

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 26, 2017</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>2017 OPERATING BUDGET MID-YEAR MONITORING REPORT – PROPERTY TAX, WATER, WASTEWATER &amp; TREATMENT BUDGETS</b>

<b>RECOMMENDATIONS</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to 2017 mid-year monitoring:

- a) The 2017 Operating Budget Mid-Year Monitoring Report for the Property Tax Supported Budget (refer to **Appendix A**), Water, and Wastewater & Treatment Budgets **BE RECEIVED** for information. An overview of the net corporate projections are outlined below:
  - i) Property Tax Supported Budget surplus of \$4.2 million as identified by Civic Administration, Boards and Commissions. The year-end position could fluctuate significantly based on factors beyond the control of Civic Administration such as fuel prices and winter maintenance conditions. The projected year-end position includes the contributions to Reserve Funds listed in items b) through d).
  - ii) Water Rate Supported Budget surplus of \$0.6 million.
  - iii) Wastewater & Treatment Rate Supported Budget surplus of \$2.0 million.
- b) Civic Administration **BE AUTHORIZED** to contribute the Housing Development Corporation's year-end operational surplus, if any, to the Housing Development Corporation Reserve Fund which will be used to support housing initiatives and future work with the Housing Development Corporation.
- c) Civic Administration **BE AUTHORIZED** to transfer Ontario Works provincial program funding in the amount of \$848,332 residing on the City's Balance Sheet to the Social Services Reserve Fund to be used for local priorities that support employment, homelessness, social services improvements and the Ontario Works program.
- d) Civic Administration **BE AUTHORIZED** to contribute Information Technology Services year-end operational surplus, if any, to the Technology Services Reserve Fund to be used to support investments in corporate systems.
- e) Civic Administration **BE AUTHORIZED** to contribute to or drawdown from the Water Capital Reserve Fund to balance year-end operations of the Water Budget should the budget be in a surplus/deficit position.
- f) Civic Administration **BE AUTHORIZED** to contribute to or drawdown from the Wastewater Rate Stabilization Reserve to balance year-end operations of the Wastewater & Treatment Budget should the budget be in a surplus/deficit position.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Strategic Priorities and Policy Committee, meeting on December 7, 2015, agenda item 3, Surplus/Deficit Policy

<http://sire.london.ca/mtgviewer.aspx?meetid=1066&doctype=AGENDA>

**BACKGROUND**

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

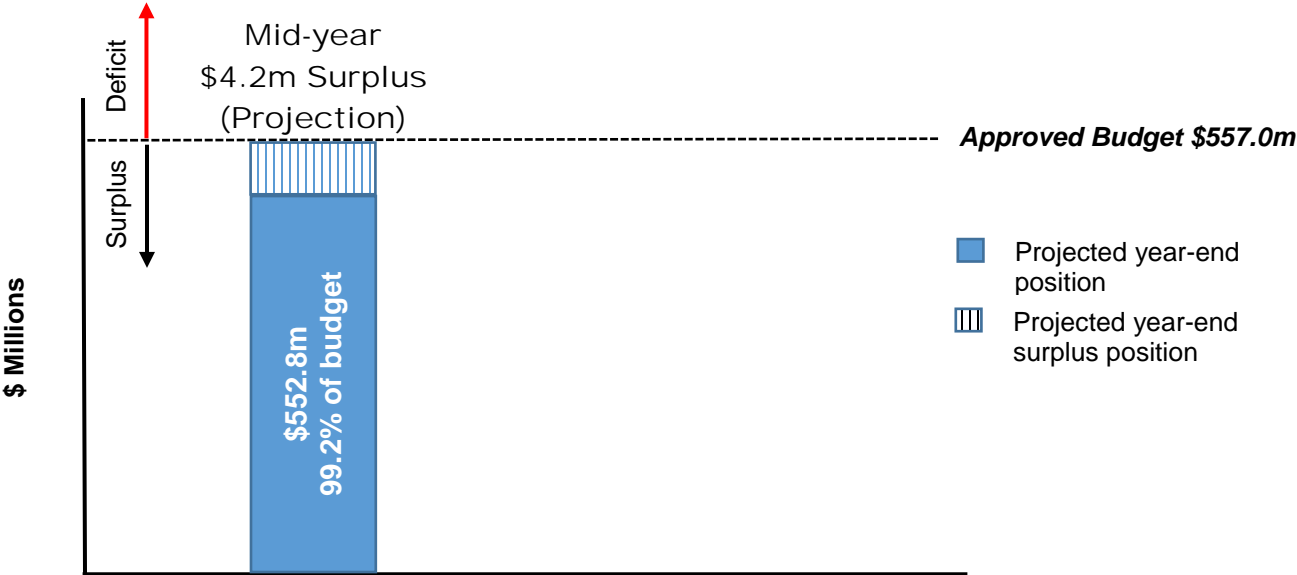
Based on this evaluation, each year Civic Administration will submit two monitoring reports to Council, the Operating Budget Mid-Year Monitoring Report and Operating Budget Year-End Monitoring Report. In addition to these two reporting cycles, once per year the multi-year budget is updated through the Annual Budget Update (refer to **Appendix D** for the budget cycle). The monitoring reports and annual budget updates inform Council and the community of the City’s progress towards achieving the approved multi-year budget targets. Information included within the monitoring reports will include sections that address budget monitoring by service grouping, progress update on 2016-2019 strategic investments, and emerging issues.

***PROPERTY TAX SUPPORTED BUDGET***

**2017 PROPERTY TAX SUPPORTED OPERATING BUDGET MONITORING**

The 2017 Property Tax Supported Net Budget was approved at \$557.0 million. The projected 2017 year-end surplus is \$4.2 million. Figure 1 below provides a graphical view of the projected surplus position at year-end.

**Figure 1 – Comparison of 2017 Budget and Projected Actuals**



Outlined in Table 1 are some of the key items that are contributing to the projected year-end surplus of \$4.2 million. A year-end surplus of \$4.2 million represents approximately 0.8% of the 2017 Property Tax Supported Net Budget. For a breakdown of the surplus/deficit by service program refer to **Appendix B**.

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

Contributing Factor	Mid-Year Surplus/ (Deficit)
Net personnel savings resulting primarily from vacancies stemming from both staff turnover and the gap between approval of new positions and filling new positions across all service areas.	\$3.4m
Fuel cost savings primarily due to continued low pricing for all fuel types and from biodiesel being unavailable early in the year. <sup>1</sup>	\$1.3m
Energy and utility savings a result of lower local distribution charges, commodity pricing and less usage because of the mild winter season.	\$0.8m
Budgeted drawdown from Operating Budget Contingency Reserve (OBCR) not required partially offset by surplus in fee based revenues.	\$(1.3)m
<b>Total Projected Year-End Position</b>	<b>\$4.2m</b>

<sup>1</sup> Fuel cost savings are subject to changes in the economic environment. Projections are as of June 30, 2017, and therefore do not account for current fuel price changes.

