

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

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

Subject: 2024 Reserve and Reserve Fund Monitoring and Housekeeping Report

Date: May 27, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken:

- a) the 2024 Reserve and Reserve Fund Monitoring and Housekeeping Report **BE RECEIVED** for information; and
- b) the reserve fund by-laws attached as “Appendix C” **BE INTRODUCED** at the Municipal Council meeting to be held on June 4, 2024.

Executive Summary

This report was prepared to provide an update regarding the City’s reserve and reserve fund portfolio, in accordance with the reporting requirements of the Reserve and Reserve Fund Policy. This report provides an overview of each fund including its intended use, current balance and associated targets. This report also seeks Council approval for by-law updates that govern the respective reserve funds, where required.

Linkage to the Corporate Strategic Plan

Council’s 2023 to 2027 Strategic Plan for the City of London identifies “Well-Run City” as one of eight strategic areas of focus. This report supports this strategic area of focus via the outcome “Londoners experience good stewardship, exceptional and valued service” which includes maintaining London’s finances in a transparent, sustainable and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter:

Strategic Priorities and Policy Committee, October 10, 2023, Agenda Item #2.1, City of London Strategic Financial Framework <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=103646>

Corporate Services Committee, September 11, 2023, Agenda Item #2.1, Contingencies/Stabilization and Risk Management Reserve Fund Rationalization Report <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=102348>

Corporate Services Committee, September 11, 2023, Agenda Item #2.2, Capital Asset Growth Reserve Fund Rationalization Report <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=102347>

Corporate Services Committee, June 20, 2022, Agenda Item #2.2, Special Projects and New Initiatives Reserve Fund Rationalization Report <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=93234>

Corporate Services Committee, September 8, 2020, Agenda Item #2.1, Capital Asset Renewal and Replacement Reserve Fund Rationalization Report <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=74168>

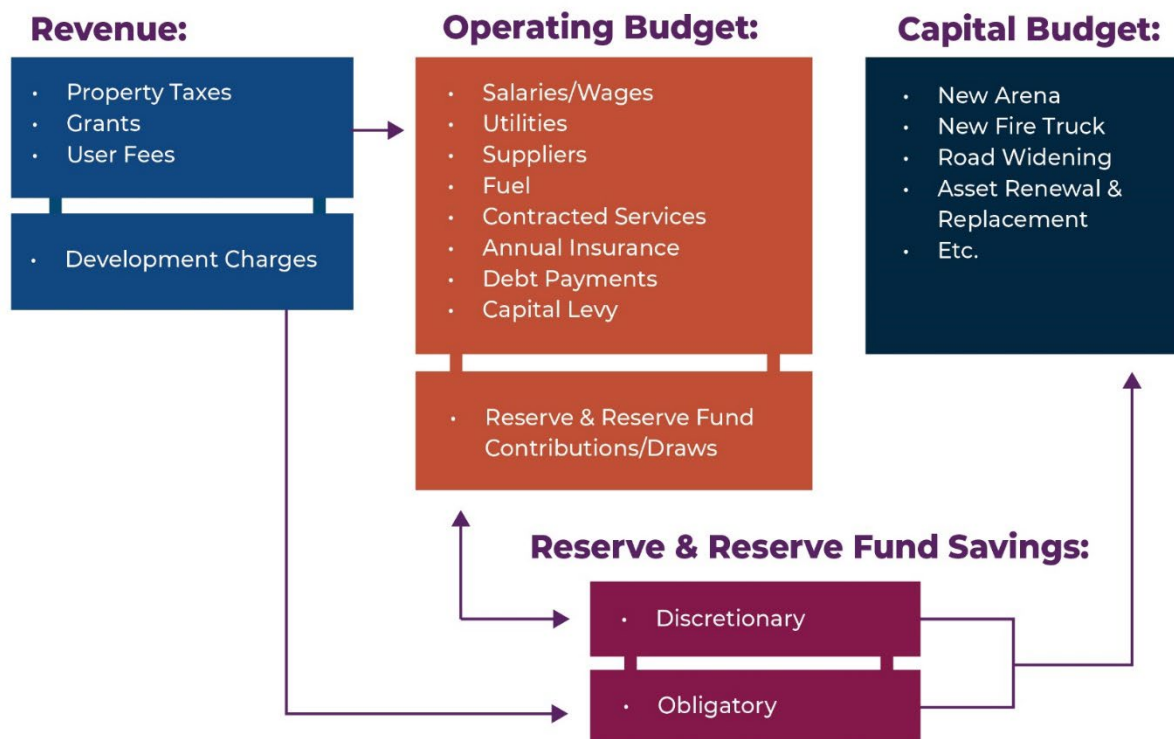
Corporate Services Committee, September 25, 2018, Agenda Item #2.2, Reserves Rationalization Report <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=50269>

Corporate Services Committee, July 17, 2018, Agenda Item #2.4, Reserve and Reserve Fund Policy Report <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=47669>

1.2 Reserves and Reserve Funds Overview

Reserves and reserve funds are an important element of the City’s financial management as they allow the City to set aside funds (savings) for known and unknown future events. Examples of future events include but are not limited to; provisions for the replacement and rehabilitation of existing assets, funds for new capital assets (growth or service improvement), funding long term contingencies and potential liabilities, and providing a buffer for anticipated and unanticipated expenditures (social or economic investment opportunities) or loss of revenues beyond the control of the City (changes in senior government funding).

Reserves and reserve funds also play an important role in the City’s budgeting process. The following diagram illustrates how reserves and reserve funds are connected to the various components of the City’s budget.



The potential consequences of not having adequate reserve and reserve fund levels are:

- **Increased cost of short-term borrowing** – A lack of sufficient reserves and reserve funds available to meet operational needs may require the City to potentially seek short term financing from external sources at an increased cost to the City.
- **Loss of Aaa credit rating** – Moody’s, the City’s credit rating agency, has outlined that maintaining reserve and reserve fund levels assist the City in achieving its credit rating. A drop in this rating would increase the overall cost of borrowing resulting in a direct impact to the City’s budget.
- **Reduced capital plan** – Reserve and reserve fund balances assist in financing the capital plan of the City. A reduction in balances would require the City to reduce the capital plan, if all else remained equal.

- **Inability to invest in strategic priorities** – A lack of sufficient reserves and reserve funds may lead to missed opportunities to spur economic and social growth beneficial to the long-term success of the City’s various internal services and external community partners.
- **Improper intergenerational equity** – By not setting aside funds now to pay for costs that are going to occur in the future (examples include unfunded liabilities and capital asset renewal and replacement), the burden to pay is passed to future generations who did not receive the benefits associated with the cost.

The above noted purposes and potential consequences associated with reserves and reserve funds highlight the importance of regular review to assess the adequacy of reserve and reserve fund balances and the appropriateness of tax supported and non-tax supported contributions and draws. These financial planning exercises ensure the City’s reserve and reserve fund portfolio is justified and supports the objectives of:

- Minimizing fluctuations in taxes,
- Reducing tax supported debt,
- Assisting the City in achieving a strong credit rating,
- Investing in capital infrastructure,
- Achieving Strategic Plan priorities, and
- Supporting intergenerational equity.

For clarity, the City defines reserves and reserve funds as follows:

Reserve: An appropriation from net revenue and/or cost savings at the discretion of Council, after the provision for all known expenditures. Reserves have no reference to any specific asset and do not require the physical segregation of money or assets as in the case of a reserve fund. Council may set up reserves for any purpose for which they have the authority to spend money and they are generally used to mitigate the impact of fluctuations in operating or capital costs and revenues. Currently, the City maintains two property tax supported reserves (Operating Budget Contingency Reserve and Operating Efficiency, Effectiveness and Economy Reserve) to mitigate budgetary fluctuations.

Reserve Fund: Funds that have been set aside by a by-law of the City. As a result, reserve funds are either “discretionary”, being those set up by Council or “obligatory”, being those set up by virtue of senior government statute or agreement. The use of reserve funds is restricted to a specific purpose. Reserve fund balances are segregated from general cash balances managed by the City. Like reserves, Council may set up reserve funds for any purpose for which they have the authority to spend money. For the tax supported budget, the City maintains many reserve funds, examples include - City Facilities Reserve Fund, Economic Development Reserve Fund, Unfunded Liability Reserve Fund, etc.

