

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON OCTOBER 28, 2019
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	REVIEW OF CITY SERVICES FOR POTENTIAL REDUCTIONS & ELIMINATIONS – TAX SUPPORTED RESERVE FUND CONTRIBUTIONS

RECOMMENDATIONS

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

- a. The following report summarizing the review of tax supported contributions to the Special Projects & New Initiatives and Contingencies/Stabilization & Risk Management reserves and reserve funds **BE RECEIVED** for information; and
- b. The recommended tax supported reserve and reserve fund contributions, attached as Appendix “A”, **BE APPROVED** to facilitate continued development of the 2020-2023 Multi-Year Budget, it being noted that the contributions are subject to final approval as part of the Multi-Year Budget deliberations and approvals process.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Strategic Priorities and Policy Committee, meeting on July 29, 2019, agenda item 4.1 – Review of City Services for Potential Reductions and Eliminations:

<https://pub-london.escrimetings.com/filestream.ashx?DocumentId=65965>

Strategic Priorities and Policy Committee, meeting on May 6, 2019, agenda item 4.1 – 2020-2023 Multi-Year Budget:

<https://pub-london.escrimetings.com/filestream.ashx?DocumentId=62405>

Corporate Services Committee, meeting September 25, 2018, agenda item 2.2 – Reserves Rationalization Report:

<https://pub-london.escrimetings.com/filestream.ashx?DocumentId=50269>

Corporate Services Committee, meeting July 17, 2018, agenda item 2.4 – Reserve and Reserve Fund Policy Report:

<https://pub-london.escrimetings.com/filestream.ashx?DocumentId=47669>

LINK TO THE 2019-2023 STRATEGIC PLAN

Council’s 2019-2023 Strategic Plan for the Corporation of the City of London (the “City”) identifies ‘Leading in Public Service’ as a strategic area of focus. The City’s Multi-Year Budget process is a strategy to maintain London’s finances in a transparent and well-planned manner to balance equity and affordability over the long term.

Additionally, the 2019-2023 Strategic Plan forms the foundation for the 2020-2023 Multi-Year Budget. Council will, through the 2020-2023 Multi-Year Budget process, be able to ensure that its priorities are achieved within the financial parameters that Council establishes during its term. The 2020-2023 Multi-Year Budget will determine the pace of implementation of the 2019-2023 Strategic Plan.

BACKGROUND

At the Strategic Priorities and Policy Committee meeting on July 29, 2019, Council received the Review of City Services for Potential Reduction & Eliminations report outlining the City's service review initiatives, supporting financial policies and considerations for other potential areas for review. Based on this review, Council at its meeting on July 30, 2019, resolved:

That the following actions be taken with respect to the review of City of London services for potential reductions and eliminations:

- a) the staff report dated July 29, 2019 detailing the cost savings and avoidance initiatives ongoing and recently undertaken by the City of London BE RECEIVED for information; and
- b) the following specific areas BE CONSIDERED for further review for potential service reductions and eliminations:
 - i) the Downtown and Industrial Community Improvement Plans (CIPs), with consideration for a reduced level of subsidy;
 - ii) Information Technology, with a report back with a summary of past initiatives and potential future review tools; and,
 - iii) a review of reserve funds with uncommitted balances, (excluding capital asset renewal/replacement funds, and capital asset growth funds) for an analysis of funding contributions to those funds where the annual contributions from the tax levy may be scaled back.

This report addresses clause b) iii) of the Council resolution with respect to the tax supported reserve and reserve fund contributions that may be scaled back within the 2020-2023 Multi-Year Budget.

OVERVIEW OF RESEVES AND RESERVE FUNDS

The total amount of the City's holdings in reserves and reserve funds is significant due to the size and complexity of its operations.

Reserves and reserve funds are an important element of the City's long term strategic financial plan and a key pillar of the City's Aaa (stable) credit rating. The balances held allow the City to set aside funds for known and unknown future events. Examples of future events include, but are not limited to: provisions for the replacement and rehabilitation of existing assets, funds for new capital assets (growth or service improvement), funding long term contingencies and potential liabilities, and providing a buffer for anticipated and unanticipated expenditures (social or economic investment opportunities) or loss of revenues beyond the control of the City (changes in senior government funding).

