget Expenditure Amendment Table (\$ Thousands)

Medway Watermain (A1) – Arva Pumping Station to Wonderland Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3692	\$0	\$0	\$572	\$0	\$572	\$5,397
Amendment	N/A	N/A	-\$572	\$572	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$572	\$572	\$5,397

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported <sup>1</sup>	N/A	N/A	\$572	-\$572	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$572	\$572	\$5,397

Subject to rounding.

Notes:

1. The non-rate supported source of financing is the City Services Water Reserve Fund.
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Part D: Wonderland Watermain (A2) – Medway Road to City Limit

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wonderland Watermain (A2) – Medway Road to City Limit	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3789	\$0	\$0	\$571	\$0	\$571	\$5,391
Amendment	N/A	N/A	-\$571	\$571	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$571	\$571	\$5,391

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported <sup>1</sup>	N/A	N/A	\$571	-\$571	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$571	\$571	\$5,391

Subject to rounding.

Notes:

1. The non-rate supported source of financing is the City Services Water Reserve Fund.
2. The 2030 and 2031 capital gross expenditures are both \$0.

## Part E: Wonderland Watermain (A3) – City Limit to Sunningdale Road

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wonderland Watermain (A3) – City Limit to Sunningdale Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3790	\$0	\$0	\$502	\$0	\$502	\$4,735
Amendment	N/A	N/A	-\$502	\$502	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$502	\$502	\$4,735

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported <sup>1</sup>	N/A	N/A	\$502	-\$502	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$502	\$502	\$4,735

Subject to rounding.

Notes:

1. The non-rate supported source of financing is the City Services Water Reserve Fund.
2. The 2030 and 2031 capital gross expenditures are both \$0.

### Additional Details

These projects were initially justified and scheduled as part of growth studies completed on the City’s water system many years ago. Since then, much has changed including water demand patterns, growth patterns, and increased water efficiency. A major growth study to assess these changes, and the impact on our water system is expected to be complete in 2022. This study will determine the scope and timing of these projects, and if there is a need for them. Constructing these works without the information from that study would risk limited funds being spent on projects that may not be required, while reducing available funding for other projects that are needed. This aligns with the Strategic Plan strategy to “Continue annual reviews of growth infrastructure plans to balance development needs with available funding.”

It should be noted that while these are growth projects, they are intended to address impacts of growth to the wider water network, and as such, no developments will be delayed by deferring these projects.

## Environmental, Social and Governance (ESG) Considerations

### Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

The construction of each of these projects will generate greenhouse gas emissions. By ensuring that we are only constructing works that are needed for our system, we are minimizing our greenhouse gas emissions. However, until the servicing study is complete, it is unknown whether there will be a net reduction in emissions.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

No, this amendment will not help the City of London increase resilience to extreme weather event or any other climate change-related impacts. These projects are planned to provide increased capacity and servicing for anticipated growth, they are not intended to increase resilience to climate change.

- 3) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

No, relevant stakeholders have not been consulted in the development of this budget amendment, as it is not anticipated to have a significant environmental impact.

### Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This budget amendment should not have an impact on any equity-deserving and other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not address any barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

There are no socio-economic equity impacts anticipated resulting from this amendment.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

There are no socio-economic equity impacts anticipated resulting from this amendment.

- 5) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

No stakeholders have been consulted with respect to this amendment, as there are no anticipated socio-economic equity impacts.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

No, there are no risks of approving this amendment, as these projects are being proposed to be deferred one year, pending the anticipated completion of the servicing study in 2022.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Yes, there are risks of not proceeding with this amendment. Constructing these works without the information from the servicing study would risk limited funds being spent on projects that may not be needed while reducing the funds available for other projects that are needed. This could be mitigated by not moving forward with the construction even though the budget is available.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

The study will recommend that these projects are either needed in the near term, needed further into the future, not needed at all, and/or needed with a different scope (larger pipe, smaller pipe, etc.). These recommendations will be used to inform future Development Charges studies, and future budgets, both of which are reported to Council.

# 2022 Annual Budget Update

## Budget Amendment # WWT-1

Strategic Area of Focus: Building a Sustainable City

Strategy: Work with multi-sectors to finalize the Climate Change/Severe Weather Adaptation Strategy for London’s built infrastructure.

Budget Amendment Type: Cost or Revenue Driver

Description: Reduce the Energy Budget at Greenway Wastewater Treatment Plant due to energy cost savings; anticipated savings to fund capital program for Sewage Bypass and Overflow Elimination.

Part A: Reduce Energy Budget at Greenway Wastewater Treatment Plant

Part B: Create Dedicated Program for Sewage Bypass and Overflow Elimination

Service(s): Wastewater Treatment Operations

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Rate Impact	N/A	N/A	\$0	\$0	\$0
Annual Incremental Rate Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Impact %	N/A	N/A	0.00%	0.00%	0.00% Average
Estimated Annual Rate Impact \$	N/A	N/A	\$0	\$0	\$0.00 Average

Subject to rounding.

## Part A: Reduce Energy Budget at Greenway Wastewater Treatment Plant

### What is the reason for the budget amendment?

Civic Administration undertook zero-based reviews to determine where there was strong potential for operational savings based on prior years' results. As part of this review, Wastewater Treatment Operations identified significant savings in energy costs over the past few years. These savings are a result of various initiatives taken at Greenway Wastewater Treatment Plant (Greenway), which have created significant reductions in electrical consumption, and accordingly, savings in energy costs. Some of these initiatives include the installation of energy efficient turbo blowers, participation in London Hydro's Industrial Conservation Initiative, and the Organic Rankine Cycle power generation system. It is anticipated that energy savings will continue to grow over the coming years. As a result, it is being recommended to bring forward a budget amendment to reduce the energy budget at Greenway and use the savings to fund priority capital works. This would be a permanent reduction to the energy budget and would be offset by an increase to the contribution to the reserve fund to finance recommended capital works.

Operating Budget Table (\$ Thousands)

Wastewater Treatment Operations Energy Costs	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget	\$3,120	\$3,035	\$3,066	\$3,081	\$12,302	\$19,824
Amendment	N/A	N/A	-\$700	-\$717	-\$1,417	-\$4,679
Amended Net Budget	\$3,120	\$3,035	\$2,366	\$2,364	\$10,885	\$15,145

Subject to rounding.

Operating Budget Table (\$ Thousands)

Wastewater Treatment Operations Reserve Fund Transfer	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget	\$27,919	\$30,379	\$35,779	\$39,046	\$133,123	\$251,233
Amendment	N/A	N/A	\$700	\$717	\$1,417	\$4,679
Amended Net Budget	\$27,919	\$30,379	\$36,479	\$39,763	\$134,540	\$255,912

Subject to rounding.

## Part B: Create Dedicated Program for Sewage Bypass and Overflow Elimination

### What is the reason for the budget amendment?

The reduction of overflows and bypasses from the City of London’s wastewater facilities has been identified as a corporate priority. The creation of a long-term program to fund projects to reduce and eliminate overflows and bypasses in the wastewater system will provide funding to react more quickly to opportunities to achieve those reductions. The program will fund small and medium size standalone projects, as well as bypass and overflow elimination components of larger wastewater projects. This aligns with the Strategic Plan strategy to “work with multi-sectors to finalize the Climate Change/Severe Weather Adaptation Strategy for London’s built infrastructure”.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Sewage Bypass and Overflow Elimination	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – ES2456	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	\$700	\$717	\$1,417	\$4,679
Amended Budget	\$0	\$0	\$700	\$717	\$1,417	\$4,679

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund <sup>1</sup>	N/A	N/A	-\$700	-\$717	-\$1,417	-\$4,679
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Rate Supported	N/A	N/A	\$0	\$0	\$0	\$0
Amended Budget	\$0	\$0	\$700	\$717	\$1,417	\$4,679

Subject to rounding.

Notes:

1. The reserve fund source of financing is the Sewage Works Renewal Reserve Fund.
2. The 2030 capital gross expenditure is \$847,000.
3. The 2031 capital gross expenditure is \$867,000.

## Additional Details

London's wastewater treatment plants and pumping stations are one of the City's highest energy consumers. The Environment and Infrastructure Service Area has aggressively pursued multiple initiatives to reduce energy consumption and energy costs over the last several years. The success of these initiatives has led to lower annual energy costs leading to several annual budget surpluses.

The City's wastewater system is also the source of periodic discharges of untreated and partially treated wastewater to the Thames River and Dingman Creek. This well-reported activity has resulted in a key corporate priority: to reduce or eliminate overflow and bypass activity as part of the City's environmental stewardship. This priority is reflected in Strategic Plan 2019 to 2023 targets related to the reduction in raw sewage overflows experienced, as well as an increase in the ability to treat wet weather flows. Projects funded by the proposed Sewage Bypass and Overflow Elimination capital program would contribute directly to these targets.

## Environmental, Social and Governance (ESG) Considerations

Environmental – Climate Change Considerations:

- 1) Will this amendment help the City of London reach its net-zero greenhouse gas emissions by 2050 target?

No, this amendment will not help the City of London reach its net-zero greenhouse gas emissions by 2050 target. However, the Wastewater Treatment Operations area will continue exploring opportunities for further energy efficiency enhancements.

- 2) Will this amendment help the City of London increase resilience to extreme weather events or any other climate change-related impacts?

Yes, increased ability to treat wet weather flows increases the ability of City infrastructure to continue to provide full treatment during extreme weather events.

- 3) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, etc.) in the development of this budget amendment?

No, the changes are being made to reflect operational savings already realized and reflect priorities made clear to Civic Administration through previous consultations and projects, as well as the City's 2019 to 2023 Strategic Plan.

Socio-economic Equity Impact Considerations:

- 1) What specific equity-deserving and other vulnerable groups are potentially affected by this amendment?

This budget amendment should not have an impact on any equity-deserving and other vulnerable groups.

- 2) What barriers or needs does this amendment address?

This amendment does not address any barriers or needs.

- 3) What are the positive anticipated impacts resulting from this amendment and what is the level of those impacts (high, medium, low)?

There are no socio-economic equity impacts anticipated resulting from this amendment.

- 4) Are there any negative anticipated impacts resulting from this amendment and what has been done to minimize or eliminate those impacts?

No, Wastewater is rate-supported, therefore amendments to the operating and capital budgets do not displace any funds that could be allocated to equity impact considerations.

- 5) Have you consulted with relevant stakeholders (e.g., advisory committees, community groups, subject matter experts, individuals with lived experience, etc.) in the development of this budget amendment?

No stakeholders have been consulted with respect to this amendment, as there are no anticipated socio-economic equity impacts.

#### Governance Considerations:

- 1) Are there any risks of approving this amendment? How will those risks be managed/mitigated?

Yes, electricity pricing is expected to increase in the future, therefore, reducing the budget for utility costs introduces a risk that future budgets are insufficient. In addition, the Industrial Conservation Initiative could be discontinued, placing further pressure on this budget. However, utility prices are not expected to be so volatile that adjustments cannot be made through the current Multi-Year Budget process to accommodate future changes, if experienced.

- 2) Are there any risks of not proceeding with this amendment? How will those risks be managed/mitigated?

Yes, Council has identified the elimination of overflows and bypasses as a corporate priority. Without proceeding with this amendment, current planned capital projects could need to be displaced to fund overflow and bypass mitigation projects.

- 3) How will the progress, results and impacts of this amendment be monitored and communicated?

The creation of a dedicated overflow and bypass capital program will create transparency with how funds are spent, specifically for overflow and bypass reduction, noting that those improvements may also be funded in part by other capital projects.

## Appendix A - Operating Budget Overview

### 2022 Annual Update – Operating Net Budget Overview (\$ Thousands)

Operating Budget	2020 Tax Levy Revenue	2021 Tax Levy Revenue	2022 Tax Levy Revenue	2023 Tax Levy Revenue	2020 to 2023 Average % Increase
Previously Approved % Increase From Rates <sup>1</sup>	4.4%	3.4%	3.8%	3.4%	3.8%
Previously Approved Budget	642,901	673,581	699,372	723,382	
Amendment <sup>2</sup>			-7,087	-3,885	
Amended Budget	642,901	673,581	692,284	719,498	
Amended % Increase From Rates	4.4%	3.4%	2.8%	3.9%	3.6%

Subject to rounding.

#### Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each annual update year of the Multi-Year Budget period.
2. Amendment reflects impacts of all budget amendments as applicable.

### 2022 Annual Update – Gross Operating Expenditure and Non-Tax Levy Revenue Budget Overview (\$ Thousands)

Operating Budget	2020 Expenditure	2020 Non-Tax Levy Revenue	2021 Expenditure	2021 Non-Tax Levy Revenue	2022 Expenditure	2022 Non-Tax Levy Revenue	2023 Expenditure	2023 Non-Tax Levy Revenue
Previously Approved Budget	1,007,784	364,883	1,041,639	368,058	1,069,086	369,714	1,092,031	368,648
Amendment <sup>1</sup>					-5,131	1,956	-2,778	1,106
Amended Budget	1,007,784	364,883	1,041,639	368,058	1,063,955	371,670	1,089,252	369,755

Subject to rounding.

#### Notes

1. Amendment reflects impacts of budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments.

## 2020 Operating Budget Overview (\$ Thousands)

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Culture	27,204	1,332	25,872
Economic Prosperity	14,560	3,450	11,110
Environmental Services	37,632	14,289	23,343
Parks, Recreation & Neighbourhood Services	110,629	71,569	39,059
Planning & Development Services	19,703	10,438	9,266
Protective Services	200,959	13,287	187,672
Social & Health Services	258,562	179,814	78,748
Transportation Services	96,485	14,080	82,405
Corporate, Operational & Council Services	83,634	14,763	68,871
Financial Management	158,416	41,862	116,554
<b>Total</b>	<b>1,007,784</b>	<b>364,883</b>	<b>642,901</b>

Subject to rounding.

### Notes

1. Amounts reported include housekeeping budget adjustments.

## 2021 Operating Budget Overview (\$ Thousands)

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Culture	27,093	657	26,436
Economic Prosperity	12,290	1,450	10,840
Environmental Services	41,130	14,479	26,651
Parks, Recreation & Neighbourhood Services	112,995	72,791	40,204
Planning & Development Services	21,600	12,177	9,423
Protective Services	208,044	13,899	194,144
Social & Health Services	262,777	180,248	82,529
Transportation Services	102,995	16,048	86,947
Corporate, Operational & Council Services	87,364	15,354	72,009
Financial Management	165,352	40,955	124,397
<b>Total</b>	<b>1,041,639</b>	<b>368,058</b>	<b>673,581</b>

Subject to rounding.

### Notes

1. Amounts reported include housekeeping budget adjustments.

## 2022 Operating Budget Overview (\$ Thousands)

2022 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture	27,515	657	26,858	27,509	657	26,852
Economic Prosperity	10,785	350	10,435	11,635	1,200	10,435
Environmental Services	45,080	14,963	30,117	44,650	15,263	29,387
Parks, Recreation & Neighbourhood Services	115,759	73,546	42,212	113,446	73,704	39,742
Planning & Development Services	21,373	12,008	9,366	21,373	12,008	9,366
Protective Services	212,891	14,058	198,833	212,885	14,058	198,827
Social & Health Services	268,074	180,103	87,971	267,367	180,001	87,366
Transportation Services	103,630	15,533	88,097	103,508	15,633	87,875
Corporate, Operational & Council Services	90,436	17,305	73,131	90,049	17,485	72,564
Financial Management	173,542	41,191	132,352	171,532	41,660	129,871
<b>Total</b>	<b>1,069,086</b>	<b>369,714</b>	<b>699,372</b>	<b>1,063,955</b>	<b>371,670</b>	<b>692,284</b>

Subject to rounding.

### Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of budget amendments as applicable.

## 2023 Operating Budget Overview (\$ Thousands)

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture	27,944	657	27,287	27,938	657	27,281
Economic Prosperity	10,366	350	10,016	10,366	350	10,016
Environmental Services	47,046	15,390	31,656	47,046	15,690	31,356
Parks, Recreation & Neighbourhood Services	116,291	73,699	42,592	115,609	73,857	41,751
Planning & Development Services	21,560	12,232	9,328	21,560	12,232	9,328
Protective Services	216,461	13,872	202,589	216,455	13,872	202,583
Social & Health Services	271,511	179,255	92,257	271,948	179,153	92,795
Transportation Services	105,908	15,611	90,297	105,786	15,711	90,075
Corporate, Operational & Council Services	89,994	16,153	73,841	89,607	16,334	73,273
Financial Management	184,950	41,429	143,520	182,939	41,899	141,040
<b>Total</b>	<b>1,092,031</b>	<b>368,648</b>	<b>723,382</b>	<b>1,089,252</b>	<b>369,755</b>	<b>719,498</b>

Subject to rounding.

### Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of budget amendments as applicable.

## 2020 to 2023 Operating Budget Overview (\$ Thousands)

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Culture	109,755	3,303	106,452	109,743	3,303	106,440	0.32
Economic Prosperity	48,001	5,600	42,401	48,851	6,450	42,401	0.14
Environmental Services	170,888	59,121	111,767	170,458	59,721	110,737	0.34
Parks, Recreation & Neighbourhood Services	455,673	291,606	164,067	452,678	291,922	160,756	0.51
Planning & Development Services	84,237	46,854	37,383	84,237	46,854	37,383	0.12
Protective Services	838,355	55,117	783,238	838,343	55,117	783,226	2.44
Social & Health Services	1,060,924	719,419	341,505	1,060,654	719,215	341,439	1.08
Transportation Services	409,018	61,271	347,747	408,774	61,471	347,302	1.08
Corporate, Operational & Council Services	351,428	63,575	287,853	350,654	63,936	286,718	0.90
Financial Management	682,259	165,436	516,823	678,238	166,376	511,862	1.60
<b>Total</b>	<b>4,210,539</b>	<b>1,471,303</b>	<b>2,739,236</b>	<b>4,202,630</b>	<b>1,474,366</b>	<b>2,728,264</b>	<b>8.53</b>

Subject to rounding.

### Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of budget amendments as applicable.

## 2020 Operating Budget Detail by Service Grouping (\$ Thousands)

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Centennial Hall	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,527	75	2,452
Museum London	1,821	0	1,821
Eldon House	295	0	295
Heritage	199	0	199
Library Services	21,513	600	20,913
<b>Total Culture</b>	<b>27,204</b>	<b>1,332</b>	<b>25,872</b>
Economic Development	8,022	0	8,022
Community Improvement / Business Improvement Areas	3,834	3,450	384
RBC Place London	648	0	648
Tourism & Sports Attraction	2,056	0	2,056
Covent Garden Market	0	0	0
<b>Total Economic Prosperity</b>	<b>14,560</b>	<b>3,450</b>	<b>11,110</b>
Kettle Creek Conservation Authority	223	0	223
Lower Thames Valley Conservation Authority	68	0	68
Upper Thames River Conservation Authority	1,568	0	1,568
Environmental Action Programs & Reporting	1,072	128	945
Garbage, Recycling & Composting	34,700	14,161	20,539
<b>Total Environmental Services</b>	<b>37,632</b>	<b>14,289</b>	<b>23,343</b>
Neighbourhood & Recreation Services	96,200	71,513	24,687
Parks & Urban Forestry	14,429	56	14,373
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>110,629</b>	<b>71,569</b>	<b>39,059</b>

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Building Approvals	6,773	7,201	-428
Planning Services	5,033	539	4,494
Development Services	7,897	2,698	5,199
<b>Total Planning &amp; Development Services</b>	<b>19,703</b>	<b>10,438</b>	<b>9,266</b>
Animal Services	3,081	1,269	1,812
By-Law Enforcement & Property Standards	4,713	3,070	1,643
Corporate Security & Emergency Management	3,227	64	3,163
Fire Services	65,690	315	65,375
London Police Services	124,247	8,569	115,678
<b>Total Protective Services</b>	<b>200,959</b>	<b>13,287</b>	<b>187,672</b>
Housing Services	23,418	12,309	11,108
Housing Development Corporation	2,843	0	2,843
London & Middlesex Community Housing	12,389	0	12,389
Long Term Care	24,581	18,830	5,751
Land Ambulance	18,943	0	18,943
Middlesex-London Health Unit	6,705	0	6,705
Social & Community Support Services	169,683	148,674	21,009
<b>Total Social &amp; Health Services</b>	<b>258,562</b>	<b>179,814</b>	<b>78,748</b>
Parking	3,478	7,120	-3,642
London Transit Commission	38,089	0	38,089
Roadways	54,839	6,880	47,959
Rapid Transit	80	80	0
<b>Total Transportation Services</b>	<b>96,485</b>	<b>14,080</b>	<b>82,405</b>

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Corporate Services	65,611	5,704	59,907
Corporate Planning & Administration	2,206	22	2,184
Council Services	4,094	130	3,965
Public Support Services	11,723	8,907	2,816
<b>Total Corporate, Operational and Council Services</b>	<b>83,634</b>	<b>14,763</b>	<b>68,871</b>
Capital Financing - Capital Levy	48,262	0	48,262
Capital Financing - Debt Servicing	37,560	0	37,560
Capital Financing - Contribution to Capital Reserve Funds	31,794	0	31,794
Other Related Financing - Contingencies	4,962	0	4,962
Other Related Financing - Other Corporate Revenues & Expenditures	26,558	39,583	-13,025
Finance	9,279	2,279	7,000
<b>Total Financial Management</b>	<b>158,416</b>	<b>41,862</b>	<b>116,554</b>

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

## 2021 Operating Budget Detail by Service Grouping (\$ Thousands)

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Centennial Hall	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,495	0	2,495
Museum London	1,852	0	1,852
Eldon House	299	0	299
Heritage	208	0	208
Library Services	21,392	0	21,392
<b>Total Culture</b>	<b>27,093</b>	<b>657</b>	<b>26,436</b>
Economic Development	7,888	300	7,588
Community Improvement / Business Improvement Areas	1,639	1,150	489
RBC Place London	658	0	658
Tourism & Sports Attraction	2,105	0	2,105
Covent Garden Market	0	0	0
<b>Total Economic Prosperity</b>	<b>12,290</b>	<b>1,450</b>	<b>10,840</b>
Kettle Creek Conservation Authority	314	0	314
Lower Thames Valley Conservation Authority	69	0	69
Upper Thames River Conservation Authority	1,660	0	1,660
Environmental Action Programs & Reporting	1,579	375	1,204
Garbage, Recycling & Composting	37,508	14,105	23,403
<b>Total Environmental Services</b>	<b>41,130</b>	<b>14,479</b>	<b>26,651</b>
Neighbourhood & Recreation Services	97,937	72,734	25,203
Parks & Urban Forestry	15,058	56	15,001
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>112,995</b>	<b>72,791</b>	<b>40,204</b>

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Building Approvals	7,038	7,351	-313
Planning Services	6,432	1,583	4,849
Development Services	8,130	3,243	4,888
<b>Total Planning &amp; Development Services</b>	<b>21,600</b>	<b>12,177</b>	<b>9,423</b>
Animal Services	3,179	1,269	1,910
By-Law Enforcement & Property Standards	4,853	3,227	1,626
Corporate Security & Emergency Management	3,387	65	3,322
Fire Services	67,013	318	66,694
London Police Services	129,612	9,020	120,592
<b>Total Protective Services</b>	<b>208,044</b>	<b>13,899</b>	<b>194,144</b>
Housing Services	23,386	12,124	11,263
Housing Development Corporation	3,186	0	3,186
London & Middlesex Community Housing	13,184	0	13,184
Long Term Care	25,034	18,922	6,112
Land Ambulance	21,822	0	21,822
Middlesex-London Health Unit	6,095	0	6,095
Social & Community Support Services	170,069	149,202	20,866
<b>Total Social &amp; Health Services</b>	<b>262,777</b>	<b>180,248</b>	<b>82,529</b>
Parking	4,246	8,010	-3,764
London Transit Commission	41,626	0	41,626
Roadways	57,042	7,958	49,085
Rapid Transit	80	80	0
<b>Total Transportation Services</b>	<b>102,995</b>	<b>16,048</b>	<b>86,947</b>

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Corporate Services	68,771	6,125	62,645
Corporate Planning & Administration	2,282	154	2,128
Council Services	4,177	125	4,052
Public Support Services	12,134	8,950	3,184
<b>Total Corporate, Operational and Council Services</b>	<b>87,364</b>	<b>15,354</b>	<b>72,009</b>
Capital Financing - Capital Levy	50,183	0	50,183
Capital Financing - Debt Servicing	35,979	0	35,979
Capital Financing - Contribution to Capital Reserve Funds	36,769	0	36,769
Other Related Financing - Contingencies	6,247	0	6,247
Other Related Financing - Other Corporate Revenues & Expenditures	26,322	38,527	-12,205
Finance	9,852	2,428	7,424
<b>Total Financial Management</b>	<b>165,352</b>	<b>40,955</b>	<b>124,397</b>

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

## 2022 Operating Budget Detail by Service Grouping (\$ Thousands)

2022 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Centennial Hall	848	657	191	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,507	0	2,507	2,501	0	2,501
Museum London	1,898	0	1,898	1,898	0	1,898
Eldon House	304	0	304	304	0	304
Heritage	217	0	217	217	0	217
Library Services	21,742	0	21,742	21,742	0	21,742
<b>Total Culture</b>	<b>27,515</b>	<b>657</b>	<b>26,858</b>	<b>27,509</b>	<b>657</b>	<b>26,852</b>
Economic Development	7,448	300	7,148	7,448	300	7,148
Community Improvement / Business Improvement Areas	548	50	498	548	50	498
RBC Place London	668	0	668	1,518	850	668
Tourism & Sports Attraction	2,122	0	2,122	2,122	0	2,122
Covent Garden Market	0	0	0	0	0	0
<b>Total Economic Prosperity</b>	<b>10,785</b>	<b>350</b>	<b>10,435</b>	<b>11,635</b>	<b>1,200</b>	<b>10,435</b>
Kettle Creek Conservation Authority	316	0	316	316	0	316
Lower Thames Valley Conservation Authority	71	0	71	71	0	71
Upper Thames River Conservation Authority	1,694	0	1,694	1,694	0	1,694
Environmental Action Programs & Reporting	1,578	368	1,210	1,578	368	1,210
Garbage, Recycling & Composting	41,422	14,595	26,827	40,992	14,895	26,097
<b>Total Environmental Services</b>	<b>45,080</b>	<b>14,963</b>	<b>30,117</b>	<b>44,650</b>	<b>15,263</b>	<b>29,387</b>
Neighbourhood & Recreation Services	100,516	73,490	27,026	98,461	73,648	24,813
Parks & Urban Forestry	15,243	56	15,187	14,985	56	14,929
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>115,759</b>	<b>73,546</b>	<b>42,212</b>	<b>113,446</b>	<b>73,704</b>	<b>39,742</b>

2022 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Building Approvals	7,196	7,502	-305	7,196	7,502	-305
Planning Services	5,905	968	4,937	5,905	968	4,937
Development Services	8,272	3,538	4,734	8,272	3,538	4,734
<b>Total Planning &amp; Development Services</b>	<b>21,373</b>	<b>12,008</b>	<b>9,366</b>	<b>21,373</b>	<b>12,008</b>	<b>9,366</b>
Animal Services	3,237	1,232	2,006	3,237	1,232	2,006
By-Law Enforcement & Property Standards	5,061	3,446	1,615	5,061	3,446	1,615
Corporate Security & Emergency Management	3,436	66	3,370	3,436	66	3,370
Fire Services	68,378	322	68,055	68,372	322	68,049
London Police Services	132,778	8,993	123,785	132,778	8,993	123,785
<b>Total Protective Services</b>	<b>212,891</b>	<b>14,058</b>	<b>198,833</b>	<b>212,885</b>	<b>14,058</b>	<b>198,827</b>
Housing Services	23,411	11,936	11,476	23,411	11,936	11,476
Housing Development Corporation	3,550	0	3,550	3,550	0	3,550
London & Middlesex Community Housing	13,900	0	13,900	13,900	0	13,900
Long Term Care	25,167	19,015	6,152	25,167	19,015	6,152
Land Ambulance	24,332	0	24,332	24,332	0	24,332
Middlesex-London Health Unit	6,705	0	6,705	7,345	0	7,345
Social & Community Support Services	171,008	149,152	21,856	169,661	149,050	20,611
<b>Total Social &amp; Health Services</b>	<b>268,074</b>	<b>180,103</b>	<b>87,971</b>	<b>267,367</b>	<b>180,001</b>	<b>87,366</b>
Parking	4,390	8,280	-3,890	4,390	8,380	-3,990
London Transit Commission	42,421	0	42,421	42,421	0	42,421
Roadways	56,739	7,173	49,566	56,617	7,173	49,444
Rapid Transit	80	80	0	80	80	0
<b>Total Transportation Services</b>	<b>103,630</b>	<b>15,533</b>	<b>88,097</b>	<b>103,508</b>	<b>15,633</b>	<b>87,875</b>

2022 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Corporate Services	69,632	6,112	63,521	69,260	6,112	63,149
Corporate Planning & Administration	2,317	156	2,161	2,302	156	2,146
Council Services	6,135	2,045	4,090	6,135	2,045	4,090
Public Support Services	12,352	8,992	3,359	12,352	9,173	3,179
<b>Total Corporate, Operational and Council Services</b>	<b>90,436</b>	<b>17,305</b>	<b>73,131</b>	<b>90,049</b>	<b>17,485</b>	<b>72,564</b>
Capital Financing - Capital Levy	53,581	0	53,581	53,231	0	53,231
Capital Financing - Debt Servicing	33,559	0	33,559	33,559	0	33,559
Capital Financing - Contribution to Capital Reserve Funds	39,497	0	39,497	38,897	0	38,897
Other Related Financing - Contingencies	10,989	0	10,989	10,989	0	10,989
Other Related Financing - Other Corporate Revenues & Expenditures	25,930	38,737	-12,807	24,930	39,237	-14,307
Finance	9,987	2,454	7,533	9,926	2,424	7,503
<b>Total Financial Management</b>	<b>173,542</b>	<b>41,191</b>	<b>132,352</b>	<b>171,532</b>	<b>41,660</b>	<b>129,871</b>

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of budget amendments as applicable.

## 2023 Operating Budget Detail by Service Grouping (\$ Thousands)

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Centennial Hall	848	657	191	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,510	0	2,510	2,504	0	2,504
Museum London	1,927	0	1,927	1,927	0	1,927
Eldon House	308	0	308	308	0	308
Heritage	221	0	221	221	0	221
Library Services	22,129	0	22,129	22,129	0	22,129
<b>Total Culture</b>	<b>27,944</b>	<b>657</b>	<b>27,287</b>	<b>27,938</b>	<b>657</b>	<b>27,281</b>
Economic Development	7,008	300	6,708	7,008	300	6,708
Community Improvement / Business Improvement Areas	554	50	504	554	50	504
RBC Place London	678	0	678	678	0	678
Tourism & Sports Attraction	2,126	0	2,126	2,126	0	2,126
Covent Garden Market	0	0	0	0	0	0
<b>Total Economic Prosperity</b>	<b>10,366</b>	<b>350</b>	<b>10,016</b>	<b>10,366</b>	<b>350</b>	<b>10,016</b>
Kettle Creek Conservation Authority	316	0	316	316	0	316
Lower Thames Valley Conservation Authority	72	0	72	72	0	72
Upper Thames River Conservation Authority	1,727	0	1,727	1,727	0	1,727
Environmental Action Programs & Reporting	1,553	341	1,212	1,553	341	1,212
Garbage, Recycling & Composting	43,378	15,048	28,330	43,378	15,348	28,030
<b>Total Environmental Services</b>	<b>47,046</b>	<b>15,390</b>	<b>31,656</b>	<b>47,046</b>	<b>15,690</b>	<b>31,356</b>
Neighbourhood & Recreation Services	100,879	73,643	27,236	100,454	73,801	26,653
Parks & Urban Forestry	15,412	56	15,356	15,154	56	15,098
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>116,291</b>	<b>73,699</b>	<b>42,592</b>	<b>115,609</b>	<b>73,857</b>	<b>41,751</b>
Building Approvals	7,227	7,613	-385	7,227	7,613	-385

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Planning Services	5,926	943	4,983	5,926	943	4,983
Development Services	8,407	3,677	4,731	8,407	3,677	4,731
<b>Total Planning &amp; Development Services</b>	<b>21,560</b>	<b>12,232</b>	<b>9,328</b>	<b>21,560</b>	<b>12,232</b>	<b>9,328</b>
Animal Services	3,296	1,205	2,091	3,296	1,205	2,091
By-Law Enforcement & Property Standards	5,050	3,436	1,613	5,050	3,436	1,613
Corporate Security & Emergency Management	3,465	67	3,399	3,465	67	3,399
Fire Services	70,102	326	69,777	70,096	326	69,771
London Police Services	134,549	8,838	125,710	134,549	8,838	125,710
<b>Total Protective Services</b>	<b>216,461</b>	<b>13,872</b>	<b>202,589</b>	<b>216,455</b>	<b>13,872</b>	<b>202,583</b>
Housing Services	23,563	11,906	11,656	23,563	11,906	11,656
Housing Development Corporation	3,825	0	3,825	3,825	0	3,825
London & Middlesex Community Housing	14,677	0	14,677	14,677	0	14,677
Long Term Care	25,281	19,110	6,171	25,281	19,110	6,171
Land Ambulance	26,157	0	26,157	26,157	0	26,157
Middlesex-London Health Unit	6,705	0	6,705	7,345	0	7,345
Social & Community Support Services	171,304	148,238	23,066	171,100	148,136	22,964
<b>Total Social &amp; Health Services</b>	<b>271,511</b>	<b>179,255</b>	<b>92,257</b>	<b>271,948</b>	<b>179,153</b>	<b>92,795</b>
Parking	4,392	8,280	-3,887	4,392	8,380	-3,987
London Transit Commission	44,170	0	44,170	44,170	0	44,170
Roadways	57,266	7,251	50,015	57,144	7,251	49,893
Rapid Transit	80	80	0	80	80	0
<b>Total Transportation Services</b>	<b>105,908</b>	<b>15,611</b>	<b>90,297</b>	<b>105,786</b>	<b>15,711</b>	<b>90,075</b>

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Corporate Services	70,295	6,197	64,099	69,923	6,197	63,727
Corporate Planning & Administration	2,217	23	2,195	2,202	23	2,180
Council Services	5,014	898	4,116	5,014	898	4,116
Public Support Services	12,467	9,036	3,431	12,467	9,216	3,250
<b>Total Corporate, Operational and Council Services</b>	<b>89,994</b>	<b>16,153</b>	<b>73,841</b>	<b>89,607</b>	<b>16,334</b>	<b>73,273</b>
Capital Financing - Capital Levy	54,331	0	54,331	53,981	0	53,981
Capital Financing - Debt Servicing	33,244	0	33,244	33,244	0	33,244
Capital Financing - Contribution to Capital Reserve Funds	41,990	0	41,990	41,390	0	41,390
Other Related Financing - Contingencies	19,653	0	19,653	19,653	0	19,653
Other Related Financing - Other Corporate Revenues & Expenditures	25,698	38,949	-13,251	24,698	39,449	-14,751
Finance	10,034	2,480	7,554	9,974	2,450	7,524
<b>Total Financial Management</b>	<b>184,950</b>	<b>41,429</b>	<b>143,520</b>	<b>182,939</b>	<b>41,899</b>	<b>141,040</b>

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of budget amendments as applicable.