**Surplus/Deficit Policy**

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

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

As noted above, the projected surplus of \$4.2 million, if realized, will be allocated as per the Council approved Surplus/Deficit Policy as follows:

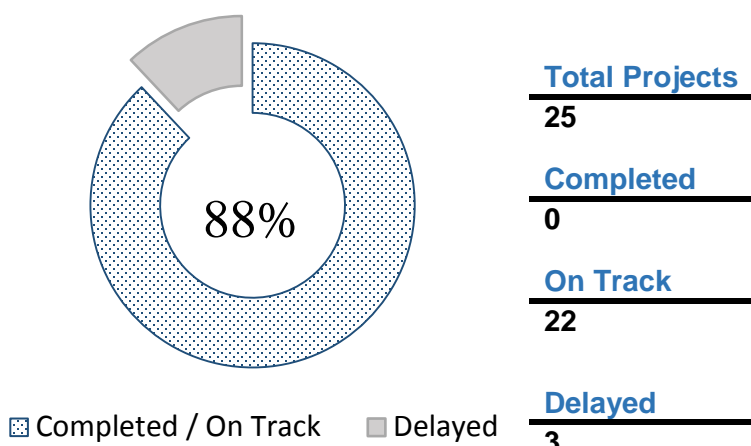
- a) \$2.1 million to reduce authorized debt;
- b) \$1.05 million to the Community Investment Reserve Fund, and;
- c) \$1.05 million to the Capital Infrastructure Gap Reserve Fund.

**2016-2019 STRATEGIC INVESTMENT PROGRESS UPDATE**

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

**Figure 2 – Current Status of Strategic Investments**

**% Completed Or On Track**



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

1. The Thames Valley Corridor Plan, Business Case #4, Thames Valley Parkway North Branch had been delayed pending the results of an Environmental Assessment bump request, (request for escalation of the environmental assessment). This has now been resolved and the design phase is underway. Based on the completed EA, Environmental Impact Study and regulatory agency expectations, the total estimated cost of this project is \$5.9 million, leaving a shortfall of \$3.6 million for the project. Senior government funding is currently being pursued to close the funding gap.
2. The Computerized Maintenance Management System, Business Case #12, is delayed as a result of identifying complexities in the project beyond the expectations of the consultant. The consultant has requested an extension to complete the Discovery phase in order to properly address the complexities. The Phase 1 proposal is expected to go forward to Council in October 2017.
3. The London Community Foundation’s “Back to the River Project”, Business Case #18, has been delayed because the One River Master Plan must be completed first before work starts on this project. It is expected that the Master Plan will be completed by the end of 2018.

To review progress towards implementing all of the strategies outlined in Council’s 2015-19 Strategic Plan for the City of London, please refer to the latest Semi-Annual Progress Report, released in May 2017 available at <https://www.london.ca/city-hall/Civic-Administration/City-Management/Pages/Strategic-Planning.aspx>.

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

Strategic Area of Focus	2016 - 2019 Total Budget	2016 - 2017 Budget	Life to date actuals as of June 30, 2017	% Spent of 2016 - 2017 Budget	% Spent of 2016 - 2019 Total Budget
Building a Sustainable City	14,340	7,020	3,096	44%	22%
Leading in Public Service	7,297	3,466	1,255	36%	17%
Strengthening Our Community	8,529	4,102	1,299	32%	15%
Growing Our Economy	17,604	3,160	1,963	62%	11%
<b>Total</b>	<b>47,770</b>	<b>17,748</b>	<b>7,613</b>	<b>43%</b>	<b>16%</b>

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

- A large portion of the strategic investment budget will be expended in 2018 and 2019;
- A large portion of the 2017 spending for strategic investments that are on track will likely occur in the latter part of 2017; and
- If the delayed projects remained on track, there would potentially be approximately \$2.4 million, or 13% of the 2016 – 2017 budget, in additional spending.

A summary of the life-to-date expenditures to Dec. 31, 2017 will be provided in the 2017 year-end monitoring report. For a more detailed update regarding each strategic investment refer to **Appendix C**.

## 2018-2019 EMERGING ISSUES – PROPERTY TAX SUPPORTED BUDGET

Several services have identified potential service delivery pressures that may impact expenditures/revenues in 2018-2019 (Table 3). The table describes some of the more significant issues and the measures taken to mitigate or address these issues. The table does not include all of the potential service delivery pressures. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below.

The likelihood of the issue impacting the Multi-year Budget, high, medium or low, is also presented. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2018-2019 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2018-2019 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2018-2019 period is predicted to be less than 30%

