

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2019
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2019 OPERATING BUDGET MID-YEAR MONITORING REPORT – PROPERTY TAX, WATER, WASTEWATER & TREATMENT BUDGETS

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2019 Operating Budget Mid-Year Monitoring Report:

- a) The 2019 Operating Budget Mid-Year Monitoring Report for the Property Tax Supported Budget, Water, and Wastewater & Treatment Budgets (refer to **Appendix A**) **BE RECEIVED** for information. An overview of the net corporate projections are outlined below, noting that the year-end positions could fluctuate based on factors beyond the control of Civic Administration:
 - i) Property Tax Supported Budget surplus of \$4.5 million as identified by Civic Administration, Boards and Commissions. The projected year-end position includes the Reserve Fund contribution listed in item b).
 - ii) Water Rate Supported Budget surplus of \$2.6 million.
 - iii) Wastewater & Treatment Rate Supported Budget surplus of \$2.8 million.
- b) 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.
- c) Civic Administration **BE AUTHORIZED** to allocate the year-end Property Tax Supported Budget surplus, currently projected at \$4.5 million, to the Operating Budget Contingency Reserve to be used to smooth the impact of budgetary pressures associated with Provincial funding and cost-sharing changes impacting the City of London's 2020 - 2023 Multi-Year Budget.
- d) Civic Administration **BE AUTHORIZED** to contribute \$925,370 resulting from the 2018 Property Tax Supported Budget Surplus to the Land Acquisition Reserve Fund, identified as a high priority tax-supported reserve fund, in accordance with direction provided as part of the 2018 Operating Budget Year-End Monitoring Report.
- e) Civic Administration's contribution of \$1,440,355 (\$1,197,194 – Property Tax Supported; \$72,788 – Water; and \$170,373 – Wastewater & Treatment) to the Efficiency, Effectiveness and Economy Reserve in 2019 **BE RECEIVED** for information.

LINK TO 2019-2023 STRATEGIC PLAN

Council's 2019-2023 Strategic Plan for the City of London identifies 'Leading in Public Service' as a strategic area of focus. The City of London's Multi-Year Budget development and monitoring is a strategy to maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term. On a semi-annual basis, through the Operating Budget Monitoring Report process, Civic Administration measures the results achieved against approved budgets, and recommends appropriate adjustments in line with City policies and practices. This exercise ensures the operating budget is continuously updated and reflective of the City's strategic financial plan.

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.

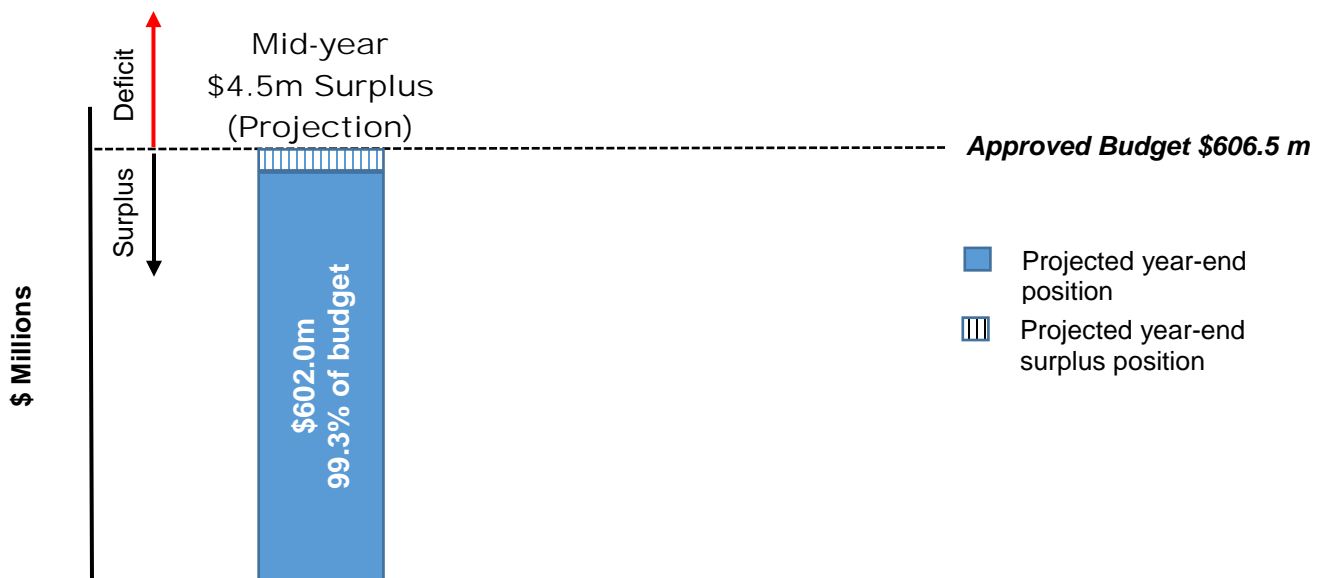
Based on this evaluation, each year Civic Administration will submit two monitoring reports to Council, the Operating Budget Mid-Year Monitoring Report and Operating Budget Year-End Monitoring Report. In addition to these two reporting cycles, once per year the multi-year budget is updated through the 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.

2019 RESULTS

2019 PROPERTY TAX SUPPORTED OPERATING BUDGET MONITORING

The 2019 Property Tax Supported Net Budget was approved at \$606.5 million. The projected 2019 year-end surplus is \$4.5 million. Figure 1 below provides a graphical view of the projected surplus position at year-end.

Figure 1 – Comparison of 2019 Budget and Projected Actuals



Outlined in Table 1 are some of the key items that are contributing to the projected year-end surplus of \$4.5 million. A year-end surplus of \$4.5 million represents approximately 0.7% of the 2019 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)
Higher than anticipated investment revenue, financing revenue, and fee based revenues primarily from Development Service fees and building permit fees, and Fire Services miscellaneous fee revenues.	\$3.7m
Increased revenues from penalty and interest on taxes, grants in lieu of taxes and taxation user fees.	\$1.8m
Energy/utility savings in electricity, natural gas, chilled water and steam mainly resulting from legislative changes and better than anticipated pricing.	\$1.7m
Net personnel savings resulting primarily from vacancies stemming from both staff turnover and the gap between approvals of new positions and filling new positions across all service areas.	\$0.5m
London Transit Commission surplus due to the approval of annualized assessment growth funding received part-way through 2019.	\$0.5m
London & Middlesex Community Housing deficit due to higher than anticipated building maintenance costs and other operational costs.	\$(0.5)m
Winter maintenance deficit resulting from higher than anticipated costs in operating supplies to replenish inventory levels including salt, sand, and winter liquids necessary to maintain roads as per required Provincial standards.	\$(1.2)m
Portion of budgeted drawdown from the Operating Budget Contingency Reserve (OBCR) not required.	\$(2.0)m
Total Projected Year-End Position	\$4.5m

All figures are subject to rounding.

