What’s Guiding Us?

Governance Principle

**Fiscal Responsibility:** "Investing wisely to continue building our community, while maintaining a solid Financial position"

Financial Management Strategies

- Promote affordable & competitive property taxes
- Reduce debt levels & costs
- Promote pay-as-you-go financing
- Contain costs
- Ensure adequacy of reserves & reserve funds
- Invest strategically
- Manage assets
How the Budget Works

Operating Budget
- Salaries/Wages
- Utilities
- Supplies
- Fuel
- Contracted Services
- Annual Insurance
- Debt Payments
- Capital Levy
- Reserve Fund Contributions

Debt

Capital Budget
- New arena
- New fire truck
- Road widening
- New bike path
- Asset rehab

Reserve Funds

Did you know...
The replacement value of our tax supported assets is estimated at $6 billion.

How Municipal Services are Funded

Total Tax Revenue
- Provincial: 44%
- Federal: 47%
- Municipal: 9%

Annual operating revenue = $751.7 million

Did you know...
Ontario municipalities receive 9% of total tax revenues, yet are responsible for over 50% of infrastructure. Source: AMO
Environment & Trends

- Lingering global economic uncertainty (U.S. economy – "Fiscal Cliff")
- Federal & Provincial cutbacks (Ontario deficit, pressure on municipalities to fill the gaps)
- U.S. subsidization (repatriation of jobs to U.S.)
- High Value of Canadian Dollar (good for resource based operations – bad for manufacturing)
- Uncertainty with debt markets & liquidity (U.S. debt, Euro Zone)
- Some growth projected (Organization for Economic Co-operation & Development projects Canada’s economy will grow by 1.5 per cent in the final three months of this year and advance 1.8 per cent in 2013)

Balancing the Budget

- Collective Agreements
- Capital Financing
- Inflation – 1.2% (3.1%...2011)
- Demand for new services
- Pressure to fill gaps left by Province & Feds
- New regulation (e.g. AODA)
- **Expanding City – services & capital maintenance**
- Cost containment (operating efficiencies)
- Ontario Works Upload
- Operating Budget Contingency Reserve
- **Assessment Growth**
- Permanent Service Adjustments/Reductions

Implementation of Economic Prosperity Plan (from IEPC)?

Acceptable Tax increase from rates

Budget 2013
Debt Levels & Debt Servicing

Property Tax Supported Debt Levels and Servicing Costs

WHERE WE CAME FROM

WHERE WE ARE HEADED

Debt Servicing cost is $182.30 per year or $0.50 per day.

Reserves & Reserve Funds

Reserves & Reserve funds are critical...

Why are they critical?

- to pay bills (liquidity)
- to cover liabilities and emergencies
- for effective asset management (ensure funds are available to renew or replace assets while “charging” the appropriate tax payer)
- to make investments

What happens without Reserves and Reserve Funds?

- Costs will increase (debt service costs, short-term borrowing costs, larger contingency budgets, earlier asset replacement)
- Aaa credit rating could potentially eventually be in jeopardy
- Reduction in capital works & investments
- Loss of flexibility to take advantage of opportunities (no more stimulus!)
- Could have liquidity problems & have to issue a second tax levy increase
Reserves & Reserve Funds

How much do we have in reserve funds anyway?

2011 Financial Statements... shows a balance close to $500 million
- This is the cash position at the end of 2011 (does not account for projects that have not yet drawn their allocation from the reserve funds; therefore balance is higher than projected)
- The number is consolidated with some boards and commissions (not just City of London)
- The balance includes obligatory reserve funds like Development Charges which have strict rules around their use

2011 Budget... shows $210.4 million balance
- This is the estimated position at the end of 2011 after all projects commitments have been withdrawn
- While the number includes some Boards & Commission, it is primarily focused on City of London (unconsolidated)

*Just like any service, there is a plan for Reserves & Reserve funds*

→ Change the contribution/balance, change the plan

Budget 2013

Development Charges & Assessment Growth

Development Charges...
Paid for through building permits and used to fund new infrastructure (capital costs) related to growth

Assessment Growth...
New revenue (property taxes) that pays for expanding services to an expanding city

Assessment growth is not always equivalent to...

