

TO:	CORPORATE SERVICES COMMITTEE MEETING OCTOBER 7, 2014
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	RESERVE FUNDS HOUSEKEEPING

RECOMMENDATION

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

1. That the Storybook Gardens Reserve Fund **BE CLOSED** and the remaining projected balance of approximately \$27,000 **BE TRANSFERRED** to the City Facilities Reserve Fund.
2. That the by-law, as attached in Appendix A, to repeal the by-law establishing the Storybook Gardens Reserve Fund **BE APPROVED**.
3. That the Canterbury Estates Reserve Fund **BE CLOSED** and the Civic Administration **BE AUTHORIZED** to utilize the approximately \$906,000 remaining in the Canterbury Estates Reserve Fund as a source of financing for the payment of uncollected water and sewer charges for four properties on Hyde Park Road.
4. That the following by-laws, as attached in Appendix B, **BE APPROVED** to establish new reserve funds or update out-dated reserve fund by-laws:
 - a. Industrial DC Incentive Program Tax Supported Reserve Fund
 - b. Industrial DC Incentive Program Water Reserve Fund
 - c. Industrial DC Incentive Program Wastewater Reserve Fund
 - d. Institutional DC Incentive Program Reserve Fund
 - e. Commercial DC Incentive Program Reserve Fund
 - f. Residential DC Incentive Program Reserve Fund
 - g. Non-Growth Works Arising From Development Agreements Reserve Fund
5. That of the \$1.5M of funds remaining in the capital projects (see Table 1), \$900,000 **BE TRANSFERRED** to the new Non-Growth Works Arising from Development Agreements Reserve Fund.
6. That the by-law, as attached in Appendix B, **BE APPROVED** to establish the Social Services Reserve Fund. It being noted that this by-law will also authorize:
 - i. The closure of the Consolidated Verification Process Reserve Fund and the transfer of the balance of approximately \$2.1M to the Social Services Reserve Fund.
 - ii. That \$1.4M currently residing in the Ontario Works subsidy allowance accounts on the balance sheet **BE TRANSFERRED** to the Social Services Reserve Fund.
7. That the by-law, as attached in Appendix B, **BE APPROVED** to establish the Police Vehicle and Equipment Replacement Reserve Fund. It being noted that this by-law will also authorize both the closure of the London Police Service Vehicle Replacement Fund and the transfer of the balance remaining to the Police Vehicle and Equipment Replacement Reserve Fund.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

2014 Capital Budget Status – Second Quarter Report – (August 26, 2014 meeting of the Corporate Service Committee)

<http://sire.london.ca/cache/2/oarygg552mumasjt2udgwzus/14993709082014035051856.PDF>

Approval of the 2014 Development Charges by-law and DC Background Study - (June 23, 2014 meeting of the Strategic Priorities and Policy Committee)

<http://sire.london.ca/cache/2/5joi3izi1geqfk45cn5k3w55/14351207252014041341700.PDF>

Industrial Lands Community Improvement Plan and official Plan Amendment - (June 3, 2014 meeting of the Planning and Environment Committee)

<http://sire.london.ca/cache/2/5joi3izi1geqfk45cn5k3w55/14075107252014040958622.PDF>

Strategic Change in Delivery of Development Charge Exemptions and incentives Policies - (August 26, 2013 meeting of the Strategic Priorities and Policy Committee)

<http://sire.london.ca/cache/2/5joi3izi1geqfk45cn5k3w55/11142707252014040618663.PDF>

Reserve Fund Housekeeping - (May 28, 2013 meeting of the Corporate Services Committee)