## 2020 to 2023 Operating Budget Detail by Service Grouping (\$ Thousands)

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Centennial Hall	3,392	2,628	764	3,392	2,628	764	0.00
Arts, Culture & Heritage Advisory & Funding	10,038	75	9,963	10,026	75	9,951	0.03
Museum London	7,499	0	7,499	7,499	0	7,499	0.02
Eldon House	1,206	0	1,206	1,206	0	1,206	0.00
Heritage	844	0	844	844	0	844	0.00
Library Services	86,776	600	86,176	86,776	600	86,176	0.27
<b>Total Culture</b>	<b>109,755</b>	<b>3,303</b>	<b>106,452</b>	<b>109,743</b>	<b>3,303</b>	<b>106,440</b>	<b>0.32</b>
Economic Development	30,366	900	29,466	30,366	900	29,466	0.09
Community Improvement / Business Improvement Areas	6,575	4,700	1,875	6,575	4,700	1,875	0.01
RBC Place London	2,651	0	2,651	3,501	850	2,651	0.01
Tourism & Sports Attraction	8,409	0	8,409	8,409	0	8,409	0.03
Covent Garden Market	0	0	0	0	0	0	0.00
<b>Total Economic Prosperity</b>	<b>48,001</b>	<b>5,600</b>	<b>42,401</b>	<b>48,851</b>	<b>6,450</b>	<b>42,401</b>	<b>0.14</b>
Kettle Creek Conservation Authority	1,169	0	1,169	1,169	0	1,169	0.00
Lower Thames Valley Conservation Authority	279	0	279	279	0	279	0.00
Upper Thames River Conservation Authority	6,649	0	6,649	6,649	0	6,649	0.02
Environmental Action Programs & Reporting	5,783	1,212	4,571	5,783	1,212	4,571	0.01
Garbage, Recycling & Composting	157,008	57,909	99,098	156,578	58,509	98,068	0.31
<b>Total Environmental Services</b>	<b>170,888</b>	<b>59,121</b>	<b>111,767</b>	<b>170,458</b>	<b>59,721</b>	<b>110,737</b>	<b>0.34</b>

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Neighbourhood & Recreation Services	395,532	291,380	104,152	393,052	291,696	101,356	0.32
Parks & Urban Forestry	60,141	225	59,916	59,626	225	59,401	0.19
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>455,673</b>	<b>291,606</b>	<b>164,067</b>	<b>452,678</b>	<b>291,922</b>	<b>160,756</b>	<b>0.51</b>
Building Approvals	28,234	29,666	-1,432	28,234	29,666	-1,432	0.00
Planning Services	23,296	4,033	19,263	23,296	4,033	19,263	0.06
Development Services	32,707	13,155	19,551	32,707	13,155	19,551	0.06
<b>Total Planning &amp; Development Services</b>	<b>84,237</b>	<b>46,854</b>	<b>37,383</b>	<b>84,237</b>	<b>46,854</b>	<b>37,383</b>	<b>0.12</b>
Animal Services	12,794	4,975	7,819	12,794	4,975	7,819	0.02
By-Law Enforcement & Property Standards	19,677	13,179	6,498	19,677	13,179	6,498	0.02
Corporate Security & Emergency Management	13,516	262	13,255	13,516	262	13,255	0.04
Fire Services	271,183	1,281	269,902	271,171	1,281	269,890	0.84
London Police Services	521,185	35,420	485,765	521,185	35,420	485,765	1.52
<b>Total Protective Services</b>	<b>838,355</b>	<b>55,117</b>	<b>783,238</b>	<b>838,343</b>	<b>55,117</b>	<b>783,226</b>	<b>2.44</b>

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Housing Services	93,778	48,275	45,503	93,778	48,275	45,503	0.14
Housing Development Corporation	13,404	0	13,404	13,404	0	13,404	0.04
London & Middlesex Community Housing	54,150	0	54,150	54,150	0	54,150	0.17
Long Term Care	100,064	75,877	24,187	100,064	75,877	24,187	0.08
Land Ambulance	91,255	0	91,255	91,255	0	91,255	0.29
Middlesex-London Health Unit	26,209	0	26,209	27,489	0	27,489	0.09
Social & Community Support Services	682,064	595,267	86,797	680,513	595,063	85,450	0.27
<b>Total Social &amp; Health Services</b>	<b>1,060,924</b>	<b>719,419</b>	<b>341,505</b>	<b>1,060,654</b>	<b>719,215</b>	<b>341,439</b>	<b>1.08</b>
Parking	16,506	31,690	-15,183	16,506	31,890	-15,383	-0.05
London Transit Commission	166,306	0	166,306	166,306	0	166,306	0.52
Roadways	225,886	29,262	196,624	225,642	29,262	196,380	0.61
Rapid Transit	320	320	0	320	320	0	0.00
<b>Total Transportation Services</b>	<b>409,018</b>	<b>61,271</b>	<b>347,747</b>	<b>408,774</b>	<b>61,471</b>	<b>347,302</b>	<b>1.08</b>
Corporate Services	274,309	24,138	250,171	273,565	24,138	249,427	0.78
Corporate Planning & Administration	9,022	354	8,667	8,992	354	8,637	0.03
Council Services	19,421	3,198	16,223	19,421	3,198	16,223	0.05
Public Support Services	48,676	35,886	12,791	48,676	36,247	12,429	0.04
<b>Total Corporate, Operational and Council Services</b>	<b>351,428</b>	<b>63,575</b>	<b>287,853</b>	<b>350,654</b>	<b>63,936</b>	<b>286,718</b>	<b>0.90</b>

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Capital Financing - Capital Levy	206,356	0	206,356	205,656	0	205,656	0.64
Capital Financing - Debt Servicing	140,342	0	140,342	140,342	0	140,342	0.44
Capital Financing - Contribution to Capital Reserve Funds	150,050	0	150,050	148,850	0	148,850	0.47
Other Related Financing - Contingencies	41,850	0	41,850	41,850	0	41,850	0.13
Other Related Financing - Other Corporate Revenues & Expenditures	104,508	155,795	-51,287	102,508	156,795	-54,287	-0.17
Finance	39,152	9,641	29,511	39,031	9,580	29,450	0.09
<b>Total Financial Management</b>	<b>682,259</b>	<b>165,436</b>	<b>516,823</b>	<b>678,238</b>	<b>166,376</b>	<b>511,862</b>	<b>1.60</b>

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of budget amendments as applicable.

## Appendix B - Capital Budget Overview

### 2020 to 2029 Capital Budget Overview by Classification – As Recommended (\$ Thousands)

Classification	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2021 to 2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	105,569	93,994	109,981	97,195	406,739	-600	626,190	-1,800	1,032,929
Growth <sup>1</sup>	124,545	111,599	159,607	251,391	647,142	9,190	658,554	4,241	1,305,696
Service Improvement	95,960	34,323	42,482	59,698	232,463	28,590	309,384	8,685	541,847
<b>Total Expenditures</b>	<b>326,074</b>	<b>239,916</b>	<b>312,069</b>	<b>408,284</b>	<b>1,286,343</b>	<b>37,180</b>	<b>1,594,127</b>	<b>11,126</b>	<b>2,880,471</b>

Subject to rounding.

#### Notes

1. Next steps for projects such as the Wonderland Road Widening were recently discussed at the August 31, 2021, Civic Works Committee, via the report titled “Outcome of Climate Lens Screening Applied to Major Transportation Projects”. Based on the approved recommendations from this report, the Multi-Year Growth Budget will be adjusted during the next appropriate cycle. Capital plan adjustments are not available for the 2022 Annual Budget Update.

## 2020 to 2029 Capital Budget Overview by Service Program – As Recommended (\$ Thousands)

Service Program	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2021 to 2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Culture Services	8,533	2,004	2,037	2,047	14,621	0	15,457	0	30,078
Economic Prosperity	4,518	9,258	7,671	7,088	28,534	0	43,087	0	71,621
Environmental Services	42,231	1,660	4,745	15,745	64,381	1,720	45,845	8,610	110,226
Parks, Recreation and Neighbourhood Services	27,478	24,974	22,580	60,074	135,106	750	116,647	375	251,753
Planning and Development Services	1,901	4,695	2,494	5,047	14,137	-100	3,838	-300	17,974
Protective Services	18,638	22,782	28,163	28,569	98,152	0	110,201	0	208,354
Social and Health Services	35,511	16,887	15,025	17,381	84,803	0	95,577	0	180,380
Transportation Services	170,082	144,790	209,787	250,584	775,243	34,812	934,566	2,441	1,709,809
Corporate, Operational and Council Services	17,181	12,867	19,568	21,749	71,365	0	228,911	0	300,276
<b>Total Expenditures</b>	<b>326,074</b>	<b>239,916</b>	<b>312,069</b>	<b>408,284</b>	<b>1,286,343</b>	<b>37,180</b>	<b>1,594,127</b>	<b>11,126</b>	<b>2,880,471</b>

Subject to rounding.

## 2020 to 2029 Source of Financing Overview – As Recommended (\$ Thousands)

Source of Financing	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget Total	2021 to 2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Capital Levy	46,430	47,634	53,208	53,931	201,202	962	352,163	-1,803	553,366
Debt	54,877	28,118	31,484	72,524	187,003	13,020	207,215	0	394,218
Reserve Fund	68,842	40,158	47,192	49,620	205,811	-2,530	371,382	8,985	577,193
Other	5,113	2,570	724	7	8,414	0	1,774	0	10,188
<b>Sub-Total Tax Supported</b>	<b>175,261</b>	<b>118,480</b>	<b>132,607</b>	<b>176,081</b>	<b>602,430</b>	<b>11,452</b>	<b>932,534</b>	<b>7,182</b>	<b>1,534,965</b>
Debt	9,970	4,568	24,549	61,485	100,572	7,626	128,134	3,944	228,706
Reserve Fund	53,734	54,925	51,832	54,394	214,885	-7	255,815	0	470,701
Canada Community-Building Fund (Formerly Federal Gas Tax)	27,355	17,108	29,278	33,750	107,491	5,000	97,138	0	204,629
Federal Grants	28,340	23,833	35,558	40,118	127,849	0	22,992	0	150,841
Provincial Grants	21,065	17,923	30,268	35,080	104,336	0	32,105	0	136,441
Other Government	0	0	7,200	5,910	13,110	13,110	119,314	0	132,424
Other	10,349	3,079	777	1,466	15,671	0	6,096	0	21,767
<b>Sub-Total Non-Tax Supported</b>	<b>150,812</b>	<b>121,436</b>	<b>179,463</b>	<b>232,202</b>	<b>683,914</b>	<b>25,728</b>	<b>661,593</b>	<b>3,944</b>	<b>1,345,508</b>
<b>Total Source of Financing</b>	<b>326,074</b>	<b>239,916</b>	<b>312,069</b>	<b>408,284</b>	<b>1,286,343</b>	<b>37,180</b>	<b>1,594,127</b>	<b>11,126</b>	<b>2,880,471</b>

Subject to rounding.

## 2030 and 2031 Capital Budget Overview by Classification – As Recommended (\$ Thousands)

Classification	2030 Forecast	2031 Forecast	2022 to 2031 Amended Ten Year Plan
Lifecycle Renewal	108,356	112,834	1,054,555
Growth	69,204	39,057	1,177,814
Service Improvement	8,299	60,721	480,584
<b>Total Expenditures</b>	<b>185,859</b>	<b>212,611</b>	<b>2,712,952</b>

Subject to rounding.

Source of Financing	2030 Forecast	2031 Forecast	2022 to 2031 Amended Ten Year Plan
Capital Levy	63,757	65,345	588,404
Debt	0	44,031	355,254
Reserve Fund	37,426	51,382	557,002
Other	0	0	2,505
<b>Sub-Total Tax Supported</b>	<b>101,183</b>	<b>160,759</b>	<b>1,503,165</b>
Debt	33,136	11,835	259,139
Reserve Fund	33,628	22,730	418,399
Canada Community-Building Fund (Formerly Federal Gas Tax)	13,725	13,100	186,992
Federal Grants	0	0	98,668
Provincial Grants	3,171	3,171	103,795
Other Government	0	0	132,424
Other	1,016	1,016	10,371
<b>Sub-Total Non-Tax Supported</b>	<b>84,676</b>	<b>51,852</b>	<b>1,209,787</b>
<b>Total Source of Financing</b>	<b>185,859</b>	<b>212,611</b>	<b>2,712,952</b>

Subject to rounding.

## 2030 and 2031 Major Capital Projects by Classification – As Recommended (\$ Thousands)

Classification	Project	2030 Forecast	2031 Forecast
Lifecycle Renewal	Road Network Improvements	28,641	29,328
Lifecycle Renewal	Bus Replacement Program	10,756	10,756
Lifecycle Renewal	Traffic Signal and Street Light Maintenance	9,054	9,279
Lifecycle Renewal	Vehicle and Equipment Replacement	6,662	6,238
Lifecycle Renewal	LMCH Infrastructure Gap	6,142	6,142
Growth	Wonderland Rd Widening (Riverside to Springbank) <sup>1</sup>	41,766	0
Growth	Oxford Street W Widening (Sanitorium to Commissioners)	0	18,497
Growth	Southdale Road W Widening (Bostwick to Colonel Talbot)	0	13,682
Growth	Kilally Rd Urbanization (Webster to Clarke)	11,766	0
Growth	Wonderland Rd Widening (Oxford to Riverside)	6,075	0
Service Improvement	Highbury LTC Facility Demolition and Rebuild	0	37,375
Service Improvement	ILDS Internal Servicing	0	13,000
Service Improvement	Regenerating Public Housing	3,500	3,500
Service Improvement	Long Term Disposal Capacity	880	2,550
Service Improvement	Urban Forest Strategy	1,600	1,600

Subject to rounding.

### Notes

1. Next steps for projects such as the Wonderland Road Widening were recently discussed at the August 31, 2021, Civic Works Committee, via the report titled “Outcome of Climate Lens Screening Applied to Major Transportation Projects”. Based on the approved recommendations from this report, the Multi-Year Growth Budget will be adjusted during the next appropriate cycle. Capital plan adjustments are not available for the 2022 Annual Budget Update.

## Appendix C - Reserve / Reserve Fund Overview

### Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Building Fund (Formerly Federal Gas Tax)	Canada Community-Build Fund (Federal Gas Tax) Reserve Fund is maintained under the Agreement for Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Canada-Ontario-AMO-City of Toronto made as of June 17, 2005.
Obligatory	Parkland	Parkland Reserve Fund is legislated by the Planning Act, R.S.O. 1990, as amended; monies standing in the reserve fund represent contributions from developers for payments in lieu of providing parkland and the reserve fund is restricted to supporting related park or other recreational purposes.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure City-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	Planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

## Reserve and Reserve Fund Overview <sup>1</sup> – As Recommended (\$ Thousands)

Classification	Type	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Obligatory	City Services	25,432	23,662	21,818	18,486	32,654
Obligatory	Canada Community-Building Fund (Formerly Federal Gas Tax)	42,107	48,537	35,679	20,808	22,088
Obligatory	Parkland	2,645	2,301	2,319	1,724	2,471
<b>Total</b>	<b>Obligatory</b>	<b>70,184</b>	<b>74,501</b>	<b>59,817</b>	<b>41,018</b>	<b>57,213</b>
Discretionary	Capital Asset Renewal and Replacement <sup>2</sup>	87,090	108,431	116,898	125,804	131,514
Discretionary	Capital Asset Growth <sup>2</sup>	23,698	24,652	29,625	29,728	40,957
Discretionary	Special Projects and New Initiatives <sup>2</sup>	155,072	162,100	158,675	167,022	218,511
Discretionary	Contingencies/Stabilization and Risk Management	224,531	200,968	195,914	197,117	212,493
<b>Total</b>	<b>Discretionary</b>	<b>490,392</b>	<b>496,151</b>	<b>501,112</b>	<b>519,671</b>	<b>603,475</b>

Subject to rounding.

### Notes

1. Amounts reported include the recommended 2022 Annual Budget Update amendments.
2. Balances are increasing because several reserves and reserve funds do not factor in draws until approved by Municipal Council, or authorized designate.

Reserve and Reserve Fund Details – As Recommended  
 Obligatory Reserve Funds (\$ Thousands)

Reserve Fund	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
City Services	25,432	23,662	21,818	18,486	32,654
Canada Community-Building Fund (Formerly Federal Gas Tax) <sup>2</sup>	42,107	48,537	35,679	20,808	22,088
Parkland	2,645	2,301	2,319	1,724	2,471
<b>Total Obligatory<sup>1</sup></b>	<b>70,184</b>	<b>74,501</b>	<b>59,817</b>	<b>41,018</b>	<b>57,213</b>

Subject to rounding.

Notes

1. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.
2. Balance of the Canada Community-Building Fund includes portions of the two top ups the City of London has received from the Government of Canada. This funding will be required for future capital plans, amendments, strategic initiatives, etc.