"Profit" or "Gravy" available to reduce tax rates

Note: Council approved a financial policy on Assessment Growth May 23, 2012

Budget 2013
Investment & Economic Prosperity Committee

How do we Compare?

2011 Property Tax - Residential
(for Municipalities with Populations over 100,000)

For a three bedroom 1,200 sq ft detached bungalow with 1.5 baths and a single car garage, on a 5,100 sq ft lot
(Source: BMA - Municipal Study 2011)

2011 Group Average: $3,203 (2009 $3,196)
2011 City of London: $3,079 (2009 $3,031)
How do we Compare?

2011 Property Tax - Commercial
(for Municipalities with Populations over 100,000)

For prime location commercial office space, property taxes per sq ft of gross leaseable area
(Source: BMA - Municipal Study 2011)

- 2011 Group Average: $3.28/sq.ft (2009 $3.38/sq. ft)
- 2011 City of London: $2.23/sq ft (2009 $2.63/sq. ft)

How do we Compare?

2011 Property Tax - Industrial
(for Municipalities with Populations over 100,000)

For standard industrial property under 125,000 sq ft, newer construction, flexible design - taxes per sq ft of floor area basis
(Source: BMA - Municipal Study 2011)

- 2011 Group Average: $2.04/sq.ft (2009 $2.12/sq. ft)
- 2011 City of London: $1.51/sq ft (2009 $1.76/sq. ft)
What's Happening with Tax Rates in Other Communities?

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>3 Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>2.9%</td>
<td>0.0%</td>
<td>2.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Ottawa</td>
<td>3.8%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Chatham – Kent</td>
<td>1.4%</td>
<td>1.4%</td>
<td>2.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>2.0%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Sudbury</td>
<td>2.5%</td>
<td>3.5%</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Windsor</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>2.1%</td>
<td>1.3%</td>
<td>1.8%</td>
<td>1.75%</td>
</tr>
<tr>
<td>London</td>
<td>1.86%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Consumer Price Index
Based on change as of October

* Tax levy increases based on information identified on respective websites.

Did you know...
The latest annual CPI for Canada is 1.2%.

Financial Picture is Good

- Taxes competitive with similar sized Ontario municipalities (BMA Municipal Studies)
- Contained costs through labour agreements, restructuring, efficiencies and automation
- Continued with Strategic Financial Plan principles
  - Contained Debt
  - Moved to PAYG for life cycle renewal projects (26% improvement since 2006)
  - Built Reserve Funds for liquidity (more important today than ever!)
- Maintained Aaa Credit rating for 36th year
- Invested heavily in infrastructure over the last 5 years
How Well Do We Deliver Our Services?

London has had a Aaa credit rating, the highest possible, for 36 years straight.

London's services perform on par or better than those in peer municipalities in 75% of service areas.

25,000+ Metres of infrastructure replaced in 2012.

1,191 New jobs have been logged at www.hireonelondon.ca since September 2012.

-38.5% We've reduced road salt usage by 38.5%.

Acres of new parkland established in 2012.

Budget 2013

Daily Cost of Municipal Services

Police.............................................$1.25/day
Fire.............................................$0.80/day
Roadways & Parking.......................$0.44/day
Transit...........................................$0.35/day
Housing........................................$0.29/day
Libraries........................................$0.25/day
Garbage, Recycling & Composting......$0.17/day
Parks & Urban Forestry....................$0.14/day
Culture........................................$0.05/day

Did you know...

Property taxes represent 3% of average household income, compared to 25% for Federal & Provincial income tax.

Based on average household income of $76,546 (BMA 2011) and municipal portion of average residential tax bill of $2,410.