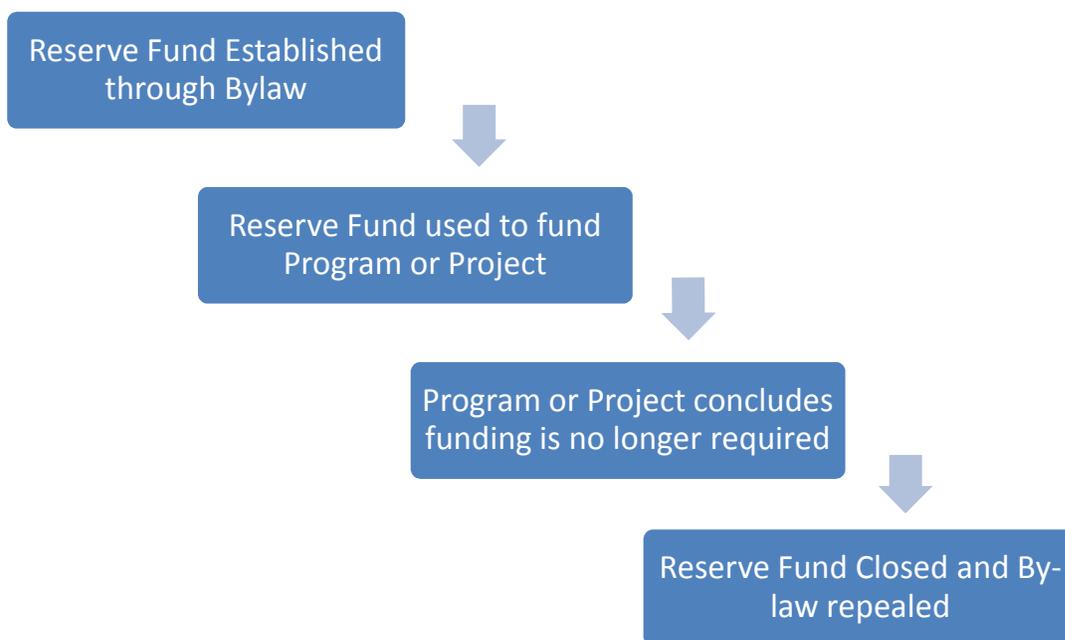
<http://sire.london.ca/cache/2/ki4snh55xagzwliyqthsfq45/9616706042014113421215.PDF>

BACKGROUND

The purpose of this report is to ensure that we have the appropriate reserve funds in place to support the needs of the budget and capital plan. A **reserve fund** is an amount set aside for a specific purpose by authority of a by-law (or as required by legislation) that is carried from year to year unless consumed or formally closed. Cash placed in a reserve fund earns interest.

Reserve funds have a life span that will differ depending on the purpose of funding. When the specific program or project comes to an end, the funding is no longer required. In order to minimize the administrative work of tracking the reserve funds, administration will recommend that some be closed and any balances transferred to another applicable reserve fund. Administration will also be recommending establishing or amending reserve funds for programs or projects that are already currently ongoing.

LIFE CYCLE OF A RESERVE FUND



RESERVE FUNDS RECOMMENDED TO BE CLOSED

As part of the City's ongoing reserve fund review process, certain reserve funds are identified as antiquated and no longer required. Any money remaining in these reserve funds should be moved to a reserve fund of similar use or applied to a capital project on a go forward basis consistent with the principles that have been established. Winding down old reserve funds allows for easier administration of reserve funds resulting in increased efficiency of resources.

Storybook Gardens Reserve Fund

This reserve fund was established to set aside funds designated for major capital expenditures at Storybook Gardens. Going forward, these capital projects will be funded through the City Facilities Reserve Fund and therefore the Storybook Gardens Reserve fund is no longer required. The last committed payments to be made out of this reserve fund will be made in 2014. The remaining balance after commitments is approximately \$27,000.

This report recommends that the remaining funds in the Storybook Gardens Reserve Fund be transferred to the City Facilities Reserve Fund and that the Storybook Gardens Reserve Fund be closed, noting that the capital plan for Storybook Gardens is now funded out of the City Facilities Reserve Fund. This report recommends approving a by-law to repeal the by-law that established the Storybook Gardens Reserve Fund (see **Appendix A**).