The following chart outlines the various categories of reserves and reserve funds maintained by the City of London:

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	Canada Community-Building Fund 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.

Classification	Type	Description
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.

1.3 Linkage to Strategic Financial Framework

The City of London's Strategic Financial Framework outlines financial principles and practices that govern the long-term financial management of the Corporation. Included in the Framework are core financial principles with respect to Reserve Fund Management, including:

Ensure that reserves and reserve funds are kept at an adequate level to ensure the Corporation maintains sufficient liquidity for current and future obligations.

Reserves and reserve funds represent important savings for future planned or unplanned events. In most cases, reserves and reserve funds are maintained for very specific, defined purposes, noting however that the City does maintain some funds that have broader applicability. Civic Administration regularly monitors contributions, drawdowns and investment income for the City's various reserves and reserve funds to ensure that sufficient balances are maintained to fulfill the future obligations of the reserve or reserve fund, in accordance with the defined mandate of that fund. It is important to note that, while some reserves or reserve funds may hold what appears to be a significant balance, in most cases those funds are earmarked for a specific purpose. As such, future uncommitted reserve and reserve fund balances (net of approved and forecasted commitments) are often a more relevant consideration than simply the total amount in a particular reserve or reserve fund at any given time.

Target balances will be established and monitored for all reserves and reserve funds (with limited exceptions).

For most reserves and reserve funds, the City will establish a long-term target balance for the fund, considering the nature, characteristics and anticipated future requirements of the fund. These target balances will be established by the City Treasurer under the authority outlined in the Reserve and Reserve Fund Policy. The targets will be regularly communicated through a variety of materials, including reserve & reserve fund rationalization reports, budget materials, etc.

It should be noted that maximum target balances may not be appropriate for some reserves and reserve funds. For example, some reserve funds are used to hold funding received from non-property tax supported sources (e.g. user fees, funding from other levels of government, etc.). In these cases, it may not be appropriate to establish an upper cap on the reserve or reserve fund. Instead, a lower threshold may be established (e.g. “balance not to fall below \$0”) in these instances.

It is also important to note that reserve and reserve fund target balances need to be considered from a long-term perspective. Due to the inherent nature of fluctuating contributions to and drawdowns from reserves and reserve funds, their balances will naturally increase and decrease over time. Balances may fall below target, just as they may climb above target, from year-to-year. However, the longer-term trends relative to the target balances remains the more important consideration when reviewing the sufficiency of the fund’s balance. As such, a reserve fund dropping below, or climbing above, its target balance will not automatically necessitate an immediate action (e.g. adjusted contribution, transfer between funds, etc.).

Reserve and reserve fund holdings will be reviewed regularly to ensure they continue to meet their intended purpose and that the target balances established remain appropriate.

Civic Administration is committed to regularly reviewing all reserves and reserve funds to ensure they continue to meet the intended purpose of the fund, are reflective of the associated service area’s needs and that the target balance remains appropriate based on current and anticipated requirements. The results of these reviews will generally be communicated through periodic reserve and reserve fund “rationalization” reports to committee and Council.

As previously mentioned, the use of reserves and reserve funds are an important tool that helps maintain the City’s Aaa credit rating. The City’s credit rating agency, Moody’s, consistently refers to the levels of debt and liquidity (primarily in the form of reserves and reserve funds) as primary contributing factors to the City’s credit rating.

1.4 Reserve and Reserve Fund Rationalization

Over the course of 2018 to 2023, Civic Administration undertook a reserve and reserve rationalization exercise for all categories of the City’s reserve and reserve fund portfolio. This process, the results of which were outlined in a series of five reports to Council (links included in section 1.1 above), was intended to assess the ongoing need for the City’s various reserves and reserve funds, create new and terminate old funds where required, consolidate funds where appropriate and ensure consistent administrative processes for the management of reserves and reserve funds to the extent possible. This process also established target balances for most of the City’s reserves and reserve funds. The outcome of this work is reflected in the current City of London reserve and reserve fund portfolio and is the foundation for the ongoing maintenance, monitoring and management of the City’s suite of reserves and reserve funds. With the rationalization process now complete, Civic Administration intends to prepare annual Reserve and Reserve Fund Monitoring and Housekeeping reports to provide regular updates on the reserve and reserve fund portfolio.

The purpose of this report is to provide information regarding the current holdings of the City’s reserve and reserve fund portfolio, provide an overview of each fund including its intended use, report on targets, tax supported contributions and balances of the funds, and receive Council approval for by-law updates that govern said funds, where required.

2.0 Discussion and Considerations

2.1 Reserve and Reserve Fund Monitoring

A full list of the current reserves and reserve funds and their forecasted 2024 uncommitted balances as at March 31, 2024 is provided in Appendix A.

Appendix A also provides a summary of the City’s discretionary reserve and reserve fund targets. It further includes the City’s obligatory Canada Community-Building Fund (formerly Federal Gas Tax) reserve fund as this is the only obligatory reserve fund held by the City that does not have its own separate statutory reporting. Public reporting of the CCBF funds is conducted annually by AMO. The City Services (Development Charges) and Parkland reserve fund reports are separate agenda items.

The Reserve and Reserve Fund Policy delegates the authority for setting reserve and reserve fund targets to the City Treasurer or designate, with the requirement that targets are reported to Council periodically.

Currently Civic Administration has established 48 targets for its discretionary reserves and reserve funds that encompass 51 funds. Some of these targets encompass multiple funds, e.g. the tax supported Capital Asset Renewal and Replacement RF target covers 20 reserve funds in aggregate. The table below illustrates a very high-level picture of the status of the City’s holdings relative to their respective target balances after the adoption of the 2024-2027 Multi-Year Budget. For a more detailed breakdown by reserve/reserve fund, please refer to Appendix A.

	Number of Reserve / Reserve Fund Targets	Total Amount Above / (Below) Target ¹
Number of Balances Below Target	15	(\$330,829,567)
Number of Balances at or Above Target	7	\$23,351,562
Number of Balances with “Balance not to be Reduced Below Zero” Target	26	N/A

1. This is calculated based upon the forecasted uncommitted balance in the funds as of March 31, 2024

It is important to note that target balances are viewed with a long-term perspective and that, despite being below target on many reserves and reserve funds, significant short-term action is not necessarily warranted provided that the City continues to work towards achieving reserve and reserve fund targets over time. A similar long-term perspective is employed for those reserves and reserve funds that are currently at or above target; it is important to assess long-term trends to determine whether any adjustments are warranted.

Civic Administration is not recommending any changes to reserve or reserve fund targets at this time. All reserves and reserve funds will continue to be regularly reviewed ensuring that the financial resources contained within each fund are being utilized for their intended purpose and that the target balance justification and amount remain appropriate. Adjustments to the target balances may be considered in the future.

2.2 Impacts of the 2024-2027 Multi-Year Budget

The 2024-2027 Multi-Year Budget was the first significant opportunity to adjust for the economic realities coming out of the global pandemic. During budget development, Civic Administration made considerable effort to work within existing financing that was established during the 2020-2023 Multi-Year Budget to fund the base capital plan in the 2024-2027 Multi-Year Budget. With the addition of approved business cases, the impacts on the City’s savings (reserve / reserve funds) are material.

The table below (presented in thousands) illustrates the cumulative impact of tax supported contributions to the discretionary funds, and the associated drawdowns from those funds.

Reserve Fund Category	2024	2025	2026	2027
Total Tax Supported Contributions to Funds	\$91,236	\$97,341	\$99,525	\$101,139

Total Drawdowns from Tax Supported Funds	\$212,820	\$93,788	\$101,105	\$82,892
Net Impact to Funds - Increase / (Decrease)	(\$121,584)	\$3,553	(\$1,580)	\$18,247
Four-Year Total				(\$101,364)

The City is forecasted to drawdown \$101 million more than it will contribute to its savings over the four-year budget period. This leads to reserve fund balances drifting further from their targets, which warrants close monitoring and consideration when making future financial decisions.