Budget 2013
The Road to Zero?

4.3% or $20.0m to maintain existing service levels

- Service Cuts
- User Fee Rate increases
- Permanent reductions of 2012 Council one-time reductions

2.5% or $11.5m As submitted (STARTING POINT)

5.5% Target - maintain existing service levels
- Deferral of improvements
- Service Process improvements
- Continued position management

SUSTAINED WITH BUDGET:
For Council’s prudent consideration

- Capital Plan Reductions
- Service Cuts

0.7% or $3.2m

What You Need to Consider

- Decisions you make impact the future in terms of: services, asset life, level of risk
- Budget methods worthy of avoiding:
  > using one-time funding to fund on-going costs
  > Not considering the impact of flow-through costs when increasing services or service levels
  > Reducing Asset maintenance
  > Increasing risk
- Don’t waiver from the principles endorsed in the strategic financial plan
- 5 results for strategic plan (Strong Economy; Vibrant and Diverse Community; Green and Growing City; Sustainable Infrastructure; Caring Community)
Impact to Ratepayer

ANNUAL INCREASE for the average residential rate payer:

- Wastewater: 7% Rate Increase
  - $33
- Water: 8% Rate Increase
  - $25
- Municipal Tax
  - Note: Excludes the $446 Education tax portion which is set by the Province: $59

2.5% Total Annual Impact on Average Residential Rate Payer

Notes:
(1) Average rate paying owning a home with an assessed value of $202,000. Municipal Property Tax Amount is subject to 2013 tax policy.
(2) Water and Wastewater cost for the average residential rate payer is based on average residential consumption of 1661 m3.
(3) Figures rounded for presentation purposes.
2013 Operating Budget Overview

- Developments since the 2013 Operating Budget Forecasted increase of 5.5% or $25.7 million required to “maintain existing service levels” identified on April 30th.

<table>
<thead>
<tr>
<th>2013 Budget</th>
<th>2012 Revised Budget $</th>
<th>2013 Submitted Budget $</th>
<th>$ Increase/Decrease</th>
<th>Tax Levy Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain Existing Service Levels as Forecasted April 30, 2012</td>
<td>$467.4</td>
<td>$493.1</td>
<td>$25.7</td>
<td>5.5%</td>
</tr>
<tr>
<td>Adjustments since April 30, 2012:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Position Management Program</td>
<td>$(1.5)</td>
<td>$(1.5)</td>
<td>(0.3%)</td>
<td></td>
</tr>
<tr>
<td>London Police Services</td>
<td>$(1.1)</td>
<td>$(1.1)</td>
<td>(0.2%)</td>
<td></td>
</tr>
<tr>
<td>Improved non-property tax supported revenue</td>
<td>$(1.2)</td>
<td>$(1.2)</td>
<td>(0.3%)</td>
<td></td>
</tr>
<tr>
<td>Process Improvements and efficiencies</td>
<td>$(1.9)</td>
<td>$(1.9)</td>
<td>(0.4%)</td>
<td></td>
</tr>
<tr>
<td>Maintain Existing Service Levels as submitted Dec 4, 2012</td>
<td>$487.4</td>
<td>$520.0</td>
<td>$32.6</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

2013 Operating Budget Overview

- On July 24th and 25th 2012, Municipal Council resolved the following:
- “b) Civic Departments, Boards, Commissions and outside agencies BE REQUESTED to table a “draft” 2013 budget with a target of 0.0% tax levy increase from rates; it being noted that any significant service impacts associated with the above be reviewed through a “business case” approach ...."
### 2013 Operating Budget Overview

**Revised Budget**

| 2013 Budget to Maintain Existing Service Levels | $467.4 | $487.4 | $20.0 | 4.3% |

**Add Backs**

- New Affordable Housing Initiatives $1.1 m
- Capital Grants $0.2 m
- AODA $0.6 m
- Vehicle & Equipment Reserve Fund $0.5 m
- Cross the board reserve fund reduction $1.4 m