## Capital Asset Renewal and Replacement Reserve Funds (\$ Thousands)

Reserve Fund	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
City Facilities	43,257	54,147	57,534	58,441	13,856
Corporate Security & Emergency Management	0	26	42	67	190
RBC Place London <sup>1</sup>	458	1,161	645	971	814
Recreation	0	738	1,944	3,419	11,641
Courts Administration	270	5	5	5	6
Dearness Home	829	861	853	871	909
Library	369	555	719	921	54
Parking Facilities	543	1,319	1,709	2,605	6,805
Parks	0	186	608	1,098	3,909
Material Recovery Facility	1,553	715	270	273	3,510
Solid Waste	5,072	8,220	11,242	11,152	6,523
Public Housing <sup>2</sup>	2,935	3,401	3,576	3,389	16,287
Public Art Renewal	272	276	279	282	299
Capital Infrastructure Gap	7,860	9,959	10,059	10,160	10,785
Technology Services	6,913	7,493	5,867	4,761	2,133
Transportation	0	2,035	6,923	12,569	45,051
Urban Forestry	2,570	2,079	1,831	1,580	1,945
Vehicle and Equipment - City	5,965	7,799	6,567	6,414	2,144
Vehicle and Equipment - Fire	5,590	5,124	3,740	4,448	956
Vehicle and Equipment - Police	2,637	2,331	2,487	2,377	3,698
<b>Total Capital Asset Renewal and Replacement</b>	<b>87,090</b>	<b>108,431</b>	<b>116,898</b>	<b>125,804</b>	<b>131,514</b>

Subject to rounding.

Notes

1. Budgeted activity within this reserve fund is governed by Agency, Board, or Commission policies and approvals.
2. The projected balance in this reserve fund includes the forecasted standing Assessment Growth Business Case as noted in the 2020 to 2023 Multi-Year Budget Additional Investment Business Case #12 to support LMCH's asset management plan.

### Capital Asset Growth Reserve Funds (\$ Thousands)

Reserve Fund	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Industrial Oversizing	1,791	1,722	1,608	1,493	1,865
Industrial Land	11,631	9,838	11,880	9,023	5,524
Industrial DC Incentive	3,468	3,502	3,536	3,571	3,787
Institutional DC Incentive	5,296	6,756	8,230	9,720	16,178
Commercial DC Incentive	375	178	180	182	193
Residential DC Incentive <sup>1</sup>	379	1,890	3,417	4,958	12,582
Non-Growth Works Arising from Development Agreements	758	766	773	781	829
<b>Total Capital Asset Growth</b>	<b>23,698</b>	<b>24,652</b>	<b>29,625</b>	<b>29,728</b>	<b>40,957</b>

Subject to rounding.

#### Notes

1. Residential DC Incentive Reserve Fund balances are increasing because they do not reflect draws until associated DC grants are approved through the Community Improvement Plan program.

## Special Projects and New Initiatives Reserves and Reserve Funds (\$ Thousands)

Reserve or Reserve Fund	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Animal Welfare	244	183	158	159	169
Child Care and Early Childhood Development	5,333	5,565	5,621	5,677	6,027
Civic Investments	-87	66	4	86	2,682
Community Improvement - Grant	5,064	5,140	4,411	5,775	4,543
Community Improvement - Loan	955	2,306	1,646	1,984	4,085
Community Investment	1,563	1,579	1,575	1,571	1,646
Creative City	377	381	384	388	412
Dearness Home Gift <sup>1</sup>	789	887	986	1,087	1,710
Economic Development <sup>2</sup>	10,458	10,144	5,679	6,470	27,486
Golf Courses	250	296	313	351	593
Housing Development Corporation <sup>4</sup>	990	1,019	707	1,016	1,069
Housing Support Services	510	515	520	526	558
Land Acquisition <sup>3</sup>	11,367	12,703	13,714	14,736	21,083
Municipal Affordable Homeownership	1,793	2,149	2,171	2,193	2,328
Municipal Elections	1,801	2,258	717	336	727
Official Plan	452	509	343	397	515
Operating Effectiveness, Efficiency and Economy <sup>3</sup>	17,891	18,999	20,593	23,028	26,486
Public Art Acquisition	677	684	691	698	740
PUC Environmental <sup>5</sup>	78,373	79,317	79,317	79,317	79,317
Red Light Camera	1,988	1,656	1,673	1,689	1,793
Social Housing - Major Repairs <sup>3</sup>	10,033	10,660	11,269	11,884	15,707

Reserve or Reserve Fund	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Social Services	3,791	3,829	3,868	3,906	4,147
Tourism Infrastructure <sup>3</sup>	346	1,015	2,050	3,458	14,245
Tree Bank	116	241	266	290	444
<b>Total Special Projects and New Initiatives</b>	<b>155,072</b>	<b>162,100</b>	<b>158,675</b>	<b>167,022</b>	<b>218,511</b>

Subject to rounding.

#### Notes

1. Budgeted activity within this reserve fund is subject to donation restrictions, if any, and Dearness Home policies and approvals.
2. The balance in this fund does not include amount set aside for the Forks of the Thames and London Community Recovery.
3. Balances within these funds are increasing because they do not factor in draws until approved by Municipal Council, or authorized designate.
4. Budgeted activity within this reserve fund is governed by Agency, Board, or Commission policies and approvals.
5. Balance of Public Utility Commission (PUC) Environmental Reserve Fund restricted to costs associated with coal tar affected lands held by the City (former PUC lands).

## Contingencies / Stabilization and Risk Management Reserves and Reserve Funds (\$ Thousands)

Reserve or Reserve Fund	2020 Uncommitted	2021 Projected	2022 Projected	2023 Projected	2024 to 2029 Forecast
Building Permits	3,776	4,819	4,867	4,916	5,218
LMHC Employee Entitlement <sup>1</sup>	26	26	26	27	28
LPS Employee Benefits <sup>1</sup>	1,346	1,361	1,188	1,015	1,077
LPS Recruitment <sup>1</sup>	173	171	117	58	62
LPS Sick Leave <sup>1</sup>	92	93	94	95	101
LPS Unfunded Liability <sup>1</sup>	10,192	10,294	10,397	10,501	11,147
LPL Sick Leave <sup>1</sup>	41	43	30	14	15
Operating Budget Contingency <sup>2</sup>	68,147	38,905	31,996	31,021	31,021
Self Insurance	8,239	10,912	11,888	12,883	19,297
Sick Leave City	1,049	557	261	264	280
Unfunded Liability <sup>2</sup>	116,373	117,536	118,712	119,899	127,275
Workplace Safety and Insurance Board	15,078	16,252	16,339	16,427	16,973
<b>Total Contingencies/Stabilization and Risk Management</b>	<b>224,531</b>	<b>200,968</b>	<b>195,914</b>	<b>197,117</b>	<b>212,493</b>

Subject to rounding.

### Notes

1. Budgeted activity within this reserve fund is governed by Agency, Board, or Commission policies and approvals.
2. The balances of these funds are significant due to the nature of their Municipal Council approved purposes, it being noted that each fund is below established targets.

## Appendix D - Debt Overview

Annual Debt Servicing Costs (\$ Thousands)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Property Taxes	37,560	35,945	33,559	33,244	29,613	34,097	35,255	37,168	38,051	38,150
Wastewater and Treatment	9,748	9,193	5,838	4,725	4,402	3,716	3,217	3,460	4,058	2,693
Water	350	349	112	111	0	0	0	0	0	0
Rate Supported Reserve Funds	4,810	2,230	2,221	1,218	499	0	0	0	0	0
Joint Water Boards - City's Share	2,586	2,473	2,465	1,655	1,504	1,493	714	305	0	0
City Services Reserve Funds	12,666	14,826	14,429	18,006	21,427	25,352	29,064	32,856	36,197	38,183
<b>Total Corporate</b>	<b>67,721</b>	<b>65,017</b>	<b>58,624</b>	<b>58,959</b>	<b>57,447</b>	<b>64,659</b>	<b>68,250</b>	<b>73,790</b>	<b>78,306</b>	<b>79,026</b>

Subject to rounding.

Note: The 2020 to 2023 debt servicing costs for General Property Taxes, Wastewater and Treatment, and Water represent budgeted amounts and include housekeeping budget adjustments. Amounts beyond this period are forecasts.

Forecasted Issued Debt Levels at Year-End (\$ Thousands)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Property Taxes	139,657	123,807	137,929	157,853	226,643	233,202	238,901	243,032	243,881	247,810
Wastewater and Treatment	33,008	24,662	19,456	15,217	11,184	7,732	12,669	17,449	21,707	27,423
Water	549	213	108	0	0	0	0	0	0	0
Rate Supported Reserve Funds	5,786	3,752	1,656	490	0	0	0	0	0	0
Joint Water Boards - City's Share	9,967	7,718	5,423	3,881	2,454	1,002	303	0	0	0
City Services Reserve Funds	90,127	86,359	112,102	134,837	157,549	176,826	192,805	205,322	214,756	230,240
<b>Total Corporate</b>	<b>279,095</b>	<b>246,510</b>	<b>276,674</b>	<b>312,278</b>	<b>397,830</b>	<b>418,762</b>	<b>444,678</b>	<b>465,803</b>	<b>480,345</b>	<b>505,473</b>

Subject to rounding.

Note 1: 2020 Issued Debt Levels reflects actual amounts.

Note 2: Debt Overview includes impacts of budget amendments as applicable.

## Appendix E – 2020 to 2023 Multi-Year Budget Tax Levy Summary

2020 to 2023 Multi-Year Budget Tax Levy Summary	2020 to 2023 Average % Increase
<b>2020 Budget to Maintain Existing Service Levels<sup>1, 2</sup></b>	<b>2.9%</b>
Total 2020 Business Cases (Additional Investments and Tax Levy Reductions)	0.9%
<b>2020 % Increase from Rates</b>	<b>3.8%</b>
2021 Budget Amendments Approved by Council	0.0%
<b>2021 Amended % Increase from Rates</b>	<b>3.8%</b>
2022 Draft Budget Amendments	-0.2%
<b>2022 Amended % Increase from Rates</b>	<b>3.6%</b>

Subject to rounding.

### Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
2. Budget to maintain existing service levels includes provincial impact decisions made as part of the 2020 to 2023 Multi-Year Budget.

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
<b>2020 Budget to Maintain Existing Service Levels<sup>3</sup></b>	<b>3.2%</b>	<b>3.4%</b>	<b>2.4%</b>	<b>2.8%</b>
Case #1: 60% Waste Diversion Action Plan	700	3,900	6,500	6,500
Case #2: Affordable Housing Community Improvement Plan	187	187	195	203
Case #3B: Back to the River Environmental Assessment Implementation	0	0	0	0
Case #3C: Back to the River Soho Environmental Assessment	0	0	0	0
Case #4A: City of London Infrastructure Gap	500	500	1,000	1,000
Case #4B: City of London Infrastructure Gap	750	1,500	2,250	3,000
Case #5A: Climate Emergency Declaration (Develop Action Plan)	0	0	0	0
Case #5B Climate Emergency: Implement Immediate Actions	90	318	318	318
Case #6: Coordinated Informed Response	1,613	1,655	1,697	1,738
Case #7A: Core Area Action Plan	1,880	2,280	2,580	2,580
Case #7B: Core Area Action Plan	500	600	300	300
Case #8: Dearness Home Auditorium Expansion	0	0	259	259

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Case #9: Fanshawe College Innovation Village	0	0	0	0
Case #10A: Housing Development Corporation Funding for Affordable Housing	0	100	250	500
Case #10B: Housing Development Corporation Funding for Affordable Housing	500	670	830	800
Case #11A: Information System - Application Tracking Software	0	0	0	0
Case #11B: Information System - Human Capital Management System	183	183	183	183
Case #12: London and Middlesex Community Housing Infrastructure Gap	500	1,000	1,500	2,000
Case #13: Master Accommodation Plan	0	0	0	0
Case #14: Operations Master Plan 2020	0	0	0	0
Case #15: Subsidized Transit Program	0	0	0	964
Case #16: T-Block Replacement / New Storage Building	0	0	0	0
Case #17A: Community Improvement Plan - Community Building Projects	30	30	50	50
Case #17B: Community Improvement Plan - Land Acquisition	0	0	0	0
Case #18: London and Middlesex Community Housing - Co-Investment with Canada Mortgage Housing Corporation	1,873	1,921	1,967	2,016
Case #19: London and Middlesex Community Housing Operating Staffing and Security	1,054	1,347	1,535	1,739
Case #20: London Public Library – Collections	0	0	0	0
Case #21: Regeneration of Public Housing	500	500	1,750	2,500
Case #23: Street Light Local Improvement	120	125	131	136
Case #24: Wifi in Recreation Facilities for the Public	0	0	0	0
Case #25: Winter Maintenance Program Support	0	740	740	740
Case #26: Eliminate Curbside Christmas Tree Collection	0	-40	-40	-40
Case #27: London Public Library - Eliminate Planned Security Enhancements	0	-21	-43	-43
Case #28: London Public Library - Eliminate Planned Staffing Increase	0	0	0	-42
Case #29: London Public Library - Promissory Note Forgiveness	-171	-176	-182	-188
Case #30: London Public Library - Wi-Fi Hotspot Lending Program	-47	-47	-47	-47
Case #31: Multi-Residential Fee Increase for Waste Collection	0	-150	-300	-450
Case #33: Reduce Road Network Improvements for Minor Streets	-800	-800	-800	-800
Case #34: Transfer Portion of Conservation Authority Costs to Wastewater and Treatment Budget	-2,788	-2,854	-2,921	-2,991

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Total 2020 Business Cases \$	7,174	13,468	19,702	22,925
Total 2020 Business Cases %	1.2%	1.0%	0.9%	0.5%
<b>2020 % Increase from Rates</b>	<b>4.4%</b>	<b>4.4%</b>	<b>3.4%</b>	<b>3.3%</b>
Case #1: RBC Place London - Promissory Note Forgiveness	0	0	0	0
Case #2: RBC Place London - Revised Capital Plan	0	0	0	0
Case #3: Recycling and Composting - Repair of Material Recovery Facility Fire Suppressant System	0	0	0	0
Case #4: Children's Services - Reduction in Required Investment in 2021 Due to Impacts of COVID-19	0	-1,630	0	0
Case #5: Middlesex-London Health Unit - Increased Funding by the Ministry of Health in 2021	0	-610	0	0
Case #6: Ontario Works - Reduction in Investment in 2021 in Connection with Impacts of COVID-19 Pandemic	0	-425	0	0
Case #7: Corporate Services - Administrative Recoveries from Water, Wastewater and Treatment, and Joint Water Boards	0	-403	-578	-601
Case #8: Other Related Financing - Reduction to Corporate Contingency Budget	0	-500	-700	-700
Case #9: Implementation of Strategic Objectives Related to Growing a Film Sector in London	0	0	0	0
Case #10: Revised Implementation (Case #1, 2020 Budget) - 60% Waste Diversion Action Plan	0	-2,300	-1,450	0
Amendment to the 2020 to 2023 Additional Investment Case #4B – City of London Infrastructure Gap	0	-500	-500	-500
Total 2021 Budget Amendments \$	0	-6,367	-3,228	-1,801
Total 2021 Budget Amendments %	0.0%	-1.0%	0.4%	0.1%
<b>2021 Amended % Increase from Rates</b>	<b>4.4%</b>	<b>3.4%</b>	<b>3.8%</b>	<b>3.4%</b>
Case #P-1: Various Services – Budget Right-Sizing	0	0	-3,712	-3,282
Case #P-2: Middlesex London Health Unit – Inflationary Pressures	0	0	640	640
Case #P-3: RBC Place London – Funding Support	0	0	0	0
Case #P-4: Private Parking Enforcement – Increased Fines	0	0	-100	-100
Case #P-5: Child Care and Ontario Works – Reduction in Required 2022 Investment	0	0	-2,773	0

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Case #P-6: Infrastructure Gap and Community Building Projects – Reductions to Previously Approved Business Cases	0	0	-650	-650
Case #P-7: Neighbourhood and Sports Programs – Reduction to Grants	0	0	-235	-235
Case #P-8: Parks – Naturalization and Reduction in Tree Trimming	0	0	-258	-258
Case #P-9: Invasive Species Management - Capital	0	0	0	0
Case #P-10: Transportation – Capital Project Adjustments	0	0	0	0
Case #P-11: Long-term Disposal Capacity – Revised Costs	0	0	0	0
Case #P-12: LTC – Zero Emission Buses	0	0	0	0
Total 2022 Draft Budget Amendments \$	0	0	-7,087	-3,885
Total 2022 Draft Budget Amendments %	0.0%	0.0%	-1.0%	0.5%
<b>2022 Amended % Increase from Rates</b>	<b>4.4%</b>	<b>3.4%</b>	<b>2.8%</b>	<b>3.9%</b>

Subject to rounding.

#### Notes

1. Summary represents operating and capital levy (property tax) funding only. It does not include funding from other sources, primarily reserves/reserve funds.
2. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
3. Budget to maintain existing service levels includes provincial impact decisions made as part of the 2020 to 2023 Multi-Year Budget.