2020-2023 MYB vs 2024-2027 MYB Comparison

Notwithstanding the fact that the economic circumstances surrounding the creation of the 2020 MYB and the 2024 MYB were drastically different, the 2024-2027 MYB includes significantly increased reliance on reserve funds than was witnessed in the 2020-2023 MYB period. Part of this is borne out of sheer necessity to help manage the property tax and utility rate impacts of the post-pandemic world that we are still experiencing in many respects. The table below (millions) illustrates some key differences between the last two multi-year budgets.

Reserve Fund Impacts	2020-2023 MYB + Budget Updates	2024-2027 MYB	Increase / (Decrease)	Increase / (Decrease) %
Tax Supported Contributions	\$285M	\$389M	\$104M¹	36%
RF Budgeted Drawdowns Operating	(\$36M)	(\$45M)	\$9M	25%
RF Budgeted Drawdowns Capital	(\$237M)	(\$446M)	\$209M	88%
Total Drawdowns	(\$273M)	(\$491M)	\$218M	80%
Increase/(Decrease) to RF Balances	\$12M	(\$102M)	\$114M	

***Subject to Rounding**

Note 1: *The increase in the 2024-2027 MYB tax supported contributions is associated with approximately \$60M of additions through business cases.*

Tax supported contributions increased by 36%, where drawdowns from the funds increased by 80%, this indicates a change from a position of saving to a position of investing.

2.3 Reserve and Reserve Fund Housekeeping and By-Law Updates

This report also recommends updates to several reserve fund by-laws, and the creation of new reserve funds identified via the 2024-2027 Multi-Year Budget (Climate Change Reserve Fund, Development Charges Exemptions Reserve Funds).

Appendix B provides a summary of the updates required to the impacted by-laws.

Appendix C provides the full updated by-laws to be enacted as a result of the recommendations of this report.

Conclusion

The City's reserve and reserve funds are an important element of the City's long-term Strategic Financial Framework and a key component of the City's financial stability. This report presents an update on the current reserve and reserve fund portfolio and requests approval for several updates to reserve fund by-laws to ensure the reserve and reserve fund portfolio is kept current.

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

Reviewed by: Jason Davies, CPA, CMA, 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

Cc: Ian Collins – Director, Financial Services

APPENDIX A – RESERVES / RESERVE FUNDS FORECASTED UNCOMMITTED BALANCES AND TARGET BALANCES

Obligatory Reserve Funds

Fulsome updates of the **Parkland Reserve Fund** and the **City Services (Development Charges) Reserve Funds** are presented to Council annually in accordance with applicable legislation that governs these funds. These reports are typically provided to the Corporate Services Committee in mid to late May depending on the Committee meeting calendar.

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Canada Community- Building Fund	The Canada Community-Building Fund 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.	17,294,310 ¹	N/A	N/A

¹ Balance in this reserve fund is forecasted to be drawn down and used in the City’s capital plan over the mid-term for budgeted, CCBF eligible, capital projects. This balance represents a fluctuation simply due to the timing of this report.

Capital Asset Growth Reserves / Reserve Funds

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
DC Incentive Program – Property Tax Supported	<p>The monies standing in the Fund shall be used by The Corporation of the City of London (the “Corporation”) to fund the Obligatory City Services Reserve Fund(s) with amounts equal to the development charges incented so that required infrastructure projects, when started later, can be funded through the City Services Reserve Fund.</p> <p>Target: Target balance range is a minimum of 1 year and maximum of 3 years of average annual incentives paid (over the immediately preceding 3-year period). Updated every four years with the Multi-Year Budget.</p>	\$16,127,954 ²	\$6,500,000 to \$19,550,000	\$9,627,954
Industrial Land	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the purpose of acquisition and servicing industrial land including funding industrial land debt charges.	\$8,037,175	Balance not to be reduced below \$0	N/A
Industrial Oversizing – General	<p>The monies standing in the Funds shall be expended, pledged or applied only for the purpose of:</p> <p>(a) the payment of authorized claims for oversizing of services for industrial developments, in accordance with the adopted policies of the Municipal Council; and</p> <p>(b) the construction and major repairs of sewer, water and other municipal works servicing industrial developments, or for the purpose of financing any part thereof.</p>	\$1,689,623	Amount of remaining debt obligations (currently \$330,000)	1,359,623

² Balance in this reserve fund, and the associated target, are significant due to the generally unknown amount and timing of DC incentives. This reserve fund represents the entirety of the City’s savings to address multiple Council approved development charges incentive programs; residential, affordable housing, institutional, industrial.

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	<p>Note: This reserve fund is a candidate for future termination once the existing debt obligations of the fund are repaid in 2024. Any remaining balance would be transferred to the Industrial Land Reserve Fund.</p>			
Industrial Oversizing – Sewer	<p>The monies standing in the Funds shall be expended, pledged or applied only for the purpose of:</p> <p>(a) the payment of authorized claims for oversizing of services for industrial developments, in accordance with the adopted policies of the Municipal Council; and</p> <p>(b) the construction and major repairs of sewer, water and other municipal works servicing industrial developments, or for the purpose of financing any part thereof.</p> <p>Note: This reserve fund is a candidate for future termination once the existing debt obligations from the general fund are repaid in 2024. Any remaining balance would be transferred to the Sewage Works Renewal Reserve Fund.</p>	\$1,852,085	Balance not to be reduced below \$0	N/A
Industrial Oversizing – Water	<p>The monies standing in the Funds shall be expended, pledged or applied only for the purpose of:</p> <p>(a) the payment of authorized claims for oversizing of services for industrial developments, in accordance with the adopted policies of the Municipal Council; and</p> <p>(b) the construction and major repairs of sewer, water and other municipal works servicing industrial developments, or for the purpose of financing any part thereof.</p> <p>Note: This reserve fund is a candidate for future termination once the existing debt obligations from the general fund are repaid in 2024. There is no balance or commitments remaining in this RF.</p>	\$0	Balance not to be reduced below \$0	N/A

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Industrial DC Incentive Program Water	<p>The monies standing in the Fund shall be used by The Corporation of the City of London (the ‘Corporation’) to fund the City Services Reserve Fund with amounts equal to the development charges incented so that these development projects, when started later, can be funded through the City Services Reserve Fund.</p> <p>Target: Target balance range is a minimum of 1 year and maximum of 3 years of average annual incentives paid (over the immediately preceding 3-year period). Updated every four years with the Multi-Year Budget.</p>	\$4,851,056 ³	\$600,000 to \$1,800,000	\$4,251,056
Industrial DC Incentive Program Wastewater	<p>The monies standing in the Fund shall be used by The Corporation of the City of London (the ‘Corporation’) to fund the City Services Reserve Fund with amounts equal to the development charges incented so that these development projects, when started later, can be funded through the City Services Reserve Fund.</p> <p>Target: Target balance range is a minimum of 1 year and maximum of 3 years of average annual incentives paid (over the immediately preceding 3-year period). Updated every four years with the Multi-Year Budget.</p>	\$2,108,059 ³	\$3,450,000 to \$10,300,000	(\$1,341,941)

³ Balance in this reserve fund, and the associated target, are significant due to the generally unknown amount and timing of DC incentives.

Capital Asset Renewal and Replacement Reserves / Reserve Funds

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Property Tax Supported Capital Asset Renewal and Replacement (CARR) RFS ⁴	A category of reserve funds established to provide funding for the repair and maintenance of existing City assets to ensure city-owned assets do not deteriorate over time. Target: Set at one year average of the 10-year 2024-2033 Lifecycle Renewal Budget as set from the 2024-2027 MYB.	\$104,876,322	\$146,888,998	(\$42,012,676)
Sewage Works Renewal	This reserve fund was established to provide a source of funds to be expended, pledged or applied only for the construction and major repair and maintenance of sewage works. Target: Set at one year average of the WWT 10-year 2024-2033 Lifecycle Renewal Budget as set from the 2024-2027 MYB.	\$33,257,018	\$71,940,985	(\$38,683,967)
Water Works Renewal	This reserve fund was established to set aside funds designated for the purpose of constructing waterworks facilities. Target: Set at one year average of the Water 10-year 2024-2033 Lifecycle Renewal Budget as set from the 2024-2027 MYB.	\$27,108,222	\$53,549,636	(\$26,441,414)

⁴ This category of twenty (20) funds is covered by one tax supported reserve fund target as discussed in the Corporate Services Committee report dated, September 8, 2020, Agenda Item #2.1, Capital Asset Renewal and Replacement Reserve Fund Rationalization Report.