**London Fire Services @ 7.7%**

- $4.1 0.9%

**London Police Services @ 3.6%**

- $3.2 0.7%

**London Transit Commission @ 4.9%**

- $1.2 0.3%

**London & Middlesex Housing Corporation @ 6.0%**

- $0.5 0.1%

**Economic Prosperity (Increase to Economic Development Reserve Fund) @ 19.9%**

- $1.1 0.2%

**London Public Library @ 2.3%**

- $0.4 0.1%

**Capital Financing (debt servicing & capital levy)**

- $2.8 0.6%

**Other (e.g. Roadways, Civic Department OMERS, Land Ambulance)**

- $3.1 1.2%

**2013 Budget to Maintain Existing Service Levels**

| $467.4 | $487.4 | $20.0 | 4.3% |

---

**Service Cuts as Submitted Dec 4, 2012**

- Add Backs — One Time reductions taken in 2012, submitted as permanent reductions for 2013
  
  - Capital Grants $0.2 m
  
  - New Affordable Housing Initiatives $1.0 m
  
  - Extending the Life Cycle of Fleet (Vehicle & Equipment Reserve Fund) $0.5 m
  
  - AODA Funding $0.6 m

- User Fee Increases — rate increases to assist in achieving Council Target
  
  - E.g. Recreation (Aquatics Family pass $12.56 increase), Building Approvals (new fee for zoning compliance letters $60), By-Law Enforcement (Residential Rental Unit Fee Increase)

- Service Cuts
  
  - Economic Development (i.e. reduced contribution to Economic Development $1.1 m)
  
  - Environmental Services (i.e. Elimination of initial funding for Green Bin Pilot Program $0.1 m)
  
  - Rec. & Neighbourhood Services (e.g. delay implementation of Neighbourhood Hubs $0.1 m)
  
  - Transportation (e.g. reduction in road patching $0.3 m, sidewalk snow removal $0.1 m, sidewalk cleaning $0.1 m, road sweeping $0.1 m)
  
  - Corporate, Operational, and Council Services (Corporate Initiatives $2.5 m)

**Budget**

- $8.5 (1.8%)
### 2013 Operating Budget Overview

<table>
<thead>
<tr>
<th></th>
<th>2012 Revised Budget $</th>
<th>2013 Submitted Budget $</th>
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<th>Tax Levy Impact</th>
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<tbody>
<tr>
<td>2013 Budget to Maintain Existing Service Levels</td>
<td>$467.4</td>
<td>$467.4</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service Cuts as Submitted Dec 4, 2012</td>
<td></td>
<td></td>
<td>$(8.5)</td>
<td>(1.8%)</td>
</tr>
</tbody>
</table>

#### Breaking Down Budget Components

<table>
<thead>
<tr>
<th>Service Category</th>
<th>2012 Revised Budget $</th>
<th>2013 Revised Budget $</th>
<th>$ Increase/Decrease</th>
<th>Tax Levy Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture Services</td>
<td>$21.9</td>
<td>$22.3</td>
<td>$0.4</td>
<td>0.1%</td>
</tr>
<tr>
<td>Economic Prosperity</td>
<td>$8.4</td>
<td>$8.4</td>
<td>$(0.04)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>$16.4</td>
<td>$16.5</td>
<td>$0.1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Parks, Recreation, and Neighbourhood Services</td>
<td>$28.2</td>
<td>$28.2</td>
<td>$0.03</td>
<td>0.0%</td>
</tr>
<tr>
<td>Planning &amp; Development Services</td>
<td>$4.8</td>
<td>$4.9</td>
<td>$0.2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Protective Services</td>
<td>$145.6</td>
<td>$152.9</td>
<td>$7.3</td>
<td>1.0%</td>
</tr>
<tr>
<td>Social &amp; Health Services</td>
<td>$71.3</td>
<td>$68.4</td>
<td>$(2.9)</td>
<td>(0.6%)</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>$53.6</td>
<td>$54.8</td>
<td>$1.3</td>
<td>0.3%</td>
</tr>
<tr>
<td>Corporate, Operational, and Council Services</td>
<td>$117.2</td>
<td>$122.4</td>
<td>$5.2</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>BUDGET AS SUBMITTED</strong></td>
<td><strong>$467.4</strong></td>
<td><strong>$478.9</strong></td>
<td><strong>$11.5</strong></td>
<td><strong>2.5%</strong></td>
</tr>
</tbody>
</table>
### 2013 Operating Budget Overview