**Table 3 – Summary of Potential Future Budget Impacts**

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2018-2019 Budget
<b>LEGISLATIVE</b>	
<p>1. The proposed legislation to increase the minimum wage to \$14.00/hour on Jan. 1, 2018 and to \$15.00/hour on Jan. 1, 2019, in addition to a number of other proposed labour law changes, is anticipated to have a significant financial impact on the Corporation, and particularly Neighbourhood &amp; Recreation Services.</p> <p><b>What we are doing to mitigate/address the issue:</b> A budget amendment will be included in the 2018 Annual Budget Update to address the financial implications of the proposed legislation.</p>	High
<p>2. Garbage, Recycling &amp; Composting – The Waste Free Ontario Act (Bill 151) including the Waste Diversion Transition Act, the recently passed legislation, the subsequent regulations developed under these acts and the Proposed Strategy for a Waste Free Ontario has the potential to significantly impact funding for Stewardship Programs possibly as early as 2019. This would be new revenue for the City.</p> <p><b>What we are doing to mitigate/address the issue:</b> Staff members sit on and/or participate in a number of Municipal and/or combined private sector and municipal working groups such as Regional Public Works Commissioners of Ontario and Ontario Waste Management Association which are actively engaged with the Province on this issue. Staff members prepare and submit recommendations for Council approval and submission for items that are posted on the Environmental Registry for public comment that relate to this issue.</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2018-2019 Budget
<p>3. Utility Costs – Increases are eclipsing the inflation rate plus the new Cap and Trade legislation is placing further pressure on utility budgets.</p> <p><b>What we are doing to mitigate/address the issue:</b> Civic Administration is constantly monitoring utility usage in real time and through exception parameters to mitigate inefficiencies. Based on existing utility budgets, a portion of rate increases may be absorbed within the overall utility budget.</p>	High
<p>4. Police Services – The province may be introducing a new grant program in 2018 (deferred from 2017) to replace the Community Policing Partnerships, Safer Communities One Thousand Officer Program and the Provincial Anti-Violence Intervention Strategy Grants. Final criteria to qualify for the new program is under development and it is unknown whether current funding levels (approximately \$2.5m per year) will be maintained under the new configuration.</p> <p><b>What we are doing to mitigate/address the issue:</b> The London Police Services will be submitting an application under the new funding model to replace current funding.</p>	Medium
<b>MUNICIPAL COUNCIL DIRECTED</b>	
<p>5. Social &amp; Community Support Services – Subsidized Transit - As directed by Council, a subsidized transit program for low income Londoners will be implemented starting January 1, 2018. A report outlining the new program is expected to be presented to Committee and Council in October 2017. Participation rates will drive the financial impact of this initiative. During the first two years while the program is being developed it is expected that participation rates will not exceed 20% which could result in an additional budget requirement of \$1.7m/year (based on 20% participation, the gross cost would total \$2.1m, offset by the existing budget of \$440k for the seniors' subsidized transit program which is being redirected to the low income program).</p> <p><b>What we are doing to mitigate/address the issue:</b> It will be proposed that the cost of rolling out the new program in 2018 be covered through a one-time funding source in order to obtain some history/experience with the uptake of the program in 2018. A budget amendment will be brought forward as part of the 2019 Annual Budget Update to secure a permanent funding source for this program.</p>	High
<p>6. Council Services – In May 2017 Council approved the implementation of a ranked ballot process for the 2018 Municipal Election. This will have implications on the 2018 Municipal Elections budget</p> <p><b>What we are doing to mitigate/address the issue:</b> A review of the 2018 Municipal Elections budget will be undertaken. There is an opportunity to realign some funds as the City is not proceeding with internet voting at this time. The Municipal Elections budget is funded through the Municipal Election Reserve and any net increase in expenditures due to ranked ballots will be accommodated through an increased draw from the reserve, subject to adequate reserve balances.</p>	High
<p>7. Social &amp; Community Support Services – Increased focus on poverty initiatives at the local and provincial levels could potentially impact this service. In particular, new provincial direction arising from the Province's Income Security Reform Work Group and the results of the Basic Income Pilot could have an impact.</p> <p><b>What we are doing to mitigate/address the issue:</b> Staff are participating in Provincial meetings and working groups to understand potential new directions and impacts. Civic Administration will pursue enhanced subsidy from the Province for these initiatives where possible to help mitigate City budget impacts.</p>	High
<p>8. Parks &amp; Urban Forestry – Due to the implementation of the new tree protection by-law in 2016, additional resources will be required starting in 2018 to support enforcement of the new by-law.</p> <p><b>What we are doing to mitigate/address the issue:</b> Civic Administration is currently assessing options to address these resource challenges.</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2018-2019 Budget
<p>9. Parks &amp; Urban Forestry – The London Invasive Plant Management Strategy is expected to be presented to the Planning &amp; Environment Committee for endorsement in September 2017. As part of this strategy, an increase in funding is recommended to address the current funding gap in invasive plant management.</p> <p><b>What we are doing to mitigate/address the issue:</b> A Budget Amendment is being considered as part of the 2018 Annual Budget Update to address these resource challenges.</p>	High
<p>10. Arts, Culture &amp; Heritage Advisory &amp; Funding – In May 2017 The London Music Industry Initiative Pilot Report was received by Council. As a result, the Civic Administration was directed to bring forward a budget amendment for the continuation of the London Music Industry Development Officer position on a permanent basis during the 2018 Annual Budget Update.</p> <p><b>What we are doing to mitigate/address the issue:</b> Civic Administration is currently assessing options to address this initiative.</p>	Medium
<b>COST DRIVER</b>	
<p>11. LMHC – As outlined in LMHC's presentation to the Strategic Priorities and Policy Committee on May 15, 2017, LMHC's assets are currently in good condition, but the asset base is aging and LMHC will face significant future challenges associated with maintaining the asset portfolio to acceptable level based on current funding levels.</p> <p><b>What we are doing to mitigate/address the issue:</b> A budget amendment will be included in the 2018 Annual Budget Update to address the short term needs of LMHC. The long term needs will be brought forward for funding consideration during the next multi-year budget.</p>	High
<p>12. Upper Thames River Conservation Authority (UTRCA) – In June 2016, the UTRCA Board of Directors approved a new 20 year Strategic Plan addressing environmental targets to be phased in over four years. The 2017 funding request of \$179k was approved on a permanent basis with the funding source being assessment growth. The potential additional cumulative budget request over the remaining years of the multi-year budget (2018-2019) may be up to \$591k.</p> <p><b>What we are doing to mitigate/address the issue:</b> A budget amendment will be included as part of the 2018 Annual Budget Update to address additional funding required for Year 2 &amp; 3 of UTRCA's Environmental Targets Strategic Plan.</p>	High
<p>13. Planning Services – The London Plan has now been approved by both Municipal Council and the Province. However, following this approval, 42 appeals have been lodged against the Plan; many of which are broad in scope. It is expected that these hearings will span over the next two years. As a result, more work is required than was anticipated to prepare for and provide expert testimony at these hearings, which will have an impact on Planning resources.</p> <p><b>What we are doing to mitigate/address the issue:</b> Civic Administration is exploring cost-effective options to deal with the hearings and the related preparation and provision of expert planning testimony at these hearings. Further information with respect to managing the resources required to support the hearings will be forthcoming in a separate report.</p>	High
<p>14. Planning Services – The construction of Dundas Place has been accelerated by securing funding through the Public Transit Infrastructure Fund (PTIF). It is expected that portions of Dundas Place will be constructed by late 2018. It will be necessary to establish the Dundas Place Management Office in order to plan and implement programming, maintenance and security of Dundas Place.</p> <p><b>What we are doing to mitigate/address the issue:</b> Civic Administration is currently assessing options to address the funding to support the Dundas Place Management Office.</p>	High
<p>15. Corporate Financing – Increased costs due to settlement of appeals to the Assessment Review Board of Municipal Property Assessment Corporation (MPAC) valuations for multiple years for properties in the commercial, industrial and multi-residential sectors.</p> <p><b>What we are doing to mitigate/address the issue:</b> Additional revenues from supplementary taxes could potentially be a source of funding.</p>	High

**WATER AND WASTEWATER & TREATMENT  
RATE SUPPORTED BUDGETS**

**2017 WATER  
RATE SUPPORTED OPERATING BUDGET MONITORING**

The 2017 projected year-end surplus for the Water Rate Supported Budget is \$0.6 million (Table 4).

Revenues are projected to surplus \$114K by year-end. Driving the revenue surplus are favourable trends in growth related application fees and infrastructure charges.

Operating expenditures are projected to surplus \$478K by year-end. Projected surpluses are expected in electricity primarily due to a pumping station not being brought on-line as well as a surplus in personnel spending as a result of vacancies throughout the year.

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

Water Budget	2017 Revised Budget	Actuals as at June 30, 2017	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	75,780	31,758	41.9%	75,894	114
Expenditures	75,780	44,210	58.3%	75,302	478
Net Balance Surplus/(Deficit)	-	(12,452)	N/A	592	592

**2017 WASTEWATER & TREATMENT  
RATE SUPPORTED OPERATING BUDGET MONITORING**

The 2017 projected year-end surplus for the Wastewater & Treatment Rate Supported Budget is \$2.0 million (Table 5).

Revenues are projected to surplus \$1.8 million. Driving the revenue surplus is High Strength Waste Surcharges, which are primarily a result of existing customers producing higher volumes of wastewater that meet the criteria for high strength waste charges.

Operating expenditures are projected to surplus \$212K by year-end. This is primarily due to a surplus in personnel spending as a result of vacancies throughout the year and vehicle and equipment rentals. Partially offsetting these surpluses are pressures in energy costs and sewer maintenance work.

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

Wastewater Budget	2017 Revised Budget	Actuals as at June 30, 2017	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	92,525	38,902	42.0%	94,292	1,767
Expenditures	92,525	51,265	55.4%	92,313	212
Net Balance Surplus/(Deficit)	-	(12,363)	N/A	1,979	1,979



## 2018-2019 EMERGING ISSUES – WATER AND WASTEWATER & TREATMENT RATE SUPPORTED BUDGETS

Water and Wastewater & Treatment have identified several potential service delivery pressures that may impact expenditures/revenues in 2018-2019 (Table 6). The table describes some of the more significant issues and the measures taken to mitigate or address these issues. The table does not include all of the potential service delivery pressures. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below.