Special Projects and New Initiatives Reserves / Reserve Funds

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Affordable Housing	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for:</p> <ul style="list-style-type: none"> a. Municipal incentives for new affordable housing development programs such as capital grants, funds to offset cost of development charges and building permit fees, additional rent supplement and property tax incentives. b. Capital funding support for not-for-profit housing providers, private sector housing providers, the City of London and partnerships between not-for-profit housing providers, private sector organizations, the City of London for the development of housing for low income and special needs households. c. The cost of acquiring land and property in advance of projected housing needs; including provision for any operating costs associated with maintaining the subject land and property until the future housing use is determined. Proceeds from the sale of any land acquired via this reserve fund for the purposes of housing needs shall be recontributed to this fund. 	\$11,372,311	Balance not to be reduced below \$0	N/A
Animal Services	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for animal care and control programs and initiatives including but not limited to; the cost of construction of new off-leash dog parks, the maintenance of existing off-leash dog parks, etc.	\$269,225	Balance not to be reduced below \$0	N/A
Automated Enforcement	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the cost of the Red-Light Camera Program, Automated Speed Enforcement Program and other road safety initiatives.	\$8,011,943	Balance not to be reduced below \$0	N/A
Child Care and Early Childhood Development	The monies standing in the Fund shall be used by The Corporation of the City of London as the service system manager responsible for the prescribed services as mandated under the Child Care and Early Years Act to provide for the development of sustainable	\$5,130,137	Balance not to be reduced below \$0	N/A

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	child care and early childhood development services through investments in local priorities that address unmet child care service needs in the geographic area of the City of London and the County of Middlesex.			
Civic Investment	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the costs of projects identified in the "Downtown Millennium Plan" adopted by the Municipal Council on March 1, 1999, such costs to include capital budget related expenditures for projects identified in the said Plan, operating budget related expenditures for projects identified in the said Plan and the costs of servicing debt for capital projects identified in the said Plan when such projects are financed by the issuing of debentures by the City of London.	\$532,630	Balance not to be reduced below \$0	N/A
Community Improvement Program	<p>The monies standing in the Fund shall be used by the Corporation of the City of London for Municipal Council adopted financial incentive programs available in Community Improvement Project Areas approved pursuant to Section 28 of the Planning Act.</p> <p>Note: Unpredictable nature of the CIP Grant program expenditure timing necessitates a minimum balance be maintained in the fund. Upper limit established to ensure flexibility but maintain affordability and guide future reviews of the City's tax supported reserve fund contributions.</p> <p>Funds exceeding the upper limit of the target balance to be transferred to the Economic Development Reserve Fund; conversely the Economic Development Reserve Fund may be drawn upon in the event of insufficient funds in this Reserve Fund.</p> <p>Target: Target balance range of a minimum of 3 years and maximum of 5 years of average annual expenditures (over the immediately preceding 5-year period). Updated every four years with the Multi-Year Budget.</p>	\$4,261,306	\$5,400,000 to \$9,000,000	(\$1,138,694)

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Community Investment	The monies standing in the Fund shall be used by The Corporation of the City of London (the "Corporation") to fund: <ul style="list-style-type: none"> i. One-time initiatives/projects; or ii. Initiatives/projects that require a temporary source of financing not to exceed four years. Should Council choose to deliver an initiative/project on a permanent basis, transition plans must identify permanent sources of financing to commence no later than the fifth year. 	\$355,918 ⁵	Balance not to be reduced below \$0.	N/A
Cultural Prosperity	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the implementation of London's Cultural Prosperity Plan and applicable policies including but not limited to; municipal heritage, culture, art, and inclusion initiatives including activities, events, programs, and assets.	\$1,545,946	Balance not to be reduced below \$0	N/A
Dearness Home Gift	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the cost of Dearness Home operations, or as otherwise stipulated by donor agreements.	\$771,535	Balance not to be reduced below \$0	N/A
Economic Development	The monies standing in the Fund shall be used by The Corporation of the City of London to fund initiatives/projects that support economic development, including but not limited to creation of long-term employment, within the City of London as well as Municipal Council's approved Strategic Plan as follows: <ul style="list-style-type: none"> a. One-time initiatives/projects; or b. Initiatives/projects that require a temporary source of financing not to exceed four years. Should Municipal Council choose to deliver an initiative/project on a permanent basis, transition plans must identify permanent sources of financing to commence no later than the fifth year. 	\$4,816,681	\$22,600,000 to \$37,700,000	(\$17,783,319)

⁵ This balance does not reflect year-end activity that made a significant contribution to this reserve fund in April 2024.

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	Target: Target balance range of a minimum of 3 years and maximum of 5 years of average annual expenditures (over the immediately preceding 5-year period). Updated every four years with the Multi-Year Budget.			
Golf Course	The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the development and redevelopment of golf courses owned and operated by The Corporation of the City of London and for the acquisition and replacement of vehicles and equipment required for the operation of said golf courses.	\$1,698,883	Balance not to be reduced below \$0	N/A
Horton Street Environmental	<p>The monies standing in the Fund shall be used by The Corporation of the City of London for the purposes of investigation, remediation, restoration and any other related costs with respect to the coal tar affected lands held by the City of London.</p> <p>Note: <i>The balance in this RF is 100% committed to future remediation of the coal tar affected lands so the actual balance is displayed here for target comparative purposes.</i></p> <p>Target: Estimated cost of investigation, remediation and restoration of the coal tar affected lands, adjusted for inflation from the Residential Building Construction Price Index.</p>	\$84,144,104 (Actual)	\$138,530,000 to \$178,110,000	(\$54,385,896)
Housing Support Services (Rent Bank Program and Thaw Program)	<p>Funds from the Housing Support Services (Rent Bank Program and THAW Program) Reserve Fund will be spent on the Rent Bank Program and The Heat and Warmth (THAW) Program.</p> <p>Note: <i>This reserve fund is a candidate for future termination once the potential future use of the provincial funding held in this fund is determined.</i></p>	\$562,515	Balance not to be reduced below \$0	N/A
Land Acquisition	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the following:</p> <p>a. The cost of acquiring land and property in advance of projected need; and</p>	\$10,727,613	\$25,000,000	(\$14,272,387)

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	<p>b. For the operating costs associated with maintaining the land and property until the future use of the land and property is determined by Municipal Council.</p> <p>Target: The target balance is set at \$ 25 million, to provide flexibility to address strategic priorities with due consideration given to the current supply of available land, competitiveness of the real estate market and appreciation of land prices, etc.</p>			
Municipal Affordable Homeownership Revolving Loan	<p>The monies standing in the Fund shall be used by The Corporation of the City of London (the "Corporation") for the purpose of providing loans under an affordable housing program (AHP) to eligible purchasers with repayment of such loans to be made over a period of 15 years.</p> <p>Note: <i>This reserve fund is a candidate for future termination once the potential future use of the provincial funding held in this fund is determined.</i></p>	\$2,882,694	Balance not to be reduced below \$0	N/A
Municipal Election	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the cost of municipal elections.</p> <p>Target: The target balance has been established at one and a half times the cost of the most recent municipal election.</p>	\$3,430,949	\$2,700,000	\$730,949
Social Housing	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for major capital repairs and upgrades to maintain existing social housing units managed by non-profit and co-op housing providers.</p>	\$4,286,375	Balance not to be reduced below \$0	N/A
Social Services	<p>The monies standing in the Fund shall be used by The Corporation of the City of London for local priorities that address unmet human services needs in London through initiatives that support employment, homelessness, health, life stabilization, social services improvements and that supplement outcomes mandated under the Ontario Works program.</p>	\$1,633,869	Balance not to be reduced below \$0	N/A