<table>
<thead>
<tr>
<th>Tax Levy Increase as Submitted</th>
<th>$11.5</th>
<th>2.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further Service Cut Options for Council Consideration toward ZERO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Program Reductions (for Council's consideration)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Service Improvements</td>
<td>$3.2 million</td>
<td></td>
</tr>
<tr>
<td>- Growth</td>
<td>$0.5 million</td>
<td></td>
</tr>
<tr>
<td>- Life Cycle Renewal</td>
<td>$0.6 million</td>
<td></td>
</tr>
<tr>
<td>Service Cuts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- London Public Library</td>
<td>$0.4 million</td>
<td></td>
</tr>
<tr>
<td>- London &amp; Middlesex Housing Corporation</td>
<td>$0.5 million</td>
<td></td>
</tr>
<tr>
<td>- London Transit Commission</td>
<td>$1.2 million</td>
<td></td>
</tr>
<tr>
<td>- Corporate Initiatives</td>
<td>$1.6 million</td>
<td></td>
</tr>
<tr>
<td>Service Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Councillor's Office – administrative support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Further Service Change Options for Council Consideration toward ZERO</td>
<td>$8.3</td>
<td>1.8%</td>
</tr>
<tr>
<td>POSSIBLE TAX LEVY AFTER SUBMITTED AND FURTHER SERVICE CHANGES</td>
<td>$2.2</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

### Capital Project Cuts included in the “Path to Zero” (for Council's consideration)

<table>
<thead>
<tr>
<th>Capital Projects included with Service Change Business Cases to Arrive at a Tax Levy Increase of 0.7% ($ millions)</th>
<th>2013</th>
<th>2014 – 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Improvement Projects including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Relocation of Fire Services Training Tower ($2.4 in 2013, -$1.5 future)</td>
<td>$3.2</td>
<td>$27.9</td>
</tr>
<tr>
<td>- Management of Emerald Ash Borers ($0.4 in 2013, $3.6 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Facilities Energy Management ($0.3 in 2013, $2.2 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Bike Lane Program ($0.1 in 2013, $1.0 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Audible Pedestrian Signals ($0.05 in 2013, $0.45 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Delay in Landfill Site Property Acquisition ($7.8 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Repurposing Rec and Community Facilities/New Spray Pads ($4.3 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth Projects including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Industrial Oversizing - City's Share of Ind. Dev. ($0.6 in 2013, $5.4 future)</td>
<td>$0.9</td>
<td>$8.3</td>
</tr>
<tr>
<td>Life Cycle Renewal Projects including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reduction in Bus Purchase Replacements ($0.5 in 2013, $4.5 future)</td>
<td>$0.6</td>
<td>$5.1</td>
</tr>
<tr>
<td>- Dearnness Home Major Upgrades ($0.05 in 2013, $0.45 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Integrated Library System ($0.02 in 2013, $0.18 future)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$4.7</td>
<td>$41.3</td>
</tr>
</tbody>
</table>