# Appendix F - 2020 to 2023 Water Schedule of Rates and Charges

## 1. Monthly Water Usage Charges - Water rates

Range within Block (m <sup>3</sup> )	Monthly Water Consumption (m <sup>3</sup> )	January 1, 2020 Rate (\$/m <sup>3</sup> )	January 1, 2021 Rate (\$/m <sup>3</sup> )	January 1, 2022 Rate (\$/m <sup>3</sup> )	January 1, 2023 Rate (\$/m <sup>3</sup> )
0 - 7	First 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 - 15	Next 8	\$2.3069	\$2.3646	\$2.4237	\$2.4843
16 - 25	Next 10	\$2.9659	\$3.0400	\$3.1160	\$3.1939
26 - 35	Next 10	\$3.2956	\$3.3780	\$3.4625	\$3.5491
36 - 250	Next 215	\$1.2524	\$1.2837	\$1.3158	\$1.3487
251 - 7,000	Next 6,750	\$1.1864	\$1.2161	\$1.2465	\$1.2777
7,001 - 50,000	Next 43,000	\$1.0811	\$1.1081	\$1.1358	\$1.1642
50,001+	Over 50,000	\$0.9626	\$0.9867	\$1.0114	\$1.0367

## 2. Monthly Water Fixed Charges

### 2.1 Infrastructure Connection Charge

Meter Size (mm)	January 1, 2020 Monthly Charge	January 1, 2021 Monthly Charge	January 1, 2022 Monthly Charge	January 1, 2023 Monthly Charge
16 mm	\$16.20	\$16.61	\$17.03	\$17.46
19 mm	\$24.29	\$24.90	\$25.52	\$26.16
25 mm	\$40.49	\$41.50	\$42.54	\$43.60
40 mm	\$80.99	\$83.01	\$85.09	\$87.22
50 mm	\$129.59	\$132.83	\$136.15	\$139.55
76 mm	\$283.43	\$290.52	\$297.78	\$305.22
100 mm	\$485.91	\$498.06	\$510.51	\$523.27
150 mm	\$1,133.80	\$1,162.15	\$1,191.20	\$1,220.98
200 mm	\$1,943.63	\$1,992.22	\$2,042.03	\$2,093.08
250 mm	\$2,429.67	\$2,490.41	\$2,552.67	\$2,616.49

## 2.2 Fire Protection Charge

Property Classification	January 1, 2020 Monthly Rate	January 1, 2021 Monthly Rate	January 1, 2022 Monthly Rate	January 1, 2023 Monthly Rate
Residential and Low-density Residential	\$1.66	\$1.70	\$1.74	\$1.78
Institutional, Commercial, Industrial, Medium-density Residential, High Rise under 5.0 hectares	\$11.12	\$11.40	\$11.69	\$11.98
Institutional, Commercial, Industrial, Medium-density Residential, High Rise 5.0 hectares and over	\$55.54	\$56.93	\$58.35	\$59.81

## 2.3 Customer Assistance Charge

Property Classification	January 1, 2020 Monthly Charge	January 1, 2021 Monthly Charge	January 1, 2022 Monthly Charge	January 1, 2023 Monthly Charge
Residential	\$0.25	\$0.25	\$0.25	\$0.25

## 3.1 Temporary Connection Charges for Construction

Building Type	January 1, 2020 Charge (\$)	January 1, 2021 Charge (\$)	January 1, 2022 Charge (\$)	January 1, 2023 Charge (\$)
Single family	\$59.99	\$61.49	\$63.03	\$64.61
Duplex	\$59.99	\$61.49	\$63.03	\$64.61
Up to 4 units	\$74.97	\$76.84	\$78.76	\$80.73
5 to 10 units	\$112.38	\$115.19	\$118.07	\$121.02
11 to 15 units	\$149.88	\$153.63	\$157.47	\$161.41
16 to 20 units	\$187.42	\$192.11	\$196.91	\$201.83
21 to 25 units	\$225.64	\$231.28	\$237.06	\$242.99
26 to 30 units	\$262.29	\$268.85	\$275.57	\$282.46
31 to 35 units	\$299.92	\$307.42	\$315.11	\$322.99
36 to 40 units	\$337.40	\$345.84	\$354.49	\$363.35

Building Type	January 1, 2020 Charge (\$)	January 1, 2021 Charge (\$)	January 1, 2022 Charge (\$)	January 1, 2023 Charge (\$)
41 to 50 units	\$374.83	\$384.20	\$393.81	\$403.66
Over 50 units (Charge per unit)	\$7.60	\$7.79	\$7.98	\$8.18
Other Structures	\$15.26	\$15.64	\$16.03	\$16.43
	per 93 m <sup>2</sup> of floor space (minimum charge \$)	per 93 m <sup>2</sup> of floor space (minimum charge \$39.07)	per 93 m <sup>2</sup> of floor space (minimum charge \$40.05)	per 93 m <sup>2</sup> of floor space (minimum charge \$41.05)

### 3.2 Main Tap Charges

Type of Main Tap	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
Tap size of 50 mm or less	\$359.95	\$368.95	\$378.17	\$387.62
Tap size of greater than 50 mm	\$719.90	\$737.90	\$756.35	\$775.26
Tapping concrete mains or tap size of greater than 300 mm	\$2,159.71	\$2,213.70	\$2,269.04	\$2,325.77

### 3.3 Miscellaneous Charges

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
Change of occupancy/ Account set-up/ Security deposit	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Late payment	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
NSF cheques	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Collection charges	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Bulk Water User charges Cost of Water per 1,000 litres	\$3.85	\$3.95	\$4.05	\$4.15
Inspecting waterworks installations/disconnections (per hour)	\$133.25	\$136.58	\$139.99	\$143.49
Disconnection of Water Service				
During regular hours	\$35.00	\$35.00	\$35.00	\$35.00
After regular hours	\$185.00	\$185.00	\$185.00	\$185.00
Arrears Certificate Charges (non-payment/arrears)	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Disconnect and Reconnect Meter at customer request				
16 and 19 mm	\$133.25	\$136.58	\$136.58	\$136.58
25 mm and larger	\$266.50	\$273.16	\$273.16	\$273.16
Install Water Meter and Remote Read- Out Unit at customer request				
16 and 19 mm	\$307.50	\$315.19	\$323.07	\$331.15
25 mm and larger	Time and Material	Time and Material	Time and Material	Time and Material
Repair damaged Water Meter				
16 and 19 mm	\$235.75	\$241.64	\$247.68	\$253.87
25 mm and larger	Time and Material	Time and Material	Time and Material	Time and Material
Meter checked for accuracy at customer's request and found to be accurate				

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
16 and 19 mm	\$271.63	\$278.42	\$285.38	\$292.51
25 mm and larger	\$404.88	\$415.00	\$425.38	\$436.01
Builder and Developer Frontage Charges: (based on actual frontage which directly abuts City right-of-way)				
Residential (per meter; maximum 50 meters)	\$234.33	\$240.19	\$246.19	\$252.34
Commercial, Industrial and Institutional (per meter)	\$249.23	\$255.46	\$261.85	\$268.40
Illegal Hydrant Connection Charge (charge per offence + Water consumption)	\$768.75	\$787.97	\$807.67	\$827.86
Temporary Hydrant Connection				
Hydrant connection/disconnection	\$225.50	\$405.50	\$415.64	\$426.03
Hydrant occupancy (per week)	\$41.00	\$42.03	\$43.08	\$44.16
Water consumption:				
Minimum charge (up to 300m <sup>3</sup> )	\$999.38	\$1,155.00	\$1,183.88	\$1,213.48
All additional m <sup>3</sup> (per m <sup>3</sup> )	\$3.33	\$3.85	\$3.95	\$4.05
Water Meter Installation Options (by application):				
Radio Device Wired to Outside of House	No Charge	No Charge	No Charge	No Charge
Touch Pad Wired Outside of House	Material	Material	Material	Material
Meter Pit Installation	Time and Material (\$2,500.00 deposit)			
Valve Rod Extensions (by Length):				
2 Foot	\$67.62	\$69.31	\$71.04	\$72.82
2 ½ Foot	\$68.91	\$70.63	\$72.40	\$74.21
3 Foot	\$70.18	\$71.93	\$73.73	\$75.57

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
3 ½ Foot	\$71.47	\$73.26	\$75.09	\$76.97
4 Foot	\$72.75	\$74.57	\$76.43	\$78.34
4 ½ Foot	\$74.05	\$75.90	\$77.80	\$79.75
5 Foot	\$75.33	\$77.21	\$79.14	\$81.12
5 ½ Foot	\$76.62	\$78.54	\$80.50	\$82.51
6 Foot	\$77.89	\$79.84	\$81.84	\$83.89
6 ½ Foot	\$79.18	\$81.16	\$83.19	\$85.27
7 Foot	\$80.46	\$82.47	\$84.53	\$86.64
7 ½ Foot	\$81.75	\$83.79	\$85.88	\$88.03
8 Foot	\$83.04	\$85.12	\$87.25	\$89.43
9 Foot	\$85.60	\$87.74	\$89.93	\$92.18
10 Foot	\$88.17	\$90.37	\$92.63	\$94.95

# Appendix G - 2020 to 2023 Wastewater and Treatment Schedule of Rates and Charges

## 1. Monthly Wastewater Usage Charges

Range within Block (m <sup>3</sup> )	Monthly Water Consumption (m <sup>3</sup> )	January 1, 2020 Rate (\$/m <sup>3</sup> )	January 1, 2021 Rate (\$/m <sup>3</sup> )	July 1, 2021 Rate (\$/m <sup>3</sup> )	January 1, 2022 Rate (\$/m <sup>3</sup> )	January 1, 2023 Rate (\$/m <sup>3</sup> )
0 - 7	First 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 - 15	Next 8	\$2.0503	\$2.1016	\$2.1583	\$2.2123	\$2.2676
16 - 25	Next 10	\$2.6361	\$2.7020	\$2.7750	\$2.8444	\$2.9155
26 - 35	Next 10	\$2.9290	\$3.0022	\$3.0833	\$3.1604	\$3.2394
36 - 250	Next 215	\$1.1128	\$1.1406	\$1.1714	\$1.2007	\$1.2307
251 - 7,000	Next 6,750	\$1.0544	\$1.0808	\$1.1100	\$1.1378	\$1.1662
7,001 - 50,000	Next 43,000	\$0.9607	\$0.9847	\$1.0113	\$1.0366	\$1.0625
50,001+	Over 50,000	\$0.8553	\$0.8767	\$0.9004	\$0.9229	\$0.9460

## 2. Monthly Wastewater Fixed Charges

Meter Size (mm)	January 1, 2020 Monthly Charge	January 1, 2021 Monthly Charge	July 1, 2021 Monthly Charge	January 1, 2022 Monthly Charge	January 1, 2023 Monthly Charge
16 mm	\$13.72	\$14.06	\$14.44	\$14.80	\$15.17
19 mm	\$20.56	\$21.07	\$21.64	\$22.18	\$22.73
25 mm	\$34.27	\$35.13	\$36.08	\$36.98	\$37.90
40 mm	\$68.53	\$70.24	\$72.14	\$73.94	\$75.79
50 mm	\$109.64	\$112.38	\$115.41	\$118.30	\$121.26
76 mm	\$239.84	\$245.84	\$252.48	\$258.79	\$265.26
100 mm	\$411.13	\$421.41	\$432.79	\$443.61	\$454.70
150 mm	\$959.35	\$983.33	\$1,009.88	\$1,035.13	\$1,061.01
200 mm	\$1,644.58	\$1,685.69	\$1,731.20	\$1,774.48	\$1,818.84
250 mm	\$2,056.30	\$2,107.71	\$2,164.62	\$2,218.74	\$2,274.21

## 3. Monthly Stormwater Fixed Charges

Property Type and Size	January 1, 2020 Storm Drainage Charge	January 1, 2021 Storm Drainage Charge	July 1, 2021 Storm Drainage Charge	January 1, 2022 Storm Drainage Charge	January 1, 2023 Storm Drainage Charge
Residential, land area equal to or below 0.40 hectares without a storm sewer within 90m of property (\$/Month)	\$12.56	\$12.87	\$13.22	\$13.55	\$13.89
Land area equal to or below 0.40 hectares (\$/Month)	\$16.71	\$17.13	\$17.59	\$18.03	\$18.48
Land area above 0.40 hectares (\$/hectare/Month)	\$139.10	\$142.58	\$146.43	\$150.09	\$153.84

## 4. Miscellaneous Rates and Charges

### 4.1 Frontage Charge

Type of Sewer Connection (\$ per metre of calculated frontage)	January 1, 2020 Frontage Charge	January 1, 2021 Frontage Charge	July 1, 2021 Frontage Charge	January 1, 2022 Frontage Charge	January 1, 2023 Frontage Charge
Sanitary Sewer	\$255.05	\$261.43	\$268.49	\$275.20	\$282.08
Storm Sewer - Residential	\$236.12	\$242.02	\$248.55	\$254.76	\$261.13
Storm Sewer - All Lands excluding Residential	\$472.25	\$484.06	\$497.13	\$509.56	\$522.30

### 4.2 Private Drain Connection (PDC) Charges

Services provided by the Engineer - single detached residential, low density residential dwellings	January 1, 2020 Each PDC (\$)	January 1, 2021 Each PDC (\$)	July 1, 2021 Each PDC (\$)	January 1, 2022 Each PDC (\$)	January 1, 2023 Each PDC (\$)
Repair or replace existing PDC - no construction	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00

#### 4.3 Hauled Liquid Waste Disposal

Type of Service	January 1, 2020 Rate (\$ per 1,000 litres)	January 1, 2021 Rate (\$ per 1,000 litres)	July 1, 2021 Rate (\$ per 1,000 litres)	January 1, 2022 Rate (\$ per 1,000 litres)	January 1, 2023 Rate (\$ per 1,000 litres)
Hauled Liquid Waste excluding Leachate	\$14.52	\$14.88	\$15.28	\$15.66	\$16.05
Leachate	\$26.75	\$27.42	\$28.16	\$28.86	\$29.58

#### 4.4 High Strength Sewage Service Charge

Type of Service	January 1, 2020 Rate (\$ per m <sup>3</sup> )	January 1, 2021 Rate (\$ per m <sup>3</sup> )	July 1, 2021 Rate (\$ per m <sup>3</sup> )	January 1, 2022 Rate (\$ per m <sup>3</sup> )	January 1, 2023 Rate (\$ per m <sup>3</sup> )
High Strength Sewage Service Charge	\$0.672	\$0.689	\$0.708	\$0.726	\$0.744



2020-2023  
**MULTI-YEAR  
BUDGET**  
City of London

-  LondonCanada
-  @Cityoflondonont #Cityoflondonont
-  @CityofLdnOnt #LdnBudget
-  budget@london.ca
-  getInvolved.london.ca



# 2021 Year-to-date Update



LONDON  
ECONOMIC  
DEVELOPMENT  
CORPORATION

# WHAT WE DO

## INVEST

We attract new investment and jobs into the city.

## GROW

We foster scale-up activity and long-term growth of existing London businesses.

## TALENT

We connect employers to talent and develop a skilled workforce to meet future needs.

## ENGAGE

We champion positive economic dialogue locally, nationally and internationally.



# KEY SECTORS



## AGRI-FOOD

7,000 + employed  
90+ companies



## MANUFACTURING

34,300 + employed  
500 companies



## HEALTH

25,000 + employed  
60 + companies



## DIGITAL MEDIA & TECHNOLOGY

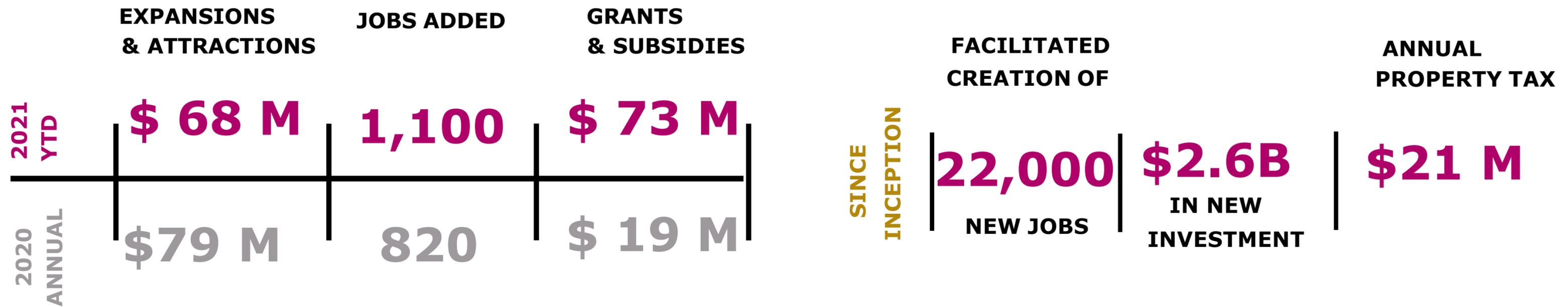
9,000 + employed  
350 + companies



## PROFESSIONAL SERVICES

52,800 + employed  
500 + companies

# YEAR TO DATE METRICS



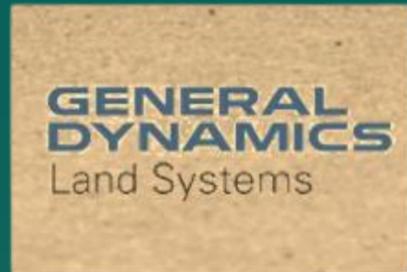
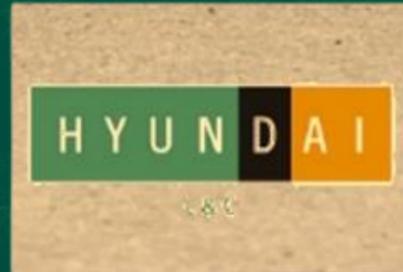
# ACCELERATE

	RETENTION FILES	JOB RETAINED	ACTIVE EXPANSION FILES	COMPANIES WORKED WITH	REFERRALS MADE
2021 YTD	2	156	23	505	1,082
2020 ANNUAL	3	50	36	611	2,164

# INVEST

	INVEST MISSIONS	ATTRACTION FILES	FDI PROPOSALS	SITE SELECTION TOURS
2021 YTD	4	113	41	11
2020 ANNUAL	2	134	55	3

# COMPANIES WE'VE WORKED WITH



# RECENT INVESTMENTS



World's largest food-grade automated cricket processing facility to be built in London.