Surplus/Deficit Policy – Property Tax Supported Budget

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Property Tax Supported Budget 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.

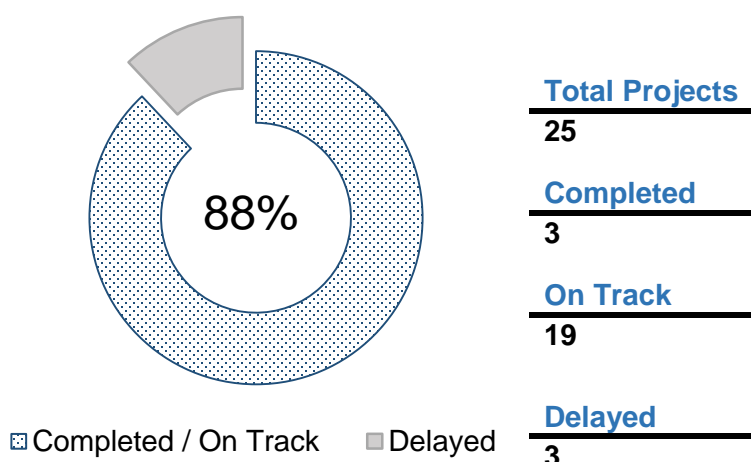
If recommendation c) to allocate the year-end surplus, currently projected at \$4.5 million, to the Operating Budget Contingency Reserve to smooth anticipated Provincial funding and cost-sharing pressures is approved, the Property Tax Supported Budget will be balanced at year-end, and no surplus allocation would be required.

2016-2019 STRATEGIC INVESTMENT PROGRESS UPDATE

As part of the 2016-2019 Multi-Year Budget, 25 strategic investments linked to Council’s 2015-2019 Strategic Plan were approved. These 25 strategic investments have budgeted investments 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.

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, was delayed pending a Part II Order Environmental Assessment escalation request, which has since been resolved. Provincial funding through the Ontario Municipal Commuter Cycling Program was also approved in 2018, eliminating a potential funding gap. Detailed design and land negotiations are finalized. The project has been awarded and construction commenced in 2019 with completion forecasted for 2020.
2. The London Homeless Prevention System Implementation Plan, Business Case #16, Item #2, has been delayed. It was originally planned to be operational in 2018. The opening of the Housing First youth emergency shelter is anticipated to occur in the third quarter of 2019. The reason for this delay is due to the length of time it has taken to acquire land. There are no significant implications as youth will continue to be served at The Salvation Army Centre of Hope until the new shelter is open.
3. The Regeneration Public Housing Plan, Business Case #21, has been delayed. This project is in partnership between the City of London, the Housing Development Corporation (HDC) and London & Middlesex Community Housing (LMCH). LMCH will provide Council a final Regeneration Strategy by the end of 2019 which will inform some of the direction on this initiative. The portion of the budget spent represents the allocated costs from HDC for internal work carried out in the context of this plan. It is expected this the full budget will be expended by 2021.

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

Strategic Area of Focus	2016 - 2019 Total Budget	Life to date actuals as of June 30, 2019	% Spent of 2016 - 2019 Total Budget
Building a Sustainable City	14,340	11,219	78%
Leading in Public Service	7,297	4,726	65%
Strengthening Our Community	8,529	6,262	73%
Growing Our Economy	17,604	7,100	40%
Total	47,770	29,307	61%

For a more detailed update regarding each strategic investment refer to **Appendix C**. Each strategic investment provides a description on the status of the project, project plans and other information pertinent to life to date actuals.

2020-2023 EMERGING ISSUES – PROPERTY TAX SUPPORTED BUDGET

Several services have identified potential service delivery pressures that may impact expenditures/revenues in 2020-2023 (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 2020-2023 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2020-2023 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2020-2023 period is predicted to be less than 30%