The potential consequences of not having adequate reserve and reserve fund levels are:

- **Increased cost of short-term borrowing** – A lack of sufficient reserves and reserve funds available to meet operational needs may require the City to potentially seek short term financing from external sources at an increased cost to the City.
- **Loss of Aaa credit rating** – Moody's, the City's credit rating agency, has outlined that maintaining reserve and reserve fund levels assist the City in achieving its credit rating. A drop in this rating would increase the overall cost of borrowing resulting in a direct impact to the City's operating & capital budgets.
- **Reduction in capital plan** – Reserve and reserve fund balances assist in financing the capital plan of the City. A reduction in balances would require the City to reduce the capital plan, if all else remained equal.
- **Inability to invest in strategic priorities** – A lack of sufficient reserves and reserve funds may lead to missed opportunities to spur economic and social growth beneficial to the long term success of the City's various internal and external stakeholders.
- **Improper intergenerational equity** – By not setting aside funds now to pay for costs that are going to occur in the future (examples include unfunded liabilities and capital asset renewal and replacement), the burden to pay is passed to future generations who did not receive the benefits associated with the cost.

The above noted purposes and potential consequences associated with reserves and reserve funds are periodically reviewed to assess the adequacy of reserve and reserve fund balances and the appropriateness of tax supported and non-tax supported contributions. These long term

strategic financial planning exercises ensure the City's reserve and reserve fund portfolio is justified and supports the objectives of:

- Minimizing fluctuations in taxes,
- Reducing tax supported debt,
- Assisting the City in achieving a strong credit rating,
- Investing in capital infrastructure,
- Achieving Strategic Plan priorities, and
- Supporting intergenerational equity.

In 2018 Council approved the City's Reserve and Reserve Fund Policy. This Policy formalizes the standards to which the City manages reserves and reserve funds, educates internal and external stakeholders regarding the practices applied and provides for transparency, accountability and opportunities for engagement.

Since the implementation of this Policy, Civic Administration has been conducting in-depth reviews of all the City's reserve and reserve fund holdings with an aim to bring forward rationalization reports that establish targets and create efficiencies in the management of the City's holdings. On September 25, 2018, Council approved the first rationalization report regarding the City's reserves. The second rationalization report scheduled for Fall 2019 was to focus on the City's Capital Asset Renewal & Replacement (CARR) reserve funds. This report will now be brought forward in 2020 in order to accommodate developing this report focusing on the City's Special Projects & New Initiatives (SPNI) and Contingencies/Stabilization & Risk Management (CSRM) reserve and reserve funds. With respect to the CARR reserve funds, additional time will allow Civic Administration to thoroughly investigate external trends in the management of reserve funds that support lifecycle renewal, better evaluate the findings of the 2019 Corporate Asset Management Plan, and benefit from direction provided during the 2020-2023 Multi-Year Budget deliberations. Postponing development of the CARR reserve fund rationalization report will not impact the 2020-2023 Multi-Year Budget development process.

TAX SUPPORTED CONTRIBUTIONS REVIEW

For the purposes of this report, only Special Projects & New Initiatives and Contingencies / Stabilization & Risk Management reserves and reserve funds with tax supported contributions were reviewed for potential adjustments to contributions. These categories include other reserves and reserve funds that receive non-tax supported contributions (see Appendix B for a complete list of SPNI and CSRM reserves and reserve funds). Examples of such reserves and reserve funds include the Building Permit Stabilization Reserve Fund which is financed from building permit revenues and the Tourism Infrastructure Reserve Fund which is financed from municipal accommodation taxes.

These two categories of reserves and reserve funds are defined as follows:

Specific Projects & New Initiatives: A category of reserves and reserve funds established for planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.