12 acres | 100+ jobs



Generic drug manufacturing, R&D, distribution and head office in London.

3.6 hectares of land  
3 phases – 50+ jobs



Canadian First Nation owned global armour provider opening new facility in London.

10K sq. ft facility

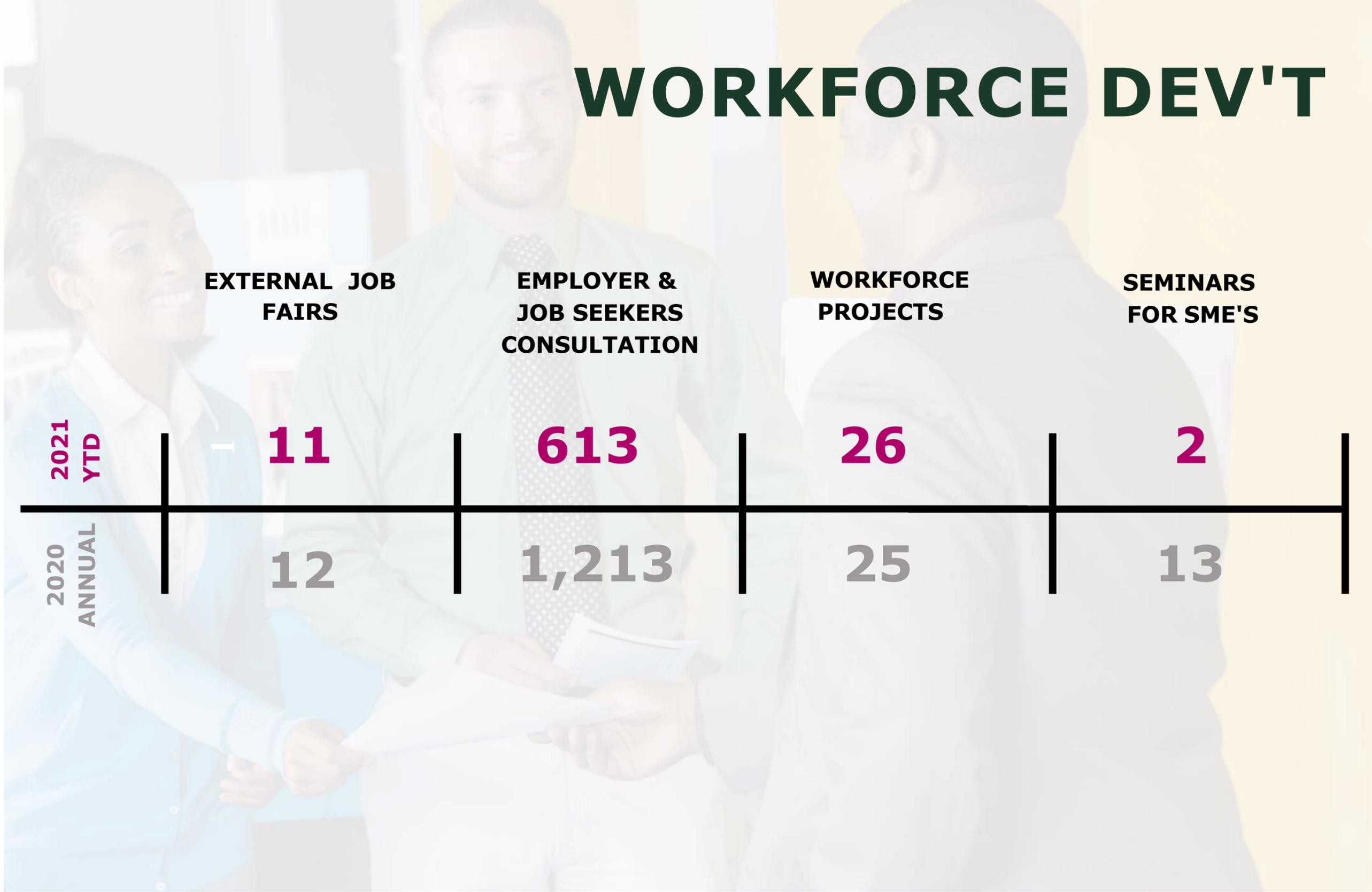


**BIOSA Technologies**

Biotech firm developing, manufacturing, and distributing non-woven filtration material for N95, N99 mask production and other PPE.



FANSHAWE



# JOB PORTALS

2021

	AVG. NO OF COMPANIES	AVG. NO OF JOB TITLES
LONDON TECH JOBS .ca	65	317
LONDON MFG JOBS	40	213

**MANUFACTURING JOBS**

**TECH JOBS**

10,488 users up 202%

98,518 pageviews up 217%

15,686 users up 155%

180,709 pageviews up 84.3%



web.isodes



Blue Aardvark GRAPHIC DESIGN



Sagemcom

Speak

# ENGAGE

	INBOUND INQUIRIES	MEDIA HITS	EVENTS & WEBINARS	PAGE VIEWS
2021 YTD	502	88	19	207 K
2020 ANNUAL	128	250	19	193 K

SOCIAL MEDIA



24,722 Overall Audience



1,157,087 Impressions



63,000 Social Engagements



# Don't Tell Toronto Campaign

**Launched in Feb 2021  
to attract  
experienced and skilled  
talent to help  
fill London's  
growing industry of  
health and tech.**



368

**Continues  
to attract  
talent and drive  
traffic to  
LEDC's website.**

YTD LEDC UPDATE 2021

# FILM LONDON

FILM LONDON

[ABOUT](#)

[CONTACT](#)

[Sign in or Register](#)

One stop. For reel.

FILM IN LONDON, CANADA

London, Canada

WE'VE GOT EVERYTHING YOU NEED  
TO STARTING FILMING TODAY.

[LOCATIONS](#)

[RESOURCES](#)  
369

[TALENT/CREWS](#)

# FILM LONDON

- ✓ Website launched in September
- ✓ 4,000 + page views in 3 weeks
- ✓ Landed more than \$2 M in film production in 6 months on the job
- ✓ Working with the FCFF & the OSCC Project Pitch





# Thank You



LONDON  
ECONOMIC  
DEVELOPMENT  
CORPORATION



# *techalliance*

*of southwestern ontario*

FISCAL YEAR 2021 ■



# WHO WE ARE.

We are the place for dreamers, innovators, and world-changing ideas.

We empower world-class ventures and fuel growth in Canada's innovation economy. We do this collaboratively by championing, coaching, and amplifying businesses, while fostering a vibrant technology community of innovators.

# OUR BOARD OF DIRECTORS.



**Keith Murray** | Chair  
VP, Operations,  
Autoverify



**Konrad Konnerth** | Vice Chair  
Owner,  
Konnexio



**Chris Dowding** | Treasurer  
Partner,  
MNP



**David Brebner**  
CFO & Co-founder,  
Mobials



**Peter Dillon**  
Partner,  
Siskinds



**Brennon D'Souza**  
Founder,  
DIBZ



**Anna Foat**  
Director, Global Digital  
Transformation Office,  
Sun Life Financial



**Christine Haas**  
Co-Founder & CEO,  
Renix Inc.



**Ian Haase**  
Co-Founder,  
Motif Labs



**Heather Macpherson**  
Founder & CEO,  
The Minery Ltd.



**Brian Maxfield**  
President,  
ODEA



**Dr. Asha Parekh**  
Co-founder & CEO,  
Front Line Medical  
Technologies



**Michael Schmalz**  
President,  
Digital Extremes



**David Strucke**  
CEO,  
Media Sonar Technologies

# HARNESSING WORLD-CLASS TALENT.

**1320**

Jobs created, posted & promoted for prospective or current talent pool

**151**

Employer & student participants through Tech Talent Exchange

**67**

Participants of inclusive experiences designed for newcomer and/or in-demand talent

**162**

Introductions & referrals made between talent, potential employers & ecosystem partners

**174**

Industry experts, mentors & thought leaders engaged through experiences

# PUTTING BUSINESSES FIRST.

In collaboration with **72** regional partners, we connect entrepreneurs to vibrant experiences in the innovation economy

**5577%**

Increase in capital raised by innovative companies

**29**

Different markets & industries

**779%**

Increase in engagements with key stakeholders & political influencers

**31**

Capital investment readiness experiences

# FOSTERING AN **ENTREPRENEURIAL CULTURE.**

**134**

Educational,  
networking &  
community  
experiences hosted

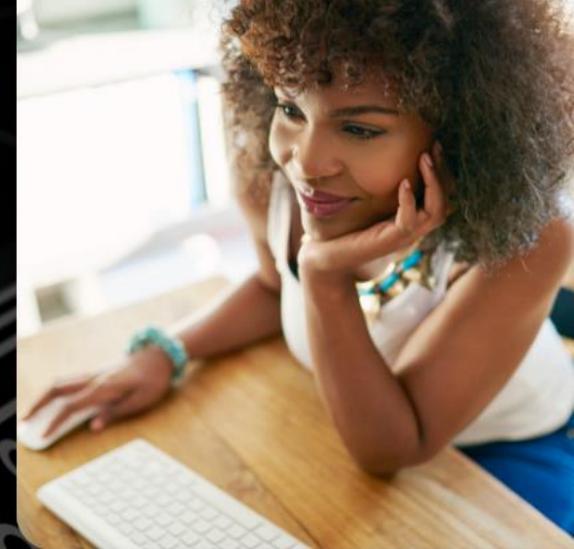
**4,519**

Connections  
facilitated for  
entrepreneurs &  
tech talent



**145%**

Increase in positive  
brand exposures &  
media visibility for  
tech companies &  
London

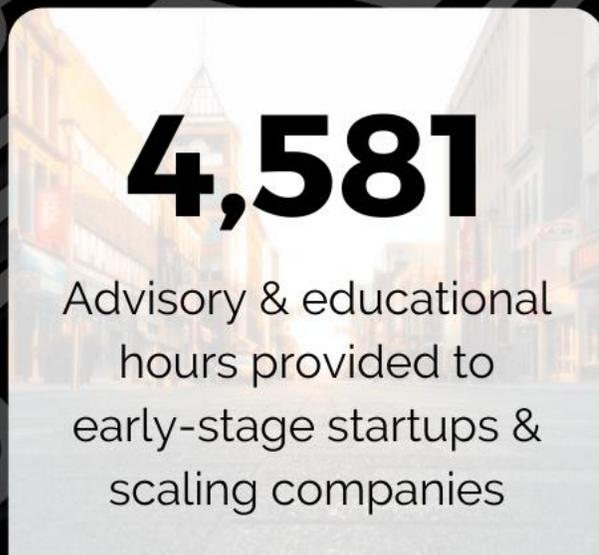


**38**

Regional alliances &  
industry collisions  
intended to support  
founder navigation  
through ecosystem &  
private or public  
funding opportunities

**4,581**

Advisory & educational  
hours provided to  
early-stage startups &  
scaling companies



# KEY INITIATIVES.



## VENTURE GROWTH

GROW Accelerator  
E 1.0 Innovation Academy  
Design Challenge  
5-10-15 Challenge  
Proteus Innovation Competition

## INDUSTRY

Masterclasses  
Fireside Chats  
Peer-2-Peer Groups  
Office Hours  
City Studio

## TALENT

Tech Talent Exchange  
Tech Connect  
The (Rebuild) Roster  
Job Board

## COMMUNITY

Digital Main Street  
The Most Local Time of the Year  
Limitless  
Smashing Barriers  
StaySafe London

# AMPLIFYING #LDNONT.

**257%**

Increase in website visitors

**19%**

Increase in social media Followers



Hon. Mélanie Joly



Hon. Victor Fedeli



MPP Jeff Yurek



Hon. Monte McNaughton



MP Kate Young



MP Peter Fragiskatos



Fuel delivery app ReFuel Mobile raises \$2.5M to expand footprint and technology



Paystone adds \$30M in funding totalling \$99M raised in 2021



Start.ca releases StartCARE app to make internet troubleshooting easier



Kabo delivers peace of mind to health-conscious pet parents

# ELEVATING EXPERIENCES.

Our experiences engaged over **4500** innovators, entrepreneurs & industry professionals in FY2021

Through our insightful **Fireside Chats**, and impactful **Masterclasses** with thought-leaders sharing bold initiatives, we empower innovative entrepreneurs and tech talent to connect, learn and grow.



TECHALLIANCE  
MASTERCLASS

## IP Considerations for Entrepreneurs in the New Economy



Natalie Raffoul  
Brion Raffoul LLP

# ELEVATING EXPERIENCES.

## Smashing Barriers

In the spirit of prioritizing diversity, addressing equity, committing to inclusion and recognizing that there are barriers still to remove, **TechAlliance**, **Women in Communications and Technology**, **All Women L.E.A.D.**, **Pillar Nonprofit Network** and **SWO Angels** proudly presented Smashing Barriers, an inspiring keynote and robust panel discussion calling **380** women and allies to action.

SPONSORED BY 

MONDAY, MARCH 8, 2021 | 4 PM

# SMASHING BARRIERS

#SMASHINGBARRIERS

 **techalliance**  
of southwestern ontario

 **PILLAR**  
nonprofit network

 **ALL WOMEN L.E.A.D.**  
Leverage Empower Achieve. Do.

 **SWO ANGELS**

 **WCT FCT**

# ELEVATING **EXPERIENCES.**

## **Limitless: A Celebration of Regional Innovation**

The inaugural **Limitless** put a spotlight on the forward-thinkers, progressive work environments and the year's ground-breaking innovations representing the triumphs of today and the successes of tomorrow.

Our 5 winners were: **Marlow, Start.ca, VidHug, HUX** and **Saumik Biswas of Pathlogix**

LIMITLESS  
A CELEBRATION OF REGIONAL INNOVATION

# ELEVATING TALENT.

## The (Rebuild) Roster

Created with the intention to bridge the gap between talent and employers, The (Rebuild) Roster has become host to qualified professionals seeking meaningful work opportunities, and a helpful resource for leaders and hiring managers.

In November of 2020 The (Rebuild) Roster was recognized as one of **Future of Good's Canada's Top 100 Recovery Projects.**



# ACTIVATING **FUNDING FOR INNOVATION.**

## Recovery & Rebuilding the Region Design Challenges

In April 2020 **TechAlliance, Pillar Nonprofit Network** and **Libro Credit Union** recognized that the day-to-day needs surrounding COVID-19 were constantly changing, time was of the essence and innovation couldn't wait.

\$20,000 each in seed funding & business acceleration services were awarded to **Go Fog It** and **Beecuz**.



**REC**  **VERY**  
**& REBUILDING**  
**T H E R E G I O N**  
**DESIGN CHALLENGES**

# ACTIVATING **FUNDING FOR INNOVATION.**

## **5-10-15 Main Street Innovation Challenge**

\$60,000 in seed funding & business acceleration services

4 solutions creating immediate results for main street businesses.

Bolstering main street businesses is vital to Southwestern Ontario's economic recovery. TechAlliance's 5-10-15 Main Street Innovation Challenge is a solid example of how innovation can help transform businesses and prepare for opportunities ahead."



—Ed Holder  
Mayor, City of London

# THE 5•10•15 MAIN STREET INNOVATION CHALLENGE

# ACTIVATING **FUNDING FOR COMMUNITY.**

## The Most Local Time of the Year

A Digital Main Street Project with **EXAR Studios** and **Downtown London**. Leveraged EXAR Studios' innovative tourism Engage ARt app, Attracting families to the downtown core and delivering a festive AR experience to London,

"We are thrilled to work with TechAlliance and EXAR Studios to bring a holiday-themed augmented reality experience to downtown London. The experience is a great way to draw visitors downtown and in front of our many unique businesses."



—Barbara Maly  
Executive Director of Downtown London

**THE MOST LOCAL  
TIME OF THE YEAR**  
**AN AUGMENTED REALITY  
HOLIDAY EXPERIENCE**



# ACTIVATING **FUNDING FOR RECOVERY.**

## StaySafe London

Working together, **The London Chamber of Commerce** and **TechAlliance** launched The StaySafe™ London Rapid Antigen Screening Program. Through this initiative, small and medium-sized businesses in London, ON can engage in self-administered rapid antigen screening to asymptomatic employees.

To date over **50,000** kits have been distributed to over **1000** businesses.

The logo for StaySafe LONDON is displayed on a blue rounded rectangular background. The word "StaySafe" is written in a large, white, sans-serif font with a trademark symbol (TM) to its upper right. Below "StaySafe" is a red rectangular sign with the word "Open" written in a white, cursive script. To the right of the sign, the word "LONDON" is written in a smaller, white, all-caps, sans-serif font.

**StaySafe™**  
*Open* **LONDON**

# CONTACT US.



[techalliance.ca](http://techalliance.ca)



[@TechAlliance](https://twitter.com/TechAlliance)



[TechAlliance of Southwestern Ontario](https://www.linkedin.com/company/TechAlliance%20of%20Southwestern%20Ontario)



[@TechAllianceLDN](https://www.instagram.com/TechAllianceLDN)



[@TechAlliance](https://www.facebook.com/TechAlliance)

## **TechAlliance**

333 Dufferin Ave  
London, ON  
N6G 1Z3

## **Christina Fox**

Chief Executive Officer

[christina.fox@techalliance.ca](mailto:christina.fox@techalliance.ca)  
519.615.2369



# *techalliance*

of southwestern ontario

APPENDIX ■

# INNOVATION IN ACTION.



**Daniel Kharlas**  
Co-Founder & COO



**Ben Switzer**  
Co-Founder & Chief  
Growth Officer



**Shishir "S" Pande**  
Co-Founder & Chief  
Strategy Officer



**Edward Platero**  
Co-Founder



## EXAR STUDIOS

EXAR Studios is a digital creative technology company dedicated to improving cities and communities. The company's London-built Engage ARt is an augmented reality app showcasing local arts and culture and sustainable, smart tourism.