Table 3 – Summary of Potential Future Budget Impacts

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
LEGISLATIVE	
<p>1. Multiple Services – On April 11, 2019, the new Government of Ontario tabled its first budget, titled <i>Protecting What Matters Most</i>. The budget reflected a number of priorities, programs and direction, with a specific focus on reducing the provincial deficit. The budget addressed a range of issues, with multiple items having impacts to municipal governments and their respective budgets. Civic Administration reviewed a number of issues for their potential effects on service delivery.</p> <p>Subsequent to the budget, other proposed legislative changes were announced which may also have an impact on municipal finances, including Bill 108, <i>More Homes, More Choice Act, 2019</i>. Some of these changes will impact the City’s budget in 2019 but most will also impact development of the 2020-2023 Multi-Year Budget.</p> <p>On May 28, 2019, the Corporate Services Committee received a report on the projected financial impacts as of May 16, 2019. Since that time, the provincial government made additional announcements clarifying the impact on municipal finances, including an address to delegates of the AMO Conference on August 19, 2019. The impact of these announcements is still being analyzed and quantified, noting that some changes may require increases in municipal funding in order to maintain current levels of service.</p> <p>What we are doing to mitigate/address the issue: Civic Administration continues to evaluate the changes and corresponding effects on the City of London and will develop mitigation plans to control costs and incorporate impacts into the development of the 2020-2023 Multi-Year Budget.</p>	High
MUNICIPAL COUNCIL DIRECTED	
<p>2. Social & Community Support Services - Subsidized Transit - Council approved the implementation of free transit for children 5-12 commencing January 1, 2017, the income-related subsidized transit program for adults 18 and over for 2 years commencing January 1, 2018 and the reduced rate transit pass for youth ages 13 to 17 commencing September 1, 2018 for 22 months. The costs of these programs in excess of available budgets are to be funded through property tax supported operating budget surplus and, if necessary, contingency reserves. Participation rates among eligible Londoners will determine the exact financial impact for this initiative.</p> <p>What we are doing to mitigate/address the issue: Permanent funding will be requested through the 2020-2023 Multi-Year Budget. In the meantime, Council approval was obtained through the 2017 Year-End Operating Budget Monitoring Report for a \$5 million contribution to the Operating Budget Contingency Reserve to fund the costs associated with these programs in excess of the approved budget for 2019 (if necessary).</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
COST DRIVER	
<p>3. Multiple Services - The City is experiencing the growing impact of substance abuse and mental health concerns leading to a noted increase in the number of incidents of unpredictable behaviour, particularly in the core area of the City. This challenge has implications on a number of City services, including policing, By-Law Enforcement, Homeless Prevention, Roadside Operations and Parks & Recreation.</p> <p>What we are doing to mitigate/address the issue: <i>In September 2018, a number of service areas in the City of London and Partner organizations launched a 16 week pilot program to identify and implement a coordinated Core Area Informed Response to address these challenges. This pilot program was successful and will continue on a go-forward basis commencing April 1, 2019; the city-wide Coordinated Informed Response will have in place a coordinated cross-functional team to provide a caring and compassionate response to the unpredictable and disruptive behaviours of individuals that are sleeping rough and urban camping related to substance use and mental illness. The cost of the 2019 Coordinated Informed Response activities is estimated to be approximately \$1.25 million to be funded from the tax supported Efficiency, Effectiveness and Economy Reserve on a one-time basis. Civic Administration will be bringing forward a business case for consideration as part of the 2020-2023 Multi-Year Budget in order to secure permanent funding for this initiative beyond 2019.</i></p>	High
<p>4. Garbage Recycling & Composting - City staff has previously noted the Chinese “National Sword” program as an emerging issue with a high likelihood to impact the 2020 operating budget. The program continues to significantly limit global access to the large Chinese recovered materials markets and is placing significant downward pressure on the value of global recovered material end markets for items recovered through Blue Box recycling programs across North America. For the majority of 2018, the material recovered and marketed from the Manning Drive Regional Material Recovery Facility (MRF) was still able to be sold for revenues close to budget. This was a result of the high quality of the materials produced (i.e. two stream) and the end market relationships of Miller Waste, the City's Blue Box collection and MRF operations service provider. Currently, the recovered material end markets have deteriorated to a point where the advantages are no longer sufficient to realize the revenues anticipated when the 2016-2019 Multi-Year Budget was set. It is anticipated that the revenues received for recovered materials in 2019 will be below budget and this trend is expected to continue into 2020.</p> <p>What we are doing to mitigate/address the issue: <i>Staff members have been working with our Blue Box collection and Material Recovery Facility (MRF) operations service provider Miller Waste Systems to ensure that recovered materials produced from the MRF are of a quality required to continue to be marketed during these market conditions. It should be noted that Miller Waste Systems has developed long term relationships with stable end markets which greatly assists with material marketability during changing market conditions. However as the downward pricing pressure is global in nature it is likely that revenues for recovered materials will be lower than anticipated/budgeted. In response to this, on April 9, 2019 Council approved a staff recommendation to install new mechanical components to upgrade the existing Old Corrugated Cardboard (OCC) screen in an effort to improve recovered material quality and preserve the revenue stream for these materials. In addition, staff are currently reviewing whether capital investment is warranted to preserve the recovered material revenue stream and offset future operating cost increases.</i></p>	High
<p>5. Garbage Recycling & Composting - Council has approved the direction set in the 60% Waste Diversion Action Plan including the Green Bin Program which is a major component. Annual operating costs for the Plan will range from \$5.05 million to \$7.45 million, with the most likely cost estimated to be \$6.5 million. Ultimately, costs will depend on final program design and market competition. Potential revenue to lower costs of these initiatives is very limited until 2024/2025 at which time between \$3 million and \$4 million may be available to lower costs.</p> <p>What we are doing to mitigate/address the issue: <i>Financing the 60% Waste Diversion Action Plan will be subject of an upcoming Civic Works Committee report and part of the 2020-2023 Multi-Year Budget deliberations. City staff continue to provide comment through associations on the need for the provincial government to move to extended producer responsibility as quickly as possible to reduce the financial impact of recycling on municipalities. Organics management (diversion) and its contribution to 60% waste diversion is a requirement of current provincial direction, upcoming regulation and a commitment as part of the environmental assessment for the W12A landfill expansion.</i></p>	High
<p>6. Roadways - Recent trends in winter maintenance costs have resulted in higher than budgeted spending as a result of the increased need to treat main roads and bus routes (salt/winter liquids/plow) to meet Provincial Maintenance</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<p>Standards. The average annual deficit over the past five years has been \$1.58M</p> <p><i>What we are doing to mitigate/address the issue: Civic Administration is reviewing all expenditure lines in the road & summer maintenance accounts to determine if budgets can be reallocated to help offset the budget pressures in the winter maintenance accounts.</i></p>	

2019 WATER RATE SUPPORTED OPERATING BUDGET MONITORING

The 2019 projected year-end surplus for the Water Rate Supported Budget is \$2.6 million (Table 4).

Water revenues are projected to be in a surplus of \$1.6 million by year-end due primarily to an increase in infrastructure charge revenues and water service application revenues driven by growth in number of users. These additional revenues are partially offset by higher costs to purchase additional water volumes.

Operating expenditures are projected to be in a surplus of \$1.0 million by year-end. The surplus is mainly driven by savings in personnel costs as a result of vacancies throughout the year from positions not filled due to the delay in federal/provincial grant funding associated with infrastructure works and miscellaneous savings in various operational accounts.

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

Water Budget	2019 Revised Budget	Actuals as at June 30, 2019	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	79,896	34,190	42.8%	81,526	1,630
Expenditures	79,896	47,015	58.8%	78,933	963
Net Balance Surplus/(Deficit)	-	(12,825)	N/A	2,593	2,593

Surplus/Deficit Policy – Water Rate Supported Budget

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Water Rate Supported Budget surplus as follows:

- a) 50% to reduce authorized debt (if the surplus allocation exceeds the authorized debt amount, the remaining surplus will be added to item b); and
- b) 50% to the Waterworks Reserve Fund to support capital asset renewal/replacement and mitigate growth in the infrastructure gap.

As per Policy, the projected \$2.6 million surplus, if realized, will be allocated as follows:

- a) nil to reduce authorized debt (currently no authorized debt for Water); and
- b) \$2.6 million to the Waterworks Reserve Fund.

2019 WASTEWATER & TREATMENT RATE SUPPORTED OPERATING BUDGET MONITORING

The 2019 projected year-end surplus for the Wastewater & Treatment Rate Supported Budget is \$2.8 million (Table 5).