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Tourism Infrastructure	The monies standing in the Fund shall be used by The Corporation of the City of London to fund tourism related infrastructure projects of the City and its related agencies, boards or commissions, including but not limited to; creating or improving venue capacity and sustainability, and leveraging private sector and other government capital investment.	\$7,312,253 ⁶	Balance not to be reduced below \$0	N/A
Sump Pump, Sewage Ejector and Storm PDC Grant Program	The monies standing in the Fund shall be used by The Corporation of the City of London to fund the Grant Program for Sump Pump, Sewage Ejector, and Storm Private Drain Connection or other mechanisms or capital works to fund protection from basement flooding, once the balance of the capital project for the current year has been exhausted. Target: Set at the maximum amount allowed in the Reserve Fund as per the by-law, excess funds are to be transferred into the Sewage Works Reserve Fund.	\$517,500	\$500,000	\$17,500
Lead Service Extension Replacement Loan Program	The monies standing in the Fund shall be used by the Corporation of the City of London to provide financial assistance in the form of loans to property owners under the terms of the Lead Service Extension Replacement Loan Program.	\$126,165	Balance not to be reduced below \$0	N/A
Water Customer Assistance	The monies standing in the Fund shall be used by The Corporation of the City of London for the Customer Assistance Program; including but not limited to the Crisis Support Program, the Crisis Prevention Program, the Leak Allowance Program. Note: Contributions to be reviewed if balance reaches \$1 million.	\$789,127	Balance not to be reduced below \$0	N/A

⁶ This balance does not include future year commitments made through the 2024 Multi-Year budget that will drawdown from this reserve fund.

Contingency Stabilization and Risk Management Reserves / Reserve Funds

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Operating Budget Contingency Reserve (OBCR)	<p>This reserve covers tax supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the tax rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of taxes.</p> <p>Target: Set at two months of the current years tax supported net budget (combined with EEE)</p>	\$69,722,770	\$135,457,104	(\$57,597,324)
Operating – Efficiency, Effectiveness and Economy Reserve (EEE)	<p>This reserve provides funding for opportunities that create efficiency, effectiveness and economy within the City's tax supported operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the contingency reserve.</p> <p>Target: Set at two months of the current years tax supported net budget (combined with OBCR)</p>	\$8,137,010		
Building Permit Stabilization	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the cost of building code administration and enforcement costs in excess of building permit revenue.</p> <p>Target: Set at the estimated annual cost of administration and enforcement + estimated inflation as per the prior years Annual Report on Building Permit Fees.</p>	\$3,204,781	\$8,509,974	(\$5,305,193)

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Debt Substitution	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to reduce the amount of authorized but unissued tax supported debt as a source of financing in the capital plan or as a temporary funding source to manage fluctuations in debt servicing costs.</p> <p>Note: <i>These funds have been fully committed to debt financed capital projects in the life-to-date capital budget.</i></p>	\$0	Balance not to be reduced below \$0	N/A
London and Middlesex Housing Corporation (LMHC) Employee Entitlement	<p>The monies standing in the Fund shall be used to provide for the cost of vacation, sick leave credits and other LMHC employee entitlements for former LMHA employees, based on each employee's entitlement and the timing of their termination from the London & Middlesex Housing Corporation.</p> <p>Note: <i>This Reserve Fund is proposed for termination in this report</i></p>	\$0	Balance not to be reduced below \$0	N/A
London Police Service	<p>The monies standing in the Fund shall be used by the London Police Service Board to fund any initiatives that support Police Services, including tax supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses resulting in budgetary deficits or fluctuations in the Police budget. This Fund may also be utilized for operating or capital expenditures related to:</p> <ul style="list-style-type: none"> a. One-time initiatives/projects; or b. Initiatives/projects that require a temporary source of financing not to exceed four years. Should the London Police Service Board wish to deliver an initiative/project on a permanent basis, transition plans must identify permanent sources of financing to commence no later than the fifth year. 	\$879,068	\$8,276,385 to \$16,552,771	(\$7,397,317)

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	Target: Set at 5% to 10% of net Police Services Operating Budget.			
London Police Service Employment Benefits	The London Police Service Employment Benefits Reserve Fund is established and will be maintained for funds received by the London Police Service Board as a result of surpluses in the Administrative Services Only area of employee benefit plans and the demutualization of the insurance industry.	\$3,105,836	Balance not to be reduced below \$0	N/A
London Police Force Sick Leave	<p>The monies standing in the reserve fund shall be expended, pledged or applied only for the purpose of the payment of vested sick leave benefits in accordance with the policies of the Board of Commissioners of Police and the terms of the Working Agreements between the Board and the London Police Association; and the Executive Agreements between the Board and the Chief of Police and Deputy Chief of Police.</p> <p>Note: <i>This reserve fund is 100% committed to individuals who were with the Police before 1989 and will be closed once remaining legacy employees retire. Any remaining balance will be transferred to an appropriate fund.</i></p>	\$44,047 (Actual)	Balance not to be reduced below \$0	N/A
London Public Library Sick Leave	<p>The monies standing in the reserve fund shall be expended, pledged or applied only for the purpose of the payment of vested sick leave benefits in accordance with the policies of the London Public Library Board.</p> <p>Note: <i>This reserve fund is 100% committed and will be closed once remaining legacy employees retire and any remaining balance will be transferred to an appropriate fund.</i></p>	\$29,636 (Actual)	Balance not to be reduced below \$0	N/A
Self Insurance	<p>The monies standing in the reserve fund shall be expended, pledged, or applied only for the purposes of:</p> <p>(a) The funding of expenditures within the deductibles of any City insurance policies;</p>	\$20,302,038	\$14,520,707	\$5,781,331

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	<p>(b) The funding of expenditures relative to claims in any area of risk that the City has decided to self-insure;</p> <p>(c) The funding of claims-related expenditures relative to amounts in excess of any City insurance policies;</p> <p>(d) The funding of expenditures for investigations, outside legal counsel, or adjusting costs relative to those items in (a), (b), or (c) above;</p> <p>(e) The funding of contracted actuarial reviews of reserve fund levels as required from time to time, or</p> <p>(f) The funding of additional insurance-related expenditures as approved by the Municipal Council.</p> <p>Note: <i>The minimum target is considered the committed amount from this RF, full balance has been displayed here for target comparative purposes.</i></p> <p>Target: Target set at the estimated amount of open claims at year-end.</p>			
Sick Leave	<p>The monies standing in the reserve fund shall be expended, pledged, or applied only for the purpose of the payment of vested sick leave benefits in accordance with the policies of the Council and the Collective Agreements between the Corporation and its employee groups.</p> <p>Note: <i>This reserve fund is 100% committed and applies to individuals who were with the City before 1989 and will be closed once remaining legacy employees retire.</i></p>	\$72,199 (Actual)	\$926,000	(\$853,801)

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Unfunded Liability	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the employee benefits payable, <u>excluding</u> WSIB claims in excess of \$250,000, landfill closure and post-closure liabilities, and other liabilities for which there is no identified source of financing as reported in the annual consolidated financial statements.</p> <p>Note: <i>The balance in this RF is 100% committed to unfunded liabilities.</i></p> <p>Target: Target set at 85% of employee benefits payable, landfill closure and post-closure payable, and contaminated sites payable as per the Audited Financial Statements.</p>	\$176,627,962 (Actual)	\$209,863,443	(\$33,235,481)
Workplace Safety and Insurance Board (WSIB)	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the cost of Workplace Safety and Insurance Board (WSIB) claims in excess of \$250,000.</p> <p>Note: <i>The balance in this RF is 100% committed to WSIB obligations the actual balance is displayed here for target comparative purposes.</i></p> <p>Target: Set at 50% of the WSIB obligation as per the Audited Financial Statements.</p>	\$19,022,692 (Actual)	\$35,013,000	(\$15,990,308)
Wastewater Budget Contingency Reserve (WWBCR)	<p>This reserve covers wastewater rate supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the wastewater rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of rates.</p>	\$3,901,034	\$21,504,012	(\$14,389,849)