As a **GROW Accelerator** venture EXAR Studios **delivered AR experiences accross North America**, including 2 projects for Digital Main Street and grew their team to **12+**.

# INNOVATION IN ACTION.



**Asha Parekh**

Co-Founder & CEO



**Adam Power**

Co-Founder & CMO



# FRONTLINE MEDICAL TECHNOLOGIES INC.

Front Line Medical Technologies is a medical device company lowering the barriers to bleeding control and resuscitation worldwide. The company offers a life-saving tool, the COBRA-OS™ (Control of Bleeding, Resuscitation, Arterial Occlusion System) to help patients survive emergency situations.

The COBRA-OS™ milestone for the former **BURST** venture comes after three years of research and development making it the smallest REBOA (Resuscitative Endovascular Balloon Occlusion of the Aorta) device on the market.

# INNOVATION IN ACTION.



**Matt Grossi**  
Co-Founder  
& President



**Marco Grossi**  
Co-Founder



## ORCA INTELLIGENCE

Orca delivers cutting-edge integrated supply chain technology that helps create efficiencies to save users money. No more searching for shipment data, guessing freight partners' performance or blindly serving clients with sub-par transportation providers. Their software ensures that supply chain analytics are at the users fingertips.

As a **GROW Accelerator** venture and by using the capabilities of TechAlliance and OCI, Matt and Marco were able to build their company faster, farther and better. This September they were awarded the **London Chamber Small Business of the Year**.

"We were able to de-risk the business within the confines of our local community. It was critical to us to gain the initial funding to build the scalability and efficiency into the system. The stability of our platform gave us the confidence to generate new sales and scale quickly." — Matt Grossi

# INNOVATION IN ACTION.



**Brennon D'Souza**  
Founder



## DIBZ

A novel technology that changes the ticket-holder experience, DIBZ offers instant seat upgrades in stadiums, arenas and concert-halls, matching powerful technology with an easy user experience.

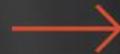
As an **Entrepreneur 1.0 Bootcamp** graduate, **GROW Accelerator** venture, and a member of TechAlliance's **Board of Directors**, DIBZ was accepted into **Comcast NBCUniversal's first annual SportsTech Accelerator**.

"Acceptance into the NBCUniversal Comcast SportsTech accelerator firstly means validation of my vision for seat upgrades everywhere, and secondly it means that DIBZ will receive investment, support and resources from a media and entertainment powerhouse, with a tremendous reach in the marketplace" — Brennon D'Souza

## **GROWING OUR ECONOMY.**

London will develop a top-quality workforce.

**Our measurable commitments to  
London's Strategic Plan**



### **Increase access employers have to the talent they require.**

- Industry experts, mentors, and thought-leaders engaged through experiences
- Innovators, entrepreneurs, and industry engaged through experiences
- Roles created, posted, and promoted for prospective and current talent pool

### **Increase opportunities between potential employers, postsecondary institutions, and other employment and training agencies.**

- Employer and student participants through TTX Tech Talent Exchange series
- Participants of inclusive experiences designed for newcomer and/or in-demand talent
- Introductions or referrals made between talent and potential employers, and ecosystem partners

## **GROWING OUR ECONOMY.**

London is a leader in Ontario for attracting new jobs and investments.

**Our measurable commitments to  
London's Strategic Plan**



### **Increase partnerships that promote collaboration, innovation, and investment.**

- Regional partners and connectivity for vibrant experiences in the innovation economy
- Advocacy with key stakeholders and political influencers

### **Maintain foreign investment attraction, local retention, and growth and entrepreneurship support programs.**

- Different markets or industries
- New startups, exits, mergers or acquisitions in the tech sector
- Capital investment readiness experiences
- Capital raised by innovative companies

## GROWING OUR ECONOMY.

London creates a supportive environment where entrepreneurs, businesses, and talent can thrive.

Our measurable commitments to  
London's Strategic Plan



### **Increase access to supports for entrepreneurs and small businesses, and community economic development.**

- Educational, networking and community experiences hosted
- Positive brand exposure and media visibility for tech companies and London, ON
- Connections facilitated for entrepreneurs and tech talent to strengthen network and best practice sharing
- Advisory or educational hours provided to early-stage startups and scaling companies
- Regional alliances and industry collisions intended to support founder navigation through ecosystem and private or public funding opportunities

# IMPROVING PEOPLE'S LIVES THROUGH ENTREPRENEURSHIP

Presented by London Small Business Centre  
Steve Pellarin

# An engaged team supporting big dreams



People pursue  
business ownership for  
many reasons;  
**Freedom,  
Opportunity,  
Necessity.**  
When we support a  
business, we are  
**Positively  
impacting Lives.**

# Who we serve

## Stage of business development

**30%**   
INVESTIGATING

 **41%**  
START UP

**29%**   
EXISTING



# Who we serve

A cross section of Londoners

**63%**  
WOMEN



**24%**  
UNDER 30



**19%**  
50+



**15%**  
UNEMPLOYED



# Industries



**20% Retail**



**8% Arts, Entertainment & Recreation**



**14% Food Related**



**5% Professional & Technical Services**



**14% Construction**



**5% Wellness**

# How we serve

## By the numbers



+ 200

Training Sessions/Workshops

5

Targeted Programs

3334

Training Attendees

1786

Consultations



Increase from 2020

78%

14%\*

\* Demand exceeds capacity

# How we serve

## Services



### Starting a Small Business Series

Start up and industry specific seminars, offered bi-weekly and quarterly



### Access to Professionals

- Legal
- Accounting
- HR
- Insurance
- Social Media and Digital Marketing



### Advanced Business Seminar Series & Growth Programs

New topics offered every month  
Industry targeted growth programs



### Coaching and Advisory

Free consultations by appointment

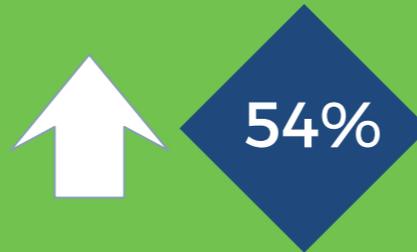
# Covid Impact

## Requests For Service

Existing business



Retail business



1 in 5 identify as  
Equity Seeking/Racialized Population

# New Program

Launched in April 2021



## A regional collaboration led by London SBC

Training → Mentoring → Access to Capital

Funding provided by:



This project is funded in part by the Government of Canada through the Federal Economic Development Agency for Southern Ontario.



Delivery partners:



Community Partners:



**London** *Since launch – 6 months* **Total**

**Training Attendance**



**Unique participants**



Comprehensive Online Training for Startups in the Food and Beverage Sector

**Business starts**



**Participants accepted into Scale Up Program**



Scale Up Program for early growth food and beverage manufacturing ventures that produce consumer packaged goods.

**Jobs created**



# New Program

Coming Soon!



## Local Business Accelerator Program



### Advisory Support

Dedicated Main Street Ambassadors/Coaches

### Research

Customized marketing research and data analysis

### Investment

\$630,000 leveraged investment from FedDev

Non-repayable funding contributions for small businesses

# Provincial Micro Grants



**32**

Businesses

**41**

New jobs

**78**

Jobs  
preserved/impacted

**\$147,000**

Total grants disbursed

**\$1,255,000**

Total leveraged investment

# Investing in People, Driving Prosperity and Fostering Community

## Connecting

Entrepreneurs, Industry Leaders,  
Students and Community  
Organizations

**+ 4,500** people engaged!

New Businesses launched

**186**

New Jobs

**378**



# Behind every business there is a person



**“The London Small Business Centre has an open-door policy, and I know that when I need advice, guidance or support, they are a resource in my back pocket.”**

*Michaelanne Hathaway - Stache Fabric & Notions*



**“SBC staff is always ready to help, whether to advise, guide or give you a resource.”**

*Matt & Grace Stelpstra - Ontario Deck Railing*



**“With the help of the Small Business Centre,  
I could see a great future for my business.”**

*Yam Gurung - Momos at the Market*



**“London Small Business Centre has been very  
helpful for us as we have been participating in the  
different training sessions, including business plan  
writing, tax return, marketing, and a lot of other  
references.”**

*Perpetue Nitunga - London French Day  
Care Centre*

Thank you!



October 29, 2021

City Clerk's Office  
City of London  
300 Dufferin Ave.  
P.O. Box 5035  
London, ON  
N6A 4L9

Re: Strategic Priorities and Policy Committee  
Business Case Submission – My Main Street Local Business Accelerator Program.

Dear Council Members of the Strategic Priorities and Policy Committee,

Please find attached a business case requesting a contribution from the funding set aside for social and economic recovery under the London Community Recovery Network Framework. The request is for \$57,500 which will leverage \$630,000 From the My Main Street Local Business Accelerator Program, funded by FedDev.

My Main Street, a partnership between the Economic Development Council of Ontario and the Canadian Urban Institute will be launching the Local Business Accelerator Program in multiple municipalities in January, 2022. This has created an element of urgency for municipalities that wish to apply. The London Small Business Centre has been engaged in the consultative process and has expressed its intent and ability to deliver the program locally.

Sincerely,

A handwritten signature in black ink that reads "Steve Pellarin".

Steve Pellarin, Executive Director

c. Mike Sherlock, Board Chair, London Small Business Centre

# Business Case – My Main Street Local Business Accelerator Program – London Small Business Centre

## Business Case Deliverables & Impact

### Background:

Over the past year, COVID-19 has challenged our community in an unprecedented way. Our main streets, economic drivers in London that employ thousands and support numerous local partners and businesses have been negatively impacted. COVID-19 has been devastating to London's small businesses on main streets who will likely experience long-lasting economic and social impacts for quite some time. As a response, the London Small Business Centre has put forward an application to bring My Main Street Local Business Accelerator Program to London. The application was put forward after consultation with key stakeholders in targeted areas, including Downtown London, Main Street London, Old East Village and Hamilton Road BIA.

This business case is built on three LCRN guiding principles: Collaboration and Coordination, Short-term and Long-term Focus and Equity and Inclusion, as well as the recently approved LCRN Framework and its 3 Recovery and Renewal Focus Areas: Investing in People, Driving Prosperity and Fostering Community.

### Local Business Accelerator Program (Overview)

The My Main Street Local Business Accelerator is a province wide initiative of FedDev Ontario and EDCO. It will support the revitalization of 65 main street communities across Ontario by providing each with a dedicated Main Street Ambassador, customized marketing research, data analysis and non-repayable funding contributions for small businesses. The program will be launched in multiple municipalities in January 2022.

At the heart of the My Main Street Local Business Accelerator Program are the Main Street Ambassadors. Main Street Ambassadors are dedicated to providing hands-on business advisory support to entrepreneurs along selected main streets.

By participating in the My Main Street Local Business Accelerator, participating communities unlock the following resources for their Main Street neighbourhoods:

**Main Street Ambassador Non-Repayable Contribution** – Participating My Main Street communities will benefit from a designated My Main Street Ambassador, made possible by a non-repayable contribution of \$50,000 towards the 12-month salary of each Ambassador. The Ambassadors will be hired and managed by the London Small Business Centre.

**Local Business Non-repayable contributions** - Participating Main Street communities will receive up to ten \$10K non-repayable contributions to support local businesses. Five non-repayable contributions are available for existing businesses, while five non-repayable contributions are available for new businesses.

**Community Market Profile** - Before programming begins, each participating main street community will undergo a detailed Community Market Profile. This will involve secondary market research to understand the community's trade area, its demographics, how residents spend their money, their mobility and how they consume media. It will also involve primary research that surveys the local community to understand what types of products and services are missing from their local community. (Both the primary and secondary research will be used to target opportunities for rebuilding the participating Main Street).

**Wrap-Around Business Support** - With the community market profile completed, each Main Street Ambassador will focus on providing wrap-around community economic development support for both new and existing businesses.

**Main Street Ambassador Network** - Participating My Main Street communities and their My Main Street Ambassadors will have access to the My Main Street Ambassador Network, which will provide leadership, guidance, tools, resources, and opportunities to share and amplify best practises and success stories.

**Alignment with LCRN Focus and Vision:**

The application made to the My Main Street Local Business Accelerator Program is scored/weighted on many factors that support the efforts and direction of the LCRN Framework. Specifically, to be eligible, the targeted areas must have demonstrated hardship pre-covid, with specific note to communities with representation of equity seeking/racialize populations.

The alignment with “Driving Prosperity” is clear. Support will be going directly into the hands of small businesses with the potential to create employment, and to improve the occupancy levels and diversity of our main streets.

My Main Street Local Business Accelerator Program has the potential to further leverage another My Main Street initiative; The Community Activator Fund will support local community placemaking projects, including events, activities, enhancements, and policy and capacity building designed to increase local vibrancy. The Ambassadors recruited as part of the Accelerator Program will be actively engaged with communities as they further develop their respective plans to foster community and tap into My Main Street resources.

**Actions Already Underway:**

The London Small Business Centre (SBC) has engaged with partners in select main street areas, including Main Street London, Downtown London, the Old East Village and Hamilton Road BIA. Many have been in contact with My Main Street directly, to investigate and pursue other resources and possible funding opportunities that have recently been announced. A collaborative approach is being taken to access those resources and find linkages with initiatives and plans already underway in the respective communities, that will maximize the investment made into London. Due to its earlier submission deadline, the Local Business Accelerator Program is the first such opportunity.

The London SBC has applied for the program with positive response and anticipates a final approval if a matching 25% (\$57,500) contribution towards operations can be secured. A Municipal contribution will leverage \$630K of investment into the community.

**Next Steps to Implement the Program:**

Should funding be provided for this initiative, the next steps would include:

1. Recruitment of Ambassadors (December 2021)
2. Ambassador Training (January 2022)
3. Community Market Research and Outreach (February 2022)
4. Business Advisory Support and Access to Grants – Ongoing
5. Create a Pipeline of New Main Street Businesses - Ongoing

**Financial Implications:**

This Business Case recommends a \$57,500 Municipal contribution to support the My Main Street – Local Business Accelerator Program described above. Leveraging \$630,000 of federal investment, including \$400,000 of direct non-repayable contributions to small businesses. This application supports the London Community Recovery Framework and its Recovery and Renewal Focus areas: Investing in People, Driving Prosperity and Fostering Community.

## Business Case Financial Impacts

Operating Budget Impacts (000's)	2022
<b>Income</b>	
Federal Funding – 4 Ambassadors	\$200
Federal Funding – Operational Overhead	\$30
Municipality	\$57.5
<b>Total Core Funding</b>	<b>\$287.5</b>
<b>Expenses</b>	
<b>Personnel Related Expenses</b>	
Salaries and Wages / MERCs	\$242
Recruitment	\$6
Licenses/Software/Communications/Travel	\$15
<b>Total Personnel Related Expenses</b>	<b>\$263</b>
<b>Operations</b>	
Marketing	\$5
Office and Administration	\$19.5
<b>Total Operations</b>	<b>\$24.5</b>
<b>Total Expenses</b>	<b>\$287.5</b>
<b>Note: \$400,000 in non-repayable contributions will flow directly from My Main Street to Small Businesses</b>	

## Business Case Metrics

Metric Description	Current	2022
# Jobs created		
Ambassadors/coaches	0	4
New business hires		15
# of Market Profiles Created		4
# of businesses that benefit from the non-repayable contributions	0	40
# of new business launches	0	10

At the beginning of 2023, a report would be generated that summarizes the business metrics and key highlights from the program.

The Federal/Provincial leveraged opportunity is currently for one year. At the end of the project, the provincial wide strategy will be evaluated. We remain optimistic that the program could be extended another year, with a further leveraging opportunity.

### What are the risks of not proceeding?

The gradual lifting of restrictions we have experienced recently will have a positive impact on businesses, but it is far from business as usual. Many small businesses have reported that it will take them at least another 1-2 years to fully recover their losses. The long lead time to profitability has left them vulnerable, and they face the same cash flow challenges as a start-up. Without ongoing support, both financial and strategic, some will still close in the coming 2 years, despite having “survived” thus far. This will amplify the vacancies and other challenges facing our main streets and make it even more difficult to attract new businesses.

There is a narrow window of opportunity to apply to the program, and there is a risk of losing the significant financial leverage that the program would have into the community.



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

London  
CANADA

November 8, 2021

To: Chair and Members of the SPPC

After reviewing the London Small Business Centre's business case submission: My Main Street Local Business Accelerator Program, I am supportive of their request.

I believe this business case aligns with a number of the social and economic recovery metrics identified by the London Community Recovery Network. It also has a significant leveraging component to it: the municipal contribution of \$57,500 will draw \$630,000 in federal investments including \$400,000 of non-repayable grants to London small businesses.

After speaking with the Deputy City Manager - Finance Supports, the most appropriate source of finance for this request is the earmarked London Community Recovery Network funding.

I therefore ask for you to support for the following motion:

That Civic Administration be directed to work with the Small Business Centre to support an application to the Local Business Accelerator Program and that a municipal contribution of \$57,500 be authorized from the earmarked London Community Recovery Network funding, noting that Municipal Council previously authorized \$10 Million to be contributed to the Economic Development Reserve Fund to support social and economic recovery measures.