The likelihood of the issue impacting the Multi-year Budget, high, medium or low, is also presented. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2018-2019 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2018-2019 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2018-2019 period is predicted to be less than 30%

**Table 6 - Summary of Potential Future Budget Impacts**

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2018-2019 Budget
<b>LEGISLATIVE</b>	
<p>1. The Great Lakes Water Quality Agreement requires the United States and Canada to reduce phosphorus levels that contribute to algal blooms in Lake Erie by 40% based on levels measured in 2008. The Thames River Watershed has been identified as a watershed that needs to meet that target. The specific actions required by municipalities and other watershed sectors to comply will be detailed in a plan currently being developed called the Canada-Ontario Domestic Action Plan, which will be finalized by 2018.</p> <p><b>What we are doing to mitigate/address the issue:</b> Staff are monitoring the development of legislation and regulations and will report back to Council once specific actions and costs have been identified.</p>	High
<b>MUNICIPAL COUNCIL DIRECTED</b>	
<p>2. Operational costs increases (staffing, space, etc.) for the 40% increase to capital works under the Clean Water and Wastewater Fund (CWWF). Over 10 years the total capital program for Water &amp; Wastewater is forecast to increase from approximately \$1B to \$1.4B to accommodate the CWWF.</p> <p><b>What we are doing to mitigate/address the issue:</b> In June, Council directed Civic Administration to initiate the increases in staffing resources to address the demands of the Clean Water and Waste Water Fund Program. As part of the 2018 Annual Budget Update, operating budgets will be amended noting that financing capacity was created that will offset the staffing resources.</p>	High
<b>COST DRIVER</b>	
<p>3. Operational efforts to maintain water supply to customers should a colder-than-expected winter create frozen water services. Includes allowances for flowing services for an extended period of time and physical mitigation (i.e. reduction in damage) of problems.</p> <p><b>What we are doing to mitigate/address the issue:</b> An aggressive rehabilitation program commenced in Spring 2016, by replacing, lowering, and/or insulating affected services thereby eliminating reoccurrences. Revised design standards have been implemented to provide enhanced protection from potential frost effects.</p>	Low
<p>4. Operational effort to repair watermain breaks beyond normally expected quantities and/or rate of breakage. The uncertainty and volatility of watermain breaks are primarily weather dependent.</p> <p><b>What we are doing to mitigate/address the issue:</b> Deployment of equipment and staff to be cognizant of limiting overtime charges to the extent possible, while minimizing disruption to customers. A proactive valve exercising program has been developed to ensure that valves operate reliably during emergency responses, to</p>	Low

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2018-2019 Budget
<i>quickly control flows and potentially lessen damage. A proactive leak detection strategy is being developed and phased implementation is underway. Continuation of annual watermain rehabilitation and replacement programs are eliminating problematic watermains.</i>	
<p>5. An above average number of surface restorations of watermain breaks which occur on arterial roads during the winter season, requiring importing of asphalt.</p> <p><b>What we are doing to mitigate/address the issue:</b> <i>A proactive valve exercising program has been developed to ensure that valves operate reliably during emergency responses, to quickly control flows and potentially lessen damage. Since many transmission mains co-exist along arterial roads, proactive condition assessment technologies have been utilized to better understand the structural integrity of pipe materials. Continual monitoring technologies are being implemented as a means to detect leaks and/or impending catastrophic failures.</i></p>	Low

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## ***OTHER MID-YEAR MONITORING INFORMATION***

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### **SOCIAL SERVICES RESERVE FUND CONTRIBUTION**

The social services reserve fund supports local priorities that address unmet human services needs in London through initiatives that support employment, homelessness, and social services improvements that supplement outcomes mandated under the Ontario Works program. The \$848,332 recommended to be transferred to the reserve fund represents Ontario Works program funding claimed in previous years and was contingent upon further review of eligibility, which Civic Administration has completed in 2017.

### **VACANCY MANAGEMENT**

All positions that become vacant, with some exceptions, are subject to 90 days savings corporately. The savings from these positions are contributed to Efficiency, Effectiveness and Economy Reserves to be used as a one-time funding source for initiatives recommended by the Senior Leadership Team. Any savings due to vacancies longer than 90 days remain in the service area and are included in the year-end positions. In the first half of 2017, the contribution to the Efficiency, Effectiveness and Economy reserves was \$947,790 (\$710,816 – Property Tax Supported; \$78,902 – Water; and \$158,071 – Wastewater & Treatment).

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**2017 OPERATING BUDGET MID-YEAR  
MONITORING REPORT SUMMARY**

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Civic Administration is projecting a \$4.2 million year-end surplus in the 2017 Property Tax Supported Budget. The major factors contributing to this position are surplus in personnel, fuel and energy/utilities.

The Water Rate Supported Budget is projecting a surplus of \$0.6 million as a result of revenue surplus from growth related application fees and infrastructure charges and expenditure surpluses in personnel and electricity. The Wastewater & Treatment Rate Supported Budget is projecting a surplus of \$2.0 million as a result of revenue surplus from High Strength Waste Charges and expenditure surplus in personnel, vehicle and equipment rentals offset by energy cost pressures.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>RICK LAMON, MANAGER, ACCOUNTING &amp; REPORTING</b>	<b>ANNETTE RIPEPI, MANAGER, FINANCIAL PLANNING &amp; POLICY</b>
<b>CONCURRED BY:</b>	<b>RECOMMENDED BY:</b>
<b>LARRY PALARCHIO, DIRECTOR, FINANCIAL PLANNING &amp; POLICY</b>	<b>ANNA LISA BARBON, MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