Revenues are projected to be in a deficit of \$0.3 million due to a significant decrease in High Strength Sewer Surcharges as high strength waste volumes have decreased significantly over prior years, partially offset by an increase in infrastructure charges driven by growth in number of users.

Operating expenditures are projected to be in a surplus of \$3.1 million by year-end. Savings in utility costs are expected to be realized due to an expected decrease in energy usage as a result

of the installation of more energy efficient equipment in recent years. Personnel costs are also expected to be under budget as a result of vacancies throughout the year from positions not filled due to the delay in federal/provincial grant funding associated with infrastructure works. These savings are partially offset by higher than expected miscellaneous expenses in various operational accounts.

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

Wastewater Budget	2019 Revised Budget	Actuals as at June 30, 2019	Actual % Spent/Realized	Projected Year-End Position	Projected Year-End Surplus/(Deficit)
Revenues	98,182	42,587	43.4%	97,900	(282)
Expenditures	98,182	57,525	58.6%	95,104	3,078
Net Balance Surplus/(Deficit)	-	(14,938)	N/A	2,796	2,796

Surplus/Deficit Policy – Wastewater & Treatment Rate Supported Budget

The Council approved Surplus/Deficit Policy provides for the allocation of reported surplus for the Wastewater & Treatment Rate Supported Budget surplus as follows:

- a) 50% to reduce authorized debt (if the surplus allocation exceeds the authorized debt amount, the remaining surplus will be added to item b); and
- b) 50% to the Sewage Works Reserve Fund to support capital asset renewal/replacement and mitigate growth in the infrastructure gap.

As per Policy, the projected \$2.8 million surplus, if realized, will be allocated as follows:

- a) \$1.4 million to reduce authorized debt; and
- b) \$1.4 million to the Sewage Works Reserve Fund.

2020-2023 EMERGING ISSUES – WATER AND WASTEWATER & TREATMENT RATE SUPPORTED BUDGETS

Water and Wastewater & Treatment have identified a potential service delivery pressure that may impact expenditures/revenues in 2020-2023 (Table 6). The table describes this issue and the measures taken to mitigate or address this issue. 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 2020-2023 period is predicted to be greater than 60%
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Table 6 - Summary of Potential Future Budget Impacts

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
COST DRIVER	
<p>1. The first phase of several projects were completed with funding from federal/provincial programs. There is a risk that the subsequent phases of this previously announced funding will not materialize. This would leave the future phases of several major infrastructure projects incomplete and inoperative. One specific example is the pumping station required for the Vauxhall/Pottersburg interconnection.</p> <p><i>What we are doing to mitigate/address the issue: City staff are monitoring the situation with other levels of government and lobbying on behalf of these</i></p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<i>funding programs while also looking for other grant programs to help offset future costs.</i>	

OTHER MID-YEAR MONITORING INFORMATION

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 the applicable tax and rate supported budgets' Efficiency, Effectiveness and Economy reserves. These reserves provide funding for opportunities that create efficiency, effectiveness and economy within the City's tax and rate supported operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, these reserves provide funding for contingency costs in excess of funds available in the contingency reserves. 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 2019, the contribution to the Efficiency, Effectiveness and Economy reserves was \$1,440,355 (\$1,197,194 – Property Tax Supported; \$72,788 – Water; and \$170,373 – Wastewater & Treatment).

CONTRIBUTION TO LAND ACQUISITION RESERVE FUND

Municipal Council, at its meeting held on April 23, 2019, as part of the 2018 Operating Budget Year-End Monitoring Report, resolved that the following actions be taken with respect to the 2018 deficit in the amount of \$925,370 related to the administration and enforcement of the *Building Code Act*:

- i) the above-noted deficit BE FINANCED by means of a withdrawal from the Building Permit Stabilization Reserve Fund rather than transfer from the 2018 year-end Operating Budget surplus;
- ii) the Civic Administration BE DIRECTED to report to a future meeting of the Corporate Services Committee with a recommendation as to high priority tax-supported reserve funds that the resulting surplus from the action noted in i) above, could be transferred to instead.

Based on Council direction, it is recommended that the resulting surplus of \$925,370 from the 2018 Property Tax Supported Budget be allocated to the Land Acquisition Reserve Fund which has been identified as a high priority tax-supported reserve fund.

FUTURE BUDGETARY IMPACTS AS A RESULT OF PROVINCIAL ANNOUNCEMENTS

On April 11, 2019, the new Government of Ontario tabled its first budget, titled *Protecting What Matters Most*. The budget reflected a number of priorities, programs and direction, with a specific focus on reducing the provincial deficit. Multiple items in the provincial budget were identified as having impacts to municipal governments and their respective budgets.

At the Corporate Services Committee on May 28, 2019, it was reported that the anticipated impact of the provincial budget and other proposed legislated changes would result in a net budgetary pressure of \$6.6 million/year by 2022 based on known impacts at that time. For context, each \$6 million represents approximately 1% on the tax levy.

These pressures will have an impact on the development of the 2020-2023 Multi-Year Budget, reducing budget capacity that would otherwise have been available for additional investments in Council's priorities. Civic Administration is continuing to monitor new announcements and developments from the Provincial Government and evaluating the impact to the multi-year budget as the information is received. As such, it is recommended that the Property Tax Supported Budget surplus, currently projected at \$4.5 million, be allocated to the Operating Budget Contingency Reserve to be used to smooth the anticipated budgetary pressures associated with Provincial funding and cost-sharing changes impacting the 2020-2023 Multi-Year Budget.

2019 OPERATING BUDGET MID-YEAR MONITORING SUMMARY
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Civic Administration is projecting a \$4.5 million year-end surplus in the 2019 Property Tax Supported Budget. The major factors contributing to this position are surpluses in investment and financing revenue, fee based revenues, taxation revenues, and savings in utility/energy costs. Civic Administration is recommending that the 2019 Property Tax Supported Surplus be allocated to the Operating Budget Contingency Reserve to be used to smooth the anticipated budgetary pressures associated with Provincial funding and cost-sharing changes impacting the 2020-2023 Multi-Year Budget.

The Water Rate Supported Budget is projecting a surplus of \$2.6 million primarily as a result of revenue surplus from an increase in infrastructure charges and water service application revenues due to the growth in number of users. The Wastewater & Treatment Rate Supported Budget is projecting a surplus of \$2.8 million primarily as a result of savings in utility costs due to an expected decrease in energy usage, partially offset by a deficit in High Strength Sewer Surcharges; there were also personnel savings in both of the rate supported budgets from positions not filled because of the delay in federal/provincial grant funding associated with infrastructure works.