Respectfully,

Josh Morgan  
Deputy Mayor  
Councillor, Ward 7



**HAMILTON  
ROAD BIA**

## Hamilton Road BIA

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**Hamilton Road BIA**  
596B Hamilton Road  
London, Ontario  
548-688-4242  
[info@hamroad.com](mailto:info@hamroad.com)

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October 22nd 2021

### To the Corporate Services Committee,

Re: Budget Request 2022

#### *Who are we?*

The Hamilton Road BIA proudly serves its members by promoting, developing and advocating for its community while honouring the rich diversity and heritage of the neighbourhood. Members of the BIA Board represent our culinary district, mainstreet retailers, professional services and destination shops. Several Board members are intergenerational business owners who take pride in caring for their neighbouring business owners. With this foundation, the staff, Board members and committees of the BIA work together everyday with their community to fulfill the potential of the Hamilton Road neighbourhood.

#### *Why we know we can do this.*

With the "little engine that could" mentality, in 2021 alone, the Hamilton Road BIA managed to install 20 banner poles, increase the promotion of their membership on social media by 350% and filmed seven commercials that promote our business community. The \$50,000 grant received by the City in 2019 provided a much needed fund to achieve these outcomes and alleviate the organization from the financial constraints of its small levy. How the organization has leveraged this small grant demonstrates the ability of the Hamilton Road BIA to achieve those high impact outcomes with low costs.

#### *How will we spend it?*

Beautification will be our focus in 2022. Several spaces on Hamilton Road have underutilized potential. We need funds to build the capacity of these spaces and bring more colour, greenery and liveliness to our corridor. For example, the BIA developed the Neighbourhood of Murals project that will install four murals on Hamilton Road to tell the story of our community. The Neighbourhood of Murals project economically develops the area by providing public art destinations that are interwoven within the fabric of the main street retail businesses. Aside from the economic benefits, murals have a powerful ability to tell the story of the everyday people and places who live around them. Another example is the parkette on Hamilton Road beside the infamous Hamilton Road, Egerton Street and Trafalgar Street intersection. The vision of this parkette always included numerous features that are yet to be installed, which include, heritage fixtures, gardens and outdoor patio furniture for patrons of the local restaurants who do not have indoor seating.

The Hamilton Road Community Improvement Plan indicated that the neighbourhood is a gateway for the City. Beautifying the Hamilton Road corridor fulfills the municipal purpose outlined in this document. This budget request will check off numerous outstanding indicators and tasks outlined in the CIP.

Unlike other London BIAs, Hamilton Road does not have a substantial

enough budget to afford the basics of beautification like planters, seasonal banners and clean-up crews. Additionally, without funded security initiatives to address this ongoing challenge in the area, beautification efforts would be worthless. As you can see, this budget includes these fundamentals that other BIAs can simply cover in their yearly budget, but for the Hamilton Road BIA, this is just not feasible with its minimal levy amount.

*What do we need?*

We formally ask the London City Council to consider an annual grant for the Hamilton Road BIA for \$100,000. There is a need for an Operational Reserve Fund for the BIA (\$30,000) and annual funding for beautification purposes and for other special projects (\$70,000.)

A one-time funding request unfortunately cannot sustain our ongoing development long term. With a levy of \$70,000, the basics of administration and simply running the organization are covered. Additional funds are required for any special projects and for these projects to be impactful ongoing funds are required. We all know that BIA sets their own levy, but due to the nature of our membership being primarily small businesses, it is unfair to request an increase in the levy and further constrain these members who have been hit hardest during COVID. With COVID, the challenges that small business owners have faced are insurmountable, so to ask them for additional funds is not possible.

Thank you in advance for your consideration. We look forward to continuing our work with the City of London to fulfill the potential of one of London's greatest neighbourhoods.

In this together,

**The Hamilton Road BIA**

Committee: **Covent Garden Market Corporation Board of Directors**

Organization/Sector represented:

Name: **Dias, Justin W.**

Occupation: **Economic Development Officer**

Work experience: **I have worked in the fields of economic development and tourism for the past eight years including senior management roles and as a consultant to municipal clients across the country. My career in economic development was preceded by a successful career in hospitality management. I have extensive experience working directly with businesses and delivering business retention and expansion programs, resident and visitor marketing and attraction programs and conducting investment attraction activities. In addition to economic development and tourism management roles, I have also managed portfolios responsible for the operation, maintenance and capital planning of 10 recreation and community facilities.**

Education: **I have completed a Bachelor of Arts degree from Western University (honours History), an Ontario Post-Graduate Certificate from Humber College in Public Administration and am currently completing the Graduate Diploma in Public Administration through the Local Government Program at Western University. I have obtained the internationally recognized project management credential as a Project Management Professional (PMP). I have also obtained a Certificate in Merchandising from the University of Toronto, School of Continuing Studies.**

Skills: **I possess strong financial management skills. I have managed budgets in both private and public sector organizations and bring an understanding of both for-profit and not-for-profit management principles that will help ensure the Market is both financially viable and accessible to all Londoners. I also have a strong background in strategic planning having developed and contributed to strategic planning exercises and implementation. This strategic planning knowledge will help ensure the Market is not only addressing current issues but looking forward to future needs. I also possess strong knowledge of facilities management & maintenance, building systems and asset management principles that will assist the Market as it contemplates the current physical building, public safety, accessibility and plans for future capital investments.**

Interest reason: **As a long-time resident of London (20+years) and regular patron of the Covent Garden Market, I want to ensure the Market continues to be a vibrant place for families and all residents of London. I also want to ensure it is leveraged as an economic development asset drawing in visitors from across Southwestern Ontario and protected for generations to come.**

Contributions: **As a previous board member, I will be able to hit the ground running and provide an immediate contribution. I also believe my ability to think critically and ask pertinent questions will help ensure the board and management are always making decisions based upon a variety of perspectives.**

Past contributions: **As a first-time board member of the Market from 2015-2019, I provided a unique perspective to the decision making process. I was committed to the position as demonstrated through regular attendance and contributions at the meetings. I have also been involved with a number of volunteer community boards and committees including the Talbotville Optimist Club and the Ailsa Craig Quilt and Fibre Art Festival organizing committee.**

Interpersonal: **As a professional in economic development and community engagement, I bring with me experiences working with businesses, community groups and residents from across a broad spectrum of backgrounds. Whether it be establishing a strategic plan, working on an initiative or facilitating workshops, I have always demonstrated an open mind, utilized active listening and built consensus so that all parties are valued and engaged.**

Interview interest: **Yes**

Committee: **Covent Market Market Board of Directors**

Organization/Sector represented:

Name: **Ronald Earnshaw**

Occupation: **retired police officer**

Work experience: **Over 38 yrs. experience as a police officer in London and Toronto.**

Education:

Skills: **I have been on the Market Board for 16 yrs, the last 8 as Chair.**

Interest reason: **I believe that a strong, thriving downtown core is essential for any city, and the Market Board plays a very important part in achieving this.**

Contributions: **I believe that I can continue to make the Market profitable and a leader in the downtown.**

Past contributions:

Interpersonal: **I'm always willing to listen and learn from others.**

Interview interest: **Yes**

Committee: **Covent Garden Market Board of Directors**

Organization/Sector represented:

Name: **Don McCallum**

Occupation: **Small Business owner and Marketing Consultant**

Work experience: **During university, I operated the family farm in southeastern Saskatchewan. After an undergraduate degree, I spent three years in field sales, plus two years in product management with a major chemical company in both western and eastern Canada. Once the Western Ivey MBA was completed, strategic marketing and communications planning skills were honed by six years of advertising account management at Cormark Communications. The establishment of McCallum & Associates, my own marketing and communications consulting firm, in 1988 has provided broad and extensive business experience. I have proven my marketing expertise with a series of highly successful new product launches in the Canadian and international markets. My account responsibilities have included research analysis, ad testing, and media planning for mainline and specialized markets, in addition to regular consulting assignments. My managerial ability and experience have been a boon to clients in coordinating multi-faceted marketing and communications programs, including social media, while ensuring the desired results.**

Education: **My educational background includes a Bachelor of Science degree in Agricultural economics, and a Masters of Business Administration degree from Ivey at The University of Western Ontario. Education: M.B.A., Ivey University of Western Ontario, 1982 B.Sc.Agriculture, University of Saskatchewan, 1975**

Skills: **My extensive volunteer activities have included direct management of special events, governance, finance and audit and the establishment of a non profit organization from the ground up, including bylaws and corporate registration. My current business provides skills in a broad range of business functions that could benefit the Covent Garden Market. Everything from social media marketing, finance, marketing, sales, promotions, governance, operations have been part of my daily life for many years so they are all available in my volunteer activities.**

Interest reason: **I am passionate about the City of London and especially its downtown. As one of the founding members of MainStreet London and its first Chair I believe I have the overall perspective and knowledge to actively support the mission of Covent Garden Market. As a past president of the London Chamber of Commerce and a past chair of the Board of Governors of Western Fair Association, I could bring the leadership and meeting management skills needed to further the Market's goals. I have never been reluctant to express thoughtful and reflective views to board and committees meetings. It is my belief that preparation and understanding of relevant issues is a member's responsibility. I strive to be prepared for any and all interactions.**

Contributions: **Its my belief that now more than ever strong leadership will be required to lead the Covent Garden Market Board of Directors into the future. I feel that my background experience and skill will enhance the Covent Garden Market Board of Directors. Specific areas of contribution will include board governance, strong managerial ability, strategic planning, finance and audit. I have a strong understanding of appropriate board member fiduciary responsibilities' that are necessary skill sets for any decisions that will be required. My contribution to Covent Garden Market Board is imbedded in some of my past contributions below.**

Past contributions: **The contribution I believe I can make to Covent Garden Market Board of Directors is based on my understanding of the background of downtown issues through MainStreet London. This combined with my experience as President of one of the largest Chambers of Commerce in Canada, and Chair of the Board of Governors of the Western Fair Association will be very helpful. I think the strength of the Market's recent success needs careful guidance to have that continue. The Market is a key cornerstone of our downtown and I feel I have sufficient board experience to be trusted to assist in its management, growth, and continuance. Affiliations: • Fund Development committee VON since 2005 • Appointed member of Covent Garden Market Board of Directors 2014-2018 • Western Fair Association since 1990, Elected to Board of Directors 2003-2005, 2005-2007, Elected Board of Governors 2007-2009, 2009-2011, 2012-2016 roles included Chair Finance and Audit Committee and Strategic Planning Committees, and Chair of the Board of**

**Governors 2013-2015. Presently lifetime member of the WFA Senate. • President 2002 - 2003 London Chamber of Commerce and member of executive and board of directors, currently member and participant of the past president's advisory council • Member London Chamber of Commerce since 1988 • Member St. John Ambulance Foundation Board of Directors 2000 - 2006 • Past Chair MainStreet London, current member of The Board of Directors • Optimist Club of Byron member, former Vice-President Fundraising and member of Board of Directors • Heart and Stroke Foundation of Ontario; Past Chairman, Rubber Duck Race 1988 -1995 • Labatt 24 Hour Relay; Chair since 2005 and Site operations director since 1994 and founding steering committee member all until event end in 2009. • Ontario Seniors' Games Actifest 90; Chairman, Protocol and Ceremonies • Canadian Mental Health Association; Branch Past President, Member of the Provincial Board 1990. • London Dragon Boat Festival; Community Liaison and Communications Chair • Ivey Business School Alumni Club of London; Past President • London Community Foundation; former member Communications Committee • Resident of London for 36 years • President, McCallum & Associates**

**Interpersonal: The range of task forces, committees and boards I have participated in give me the experience to understand the importance of cooperation, collaboration, sharing ideas and understanding others views to the process of effective board development. I also feel I have sufficient time to make a significant contribution to the Market. I have been praised and rewarded for my ability to bring together diverse groups to unity or alignment along similar ideas. Seeking and finding common ground with others is both a work and volunteer skill for myself.**

Interview interest: **Yes**

Committee: **Covent Garden Market Corp Board of Directors**

Organization/Sector represented: **N/A**

Name: **Norman N Sproule**

Occupation: **Retired Financial Advisor**

Work experience: **Personal Financial Advisor and Branch Manager for 20+ years.**

Education: **Educated in Dublin (Ireland) before coming to Canada. Built a successful Financial Planning Practice over 25 years. Diploma in Industrial Relations (Ireland) Certified Financial Planner (CFP) Canadian Investment Management (CIM)**

Skills: **Familiar with all aspects of running a business, offering advice, working in groups**

Interest reason: **The market has made great strides over the past few years but I believe more can be done to elevate its stature as a destination hub to the benefit of its vendors and the city.**

Contributions: **Apart from my business experience I am also very familiar with the St Lawrence Market and Brickworks in Toronto. I believe a cross pollination of ideas might be beneficial to the London Market.**

Past contributions: **participated in preliminary judging for the Chamber of Commerce Business Awards. Represented SW Ontario On Assante Advisory Committee (Professional) Managed the Western Men's Rugby Team**

Interpersonal: **I'm a qualified rugby coach and have managed and coached youth, Snr Men and, of late, Snr Women's Teams. Professionally, my role was to listen, distill information, advise clients and execute strategy.**

Interview interest: **Yes**

## MEMO

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**Date:** Tuesday, November 2, 2021

**To:** Strategic Priorities and Policy Committee, City of London

**From:** Lori Da Silva, CEO, RBC Place London

**Subject:** RBC Place London Board Appointment Recommendations for 2022

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### Recommendations:

Reappoint RBC Place London Board members to complete terms as follows:

David Smith (Public Health) Two-year term Dec' 2021- Nov' 2023 (years 5&6 of maximum 6 years)  
Jenny Diplock (Business) Chair Elect Two-year term Dec'21-Nov'23 (years 5&6 of maximum 6 years)

Dr. C. Schlachta (Health Care) One-year term Dec'21-Nov'22 (year 6 of maximum 6 years)  
Nora Fisher (Technology) Current Chair one-year term Dec'21-Nov'22 (year 6 of maximum 6 years)  
Tony Soares (Marketing) One year term Dec'21-Nov'22 (year 6 of maximum 6 years)

### Background:

1. Section 4 of the RBC Place London By Law addresses the composition of the Board of Directors. Paragraphs (1) through (4) identify the sectors which are to be represented on the Board. The sector representation is important to facilitate relationships and communication with market sectors that drive a high percentage of conventions to RBC Place London. RBC Place London Board members are permitted to serve on the Board for a maximum of 6 years with terms not exceeding 36 months.

*Section 4 reads as follows:*

- (1) *The Board of the Corporation shall be composed of the Mayor as a member ex officio and ten members appointed by Council:*
  - (a) *two of whom shall be Members of Council;*
  - (b) *six of whom may be engaged full-time in or otherwise representative of one of the following sectors of the community:*
    - (i) *hospitality;*
    - (ii) *travel and transportation;*
    - (iii) *health care;*
    - (iv) *business;*
    - (v) *marketing or public relations;*

- (vi) digital media;
  - (vii) sports;
  - (viii) agriculture or agri-foods; or
  - (ix) education;
- (c) one of whom shall not be engaged either full-time or part-time in any sector mentioned in clause (b) or (d); and
- (d) one of whom may, but need not, be a member of the not-for-profit corporation Emerging Leaders London Community Network.

(2) Council shall nominate individuals for appointment under subsection (1).

(3) If an individual engaged in a sector mentioned in clauses (b) or (d) of subsection (1) is nominated to the Council, the Council shall first satisfy itself that the individual can generally represent the sector and can fairly serve the best interests of the Corporation and the sector having regard to the individual's personal interests.

(4) Expressions of interest of individuals in serving as directors may be solicited:

- (a) by advertising in a newspaper having general circulation in the municipality;
- (b) by a posting on the Corporation's and/or the City's website; and/or
- (c) in any other manner determined by the Council, acting reasonably;

and the Civic Administration shall submit a list of names of interested individuals to Council, who shall consider such individuals prior to making its nominations.

2. Three current RBC Place London Board members will be completing their six-year maximum term as of November 2022. RBC Place London will be seeking three new directors with terms starting December 2022 from any of the following sectors: health care, marketing/PR, technology, sports, education, or transportation.
3. With the Municipal election scheduled in 2022, the RBC Place London Board may also be impacted with 3 additional new Board members from potential changes in Council representation.

c.c. Clerk's Office, City of London  
RBC Place London Board of Directors



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

Chair and Members, Strategic Priorities and Policy Committee  
[sppc@london.ca](mailto:sppc@london.ca)

November 8, 2021

**Re: Committee of Adjustment - Member Vacancy**

City staff are in receipt of the attached resignation letter from Mr. John Fyfe-Millar terminating his role as a committee member on the London Committee of Adjustment following his recent appointment to City Council.

As the acting Secretary-Treasurer for Committee of Adjustment, I am respectfully requesting City Council consider filling the vacated position. This is a time sensitive matter; therefore, I am seeking Council's consideration of this request at their earliest opportunity.

I can be reached at [CoAsubmit@london.ca](mailto:CoAsubmit@london.ca) for additional information, if needed.

Yours truly,

Heather McNeely  
Acting, Secretary - Treasurer  
London Committee of Adjustment  
The Corporation of the City of London

Copy: Michael Corby, Manager, Planning Implementation  
Gregg Barrett, Director Planning and Development  
Heather McNeely, Manager, Current Development

attached

London Committee of Adjustment  
The Corporation of the City of London  
Phone: 519-930-3500  
[CoAsubmit@london.ca](mailto:CoAsubmit@london.ca)  
[www.london.ca](http://www.london.ca)

Committee of Adjustment  
300 Dufferin Avenue  
London, ON

Attn: Heather McNeely

It is with regret that I tender my resignation from the position as Chair of the Committee of Adjustment effective immediately.

I am extremely grateful for having the opportunity to serve the community with such a gifted team around me. I have thoroughly enjoyed my time working with everyone on this committee.

I wish the team nothing but success on what the future holds, and leave knowing it is in the best of hands.

Sincerely,

John Fyfe-Millar