Cantebury Estates Reserve Fund

This fund was established in 1993 when the City annexed parts of the Township of London. The township included Cantebury Estates (Randa Investments). As part of the servicing agreement for this subdivision, the City assessed under the Cantebury Estates Sewer and Water Works Rate by-law (WM-10), the costs of local sewers and provision for “downstream works”. The sewer rate charges were added to the tax bills of the benefiting properties at the time. Under the same by-law the City established The Cantebury Estates Reserve Fund to retain the “downstream works” portion of the funds being recovered under the rating by-law.

A substantial portion of the accumulated reserve fund is a result of the charges on these 4 commercial properties on Hyde Park Rd. Since the sewer rate by-law was passed, the fund has accumulated interest, and no charges for downstream works to draw down the reserve funds were ever identified. The properties in question will be paying the going development charges (DC) rate for all development on these lands, so the City’s growth costs will be recovered at that time.

These properties have been vested in the name of the City due to outstanding taxes. Therefore this report recommends that the remaining funds in the Cantebury Estates Reserve Fund be transferred to cover the uncollected water and sewer charges. This report also recommends that the Cantebury Estates Reserve Fund be closed however, because the reserve fund was established through the rating by-law, no repeal is recommended.

Consolidated Verification Process Reserve Fund

In 2005, City Council approved the establishment of the Consolidated Verification Process (CVP) Reserve fund. The CVP Reserve Fund was established to maintain incentive funding received from the Ministry of Community and Social Services earned through the completion of provincially mandated CVP reviews that met the annual target set by the Province. Incentive funding under this program ended in 2009 and the terminology of CVP is no longer utilized.

This report recommends that the remaining funds in the CVP Reserve Fund be transferred to the Social Services Reserve Fund and that the CVP Reserve Fund be closed.

NEW RESERVE FUNDS RECOMMENDED TO BE ESTABLISHED

New by-laws (see **Appendix B**) are being recommended to establish the following reserve funds. The need for the “Industrial” reserve funds has already been presented through previous reports (Industrial Community Improvement Plan) however bylaws are outstanding for the establishment of reserve funds. The need for the other reserve funds was established in the 2014 Development Charges By-law.

DC Incentive Programs Reserve Funds

- **Industrial DC Incentive Program Tax Supported Reserve Fund**
- **Industrial DC Incentive Program Water Reserve Fund**
- **Industrial DC Incentive Program Wastewater Reserve Fund**

- **Institutional DC Incentive Program Reserve Fund**
- **Commercial DC Incentive Program Reserve Fund**
- **Residential DC Incentive Program Reserve Fund**

The industrial and institutional reserve funds listed above are being established to support development charge exemptions and discounts under the recently approved Development Charges By-law (By-law C.P.-1495-244) and DC grants contained in various Community Improvement Plans (CIPs). Currently when an industrial or institutional building permit is issued and the developer receives a DC exemption, no transfer is made to the City Services Reserve Fund (CSRF) for the exempted DCs. When an infrastructure project related to the industrial or institutional development is constructed, the growth share of the project is paid for through capital budget contributions (capital projects) rather than the DC funds in the City Services Reserve Fund. The capital budget approach has historically been the City's means of financing its industrial and institutional exemptions.

These newly established reserve funds will be funded annually with the funding previously committed to capital projects and will pay the exempted development charges into the City Services Reserve Fund at the time a building permit is issued. With this new structure, the industrial or institutional growth share of all infrastructure projects related to industrial development going forward will be paid from the City Services Reserve Fund. This is a "building permit-based" approach and it is consistent with the approach used currently for the Downtown and Old East Village residential DC exemptions.

The approved 2014 Development Charges By-law contains a DC rate phase-in for commercial buildings over the next 5 years. Building proponents will pay a reduced DC rate from the calculated DC rate, with the shortfall being funded from taxpayer sources. As a result, the Commercial DC Incentive Program Reserve Fund is being established to provide a funding vehicle for the commercial DC rate phase-in.

Finally, a Downtown/Old East Village Areas Reserve Fund was created as part of the DC by-law established in 1999. In order to conform to current procedures for reserve funds as well as to make the name of the reserve fund more descriptive of its intent going forward, this report recommends establishing a Residential DC Incentive Program Reserve Fund which will replace the Downtown/Old East Village Areas Reserve Fund.