Acknowledgements

This report was prepared with significant contributions from the City's Financial Business Support teams, Rick Lamon, Manager, Accounting and Reporting and Cathy Milne, Current Budget and Process Officer, in Financial Planning & Policy.

PREPARED BY:	REVIEWED BY:
ZEINA NSAIR, CPA, CGA MANAGER, FINANCIAL MODELLING, FORECASTING & SYSTEMS CONTROL	MARTIN GALCZYNSKI, CPA, CA MANAGER, FINANCIAL PLANNING & POLICY
CONCURRED BY:	RECOMMENDED BY:
KYLE MURRAY, CPA, CA DIRECTOR, FINANCIAL PLANNING & BUSINESS SUPPORT	ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

Cc: Alan Dunbar – Manager, Financial Planning & Policy
 Jason Davies – Manager, Financial Planning & Policy
 John Millson – Senior Financial Business Administrator
 Bryan Baar – Senior Financial Business Administrator
 Ian Collins – Director, Financial Services

APPENDIX A – 2019 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)
Culture Services:					
Centennial Hall ⁽⁶⁾	191	5	2.6%	191	-
Arts, Culture & Heritage Advisory & Funding	2,373	1,644	69.3%	2,393	(20)
Museum London	1,740	1,202	69.1%	1,740	-
Eldon House	290	145	50.0%	290	-
Heritage	204	97	47.5%	206	(2)
Library Services	20,551	10,290	50.1%	20,551	-
Total Culture Services	25,349	13,383	52.8%	25,371	(22)
Economic Prosperity:					
Economic Development	8,829	3,947	44.7%	8,724	105
Community Improvement/BIA	240	102	42.5%	240	-
RBC Place London	639	319	49.9%	639	-
Tourism London	2,062	512	24.8%	2,062	-
Covent Garden Market	-	-	-	-	-
Total Economic Prosperity	11,770	4,880	41.5%	11,665	105
Environmental Services:					
Kettle Creek Conservation Authority ⁽³⁾	551	540	98.0%	540	11
Lower Thames Valley Conservation Authority ⁽³⁾	168	167	99.4%	166	2
Upper Thames River Conservation Authority	3,720	1,801	48.4%	3,692	28
Environmental Action Programs & Reporting	796	323	40.6%	790	6
Garbage Recycling & Composting	17,651	8,148	46.2%	17,994	(343)
Total Environmental Services	22,886	10,979	48.0%	23,182	(296)
Parks, Recreation & Neighbourhood Services:					
Neighbourhood & Recreation Services ⁽⁴⁾	23,343	32,903	141.0%	23,119	224
Parks & Urban Forestry	13,543	5,649	41.7%	13,543	-
Total Parks, Recreation & Neighbourhood Services	36,886	38,552	104.5%	36,662	224
Planning & Development Services:					
Building Approvals ⁽⁵⁾	(499)	(1,346)	269.7%	(892)	393
Planning Services	4,237	1,618	38.2%	3,639	598
Development Services	5,069	2,524	49.8%	4,843	226
Total Planning & Development Services	8,807	2,796	31.7%	7,590	1,217
Protective Services:					
Animal Services ⁽⁶⁾	1,816	279	15.4%	1,825	(9)
By-Law Enforcement & Property Standards ⁽⁶⁾	1,743	6	0.3%	1,468	275
Corporate Security & Emergency Management	2,600	1,137	43.7%	2,551	49
Fire Services	62,183	28,860	46.4%	62,183	-
Police Services	109,888	54,548	49.6%	109,888	-
Total Protective Services	178,230	84,830	47.6%	177,915	315
Social & Health Services:					
Housing Services	11,554	7,619	65.9%	11,392	162
Housing Development Corporation	2,292	572	25.0%	2,292	-
London & Middlesex Community Housing	10,440	6,419	61.5%	10,948	(508)
Long Term Care ⁽⁴⁾	5,130	7,210	140.5%	4,539	591
Land Ambulance	16,444	5,032	30.6%	16,444	-
Middlesex London Health Unit	6,095	3,177	52.1%	6,095	-
Social & Community Support Services ⁽⁴⁾	16,072	23,781	148.0%	15,729	343
Total Social & Health Services	68,027	53,810	79.1%	67,439	588
Transportation Services:					
Parking	(3,592)	(1,430)	39.8%	(3,592)	-
London Transit Commission	32,831	16,157	49.2%	32,307	524
Roadways	43,645	20,675	47.4%	43,849	(204)
Rapid Transit	-	648	0.0%	-	-
Total Transportation Services	72,884	36,050	49.5%	72,564	320
Corporate, Operational & Council Services:					
Corporate Services	57,768	24,702	42.8%	54,970	2,798
Corporate Planning & Administration	2,176	707	32.5%	1,819	357
Council Services	3,879	1,800	46.4%	3,818	61
Public Support Services ⁽⁶⁾	2,253	285	12.6%	1,491	762
Total Corporate, Operational & Council Services	66,076	27,494	41.6%	62,098	3,978
Financial Management:					
Corporate Financing	115,621	77,250	66.8%	117,545	(1,924)
Total Financial Management	115,621	77,250	66.8%	117,545	(1,924)
Total Property Tax Requirements	606,536	350,024	57.7%	602,031	4,505
Water					
Expenditures	79,896	47,015	58.8%	78,933	963
Revenues	79,896	34,190	42.8%	81,526	1,630
Total Water	-	(12,825)	N/A	2,593	2,593
Wastewater & Treatment					
Expenditures	98,182	57,525	58.6%	95,104	3,078
Revenues	98,182	42,587	43.4%	97,900	(282)
Total Wastewater & Treatment	-	(14,938)	N/A	2,796	2,796

1) All figures are subject to rounding.

2) Includes housekeeping budget transfers. As authorized by the Council Approved Multi-Year Budget Policy, 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 2019 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.

6) Centennial Hall, Animal Services, Bylaw Enforcement & Property Standards and Public Support Services expenses appear low due to a timing issue; not all expenditures have been realized.

