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APPENDIX "A"

Bill No.

By-law No. A.-xxxxx

A by-law to establish an Assessment Growth Policy.

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

AND WHEREAS the Municipal Council wishes to implement a policy with respect to the allocation of assessment growth funds;

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

1. The attached Municipal Council Policy entitled "Assessment Growth Policy", appended hereto as Schedule "A", is hereby approved and adopted.
2. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on March 10, 2016.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – March 10, 2016
Second reading – March 10, 2016
Third reading – March 10, 2016

SCHEDULE "A"**x(xx) Assessment Growth Policy****1.0 POLICY STATEMENT AND PURPOSE**

The purpose of this policy is to establish a priority framework for the allocation of assessment growth funds.

2.0 SCOPE

This policy applies to the property tax supported budget.

3.0 PRINCIPLES

- a) Civic service areas, boards and commissions that incur costs to provide existing core services to new growth areas are required to submit business cases to the Managing Director, Corporate Services & City Treasurer, Chief Financial Officer or designate.
- b) The first available assessment growth funds are applied to business cases approved by the Managing Director, Corporate Services & City Treasurer, Chief Financial Officer or designate.
- c) If business cases submitted by civic service areas, boards and commissions exceed available assessment growth funding then:
 - I. Approved business cases will be allocated funding according to the following priority order, it being noted that funding allocations to service areas for costs due to a growing and expanding City may be either one-time or permanent in nature:
 - i. Flow through costs for business cases funded through assessment growth in the prior year;
 - ii. Services that are aligned with those supported through Development Charges; and,
 - iii. Business cases will be evaluated as to whether the service and/or funding could be deferred to next year and whether significant service disruptions would occur if the service did not receive the current year growth funding.
 - II. Unfunded business cases will be resubmitted for consideration in the following year.
- d) If assessment growth funding exceeds the accumulated growth costs of civic service areas, boards and commissions in any one budget year, the balance available will be applied in that year as follows:
 - I. 50% to reducing authorized debt on a one-time basis; and,
 - II. 50% to the Capital Infrastructure Gap Reserve Fund on a one-time basis to mitigate growth in the infrastructure gap.
- e) Excess assessment growth funding not allocated permanently, will be carried forward to the following year as a permanent source for future growth costs.

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4.0 BUDGETING FOR ASSESSMENT GROWTH

- a) For forecast purposes, assessment growth will be assumed to be fully allocated to growth costs. Assessment growth and its allocation will be reported annually after the assessment roll is finalized.

5.0 POLICY REVIEW

This policy shall be presented to Council for review every four years, in the first year of each elected Council.