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
	Target: Set at two months of the current years rate supported net Wastewater Budget (combined with WWEEE)			
Wastewater – Efficiency, Effectiveness and Economy Reserve (WWEEE)	<p>This reserve provides funding for opportunities that create efficiency, effectiveness and economy within the City's wastewater operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the contingency reserve.</p> <p>Target: Set at two months of the current years rate supported net Wastewater Budget (combined with WWBCR)</p>	\$3,213,129		
Wastewater and Treatment Debt Substitution	<p>The monies standing in the Fund shall be used by The Corporation of the City of London to reduce the amount of authorized but unissued rate supported debt as a source of financing in the Wastewater and Treatment capital plan or as a temporary funding source to manage fluctuations in debt servicing costs.</p> <p>Note: <i>These funds have been fully committed to debt financed capital projects in the life-to-date capital budget.</i></p>	\$0	Balance not to be reduced below \$0	N/A
Water Budget Contingency Reserve (WBCR)	<p>This reserve covers water rate supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the water rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of rates.</p> <p>Target: Set at two months of the current years rate supported net Water Budget (combined with WEEE)</p>	\$16,446,997	\$17,228,527	\$1,583,150

Reserve Fund	Purpose (From By-laws)	2024 Forecasted Uncommitted Balance (As of March 31, 2024)	Target Value	Variance Over / (Under) Minimum Target
Water – Efficiency, Effectiveness and Economy Reserve (WEEE)	<p>This reserve provides funding for opportunities that create efficiency, effectiveness and economy within the City's water operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the contingency reserve.</p> <p>Target: Set at two months of the current years rate supported net Water Budget (combined with WBCR)</p>	\$2,364,679		
Water Debt Substitution	The monies standing in the Fund shall be used by The Corporation of the City of London to reduce the amount of authorized but unissued rate supported debt as a source of financing in the Water capital plan or as a temporary funding source to manage fluctuations in debt servicing costs.	\$0	Balance not to be reduced below \$0	N/A

APPENDIX B - Actions to be taken with Respect to Reserve Fund By-laws

Table 1 - By-laws to be Repealed and Reserve Funds Terminated

Reserve Fund	By-Law	Rationale	Funding Notes
London & Middlesex Housing Corporation (LMHC) Employee Entitlement	A.-6147-12	This reserve fund was established to provide for the cost of vacation, sick leave credits and other LMHC employee entitlements for former LMHA employees, based on each employee's entitlement and the timing of their termination from the London & Middlesex Community Housing Corporation. In early 2024 the remaining funds in the reserve fund were spent.	There are no funds remaining in the reserve fund, thus it will be closed with a zero balance. Future employee entitlements will be paid from the LMHC operating budget.

Table 2 - By-laws to be Repealed and Replaced with Updated By-laws

Reserve Fund	By-Law	Rationale
Capital Asset Renewal and Replacement	A.-8010-184	Updated by-law language to standard wording; updated by-law for emerging items that need to be considered, e.g. contributions from non-tax program revenues (i.e. saving net lease payments from the Material Recovery Facility for future maintenance work), creation of the Municipal Affordable Housing Renewal Reserve Fund (i.e. to save for maintenance of City owned affordable housing developments like Baseline and Thompson).
Civic Investment	A.-5634-94	The funding requirements of the projects identified in the Downtown Millennium Plan (1999) have run their course and thus this reserve fund can be repurposed as a vehicle to save for future needs of existing assets that the plan created (e.g. Western Fair, Downtown Arena), or to fund future strategic civic investments per Council.
Automated Enforcement	A.-8267-188	Updated by-law language to allow for deposits with approval of a designate for administrative ease.

Table 3 – New Reserve Fund By-laws to be Created

Reserve Fund	Rationale
Climate Change	Created per direction included in 2024 to 2027 Multi-Year Budget business case #P-56 – <i>Climate Emergency Action Plan (CEAP) Implementation Support.</i>
Development Charges Statutory Exemptions Tax	Creation of this fund will facilitate the funding of costs of legislatively required development charge exemptions that must be paid by the City of London to the City’s Obligatory City Services (Development Charges) reserve funds. This follows approval of funding for #P-L3 – <i>More Homes Built Faster Act, Bill 23 – Statutory Exemptions.</i>
Development Charges Statutory Exemptions Water	Creation of this fund will facilitate the funding of costs of legislatively required development charge exemptions that must be paid by the City of London to the City’s Obligatory City Services (Development Charges) reserve funds. This follows approval of funding for #W-L1 – <i>More Homes Built Faster Act, Bill 23 – Statutory Exemptions.</i>
Development Charges Statutory Exemptions Wastewater	Creation of this fund will facilitate the funding of costs of legislatively required development charge exemptions that must be paid by the City of London to the City’s Obligatory City Services (Development Charges) reserve funds. This follows approval of funding for #WWT-L3 – <i>More Homes Built Faster Act, Bill 23 – Statutory Exemptions.</i>

APPENDIX C - Reserve Fund By-Laws

Bill No. _____
2024

By-law No. A.- _____

A by-law to repeal by-law No. A.-6147-12 being "A by-law to establish the London and Middlesex Housing Corporation (LMHC) Employee Entitlement Reserve Fund."

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

AND WHEREAS section 9 of the Municipal Act, 2001, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(2) of the Municipal Act, 2001, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

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

1. By-law No. A.-6147-12 being "A by-law to establish the London and Middlesex Housing Corporation (LMHC) Employee Entitlement Reserve Fund" is hereby repealed.
2. This by-law comes into force on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

PASSED in Open Council on June 4, 2024, subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading - June 4, 2024
Second Reading - June 4, 2024
Third Reading - June 4, 2024

Bill No. _____
2024

By-law No. A.- _____

A by-law to establish the Capital Asset Renewal and Replacement Reserve Funds by-law and to repeal and replace by-law No. A.-8010-184 being "A by-law to establish the Capital Asset Renewal and Replacement Reserve Funds Bylaw and to govern the administration and management of said funds"

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS it is desirable to establish reserve funds to provide for special projects and new initiatives of The Corporation of the City of London and its Agencies, Boards and Commissions, as required;

AND WHEREAS it is desirable to establish a consolidated bylaw governing the management and administration of capital asset renewal and replacement reserve funds;

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

SHORT TITLE

CAPITAL ASSET RENEWAL AND REPLACEMENT (CARR) RESERVE FUNDS BYLAW

1. By-law Statement

1.1 A by-law governing the management and administration of CARR reserve funds.

2. Capital Asset Renewal and Replacement Funds

a. The bylaws establishing reserve funds listed in Schedule B are hereby repealed.

b. The reserve funds listed in Schedule A are hereby established or continued.

3. Definitions

In this by-law,

“budget” means an estimated financial plan of revenue and expenditure for a set period of time.

“By-law” means the Capital Asset Renewal and Replacement Reserve Funds By-law

“CARR reserve funds” means the Capital Asset Renewal and Replacement Reserve Funds listed in Schedule A and defined as a category of reserve funds established to provide funding for the lifecycle renewal (major repair and maintenance) and replacement (including disposition) of existing and newly acquired City assets to ensure city-owned assets do not deteriorate over time.

“City” means The Corporation of the City of London

“Corporate Asset Management Plan” means the City’s multi-disciplinary management techniques (technical and financial) over the lifecycle of municipal infrastructure assets to provide a specific level of service in the most cost effective manner and manage risks associated with municipal infrastructure assets. This typically includes plans to invest, design, construct, acquire, operate, maintain, renew, replace, and decommission assets.

“Council” means the Municipal Council of The Corporation of the City of London

“infrastructure asset” means all or part of physical structures and associated facilities that form the foundation of development, and by or through which a public service is provided, such as roadways, bridges, bicycle paths, drinking water systems, social housing, parks, recreation facilities and community centres as well as any other thing by or through which a public service is provided.

“level of service” means the statement that describes the output or objectives the City intends to deliver to its customers.