Budget 2013
### Capital Budget by Category

#### Tax Supported 2013 Capital Budget @ 2.5% Increase (Submitted) with Forecast for 2014-2022 (in $ millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Cycle Renewal</td>
<td>57.7</td>
<td>48.0</td>
<td>44.0</td>
<td>58.6</td>
<td>71.0</td>
<td>63.3</td>
<td>341.0</td>
<td>$329.9</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>18.6</td>
<td>49.4</td>
<td>45.5</td>
<td>48.5</td>
<td>49.8</td>
<td>60.0</td>
<td>147.5</td>
<td>321.6</td>
<td></td>
</tr>
<tr>
<td>Service Improvement</td>
<td>39.5</td>
<td>15.9</td>
<td>13.4</td>
<td>14.1</td>
<td>7.6</td>
<td>6.6</td>
<td>35.3</td>
<td>91.8</td>
<td></td>
</tr>
<tr>
<td>Total Capital Expenditure</td>
<td>$115.8</td>
<td>$109.3</td>
<td>$112.9</td>
<td>$124.2</td>
<td>$128.5</td>
<td>$129.9</td>
<td>$506.6</td>
<td>$1,100.3</td>
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</tr>
<tr>
<td>Financing Available</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Levy (Pay-as-you-go)</td>
<td>16.6</td>
<td>21.6</td>
<td>23.8</td>
<td>28.0</td>
<td>28.2</td>
<td>30.4</td>
<td>183.6</td>
<td>93.6</td>
<td></td>
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<tr>
<td>Debt Service (1)</td>
<td>37.1</td>
<td>25.6</td>
<td>29.0</td>
<td>25.0</td>
<td>31.8</td>
<td>20.4</td>
<td>71.6</td>
<td>208.8</td>
<td></td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>34.7</td>
<td>12.1</td>
<td>17.7</td>
<td>20.0</td>
<td>18.1</td>
<td>19.0</td>
<td>68.6</td>
<td>179.7</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1.4</td>
<td>0.9</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>1.0</td>
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<tr>
<td>Total Tax Supported</td>
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<td>$68.3</td>
<td>$74.2</td>
<td>$76.1</td>
<td>$77.2</td>
<td>$66.9</td>
<td>$556.2</td>
<td>$706.1</td>
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<tr>
<td>Total Non-Tax Supported</td>
<td>$23.1</td>
<td>$43.7</td>
<td>$41.2</td>
<td>$44.1</td>
<td>$60.3</td>
<td>$41.6</td>
<td>$175.4</td>
<td>$395.7</td>
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<tr>
<td>Total Financing Available(2)</td>
<td>$115.8</td>
<td>$112.9</td>
<td>$124.2</td>
<td>$128.5</td>
<td>$129.9</td>
<td>$506.6</td>
<td>$1,100.3</td>
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</table>

*Numbers subject to rounding*

#### Capital Budget by Category

#### Tax Supported Capital Budget @ 0.7% Increase (Not Recommended) with Forecast for 2014-2022 (in $ millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Life Cycle Renewal</td>
<td>57.7</td>
<td>47.5</td>
<td>53.5</td>
<td>59.0</td>
<td>70.6</td>
<td>62.7</td>
<td>328.2</td>
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<td>Growth</td>
<td>18.6</td>
<td>30.4</td>
<td>44.4</td>
<td>47.9</td>
<td>48.3</td>
<td>38.1</td>
<td>143.1</td>
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<td>Service Improvement</td>
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<td>12.6</td>
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<td>$123.9</td>
<td>$105.3</td>
<td>$497.7</td>
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<tr>
<td>Capital Levy (Pay-as-you-go)</td>
<td>16.5</td>
<td>17.5</td>
<td>21.4</td>
<td>22.8</td>
<td>25.8</td>
<td>28.1</td>
<td>171.5</td>
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<td>Debt Service (1)</td>
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<td>29.0</td>
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<td>71.8</td>
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<td>Reserve Fund</td>
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<td>18.9</td>
<td>23.8</td>
<td>38.3</td>
<td>28.0</td>
<td>168.7</td>
<td>257.4</td>
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<tr>
<td>Other</td>
<td>1.4</td>
<td>0.9</td>
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<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
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<tr>
<td>Total Tax Supported</td>
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<td>$67.6</td>
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<td>$66.4</td>
<td>$324.1</td>
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<td>Total Non-Tax Supported</td>
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<td>$43.3</td>
<td>$40.8</td>
<td>$43.7</td>
<td>$49.9</td>
<td>$40.8</td>
<td>$175.7</td>
<td>$395.9</td>
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<tr>
<td>Total Financing Available(2)</td>
<td>$115.8</td>
<td>$108.4</td>
<td>$113.5</td>
<td>$123.9</td>
<td>$165.3</td>
<td>$497.7</td>
<td>$1,054.3</td>
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</table>