There will be minimal impact to funding for these incentives. This is simply a shift in the way the DC grant and exemption programs are funded. This report recommends approving by-laws to establish 6 new reserve funds that will fund the City Services Reserve Fund for DC Incentive Programs.

Council has previously provided authority to the City Treasurer to establish reserve funds to support DC financial incentives through section 26 of the Development Charges By-law C.P.-1495-244. The by-laws included in Appendix B of this report provide greater clarification from that general authority and formally establish reserve funds to support the CIP Industrial DC grants as approved through the adoption of the Industrial Lands Community Improvement Plan.

DC Financial Incentives Highlights as contained in DC By-law

i. Financial Plan

- Anticipated growth and projected costs associated with DC grants/exemptions
 - Industrial (CIP and exemption)
 - Institutional (50% CSRF and statutory)
 - Commercial (DC rate phase-in)
 - Residential (currently Downtown/Old East Village Areas)
- Operating budget contributions required to fund the grants/exemptions
- Transfer of "seed money" from capital budget contribution formerly used to fund industrial growth share of DC eligible works
- Monitoring to update forecasted growth, anticipated expenditures and future drawdowns

ii. Guidelines for Drawdowns

- Funding transferred to CSRF in order to make the DC funds whole
- Timing on the transfers better aligned

Non-Growth Works Arising From Development Agreements Reserve Fund

This reserve fund is being established to cover costs for uncompleted works projects in an existing area that are triggered by growth projects in the vicinity. These projects are currently funded through capital accounts. These accounts are managed by the Engineering division and are used to complete works that were not fundable from DC's but are required due to growth projects in the vicinity. As an example, there is a need to complete a sidewalk in an existing area of the City to connect to sidewalks in a new subdivision. The developer would be asked to put in all the sidewalks mentioned above and the funds for the non-growth portion would come from this reserve fund.

Due to the unpredictable timing of these works, the funds would be more appropriately directed to a reserve fund rather than the capital budget where they remain unspent for periods of time. Once again, this recommendation will have minimal impact on funding, simply a shift in the way these non-growth expenditures are funded. Table 1 illustrates the capital projects with unspent funds at present.

Table 1 – Capital Projects for Uncompleted Development Work

Job Number	Description	Unspent Capital Budget
TS7081	2009 CLAIMS FOR UNCOMPL WORKS	\$ 300,000
TS7082	2010 CLAIMS FOR UNCOMPL WORKS	\$ 400,000
TS7082-11	2011 WORKS UNDERTAKEN BY DEVELOPERS ON BEHALF OF THE CITY	\$ 393,286
TS7082-13	2013 WORKS UNDERTAKEN BY DEVELOPERS ON BEHALF OF THE CITY	\$ 300,000
TS7082-14	2014 WORKS UNDERTAKEN BY DEVELOPERS ON BEHALF OF THE CITY	\$ 100,000
Total		\$ 1,493,286

The Director of Development Finance has suggested that \$900,000 of the remaining balance in the capital accounts should be sufficient to fund works required from existing and future subdivision agreements and has therefore recommended that \$900,000 of the funds be transferred to the new Non-Growth Works Arising From Development Agreements Reserve Fund and the remaining \$593,286 be transferred to capital receipts. A recommendation to close the accounts was already approved through the 2014 Capital Budget Status – Second Quarter Report. This report recommends approving a by-law to establish the Non-Growth Works Arising from Development Agreements Reserve Fund and transferring \$900,000 to the new Reserve Fund.