APPENDIX B – 2019 MID-YEAR EXPLANATION BY SERVICE PROGRAM

SERVICE PROGRAM	\$ Millions
CULTURE SERVICES	0.0
<ul style="list-style-type: none"> • Centennial Hall balanced budget with no major factors to report. • Arts, Culture and Heritage Advisory & Funding deficit of \$20k due to 2019 Juno Awards contribution and personnel costs. • Museum London balanced budget with no major factors to report. • Eldon House balanced budget with no major factors to report. • Heritage deficit of \$2k with no major factors to report. • London Public Library balanced budget with no major factors to report. 	
ECONOMIC PROSPERITY	0.1
<ul style="list-style-type: none"> • Economic Development surplus of \$105k a result of personnel savings. • Community Improvement/Business Improvement Area balanced budget with no major factors to report. • RBC Place London balanced budget with no major factors to report. • Tourism London is projecting a balanced budget at year-end after contributing \$195k to the Tourism Trust in accordance with Board approval. The savings anticipated to be contributed to the Trust are the result of personnel savings partially offset by a deficit in consulting fees and other operational costs. • Covent Garden Market is projecting a balanced budget at year-end after contributing \$63k to their reserve as a result of an increase in user fee revenues partially offset by net operational costs. 	
ENVIRONMENTAL SERVICES	(0.3)
<ul style="list-style-type: none"> • Kettle Creek Conservation Authority (KCCA) surplus of \$11k with no major factors to report. • Lower Thames Valley Conservation Authority (LTVCA) surplus of \$2k with no major factors to report. • Upper Thames River Conservation Authority (UTRCA) surplus of \$28k due to a decrease in London's share of UTRCA's total expenses. • Environmental Action Programs and Reporting surplus of \$6k a result of a grant for Green Economy London partially offset by a deficit in personnel costs. • Garbage, Recycling & Composting deficit of \$343k a result of the following: <ul style="list-style-type: none"> ○ \$1.2m deficit a result of a decrease in recycling revenues and revenues from extended producer responsibility due to lower recycling volumes, deficits in waste diversion services and Resource Productivity & Authority allocated funding, partially offset by savings in recycling payments. ○ \$195k deficit due to personnel and operational costs. ○ \$1.0m surplus a result of higher than anticipated Garbage Disposal revenue due to increased quantities of waste at W12A Landfill, surplus in enviro depot revenue, garbage tag revenue and miscellaneous revenue. 	
PARKS, RECREATION, & NEIGHBOURHOOD SERVICES	0.2
<ul style="list-style-type: none"> • Neighbourhood & Recreation Services surplus of \$224k a result of net personnel savings and other net operational savings, partially offset by a deficit in Child Care services. • Parks and Urban Forestry balanced budget after higher than anticipated costs related to contracted services and other operational costs offset by personnel savings. 	
PLANNING & DEVELOPMENT SERVICES	1.2
<ul style="list-style-type: none"> • Building Approvals surplus of \$393k a result of personnel savings, increases in building permit fees and other user fee revenues, offset by operational costs. • Planning Services surplus of \$598k a result of personnel savings partially offset by other net operational costs. • Development Services surplus of \$226k a result of personnel savings, surplus in site plan fees and other various user fee based revenues partially offset by other operational costs. 	
PROTECTIVE SERVICES	0.3
<ul style="list-style-type: none"> • Animal Services deficit of \$9k a result of higher than anticipated purchased services for parks patrol and care attendant services partially offset by various operational savings and a surplus in veterinarian service revenues. 	

SERVICE PROGRAM	\$ Millions
<ul style="list-style-type: none"> • By-Law Enforcement & Property Standards surplus of \$275k a result of personnel savings, higher than anticipated net user fee based revenues including business licenses and taxi-limousine licenses, and other operational savings. • Corporate Security & Emergency Management surplus of \$49k a result of various operational savings partially offset by personnel costs. • Fire Services balanced budget a result of increased revenues due to higher accident fees and an increase in fire inspection fees offset by personnel and operational costs. • The London Police Service (LPS) is projecting a balanced budget after contributing \$778k to reserves. The savings to be contributed to their reserves are primarily the result of personnel savings partially offset by a deficit in Provincial grant revenue due to new Provincial grant structure and various operational costs. 	
SOCIAL & HEALTH SERVICES	0.6
<ul style="list-style-type: none"> • Housing Services surplus of \$162k a result of higher than budgeted County revenue share resulting from changes in weighted assessment and increased housing investments (LMCH). • Housing Development Corporation is projecting a balanced budget with no major factors to report. • London & Middlesex Community Housing deficit of \$508k is a result of higher than anticipated building maintenance costs and other operational costs. • Long Term Care surplus of \$591k a result of net savings in utilities, increased resident room fee revenue and various other revenues, savings in purchased services and other operational savings, surplus in government funding related to level of care funding increases, partially offset by personnel costs, other operational costs and a deficit in resident recreation and entertainment. • Land Ambulance balanced budget with no major factors to report. • Middlesex-London Health Unit balanced budget a result of personnel savings and surplus in spending for relocation offset by budgeted expenditure savings/gapping. • Social and Community Support Services surplus of \$343k a result of the following: <ul style="list-style-type: none"> ○ \$1.2m surplus a result of net personnel savings, lower than anticipated operating costs due to the delay in opening the new Youth Emergency Shelter and a surplus in the Housing Supplement program. ○ \$0.6m deficit in Ontario Works Employment Related Expenses due to an increased demand in achieving employment targets. ○ \$0.3m net deficit in Subsidized Transit resulting from deficits in the free transit for children 5-12 and the reduced rate transit pass for youth ages 13 to 17 programs, partially offset by surpluses in the subsidized transit for seniors program and the income-related subsidized transit program for adults 18 and over. 	
TRANSPORTATION SERVICES	0.3
<ul style="list-style-type: none"> • Parking Services balanced budget after net surplus in HONK parking application revenue and other net operational cost savings, offset by decreased on-street parking revenue due to road construction, and higher than anticipated personnel costs. • London Transit Commission surplus of \$524k due to the approval of annualized assessment growth funding received part-way through 2019. • Roadway Services deficit of \$204k a result of the following: <ul style="list-style-type: none"> ○ Roadway Maintenance balanced budget with no major factors to report. ○ \$299k surplus in Roadway Planning & Design due to personnel savings, partially offset by operational costs. ○ \$1.1m deficit in Winter Maintenance operating supplies based on current inventory levels including salt, sand, and winter liquids necessary to maintain roads as per required Provincial Standards, partially offset by higher than budgeted winter maintenance user fee revenues, net personnel savings and other operational savings. ○ \$597k surplus in Street Lighting & Traffic Signals due to personnel savings, operational savings and higher revenues for 	