*Numbers subject to rounding*
Reserves & Reserve Funds Balance Overview 2012-2013

<table>
<thead>
<tr>
<th>000's</th>
<th>PROJECTED BALANCE 31-Dec-12</th>
<th>PROJECTED CONTRIBUTION FROM TAX</th>
<th>OTHER INCOME AND INTEREST (OUTLIOWS)</th>
<th>PLANDED DRAWS</th>
<th>PROJECTED BALANCE 31-Dec-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligatory</td>
<td>49,208</td>
<td>-</td>
<td>30,350</td>
<td>(42,856)</td>
<td>36,742</td>
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</table>

RESERVES AND RESERVE FUNDS THAT ARE IMPORTANT TO BUDGET DECISION MAKING

<table>
<thead>
<tr>
<th>Category</th>
<th>31-Dec-12</th>
<th>000's</th>
<th>31-Dec-13</th>
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<tbody>
<tr>
<td>Capital Asset Renewal and Replacement</td>
<td>31,740</td>
<td>19,092</td>
<td>5,676</td>
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<tr>
<td>Capital Asset Growth</td>
<td>6,477</td>
<td>2,500</td>
<td>1,410</td>
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<tr>
<td>Specific Projects and New Initiatives</td>
<td>33,810</td>
<td>7,585</td>
<td>5,153</td>
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<tr>
<td>Contingencies/Stabilization</td>
<td>23,106</td>
<td>497</td>
<td>0</td>
</tr>
<tr>
<td>Risk Management and Long Term Planning</td>
<td>61,968</td>
<td>3,182</td>
<td>1,619</td>
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</tbody>
</table>

TOTAL (includes Boards & Commissions) 206,309 32,936 44,245 (82,041) 201,452

*These reserves and reserve funds EXCLUDE Boards & Commissions.

Important Dates

- December 4, 2012: 2013 Budget Tabled (Council Chambers)
- January 9, 2013: Overview of Operating Budgets & Service Changes (Council Chambers)
- January 12, 2013: Budget Workshops (City Hall Cafeteria)
- January 14, 2013: Public Participating Meeting (Council Chambers)
- January 24 (8, 25 if needed), 2013: Operating Budget (Council Chambers)
- February 7, 2013: Capital Budget (Council Chambers)
- February 13, 2013: Public Participating Meeting (Council Chambers)
- February 28, 2013: Operating & Capital Budgets Approved (Council Chambers)

All meetings, with the exception of the Jan 12 budget workshops, will be streamed live at www.london.ca
Budget Workshops

**STATION / ACTIVITY**
- Budget Basics: Introduction
- Priority Pole
- Ask the City Treasurer
- Comment Corner
- Your Voice
- Budget Basics: Learn & Share, Concept Based
- Visualizing the Budget
- Speakers Corner
- Twitter Wall - #BudgetLdn13

**WHEN:** Saturday, January 12, 2013
9:00-11:00 am • 1:00-3:00 pm

**WHERE:** Top of the Hall, City Hall Cafeteria

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Feedback

**Talk to Us!**

- e-mail budget@london.ca
- Facebook.com/LondonCanada
- Twitter.com
- Call Financial Planning at 519-661-4638