Social Services Reserve Fund

The Social Services Reserve Fund is being set up to replace the Consolidated Verification Process (CVP) reserve fund. The name Social Services Reserve Fund reflects the revised organizational structure and more accurately reflects the planned use of the remaining funds in the future. This reserve fund will support local priorities that address unmet human services needs in London through initiatives that support employment, homelessness, social services improvements and that supplement outcomes mandated under the Ontario Works program. There is approximately \$2.1M in the CVP Reserve Fund as well as \$1.4M currently residing on the balance sheet that could be moved to the Social Services Reserve Fund. The \$1.4M represents an allowance made in previous years for Ontario Works subsidy. This amount was contingent upon final review by the Ministry. The contingency is now outside the seven year settlement and recovery period as set out in section 7 of the Service Contract, making these funds available for use. This report recommends approving the by-law to establish the Social Services Reserve Fund and:

- i. Repealing the CVP Reserve Fund
- ii. Transferring the \$2.1M from the CVP Reserve fund to the Social Services Reserve Fund
- iii. Transferring the \$1.4M on the balance sheet to the Social Services Reserve Fund

Police Vehicle and Equipment Replacement Reserve Fund

In order to broaden the scope of the Police Services Vehicle Replacement Reserve Fund to include Equipment this report recommends approving the by-law to establish the Police Vehicle “and Equipment” Replacement Fund and to repeal the London Police Services Vehicle Replacement Reserve Fund.

CONCLUSION

Reserve funds have a life span that will differ depending on the purpose of funding. Reserve funds are reviewed annually. As a housekeeping measure the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer is recommending closing four reserve funds and establishing nine new reserve funds as outlined above.

PREPARED BY:	REVIEWED BY:
Tanya Landry, Financial Planning & Policy	Alan Dunbar, Manager of Financial Planning & Policy
CONCURRED BY:	RECOMMENDED BY:
Larry Palarchio, Director of Financial Planning & Policy	Martin Hayward, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

APPENDIX A

Bill No.
2014

By-law No.

A by-law to repeal the Storybook Gardens 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 the Municipal Council deems it no longer necessary to maintain the "Storybook Gardens Reserve Fund as future projects will be funded out of the City Facilities Reserve Fund.

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

1. By-law No. A.-5636-96 entitled "A by-law to establish the Storybook Gardens Reserve Fund" passed by Council on March 22, 1999 is hereby repealed.
2. The monies standing in the Storybook Gardens Reserve Fund be transferred to the City Facilities Reserve Fund.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

APPENDIX B

Bill No.
2014

By-law No.

A by-law to establish the Industrial DC Incentive
Program Tax-Supported Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 the City Services Reserve Fund for development charge incentives;

AND WHEREAS the Municipal Council considers the incentives for development charges necessary and desirable for economic development;

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

1. A reserve fund is hereby established to be known as the Industrial DC Incentive Program Tax-Supported Reserve Fund (hereinafter called the "Fund").
2. 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 development charges incurred so that these development projects, when started at a later date, can be funded through the City Services Reserve Fund.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Industrial DC Incentive
Program Water Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 the City Services Reserve Fund for development charge incentives;

AND WHEREAS the Municipal Council considers the incentives for development charges necessary and desirable for economic development;

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

1. A reserve fund is hereby established to be known as the Industrial DC Incentive Program 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 (the "Corporation") to fund the City Services Reserve Fund with amounts equal to development charges incurred so that these development projects, when started at a later date, can be funded through the City Services Reserve Fund.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Industrial DC Incentive
Program Wastewater Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 the City Services Reserve Fund for development charge incentives;

AND WHEREAS the Municipal Council considers the incentives for development charges necessary and desirable for economic development;

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

1. A reserve fund is hereby established to be known as the Industrial DC Incentive Program 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 (the "Corporation") to fund the City Services Reserve Fund with amounts equal to development charges incurred so that these development projects, when started at a later date, can be funded through the City Services Reserve Fund.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Institutional DC Incentive
Program Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 the City Services Reserve Fund for development charge incentives;

AND WHEREAS the Municipal Council considers incentives for development charges necessary and desirable for economic development;

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

1. A reserve fund is hereby established to be known as the Institutional DC Incentive Program Reserve Fund (hereinafter called the "Fund").
2. 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 exempted development charges so that these development projects, when started at a later date, can be funded through the City Services Reserve Fund.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Commercial DC Incentive Program Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 the City Services Reserve Fund for development charge incentives;

AND WHEREAS the Municipal Council considers incentives for development charges necessary and desirable for economic development;