## APPENDIX A – 2017 MID-YEAR FINANCIAL SUMMARY

	\$ thousands				
	REVISED NET BUDGET (2)	ACTUALS FOR SIX MONTHS ENDED JUNE 30	ACTUAL % SPENT	PROJECTED YEAR-END POSITION	PROJECTED YEAR-END SURPLUS/ (DEFICIT)
<b>Culture Services:</b>					
Centennial Hall	157	(20)	-12.7%	157	-
Arts, Culture & Heritage Advisory & Funding	2,212	1,675	75.7%	2,210	2
Museum London	1,665	1,168	70.2%	1,665	-
Eldon House	279	140	50.2%	294	(15)
Heritage	177	87	49.2%	180	(3)
Libraries	19,835	9,913	50.0%	19,835	-
<b>Total Culture</b>	<b>24,325</b>	<b>12,963</b>	<b>53.3%</b>	<b>24,341</b>	<b>(16)</b>
<b>Economic Prosperity:</b>					
Business Attraction & Retention	9,079	4,173	46.0%	9,032	47
Community Improvement/BIA	232	113	48.7%	232	-
London Convention Centre	612	313	51.1%	612	-
Tourism London	1,998	542	27.1%	1,998	-
Covent Garden Market	-	-	-	-	-
<b>Total Economic Prosperity</b>	<b>11,921</b>	<b>5,141</b>	<b>43.1%</b>	<b>11,874</b>	<b>47</b>
<b>Environmental Services:</b>					
Kettle Creek Conservation Authority <sup>(3)</sup>	467	467	100.0%	467	-
Lower Thames Valley Conservation Authority <sup>(3)</sup>	158	158	100.0%	157	1
Upper Thames River Conservation Authority	3,240	1,525	47.1%	3,239	1
Environmental Action Programs & Reporting	777	319	41.1%	766	11
Garbage Recycling & Composting	16,912	7,291	43.1%	15,997	915
<b>Total Environmental Services</b>	<b>21,554</b>	<b>9,760</b>	<b>45.3%</b>	<b>20,626</b>	<b>928</b>
<b>Parks, Recreation &amp; Neighbourhood Services:</b>					
Neighbourhood & Recreation Services <sup>(4)</sup>	20,272	24,867	122.7%	19,906	366
Parks & Urban Forestry	13,087	5,447	41.6%	13,074	13
<b>Total Parks, Recreation &amp; Neighbourhood Services</b>	<b>33,359</b>	<b>30,314</b>	<b>90.9%</b>	<b>32,980</b>	<b>379</b>
<b>Planning &amp; Development Services:</b>					
Building Approvals <sup>(5)</sup>	(868)	(2,926)	337.1%	(1,027)	159
Planning Services	3,517	1,633	46.4%	3,410	107
Development Services	4,268	1,846	43.3%	4,111	157
<b>Total Planning &amp; Development Services</b>	<b>6,917</b>	<b>553</b>	<b>8.0%</b>	<b>6,494</b>	<b>423</b>
<b>Protective Services:</b>					
Animal Services	1,740	409	23.5%	1,809	(69)
By-Law Enforcement	1,273	(202)	-15.9%	1,260	13
Corporate Security & Emergency Management	2,377	1,090	45.9%	2,342	35
Fire Services	59,667	26,171	43.9%	59,233	434
Police Services	102,042	50,008	49.0%	102,042	-
<b>Total Protective Services</b>	<b>167,099</b>	<b>77,476</b>	<b>46.4%</b>	<b>166,686</b>	<b>413</b>
<b>Social &amp; Health Services:</b>					
Housing Services	11,779	7,166	60.8%	11,073	706
Housing Development Corporation	2,481	1,156	46.6%	2,481	-
London & Middlesex Housing Corporation	9,501	5,887	62.0%	9,465	36
Long Term Care <sup>(4)</sup>	5,146	4,288	83.3%	4,900	246
Land Ambulance	14,427	2,522	17.5%	14,427	-
Middlesex London Health Unit	6,095	3,130	51.4%	6,095	-
Social & Community Support Services <sup>(4)</sup>	18,401	143,865	781.8%	16,601	1,800
<b>Total Social &amp; Health Services</b>	<b>67,830</b>	<b>168,014</b>	<b>247.7%</b>	<b>65,042</b>	<b>2,788</b>
<b>Transportation Services:</b>					
Parking	(3,237)	(2,093)	64.7%	(3,442)	205
Public Transit	29,972	14,798	49.4%	29,799	173
Roadways	39,630	18,788	47.4%	39,549	81
Rapid Transit	-	40	0.0%	-	-
<b>Total Transportation Services</b>	<b>66,365</b>	<b>31,533</b>	<b>47.5%</b>	<b>65,906</b>	<b>459</b>
<b>Corporate, Operational &amp; Council Services:</b>					
Corporate Services	54,279	22,315	41.1%	51,422	2,857
Corporate Planning & Administration	1,880	902	48.0%	1,581	299
Council Services	3,447	1,345	39.0%	3,230	217
Public Support Services	1,101	9	0.8%	928	173
<b>Total Corporate, Operational &amp; Council Services</b>	<b>60,707</b>	<b>24,571</b>	<b>40.5%</b>	<b>57,161</b>	<b>3,546</b>
<b>Financial Management:</b>					
Corporate Financing	96,903	71,871	74.2%	101,637	(4,734)
<b>Total Financial Management</b>	<b>96,903</b>	<b>71,871</b>	<b>74.2%</b>	<b>101,637</b>	<b>(4,734)</b>
<b>Total Property Tax Requirements</b>	<b>556,980</b>	<b>432,196</b>	<b>77.6%</b>	<b>552,747</b>	<b>4,233</b>

1) All figures are subject to rounding.

2) Includes housekeeping budget transfers. As authorized by Council's resolution at the time of the adoption of the 2017 budget, Civic Administration can approve transfers between accounts that are considered 'housekeeping' in nature. These adjustments primarily include items that are budgeted centrally, and during the year are distributed to various services.

3) Kettle Creek Conservation Authority and Lower Thames Valley Conservation Authority have already received their 2017 appropriation.

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

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

**APPENDIX B – 2017 MID-YEAR EXPLANATION BY SERVICE PROGRAM**

SERVICE PROGRAM	\$ millions
<b>CULTURE SERVICES</b>	0.0
<ul style="list-style-type: none"> <li>• Centennial Hall balanced budget with no major factors to report.</li> <li>• Arts, Culture and Heritage Advisory &amp; Funding surplus of \$2k with no major factors to report.</li> <li>• Museum London balanced budget with no major factors to report.</li> <li>• Eldon House deficit of \$15k a result of a strategic planning workshop that was not budgeted for, reduced revenue due to construction on premises, and higher than expected personnel costs. These deficits are partially offset by an additional government grant received.</li> <li>• Heritage deficit of \$3k a result of higher than anticipated personnel costs.</li> <li>• London Public Library balanced budget with no major factors to report.</li> </ul>	
<b>ECONOMIC PROSPERITY</b>	0.0
<ul style="list-style-type: none"> <li>• Business Attraction and Retention surplus of \$47k a result of consultant fee savings and operational savings partially offset by personnel deficits.</li> <li>• Community Improvement/Business Improvement Area balanced budget with no major factors to report.</li> <li>• London Convention Centre is projecting a balanced budget, noting that surplus would be directed to the London Convention Centre reserve fund subject to Board approval.</li> <li>• Tourism London is projecting a balanced budget at year-end after contributing \$85k to reserves, subject to Tourism London Board approval. The savings of \$85k to be contributed are anticipated as a result of personnel savings and higher than anticipated user fees offset by net operational deficits, increased sponsorship costs, and costs related to the Juno Music Awards bid.</li> <li>• Covent Garden Market balanced budget with no major factors to report.</li> </ul>	
<b>ENVIRONMENTAL SERVICES</b>	0.9
<ul style="list-style-type: none"> <li>• Kettle Creek Conservation Authority balanced budget with no major factors to report.</li> <li>• Lower Thames Valley Conservation Authority surplus of \$1k with no major factors to report.</li> <li>• Upper Thames River Conservation Authority surplus of \$1k with no major factors to report.</li> <li>• Environmental Action Programs and Reporting surplus of \$11k a result of operational cost savings and Ministry of Energy grant funding, partially offset by personnel cost overruns.</li> <li>• Garbage, Recycling &amp; Composting surplus of \$915k a result of the following: <ul style="list-style-type: none"> <li>○ \$840k surplus related to increased recycling revenues received for recovered commodities partially offset by a small deficit in extended producer responsibility revenue</li> <li>○ \$300k deficit related to increase in recycling payments to other municipalities, which relates to increase in recycling revenue received</li> <li>○ \$293k surplus a result of higher than anticipated net revenue from a large W12A commercial customer and new revenue from curbside tags, partially offset by lower than anticipated sewage recovery revenues.</li> <li>○ \$99k surplus related to personnel savings.</li> <li>○ \$17k deficit operational cost overruns.</li> </ul> </li> </ul>	
<b>PARKS, RECREATION, &amp; NEIGHBOURHOOD SERVICES</b>	0.4
<ul style="list-style-type: none"> <li>• Neighbourhood &amp; Recreation Services surplus of \$366k a result of higher than anticipated revenue from program activity in Community Centres and Senior Centres, Recreation Programs, Storybook Gardens, and personnel savings partially offset by a deficit from program subsidies and lower than anticipated Arena revenues.</li> <li>• Parks and Urban Forestry surplus of \$13k a result of personnel savings, Urban Forestry purchased services savings and higher than anticipated revenues for tree removals partially offset by higher than anticipated costs related to contracted services and vehicle rentals for Forestry operations.</li> </ul>	