“lifecycle renewal” means capital expenditures pertaining to the maintenance, renewal and replacement of the City’s existing and newly acquired assets.

“Municipal Act, 2001” means the *Municipal Act, 2001*, S.O. 2001 c. 25 as may be amended.

4. Applicability

4.1 The By-law applies to all CARR reserve funds administered by the City, including those established for any of the City’s Agencies, Boards and Commissions (ABC) as outlined in Schedule “A”.

4.2 Furthermore, the By-law applies to all City employees who are responsible for the establishment, monitoring, administration and management of the City’s reserve funds.

5. Purpose of CARR Reserve Funds

5.1 The general purpose of CARR reserve funds shall be:

- a) To fund lifecycle renewal (major repair and maintenance) and replacement (including disposition) costs of existing and newly acquired City-owned infrastructure assets, including the infrastructure assets of the City's agencies, boards, and commissions, to ensure these infrastructure assets do not deteriorate over time and continue to meet the desired level of service.

5.2 Where specified in the documented purpose of each CARR reserve fund, funding contained within each fund may also be used to fund improvement initiatives in the absence of other funding sources, and in the interests of the Corporation to administer as few reserve funds as possible.

5.3 The individual purpose of each CARR reserve fund is set out in Schedule A.

6. Contributions

6.1 In general the following contributions shall be deposited into the CARR reserve funds by the City Treasurer or their designate:

- a) Council approved tax/rate supported multi-year budget contributions;
- b) Other tax supported contributions per Council approved policies
- c) City Treasurer approved tax supported Assessment Growth contributions;
- d) Other tax/non-tax or rate/non-rate supported contributions as approved by Council, or ABC board.

6.2 In addition to the general contributions allowable to each CARR reserve fund noted in 6.1, the following individual reserve funds are also permitted contributions from specific non-tax program revenues:

- a) Material Recovery Facility Renewal – Annual contribution from operator rental revenue as approved by the City Treasurer or designate.
- b) Solid Waste Renewal – Annual tipping fees and internal recovery revenue surplus as approved by the City Treasurer or designate.
- c) Public Art Renewal – Third party donations for the general upkeep, maintenance, or improvement of existing public art installations.
- d) Dearness Home Renewal – Third party donations for the general upkeep, maintenance, or improvement of facility infrastructure.

7. Drawdowns

7.1 Before any monies are expended from the CARR reserve funds for the purposes outlined in section 5 of the By-law, approval shall be given by:

- a) the City Treasurer, or their designate for expenses less than \$100,000 for City-owned infrastructure assets, and Municipal Council for expenses equal to or greater than \$100,000 for City-owned infrastructure assets.
- b) ABC Boards' for ABC-owned infrastructure assets through the multi-year budget process, or by other Board approved report(s), subject to the approval of the City Treasurer or their designate.

8. Investment of Reserve Fund Balances

8.1 The City Treasurer or their designate, may invest the monies standing in any CARR reserve fund in such securities as are permitted under subsection 418(1), of the *Municipal Act, 2001*, and in so doing, may consolidate the monies standing in a CARR reserve fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the CARR reserve fund shall be accrued to and form part of the CARR reserve fund as permitted under sections 418(3) and 418(4) of the *Municipal Act, 2001*.

9. Maintenance of Reserve Funds

9.1 Notwithstanding that provision may not be made by the Council in the budget estimates of the current or any subsequent year for contributions, or drawdowns to

the CARR reserve funds, they shall continue and be maintained, and the Council shall always be taken as considering the CARR reserve funds as necessary so long as this By-law continues in force.

10. Administration

- 10.1 The administration of this By-law, including the establishment of CARR reserve funds, is delegated to the City Treasurer or their designate.
- 11. By-law No. A.-8010-184 being “A by-law to establish the Capital Asset Renewal and Replacement Reserve Funds Bylaw and to govern the administration and management of said funds”, passed by Municipal Council on September 15, 2020, is hereby repealed.
- 12. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – June 4, 2024
Second Reading – June 4, 2024
Third Reading – June 4, 2024

SCHEDULE “A” – CARR Reserve Funds

CARR Reserve Fund Name	Purpose
Capital Infrastructure Gap	To mitigate growth in the infrastructure gap as identified in the CAM Plan and to provide a buffer against unforeseen lifecycle renewal capital expenditures.
City Facilities Renewal	To provide for renewal, replacement, and improvement expenditures of all City facility assets such as corporate facilities, culture facilities, etc.
Public Art Renewal	To provide for renewal and replacement expenditures of public art in accordance with the Public Art Program.
Dearness Home Renewal	To provide for renewal, replacement and improvement expenditures of the Dearness Home and associated equipment.
Recreation Renewal	To provide for renewal and replacement expenditures of recreation assets, such as arenas, aquatics, community centers, attractions, recreation sites, senior centres, etc., excluding golf.
Parking Facilities Renewal	To provide for renewal and replacement expenditures of parking infrastructure assets such as pay stations, parking meters and surface lots, etc.
Fire Facilities, Vehicle and Equipment Renewal	To provide for renewal and replacement expenditures of fire assets such as fire stations and facilities, vehicles and equipment, etc.
Material Recovery Facility Renewal	To provide for renewal and replacement expenditures of the City owned material recovery facility.
Solid Waste Renewal	To provide for renewal, replacement, and improvement expenditures of solid waste assets, excluding the material recovery facility.
Information Technology (IT) Renewal	To provide for renewal and replacement expenditures of IT assets such as applications and software, end user devices and applications, etc. in accordance with the City of London Information Technology Strategy.
Fleet Vehicle and Equipment Renewal	To provide for renewal and replacement expenditures of fleet assets such as vehicles and equipment, refueling stations, fuel storage tanks, etc.
Transportation Renewal	To provide for renewal and replacement expenditures of transportation assets such as roadways, sidewalks, bike lanes, structures, traffic signals, streetlights, etc.
Parks Renewal	To provide for renewal and replacement expenditures of parks assets such as Thames Valley Parkway (including footbridges), play structures, sport fields and courts, parks facilities, etc.
Corporate Security & Emergency Management Renewal	To provide for renewal and replacement expenditures of corporate security and emergency management assets such as communication system infrastructure and equipment, emergency equipment, etc.
Urban Forestry Renewal	To provide for renewal, replacement, and improvement expenditures of Urban Forestry assets such as street trees, park trees, woodlands, etc.
Library Facilities, Vehicle And Equipment Renewal	To provide for renewal and replacement expenditures of London Public Library assets such as facilities, vehicles and equipment, etc.
RBC Place London Renewal	To provide for renewal, replacement and improvement expenditures of RBC Place London assets such as facilities, equipment, etc.
Police Facilities, Vehicle and Equipment Renewal	To provide for renewal and replacement expenditures of London Police Service assets such as facilities, vehicles and equipment, etc.
Public Housing (LMCH) Renewal	To provide for renewal and replacement expenditures of London Middlesex Community Housing assets such as facilities, equipment, etc.
Municipal Affordable Housing Renewal	To provide for renewal and replacement expenditures of affordable housing units owned by the City of London.

CARR Reserve Fund Name	Purpose
Sewage Works Renewal	To provide for renewal, replacement, and improvement expenditures of wastewater sanitary and stormwater assets such as sewers, pollution treatment plants, equipment, stormwater management facilities, etc.
Water Works Renewal	To provide for renewal, replacement, and improvement expenditures of water assets such as watermains, pumping stations, reservoirs, meters, equipment, etc.

Bill No.
2024

By-law No.

A by-law to establish the Automated Enforcement Reserve Fund and to repeal and replace By-law No. A.-8267-188 being "A by- law to establish the Automated Enforcement Reserve Fund."