SERVICE PROGRAM	\$ Millions
<p>Red Light Camera infractions, lower than anticipated electricity costs and other operational savings, partially offset by transfer of streetlight maintenance surplus and red light camera program surplus to the respective reserve and reserve fund.</p> <ul style="list-style-type: none"> • Rapid Transit budget is balanced within the operating budget. Expenditures initially incurred in the operating budget are offset through recoveries from associated capital projects. 	
CORPORATE, OPERATIONAL, & COUNCIL SERVICES	4.0
<ul style="list-style-type: none"> • Corporate Services surplus of \$2.8m a result of personnel savings, favourable hydro costs, savings in fuel, natural gas, water consumption and other net operational cost savings. • Corporate Planning and Administration Services surplus of \$357k a result of personnel savings, higher than anticipated savings in service reviews and other operational cost savings. • Council Services surplus of \$61k a result of personnel savings and other operational cost savings. • Public Support Services surplus of \$762k a result of higher than anticipated tax department revenue, personnel savings and operational cost savings. 	
FINANCIAL MANAGEMENT	(1.9)
<ul style="list-style-type: none"> • Corporate Financing deficit of \$1.9m a result of: <ul style="list-style-type: none"> ○ \$3.9 million net deficit due to the contribution to the Unfunded Liability Reserve Fund partially offset by personnel & contingency savings in Financial Management. ○ \$2.8m deficit due to \$2.0m drawdown from the Operating Budget Contingency Reserve and \$0.8m Cap & Trade drawdown that are potentially not required. ○ \$2.6m surplus in investment revenue due to market conditions. ○ \$1.6m surplus due to increased revenue from penalty and interest on taxes and additional revenue from grants in lieu of taxes. ○ \$0.6m surplus from other financing revenues and other operational savings. 	
TOTAL PROJECTED YEAR-END POSITION	\$ 4.5

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, 2019 (\$000's)
Building A Sustainable City				
1	Library's Ten Year Capital Plan	Susanna Hubbard Krimmer	1,900	1,900
	<p>Contract with Ameresco was completed in December 2018. As a result, the following capital projects are now complete:</p> <ul style="list-style-type: none"> o Jalna rooftop HVAC replacement; o Beacock boiler and HVAC replacement; o Central replacement of fire system and back flow prevention system; o Byron rooftop HVAC replacement; and o Masonville boiler replacement. <p><i>Project Status: Completed</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	300
	<ul style="list-style-type: none"> • The strategic investment funding has been added to the operating budget for 2018 & 2019. Prior to this the existing base budget money was utilized to complete the identified initiatives. Some of the initiatives that are nearly complete or completed/implemented are as follows: <ul style="list-style-type: none"> 1) Effective January 2018 Council approved an additional green week collection for Christmas trees and other yard waste collection and opening the EnviroDepots an additional three days to provide access to drop off Christmas trees and other items accumulated during longer collection cycles over the holidays. 2) Blue Boxes are now being sold at the EnviroDepots; 3) Reduced container limits for garbage are now being enforced and garbage tags are being sold for bags above the limit set out for collection; 4) Community composting projects have been initiated at six multi-residential locations; 5) Staff members are actively engaged in several local and provincial working groups exploring the benefits of food waste awareness and participating in pilot projects developed with Western University and PhD students. <p>The remaining \$100,000 is planned to be used to assist with and initiate the 60% Waste Diversion Action Plan and/or to assist with recycling revenue shortfalls.</p> <p><i>Project Status: On Track</i> <i>Project Start Date: 2018</i></p>			
3	Urban Forest Strategy	John Fleming	3,455	2,117
	<ul style="list-style-type: none"> • On Track with meeting target of "Maintain Better" as part of the Urban Forest Strategy. \$285,000 will be used in the later part of 2019 for Fertilization and other specific work. <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
	<p>Detailed design and land negotiations are finalized. Project has been awarded and construction commenced in 2019 with completion forecasted for 2020. <i>Project Status: Delayed</i></p> <p><i>Project Start Date: Design in 2017</i></p>			
5	Road Safety Strategy	Kelly Scherr	500	317
	<ul style="list-style-type: none"> • Implementation of Road Safety Strategy Initiatives including pedestrian crossovers, road safety audits, rail crossing assessments and capital improvements is 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 numbers being reported. <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>			
6	Rapid Transit Implementation Strategy	Kelly Scherr/ Jennie Ramsay	0	0
	<ul style="list-style-type: none"> • Wellington Gateway, East London Link & Downtown Loop corridors were approved by Council on March 26, 2019 for submission to the Provincial & Federal Government under the Investing in Canada Infrastructure Plan - Public Transit Stream (ICIP). • Provincial funding allocation under ICIP for Wellington Gateway, East London Link and Downtown loop was confirmed on June 25, 2019. • Federal funding allocation under ICIP for Wellington Gateway, East London Link & Downtown Loop was confirmed on August 23, 2019. • The next steps for the North & the West corridors are pending Council direction. <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, 2019 (\$000's)
7	State of Infrastructure Report	Anna Lisa Barbon	6,750	5,250
	<ul style="list-style-type: none"> Identified capital funds began in 2017. The 2019 Asset Management Plan indicates targeted infrastructure investments have resulted in progress in managing the Transportation Infrastructure Gap. Funds have been allocated to projects in Parks and Recreation, Fire and Corporate Services through 2019. <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
Council Added Initiative	Green Bin	Kelly Scherr	135	135
	<ul style="list-style-type: none"> A staff position (18 month contract) was filled in July 2016 through January 2018 and provided 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. <i>Project Status: Completed</i> <i>Project Start Date: July 2016</i>			
Leading in Public Service				
8	Garbage Collection – On-board Weighing and Tracking Technologies	Kelly Scherr	150	0
	The strategic investment funding has been added to the capital and operating budget in 2019. Work with this budget is scheduled to begin in Q3 and Q4 2019. <i>Project Status: On Track</i> <i>Project Start Date: 2019</i>			
9	Technology – Amanda	George Kotsifas	1,000	895
	Mobile Application Solution was successfully completed. Digital tracking project request for proposal process is complete and staff is working with the vendor to capture existing procedures. Bluebeam digital application mark-up to be implemented in Q3 2019. Also, staff are currently updating the Building folder. <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	45
	Enhanced signage, tenant notifications and mail-outs have been completed. Project is in the implementation stage and nearing full completion. <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
11	Service London Implementation Plan	Lynne Livingstone	3,947	2,687
	<ul style="list-style-type: none"> 2016 and 2017 operating spending was below budget due to project timing and reflects the pace of roll-out of capital projects; operating expenses started to ramp up in 2018 as capital projects are operationalized and full staffing complement is achieved. The capital investment to date has focused on the following projects: <ul style="list-style-type: none"> 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, while CRM Phase 3 was completed at the end of 2017. The Self Service Portal was completed in April, 2017. Capital expenditures related to the Business Hub renovations were completed at the end of Q4 2017. CRM implementation (Phase 4) was completed in Q4 2018. The Service London Business Website was launched in Q1 2019 and CRM (Phase 5) is on track for Q4 2019. <i>Project Status: On Track</i> <i>Project Start Date: March 2016</i>			
12	Computerized Maintenance Management System	Kelly Scherr/ Anna Lisa Barbon	2,100	1,099
	Implementation of Phase 1 is nearing completion and expected to go live in 2019. Phases 2 & 3 are being brought forward in the 2020-2023 Multi-Year Budget for Council approval. <i>Project Status: On Track</i> <i>Project Start Date: July 2016</i>			