<b>SERVICE PROGRAM</b>	<b>\$ millions</b>
<b>PLANNING &amp; DEVELOPMENT SERVICES</b>	0.4
<ul style="list-style-type: none"> <li>• Building Approvals surplus of \$159k a result of increase in building permit revenues and personnel savings partially offset by higher than anticipated furniture, equipment and other operational costs.</li> <li>• Planning Services surplus of \$107k a result of personnel savings and other net operational savings.</li> <li>• Development Services surplus of \$157k a result of higher than anticipated user fee based revenues, personnel savings and other net operational savings.</li> </ul>	
<b>PROTECTIVE SERVICES</b>	0.4
<ul style="list-style-type: none"> <li>• Animal Services deficit of \$69k a result of lower than anticipated license and tag revenues, additional costs related to veterinary contract not in place until mid-year, personnel cost overruns and other net operational cost overruns partially offset by savings from contracted services used until Cat Adoption Centre contract was signed, and office rental cost savings.</li> <li>• By-Law Enforcement surplus of \$13k a result of an increase in net user fee based revenues partially offset by personnel deficits and net operational cost overruns.</li> <li>• Corporate Security &amp; Emergency Management surplus of \$35k a result of personnel savings.</li> <li>• Fire Services surplus of \$434k a result of personnel savings, lower than anticipated spending on equipment, increased out-of-town and highway accident fees, material and supplies cost savings, partially offset by net operational cost overruns.</li> <li>• The London Police Service (LPS) is projecting a balanced budget after contributing \$1.6m to reserves. The savings to be contributed to their reserve are the result of personnel savings and lower than anticipated insurance premiums partially offset by higher than anticipated group benefit costs, equipment/furniture purchases, and upgrades to the drug intake/hazardous materials room.</li> </ul>	
<b>SOCIAL &amp; HEALTH SERVICES</b>	2.8
<ul style="list-style-type: none"> <li>• Housing Services surplus of \$706k a result of savings in rent supplements from challenges in uptake and securing new private landlord units, savings in Housing Provider, subsidies due to mortgage re-financing at lower rates and personnel savings. These savings are partially offset by net operational cost overruns.</li> <li>• Housing Development Corporation is projecting a balanced budget after contributing \$35k to reserves. The savings to be contributed to their reserve are the result of personnel savings which will be used for activities/programs to support housing initiatives and future work of the Housing Development Corporation.</li> <li>• London &amp; Middlesex Housing Corporation surplus of \$36k is a result of lower than anticipated electrical costs (due to milder winter combined with energy savings project with London Hydro), lower natural gas, snow removal, and plumbing costs due to a mild winter. These savings were partially offset by extraordinary costs such as MPAC reassessment consulting costs, LMHC strategic plan development costs, additional investments in ERP software, Capital Planning Software and Website, personnel cost overruns and painting costs.</li> <li>• Long Term Care surplus of \$246k a result of higher than anticipated Level of Care funding, Envelope funding, Accreditation funding and net operational savings partially offset by personnel deficits, and higher than anticipated furniture, equipment, recreation, and entertainment costs.</li> <li>• Land Ambulance balanced budget with no major factors to report.</li> <li>• Middlesex-London Health Unit balanced budget a result of personnel savings, Needle Exchange contract savings, group benefit cost savings, and net operational savings offset by lower than anticipated contraceptive sales and budgeted expenditure savings/gapping.</li> </ul>	

<b>SERVICE PROGRAM</b>	<b>\$ millions</b>
<ul style="list-style-type: none"> <li>• Social and Community Support Services surplus of \$1.8m a result of net personnel savings, additional Provincial subsidy for Ontario Works due to the City's increased proportion of the Provincial Ontario Works caseload, savings related to the discretionary benefits program, Ontario Works administration costs, Ontario Works caseload costs, partially offset by a contribution to the Social Services Reserve Fund.</li> </ul>	
<b>TRANSPORTATION SERVICES</b>	0.5
<ul style="list-style-type: none"> <li>• Parking Services surplus of \$205k mainly a result of higher than anticipated administration fees and court fees and winter maintenance cost savings partially offset by lower than anticipated parking lot revenues and meter bagging fees, and other net operational cost overruns.</li> <li>• London Transit Commission surplus of \$173k due to the approval of annualized assessment growth funding received in 2017 while only the in-year expenditure is required.</li> <li>• Roadway Services surplus of \$81k a result of the following: <ul style="list-style-type: none"> <li>○ \$56k deficit in Roadway Maintenance due to building renovations and equipment purchases costs, and higher than anticipated net operational costs.</li> <li>○ \$14k surplus in Roadway Planning &amp; Design due to personnel savings partially offset by building renovations costs, and higher than anticipated net operational costs.</li> <li>○ Balanced budget in Winter Maintenance a result of personnel savings, offset by higher than anticipated vehicle rental costs.</li> <li>○ \$123k surplus in Street Lighting &amp; Traffic Signal due to lower than anticipated distribution charges for energy, traffic signal costs, street light maintenance costs, and higher than anticipated personnel savings partially offset by lower than anticipated red light camera revenues, and new traffic signal purchases.</li> </ul> </li> <li>• Rapid Transit balanced budget due to personnel and net operational savings offset by capital expenditure recoveries.</li> </ul>	
<b>CORPORATE, OPERATIONAL, &amp; COUNCIL SERVICES</b>	3.5
<ul style="list-style-type: none"> <li>• Corporate Services surplus of \$2.9m a result of personnel savings, favourable fuel costs in Fleet, lower than anticipated utilities costs in Facilities and other net operational savings partially offset by a contribution to the Information Technology Services Reserve Fund to be used to support investment in corporate systems.</li> <li>• Corporate Planning and Administration Services surplus of \$299k a result of personnel savings partially offset by building renovations.</li> <li>• Council Services surplus of \$217k a result of personnel, internal audit and net operational savings.</li> <li>• Public Support Services surplus of \$173k a result of higher than anticipated taxation revenue, personnel savings and other net operational savings partially offset by postage cost overruns due to increased usage.</li> </ul>	
<b>FINANCIAL MANAGEMENT</b>	(4.7)
<ul style="list-style-type: none"> <li>• Corporate Financing deficit of \$4.7m a result of: <ul style="list-style-type: none"> <li>○ \$1.5m contribution to the unfunded liability reserve partially offset by personnel savings in financial management.</li> <li>○ \$3.3m deficit due to drawdown from the Operating Budget Contingency Reserve that is potentially not required.</li> <li>○ \$44k surplus due to net operational savings.</li> </ul> </li> </ul>	
<b>TOTAL YEAR-END POSITION</b>	<b>\$ 4.2</b>