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

1. A reserve fund is hereby established to be known as the Commercial DC Incentive Program Reserve Fund (hereinafter called the "Fund").
2. 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 development charges incurred so that these development projects, when started at a later date, can be funded through the City Services Reserve Fund.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Residential DC Incentive
Program Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 the City Services Reserve Fund for development charge incentives;

AND WHEREAS the Municipal Council considers incentives for development charges necessary and desirable for economic development;

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

1. A reserve fund is hereby established to be known as the Residential DC Incentive Program Reserve Fund (hereinafter called the "Fund").
2. 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 development charges incented so that these development projects, when started at a later date, can be funded through the City Services Reserve Fund.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Non-Growth Works
Arising from Development Agreements Reserve
Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 uncompleted works projects in an existing area triggered by growth;

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

1. A reserve fund is hereby established to be known as the Non-Growth Works Arising from Development Agreements Reserve Fund (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London (the "Corporation") to reimburse developers for the non-growth portion of uncompleted works projects.
3. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
4. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

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

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Social Services Reserve Fund and repeal the Consolidated Verification Process Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 repeal and replace the Consolidated Verification Process Reserve Fund with a new Reserve Fund to provide a source of funding for local priorities that address unmet human services needs in London;

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

3. A reserve fund is hereby established to be known as the Social Services Reserve Fund (hereinafter called the "Fund").
4. The monies standing in the Fund shall be used by The Corporation of the City of London (the "Corporation") for local priorities that address unmet human services needs in London through initiatives that support employment, homelessness, social services improvements and that supplement outcomes mandated under the Ontario Works program.
5. Before any monies are expended from the fund for the purposes outlined in section 2 of this by-law, the approval of the Municipal Council shall be given to the allocation of such monies from the Fund in any given year.
4. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund in accordance with Municipal Council direction.
6. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.

7. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the 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.-5955-26 entitled "A by-law to establish and maintain a Consolidated Verification Process Reserve Fund" passed by Council on December 19, 2005 is hereby repealed.
9. The monies standing in the Consolidated Verification Process Reserve Fund be transferred to the Fund.
10. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014

Bill No.
2014

By-law No.

A by-law to establish the Police Vehicle and Equipment Replacement Reserve Fund and to repeal the London Police Services Vehicle Replacement Reserve Fund

WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, 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*, 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 section 39(3) of the Police Services Act, R.S.O. 1990, c. P. 15, as amended, provides that the Municipal Council of The Corporation of the City of London shall establish an overall budget for the London Police Services Board for the purposes described in subsections (1) a) and (b) of section 39, including for the purpose of maintaining the London Police Force;

AND WHEREAS The London Police Force is maintained, in part, by the spending of money on vehicles for use by it;

AND WHEREAS the Municipal Council of the Corporation of the City of London considers the establishment of a Police Vehicle and Equipment Replacement Reserve Fund necessary and desirable for the public;

AND WHEREAS it is desirable to repeal and replace the London Police Service Vehicle Replacement Reserve Fund with a new Reserve Fund to provide a source of funding for both Vehicle and Equipment Replacement;

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

1. A reserve fund is hereby established to be known as the Police Vehicle and Equipment Replacement Reserve Fund (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London (the "Corporation") for purpose of purchasing and replacing vehicles and equipment for use by the London Police Force.
3. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer shall deposit into the Fund all funds allocated by the Council for the replacement of vehicles and equipment used by the London Police Force and all funds received by the London Police Services Board from the sale or disposition of vehicles used by the London Police Force.

4. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
5. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or written designate is authorized to allocate funds from the Fund.
6. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the *Municipal Act, 2001*, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
7. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the 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.-6391-237 entitled "A by-law to establish the London Police Service Vehicle Replacement Reserve Fund passed by Council on July 27, 2009 is hereby repealed.
9. The monies standing in the London Police Service Vehicle Replacement Reserve Fund be transferred to the Fund.
10. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 14, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - October 14, 2014
Second Reading - October 14, 2014
Third Reading - October 14, 2014