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2019 (\$000's)
Strengthening Our Community				
13	London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020	Lynne Livingstone	780	530
	<p>All of the 2016 funds (\$30k) and 2017 funds (\$250k) available for this project have been spent on neighbourhood projects and all 2018 funds (\$250k) have been committed, noting that some 2018 projects are currently in the process of being completed. All 2019 funding is planned on being committed by year-end.</p> <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	1,762
	<ul style="list-style-type: none"> • 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 in place in 2016. • Council received information reports on March 28, 2017 and on November 13, 2018 related to Bridges Out of Poverty and Circle Baseline Evaluation including success and impacts of this initiative. • This initiative is currently being reviewed. An RFP will be issued in fall of 2019. A business case will be brought forward for Council's consideration in the 2020-2023 Multi-Year Budget. <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	116
	<ul style="list-style-type: none"> • In 2017 an RFP was issued for an external consultant to assist with the creation of the strategy. On December 5, 2017 a report was provided to Council on the Community Mental Health and Addiction Strategy - Moving Forward Together. • Council also approved the remaining budgetary funds of \$112k to fund the implementation activities of the Community Mental Health and Addictions Strategy through the Ivey Research Centre for Health Innovation. • All remaining funds are expected to be used by the end of 2019. <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	Sandra Datars Bere	3,800	2,522
	<ul style="list-style-type: none"> • A total of \$176,640 of the \$200,000 approved budget for Housing Supplements was utilized in 2016 as the program was rolled out. The full budget of \$400,000 was spent in 2017. \$189,650 of the \$500,000 budget was spent in 2018 and \$147,493 has been spent in the first half of 2019. • The new timeline for the opening of the Housing First youth emergency shelter is Q3 2019. The reason for this delay is due to the length of time it has taken to acquire land. There are no significant implications as youth will continue to be served at The Salvation Army Centre of Hope. The operating portion of \$1,000,000 is budgeted for \$500,000 in each of 2018 & 2019 with \$277,500 spent in 2018 on start-up related costs and \$131,160 spent in the first half of 2019. <p><i>Project Status: Delayed</i> <i>Project Start Date: April 2016</i></p>			
17	Winter Maintenance Strategy	Scott Stafford	574	500
	<ul style="list-style-type: none"> • This 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 half of 2019 experienced a heavier snowfall than a typical winter season, it is anticipated the budget will be sufficient to meet the expected service levels during a "normal" winter. <p><i>Project Status: On Track</i> <i>Project Start Date: 2016</i></p>			
Council Added Initiative	Enhance By-law Enforcement	George Kotsifas/Orest Katolyk	1,095	832
	<ul style="list-style-type: none"> • The Informed Response Project, proactive partnership enforcement, project start date was April 2019. • Revenues to pay for the Enhanced enforcement were to be cost shared by additional revenue from licensing private hires, vacant building by-law fees and administrative 			

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of June 30, 2019 (\$000's)
	monetary penalties. Currently the City is only collecting revenues from licensing private hires. <ul style="list-style-type: none"> • Vacant building by-law fees were eliminated due to a policy direction change by Council. • Administrative monetary penalties (AMPs) will be implemented in November 2019 for parking. <i>Project Status: On Track</i> <i>Project Start Date: June 2016</i>			
Growing Our Economy				
18	London Community Foundation's "Back to the River Project"	John Fleming	700	700
	The One River Environmental Assessment has been completed and endorsed by City Council. Implementation will be subject to Council approval through the 2020-2023 Multi-Year Budget process. <i>Project Status: Completed</i> <i>Project Start Date: 2018</i>			
20	London's Downtown Plan – Small Scale Projects	John Fleming	100	0
	The first small scale project under this initiative is budgeted to begin in 2019. \$50,000 has been allocated for a newly created Façade Uplighting Grant, which will offer up to a \$5,000 grant per business to up-light heritage façade features. A report was provided to the Planning & Environment Committee on July 22, 2019 regarding this grant program. There are also potential opportunities being considered to paint pedestrian crosswalks in Downtown, and provide shade umbrellas at Rotary Square at Covent Garden Market. <i>Project Status: On Track</i> <i>Project Start Date: 2019</i>			
21	Regenerating Public Housing Plan	Sandra Datars Bere	750	72
	Approved funding started in 2018 to develop a detailed strategic plan for regeneration/re-development of LMCH properties, inclusive of funding, partnership, tenant impact and engagement strategies. This project is a partnership between the City, HDC, and LMCH. LMCH will provide Council a final Regeneration Strategy by the end of 2019 which will inform some of the direction on this initiative. The portion of the budget spent represents the allocated costs from HDC for internal work carried out in the context of this plan. It is expected this the full budget will be expended by 2021. <i>Project Status: Delayed</i> <i>Project Start Date: 2018</i>			
22	Dundas Place	Kelly Scherr/ John Fleming	15,614	6,076
	<ul style="list-style-type: none"> • Dundas Place Phase 1 construction is completed with second phase well underway. • 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. <i>Project Status: On Track</i> <i>Project Start Date: February 2015</i>			
23	City of London Internship Program	Bill Coxhead	360	212
	<ul style="list-style-type: none"> • Currently there are two foreign trained professionals employed for 12 month terms under the expanded internship program. The longer term placements provide candidates an opportunity to obtain accreditation in their chosen profession. <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
Council Added Initiative	Brownfield Incentives	John Fleming	80	40
	Funding is used on as needed basis as applicants come forward. <i>Project Status: On Track</i> <i>Project Start Date: 2016</i>			

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.