Contingencies/Stabilization & Risk Management: A category of reserves and reserve funds designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

The City maintains a total of 36 funds within these two categories (number of funds excludes water and wastewater rate supported reserves and reserve funds), which cover a wide range of purposes from social and health services to economic development to corporate contingencies and liabilities. Of these 36 funds, 13 have ongoing tax supported contributions in the 2020-2023 Multi-Year Budget. Table 1 lists the 13 funds and their 2019 tax supported contributions.

TABLE 1 – 2019 Tax Supported SPNI & CSRM Reserves/Reserve Funds (Thousands \$000's)

Category	Reserve/Reserve Fund Name	Budgeted Contributions
Special Projects & New Initiatives	Civic Investment Reserve Fund	1,099.1
	CIPs Grants Reserve Fund	1,035.0
	CIPs Loans Reserve Fund	300.0
	Economic Development Reserve Fund	5,923.0
	Housing Development Corporation Reserve Fund ¹	2,000.0
	Land Acquisition & Management Reserve Fund	1,280.0
	Municipal Election Reserve Fund	393.1
	Official Plan Reserve Fund	100.0
	Operating – Efficiency, Effectiveness & Economy Reserve ²	1,390.0
	Tree Bank Reserve Fund	122.0
	Woodland Acquisition & Management Reserve Fund	262.0
Contingencies/ Stabilization & Risk Management	Self-Insurance Reserve Fund ¹	3,862.3
	Workplace Safety & Insurance Board Reserve Fund ¹	1,014.4
Total 2019 Budgeted Tax Supported Contributions		18,780.9
Category	Reserve/Reserve Fund Name	Non-budgeted Contribution
Special Projects & New Initiatives	Operating – Efficiency, Effectiveness & Economy Reserve ²	2,979.0
Total 2019 Non-budgeted Tax Supported Contribution		2,979.0
Total 2019 Tax Supported Contributions		21,759.9

*Amounts subject to rounding.

Notes:

- 1) The tax supported contributions to the Housing Development Corporation Reserve Fund, Self-Insurance Reserve Fund and Workplace Safety & Insurance Board Reserve Fund include contributions from tax supported Boards & Commissions.
- 2) For the purposes of this report, the Operating – Efficiency, Effectiveness & Economy Reserve includes both budgeted and non-budgeted contributions defined as follows: 1. Budgeted contributions pertaining to past investment repayments, e.g. LED Streetlights, and 2. Non-budgeted contribution pertaining to vacancy management savings within the personnel budget (90 day savings attributable to most vacated positions in accordance with the administrative Position Management Process), it being noted that vacancy management savings represent the majority of the annual contribution to this fund.

Table 2 shows the total 2019 tax supported SPNI and CSRM contributions as a percentage of the 2019 net tax supported budget.

TABLE 2 – 2019 SPNI & CSRM Contributions Summary (Thousands \$000's)

Budget Line Item	Amount
Net Tax Supported Budget ^{1 & 2}	606,536.3
Total Tax Supported Contributions (Budgeted & Non-budgeted)	21,759.9
Percentage of Net Tax Supported Budget	3.59%

*Amounts subject to rounding.

Notes:

- 1) The 2019 net tax supported budget includes 2019 assessment growth.
- 2) As of 2019, a 1% increase in the net tax supported budget is equal to \$6.07 million.

Proposed 2020-2023 Multi-Year Budget Tax Supported Contributions Post Review

When assessing the required contributions for reserves and reserve funds Civic Administration takes into consideration, among other things: the purpose of the fund, certainty of end needs (current and forecasted commitments), best practices/standards, economic factors and affordability (tax and non-tax impacts). Using these key considerations, upon review, Civic Administration recommends the following adjustments to the 2020-2023 Multi-Year Budget tax supported contributions.