*All figures are subject to rounding*

**APPENDIX C – STRATEGIC INVESTMENT STATUS UPDATE**

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2017 (\$000's)	2016/2017 Budget (\$000's)
<b>Building A Sustainable City</b>					
1	Library's Ten Year Capital Plan	Susanna Hubbard Krimmer	1,900	1,154	1,300
	<ul style="list-style-type: none"> <li>2017 to date: Cherryhill and Landon Library Revitalization; CBC tenant improvements; Jalna Library rooftop HVAC replacement; Central Library fire system back flow preventer replacement; Central Library elevator piston replacement.</li> <li>Remainder of 2017: Beacock HVAC replacement, boiler replacement, roof repairs.</li> <li>2018 to 2019: Masonville Library Revitalization and hot water boiler replacement; Byron Library Revitalization and rooftop HVAC replacement; other branch upgrades.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>				
2	Road Map 2.0 – Road to Increased Resource Recovery and Zero Waste	Kelly Scherr	400	-	-
	<ul style="list-style-type: none"> <li>The strategic investment is projected to start in 2018 &amp; 2019.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2018 &amp; 2019</i></p>				
3	Urban Forest Strategy	John Fleming	3,455	273	2,385
	<ul style="list-style-type: none"> <li>Capital funding for planting - The City is completing a Planting Strategy to ensure that the funds invested generate the most trees / future tree canopy and leverage partnerships with the community. Increased planting will occur starting in 2017. This timing is in line with the original timing in the business case. While Council approved accelerated funding for 2016 (\$1.8M), it was too late to tender for planting in the 2016 season. A small amount of funds have been spent to date on promotional ads and tree giveaways.</li> <li>Operating funding for maintenance - 2016 allocation of \$200,000 for additional urban forest maintenance was fully spent. Program started spring of 2016. Additional crews were hired for small tree pruning and deep root feeding.</li> <li>2017 year-to-date spending has totaled \$50,000.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: Spring 2016</i></p>				
4	Thames Valley Corridor Plan	John Fleming	1,200	-	1,200
	<ul style="list-style-type: none"> <li>The environmental assessment for this key Thames Valley Parkway pathway project was approved by Council on July 26, 2016 but progress on this project was delayed pending a Part II Order EA bump up request (i.e. request for escalation of the environment assessment), which has since been resolved. Based on the completed EA, Environmental Impact Study and regulatory agency expectations, the total estimated cost of this project is \$5.9M, of which \$2.3M is currently funded (inclusive of the \$1.2M strategic investment funding). Senior government funding is currently being pursued to close the funding gap. Detailed design will proceed in 2017 to ensure project is "shovel-ready" once the required funding is secured.</li> </ul> <p><i>Project Status: Delayed</i> <i>Project Start Date: Design in 2017</i></p>				
5	Road Safety Strategy	Kelly Scherr	500	145	250
	<ul style="list-style-type: none"> <li>Implementation of Road Safety Strategy Initiatives including pedestrian crossovers, road safety audits and capital improvements are underway. Federal funding via the Public Transit Infrastructure Fund has enabled leveraging and acceleration of scope. The cost sharing portion of the project is not reflected in the above investment.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>				
6	Rapid Transit Implementation Strategy	Kelly Scherr/ Edward Soldo	-	-	-
	<ul style="list-style-type: none"> <li>Progress continues on the Rapid Transit initiative. The Rapid Transit Master Plan and Business Case were approved by Council on July 25, 2017. The Master Plan underwent a 45 day public review period ending on September 18, 2017. The City has been working with the Ministry of Transportation to complete a technical review of the Business Case and has engaged Infrastructure Ontario to undertake a Procurement Options Analysis. The Business Case will be submitted to the federal government after the Province's technical review.</li> <li>Earlier this year, the Federal Government granted \$7.4 million through the Public Transit Infrastructure Fund Phase 1 to be allocated towards Rapid Transit.</li> <li>A request for funding will be submitted through Phase 2 of the Public Transit Infrastructure Program (PTIF) later in 2017.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: July 2014</i></p>				



Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2017 (\$000's)	2016/2017 Budget (\$000's)
7	State of Infrastructure Report	Anna Lisa Barbon	6,750	1,450	1,750
	<ul style="list-style-type: none"> <li>Identified capital funds began in 2017. 2016 Asset Management Plan Review indicates targeted infrastructure investments have resulted in a 20% reduction in the Transportation Infrastructure Gap.</li> <li>\$1.15m has been allocated to date on roadway &amp; bridge rehabilitation and \$0.3m on facilities and parks &amp; recreation infrastructure.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>				
Council Added Initiative	Green Bin	Kelly Scherr	135	74	135
	<ul style="list-style-type: none"> <li>A new staff position (18 month contract) was filled in July 2016 to provide additional resources to examine programs (e.g., Green Bin, advanced processing and energy recovery systems) to reduce the organic content (e.g., food scraps) of garbage and assist with the Council directed development of the Resource Recovery Strategy.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: July 2016</i>				
<b>Leading in Public Service</b>					
8	Garbage Collection – On-board Weighing and Tracking Technologies	Kelly Scherr	150	-	-
	<ul style="list-style-type: none"> <li>The strategic investment funding is slated to be added to the capital and operating budget in 2018 &amp; 2019</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: 2018 &amp; 2019</i>				
9	Technology – Amanda	George Kotsifas	1,000	248	500
	<ul style="list-style-type: none"> <li>Projects are moving along smoothly and milestones continue to be met. New Building Portal is live and provides customers with an easy to use interface and secure access to submit permit applications or book inspections. Plan is to enhance the number of services available on line (ex. business licensing). We are also exploring an AMANDA mobile app in collaboration with other municipalities.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: April 2016</i>				
10	Establish Public Engagement as an Area of Focus	John Fleming	100	-	50
	<ul style="list-style-type: none"> <li>Currently working with preferred sign manufacturer to finalize the sign templates and costing. It is anticipated the enhanced program will be starting later in 2017.</li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>				
11	Service London Implementation Plan	Lynne Livingstone	3,947	894	2,216
	<ul style="list-style-type: none"> <li>2016 operating spending was below budget due to project timing and reflects the pace of roll-out of capital projects; it is expected that operating expenses will ramp up in 2017 as capital projects are completed and operationalized.</li> <li>The capital investment has been divided into 4 projects (Customer Relationship Management (CRM) Phase 2, CRM Phase 3, Self Service Portal, and Business Hub Renovations). <ul style="list-style-type: none"> <li>CRM Phase 2 was completed at the end of May 2016 and was under budget due to the use of surplus funds from Phase 1; CRM Phase 3 is currently underway with full capital expenses anticipated in 2017.</li> <li>The Self Service Portal was completed in April, 2017.</li> <li>The timing of renovations to the Business Hub has been adjusted to reflect an Assessment Growth request that approved resources to staff the Business Hub. Capital expenditures related to the Business Hub have been initiated in Q1 2017 and are anticipated to be completed in Q4 2017.</li> </ul> </li> </ul> <i>Project Status: On Track</i> <i>Project Start Date: March 2016</i>				