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS it is desirable to establish reserve funds to provide for special projects and new initiatives of The Corporation of the City of London and its Agencies, Boards and Commissions, as required;

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

1. A reserve fund is hereby established entitled the "Automated Enforcement Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the cost of the Red Light Camera Program, Automated Speed Enforcement Program and other road safety initiatives.
3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 1. Municipal Council approved tax supported multi-year budget contributions;
 - ii. Municipal Council approved annual surplus contributions, if any;
 - iii. City Treasurer approved tax supported Assessment Growth contributions; and
 - iv. Other non-tax supported contributions as approved by The City Treasurer or their designate, and/or Municipal Council, e.g. annual red light camera net revenues, automated speed enforcement net revenues.
4. Before any monies are expended from the Fund for the purposes outlined in section 2 of this by-law, the approvals of the City Treasurer and Deputy City Manager, Environment and Infrastructure, or designated shall be given.
5. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.
6. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided

that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the Municipal Act, 2001, S.O. 2001, C.25, as amended.

7. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

8. By-law No. A.- 8267-188 being "A by-law to establish the Automated Enforcement Reserve Fund.", passed by Municipal Council on July 5, 2022, is hereby repealed.

9. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading - June 4, 2024
Second Reading - June 4, 2024
Third Reading - June 4, 2024

Bill No. _____
2024

By-law No. A.-_____

A by-law to establish the Civic Investments Reserve Fund and to repeal and replace by-law No. A.-5634-94 being "A by-law to establish the Civic Investments Reserve Fund"

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

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

1. A reserve fund is hereby established to be known as the "Civic Investments Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the costs of significant strategic Civic Investments, e.g. Western Fair, the Downtown Arena, etc. Such costs may include:
 - a) Construction costs of new infrastructure or assets;
 - b) Costs related to the rehabilitation, or replacement of existing infrastructure or assets;
 - c) Costs of significant improvements or betterment of existing infrastructure or assets;
 - d) Operating budget expenditures related to capital financing needs for a) through c) above, e.g. debt servicing payments that include principal and interest.
3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 - i. Municipal Council approved tax supported multi-year budget contributions;
 - ii. Municipal Council approved annual surplus contributions, if any;
 - iii. City Treasurer approved tax supported Assessment Growth contributions; and

iv. Other non-tax supported contributions as approved by The City Treasurer, and/or Municipal Council. e.g. net revenues from the downtown arena.

4. Before any monies are expended from the Fund for the purposes outlined in section 2 of this by-law, the approvals of the City Treasurer and City Manager, or their designates shall be given for expenses less than \$100,000, and the approval of Municipal Council shall be given for expenses equal to or greater than \$100,000.

5. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.

6. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the Municipal Act, 2001, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the Municipal Act, 2001, S.O. 2001, C.25, as amended.

8. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

9. By-law No. A.-5634-94 being "A by-law to establish the Civic Investments Reserve Fund", passed by Municipal Council on March 22, 1999, is hereby repealed.

10. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading - June 4, 2024
Second Reading - June 4, 2024
Third Reading - June 4, 2024

Bill No. _____
2024

By-law No. A.- _____

A by-law to establish the Climate Change Reserve Fund.

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS it is desirable to establish reserve funds to provide for special projects and new initiatives of The Corporation of the City of London and its Agencies, Boards and Commissions, as required;

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

1. A reserve fund is hereby established entitled the "Climate Change Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to fund any initiatives that support the Climate Emergency Declaration adopted by Council, April 23, 2019, including operating or capital expenditures related to:
 - a. One-time initiatives/projects; or
 - b. Initiatives/projects that require a temporary source of financing not to exceed four years. Should The Corporation of the City of London wish to deliver an initiative/project on a permanent basis, transition plans must identify permanent sources of financing to commence no later than the fifth year.
3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 - i. Municipal Council approved tax supported multi-year budget contributions;
 - ii. Municipal Council approved annual surplus contributions, if any;
 - iii. City Treasurer approved tax supported Assessment Growth contributions; and

iv. Other tax or non-tax supported contributions as approved by The City Treasurer, and/or Municipal Council.

4. Before any monies are expended from the Fund for the purposes outlined in section 2 of this by-law, the approvals of the City Treasurer and Deputy City Manager, Environment and Infrastructure, or their designates shall be given for expenses less than \$100,000, and the approval of Municipal Council shall be given for expenses equal to or greater than \$100,000.

5. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.

6. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the Municipal Act, 2001, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the Municipal Act, 2001, S.O. 2001, C.25, as amended.

7. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

8. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – June 4, 2024
Second Reading – June 4, 2024
Third Reading – June 4, 2024

Bill No. _____
2024

By-law No. A.- _____

A by-law to establish the Development Charges
Statutory Exemptions Tax Reserve Fund

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS section 417 of the *Municipal Act, 2001*, as amended, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend money;

AND WHEREAS it is desirable to establish a reserve fund to provide a source of funding for legislative development charge exemptions and discounts;

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

1. A reserve fund is hereby established entitled the "Development Charges Statutory Exemptions Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the costs of development charge exemptions and discounts that are enshrined by provincial legislation and thus mandated to reimburse the City's obligatory City Services (Development Charges) reserve funds.
3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 - i. Municipal Council approved tax supported multi-year budget contributions;
 - ii. Municipal Council approved annual surplus contributions, if any;
 - iii. City Treasurer approved tax supported Assessment Growth contributions; and
 - iv. Other tax or non-tax supported contributions as approved by The City Treasurer, and/or Municipal Council.
4. Before any monies are transferred to the Obligatory City Services Reserve Fund(s)

from the Fund for the purposes outlined in section 2 of this by-law, the approval of the City Treasurer or designate shall be given.

5. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.

6. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the Municipal Act, 2001, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the Municipal Act, 2001, S.O. 2001, C.25, as amended.

7. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

8. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – June 4, 2024
Second Reading – June 4, 2024
Third Reading – June 4, 2024

Bill No. _____
2024

By-law No. A.- _____

A by-law to establish the Development Charges
Statutory Exemptions Water Reserve Fund

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS section 417 of the *Municipal Act, 2001*, as amended, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend money;

AND WHEREAS it is desirable to establish a reserve fund to provide a source of funding for legislative development charge exemptions and discounts;

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

1. A reserve fund is hereby established entitled the "Development Charges Statutory Exemptions Water Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the costs of development charge exemptions and discounts that are enshrined by provincial legislation and thus mandated to reimburse the City's obligatory City Services (Development Charges) Water reserve fund.
3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 - i. Municipal Council approved rate supported multi-year budget contributions;
 - ii. Municipal Council approved water budget annual surplus contributions, if any; and
 - iii. Other rate or non-rate supported contributions as approved by The City Treasurer, and/or Municipal Council.
4. Before any monies are transferred to the Obligatory City Services Water Reserve Fund(s) from the Fund for the purposes outlined in section 2 of this by-law, the approval of the

City Treasurer or designate shall be given.

5. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.

6. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the Municipal Act, 2001, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the Municipal Act, 2001, S.O. 2001, C.25, as amended.

7. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

8. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – June 4, 2024
Second Reading – June 4, 2024
Third Reading – June 4, 2024

Bill No. _____
2024

By-law No. A.- _____

A by-law to establish the Development Charges
Statutory Exemptions Wastewater Reserve Fund

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*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, 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*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS section 417 of the *Municipal Act, 2001*, as amended, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend money;

AND WHEREAS it is desirable to establish a reserve fund to provide a source of funding for legislative development charge exemptions and discounts;

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

1. A reserve fund is hereby established entitled the "Development Charges Statutory Exemptions Wastewater Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for the costs of development charge exemptions and discounts that are enshrined by provincial legislation and thus mandated to reimburse the City's obligatory City Services (Development Charges) Stormwater and Wastewater reserve funds.
3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 - i. Municipal Council approved rate supported multi-year budget contributions;
 - ii. Municipal Council approved water budget annual surplus contributions, if any; and
 - iii. Other rate or non-rate supported contributions as approved by The City Treasurer, and/or Municipal Council.
4. Before any monies are transferred to the Obligatory City Services Stormwater and Wastewater Reserve Fund(s) from the Fund for the purposes outlined in section 2 of this by-law,

the approval of the City Treasurer or designate shall be given.

5. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.

6. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the Municipal Act, 2001, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the Municipal Act, 2001, S.O. 2001, C.25, as amended.

7. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

8. This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on June 4, 2024.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – June 4, 2024
Second Reading – June 4, 2024
Third Reading – June 4, 2024