TABLE 3 – 2020-2023 SPNI and CSRM Revised Tax Supported Contributions
(Thousands \$000's)

	2019	2020	2021	2022	2023
Civic Investment Reserve Fund					
Current Contribution	1,099.1	1,099.1	-	-	-
Revised Contribution		1,099.1	-	-	-
Revised Ending Balance		230.4	229.7	93.9	100.6
The proposed 2020 tax supported contribution is the final tax supported contribution required to satisfy debt servicing costs pertaining to Budweiser Gardens and Western Fair Sports Centre which terminate in 2023.					
CIPs Grant Reserve Fund					
Current Contribution	1,035.0	1,035.0	1,035.0	1,035.0	1,035.0
Revised Contribution		1,500.0	1,700.0	1,900.0	2,100.0
Revised Ending Balance		2,387.2	1,308.7	2,994.3	3,895.7
The proposed 2020-2023 tax supported contributions need to be increased due to projected commitments. The current 10 year commitment forecast represents an average annual expenditure of \$2.7 million. Civic Administration's long term plan is to gradually grow the fund's annual contribution to a matching \$2.7 million.					
CIPs Loan Reserve Fund					
Current Contribution	300.0	300.0	300.0	300.0	300.0
Revised Contribution		300.0	300.0	300.0	300.0
Revised Ending Balance		1,501.9	1,550.8	1,600.5	1,651.2
The proposed 2020-2023 tax supported contributions can be maintained at the current level due to the maturity of the loan program, i.e. as loan programs mature they become less dependent on tax supported contributions to fund program demand as past loan repayments are used to finance new loans.					
Economic Development Reserve Fund					
Current Contribution	5,923.0	5,923.0	5,923.0	5,923.0	5,923.0
Revised Contribution		5,000.0	4,500.0	4,000.0	3,500.0
Revised Ending Balance		13,021.3	13,361.6	10,580.1	12,289.1
The proposed 2020-2023 tax supported contributions can be decreased to provide tax supported savings while still providing Council flexibility to invest in London's economy and Strategic Plan priorities. Any lost capacity realized in the future can be partially offset by the Operating Efficiency, Effectiveness and Economy Reserve provided that proposed investments fit the reserve's funding criteria.					
Housing Development Corporation Reserve Fund ¹					
Current Contribution	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0
Revised Contribution		2,000.0	2,000.0	2,000.0	2,000.0
Revised Ending Balance		2,790.4	4,858.7	6,964.1	9,107.5
The proposed 2020-2023 tax supported contributions maintain the City's current investment rate. Additional tax supported contributions will be brought forward for Council's consideration as part of the 2020-2023 Multi-Year Budget.					
Land Acquisition & Management Reserve Fund					
Current Contribution	1,280.0	1,280.0	1,280.0	1,280.0	1,280.0
Revised Contribution		1,280.0	1,280.0	1,280.0	1,280.0
Revised Ending Balance		5,380.8	6,365.6	7,368.1	8,388.7
The proposed 2020-2023 tax supported contributions are recommended to remain unchanged to avoid impacting the City's future ability to acquire targeted parcels of land.					
Municipal Election Reserve Fund					
Current Contribution	393.1	393.1	393.1	393.1	393.1
Revised Contribution		412.7	433.4	455.0	477.8
Revised Ending Balance		1,590.0	1,966.0	433.9	55.0
The proposed 2020-2023 tax supported contributions need to increase based on current projections. Contribution increases must continue until 2029 when the annual contribution reaches \$640 thousand. At this annual contribution rate the current municipal election program will be sustainable.					
Official Plan Reserve Fund					
Current Contribution	100.0	100.0	100.0	100.0	100.0
Revised Contribution		50.0	50.0	50.0	50.0
Revised Ending Balance		436.2	494.5	332.1	388.5
The proposed 2020-2023 tax supported contributions can decrease by \$50 thousand due to the fund's projected ending balances after accounting for 2019 Development Charges Background Study commitments.					