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2017 (\$000's)	2016/2017 Budget (\$000's)
12	Computerized Maintenance Management System	Kelly Scherr/ Anna Lisa Barbon	2,100	113	700
	<ul style="list-style-type: none"> <li>Costs include the hiring of an ITS Manager in 2016 to support this initiative. Service area staff are being hired for the second half of 2017 to assist in the areas of GIS technology (coordinate Cityworks and GIS). ITS staff will be recruited in 2018. The Discovery Phase, initiated in 2016, identified complexities of the project beyond the expectations of the Consultant (ESRI) and they in turn requested an extension to the end of July, 2017 in order to ensure a complete Discovery Phase product. As an example of the complexities, rather than one interface with JDE, seven interfaces were identified for JDE. The proposal for Phase 1 based on the Discovery Phase efforts will be recommended to Council in October.</li> </ul> <p><i>Project Status: Delayed</i> <i>Project Start Date: July 2016</i></p>				
<b>Strengthening Our Community</b>					
13	London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020	Lynne Livingstone	780	29	280
	<ul style="list-style-type: none"> <li>Funds have been committed to neighbourhood projects for 2016 and 2017, although the majority of expenditures related to 2017 projects will not occur until the fall of 2017.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
14	Ontario Works Service Plan – Low Income Supports Enhancement	Sandra Datars Bere	2,080	761	1,040
	<ul style="list-style-type: none"> <li>Council approved 3 additional City staff as well as a contract amendment with Goodwill, the lead community partner for this initiative. All approved staff and contracts were put in place in 2016.</li> <li>Council received an information report on March 28, 2017 related to Bridges Out of Poverty and Circles Baseline Evaluation including impacts and successes of this initiative. All approved funding for 2017 for this initiative is forecasted to be spent.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
15	Mental Health and Addictions Strategy	Sandra Datars Bere	200	1	200
	<ul style="list-style-type: none"> <li>An update on this strategic investment was provided to Council on January 24, 2017. Work and planning that was done up to 2016 on this initiative was managed within existing resources. In 2017 an RFP was issued for an external consultant to assist with the creation of the strategy. A contract was awarded in June 2017. A forecasted \$100k is anticipated to be spent before the end of 2017. An update and recommendation will be provided to Council on this initiative in September 2017.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
16	1. London Homeless Prevention and Housing Plan 2010-2024 2. London Homeless Prevention System Implementation Plan	Lynne Livingstone	3,800	177	1,800
	<ul style="list-style-type: none"> <li>A total of \$176,640 of the \$200,000 approved budget for Housing Supplements was utilized in 2016 as the program was rolled out. Costs of the Housing Supplements for 2017 have not been invoiced by participating organizations to date, however 2017 expenditures are projected to be on budget.</li> <li>Funding for the Youth-focused Emergency Shelter initiative did not start until 2017. CPSC received a report on January 24, 2017 which recommended (subsequently endorsed by Council) awarding Youth Opportunities Unlimited \$1.2m in one time capital funding and annual operating funding to build and operate London's Housing First Emergency Shelter for youth.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: April 2016</i></p>				
17	Winter Maintenance Strategy	Scott Stafford	574	115	287
	<ul style="list-style-type: none"> <li>New program to provide winter maintenance on approximately 50% of paths in parks and the Thames Valley Parkway has been successful to date. While the first year of this program experienced a warmer than normal winter season resulting in a surplus, it is anticipated the budget will be sufficient to meet the expected service levels during a normal winter.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2016</i></p>				

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2017 (\$000's)	2016/2017 Budget (\$000's)
Council Added Initiative	Enhance By-law Enforcement	George Kotsifas/Orest Katolyk	1,095	216	495
	<ul style="list-style-type: none"> <li>The implementation of the plan went well. The volume of complaints created through this enhanced service have been manageable to date.</li> <li>Enhanced enforcement was to be cost shared by additional revenue from licensing private vehicles for hire, vacant building bylaw fees and administrative monetary penalties (AMPs). Due to the policy passed by Council in July 2016 to proactively address issues with vacant buildings and report out on specific buildings which should be demolished to address neighbourhood quality of life issues, revenues in 2017 will not be collected from vacant building by-law fees and only be collected from licensing private vehicles for hire.</li> <li>AMPs will be implemented in 2018 for parking and licensing. The review of the business licensing by-law is nearing completion with an omnibus public meeting in September/October 2017. Soon thereafter, work will begin on implementing an AMPS by-law and process.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: June 2016</i></p>				
<b>Growing Our Economy</b>					
18	London Community Foundation's "Back to the River Project"	John Fleming	700	61	700
	<ul style="list-style-type: none"> <li>The One River Master Plan must be completed first before work starts on this project. It is expected that the Master Plan will be completed by the end of 2018. Purchase Order for the One River Master Plan has been issued.</li> </ul> <p><i>Project Status: Delayed</i> <i>Project Start Date: 2018/2019</i></p>				
20	London's Downtown Plan – Small Scale Projects	John Fleming	100	-	-
	<ul style="list-style-type: none"> <li>The first small scale project under this initiative is not budgeted to begin until 2019.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2019</i></p>				
21	Regenerating Public Housing Plan	Sandra Datars Bere	750	-	-
	<ul style="list-style-type: none"> <li>Approved funding starts in 2018 to develop a detailed strategic plan for regeneration/re-development of LMHC properties, inclusive of funding, partnership, tenant impact and engagement strategies. (\$250,000 in 2018 and \$500,000 in 2019 with a projection of \$5,750,000 in 2020-2025 subject to budget approval.) Recruitment has started in 2017 for a lead resource to initiate work on this project. This project is a three party arrangement between the City, HDC, and LMHC, but will also need to consider other social housing regeneration.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2018</i></p>				
22	Dundas Place	Kelly Scherr/ John Fleming	15,614	1,900	2,300
	<ul style="list-style-type: none"> <li>My Dundas Environmental Assessment is complete and Design is progressing on schedule. Construction is planned to commence in 2018. Capital purchase of 3 buses complete. Re-routing of buses off Dundas Street is expected in April 2018. Federal funding via the Public Transit Infrastructure Fund has enabled leveraging and acceleration of scope; noting that the above investment does not include the impact of federal funding.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: February 2015</i></p>				
23	City of London Internship Program	Bill Coxhead	360	2	120
	<ul style="list-style-type: none"> <li>Two interns have been hired for this program; one of which subsequently resigned as they were able to secure permanent employment. Currently in the process of recruiting for the unfilled intern position.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2017</i></p>				
Council Added Initiative	Brownfield Incentives	John Fleming	80	-	40
	<ul style="list-style-type: none"> <li>Funding is used on as needed basis as applicants come forward. No funding was required in 2016 and the first half of 2017, however there are 3 applications in process for 2017 which would require up to \$30k.</li> </ul> <p><i>Project Status: On Track</i> <i>Project Start Date: 2016</i></p>				

## APPENDIX D – MULTI-YEAR BUDGET CYCLE

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