	2019	2020	2021	2022	2023
Operating – Efficiency, Effectiveness & Economy Reserve					
Current Budgeted Contribution	1,390.0	1,234.7	729.4	757.3	205.5
Current Non-budgeted Contribution	2,979.0	2,979.0	2,979.0	2,979.0	2,979.0
Revised Budgeted Contribution		1,234.7	729.4	757.3	205.5
Revised Non-budgeted Contribution		2,979.0	2,979.0	2,979.0	2,979.0
Revised Ending Balance		7,590.5	11,521.1	15,479.6	18,886.3
<p>The budgeted 2020-2023 tax supported contributions are decreasing as a result of the LED Streetlight program repayments reaching maturity in 2022 after which budgeted contributions solely represent repayments pertaining to Phase 1 of the Fuel Switching Project. As LED Streetlight program repayments mature the budgeted contributions are currently planned to be transferred to the Capital Infrastructure Gap Reserve Fund to finance lifecycle renewal costs related to this program and provide funding to address the infrastructure gap as outlined in the 2019 Corporate Asset Management Plan.</p> <p>The non-budgeted 2020-2023 tax supported contributions reflect the past 5 year average vacancy management savings within the personnel budget (90 day savings attributable to most vacated positions in accordance with the administrative Position Management Process).</p> <p>It is Civic Administration's recommendation that both budgeted and non-budgeted tax supported contributions to this fund remain unchanged due to the importance of this reserve in supporting Strategic Plan priorities and contingency costs in excess of Operating Budget Contingency Reserve (OBCR) balances, it being noted that the combined balances of this reserve and the OBCR represent a shortfall of \$54 million versus the established contingency target.</p>					
Tree Bank Reserve Fund					
Current Contribution	122.0	122.0	122.0	122.0	122.0
Revised Contribution		122.0	122.0	122.0	122.0
Revised Ending Balance		138.0	162.7	187.8	213.4
<p>The proposed 2020-2023 tax supported contributions are recommended to remain unchanged as the current contribution sufficiently supports the existing program while allowing for additional investment opportunities.</p>					
Woodland Acquisition & Management Reserve Fund					
Current Contribution	262.0	262.0	262.0	262.0	262.0
Revised Contribution		262.0	262.0	262.0	262.0
Revised Ending Balance		3,137.9	3,458.8	3,785.4	4,117.9
<p>The proposed 2020-2023 tax supported contributions are recommended to remain unchanged to avoid impacting the City's future ability to acquire woodlands.</p>					
Self-Insurance Reserve Fund ¹					
Current Contribution	3,862.3	3,862.3	3,862.3	3,862.3	3,862.3
Revised Contribution		3,939.5	4,018.3	4,098.7	4,180.7
Revised Ending Balance		12,771.1	13,862.7	14,990.0	16,154.1
<p>As of December 31, 2018, there were unsettled liability claims of approximately \$14.2 million to be paid from this fund. Civic Administration recommends the proposed 2020-2023 tax supported contributions increase at a rate of 2.0% per year to support the amount of unsettled liability claims and fund forecasted annual claims increases.</p>					
Workplace Safety & Insurance Board Reserve Fund ¹					
Current Contribution	1,014.4	1,014.4	1,014.4	1,014.4	1,014.4
Revised Contribution		1,014.4	1,014.4	1,014.4	1,014.4
Revised Ending Balance		14,942.0	15,059.9	15,152.7	15,219.3
<p>As of December 31, 2018, the present value of these obligations are approximately \$48.8 million. It is Civic Administration's recommendation that the tax supported contributions remain at \$1.0 million per year until a review of all unfunded liabilities is completed in 2020.</p>					
Total Revised Tax Supported Contributions	21,759.9	21,193.4	19,388.5	19,218.4	18,471.4

*Amounts subject to rounding.

Notes:

- 1) The tax supported contributions to the Housing Development Corporation Reserve Fund, Self-Insurance Reserve Fund and Workplace Safety & Insurance Board Reserve Fund include contributions from tax supported Boards & Commissions.

Summary of Proposed 2020-2023 Multi-Year Budget Tax Supported Contributions

The sum of the proposed SPNI and CSRSM tax supported contributions result in net tax supported budget **savings** of \$3.3 million over the 2020-2023 Multi-Year Budget period. At the current time Civic Administration is comfortable that this annual average savings of \$0.8 million can be realized without materially impacting Council's ability to finance ongoing operations and additional investment opportunities linked to Council's 2019-2023 Strategic Plan. As budget development continues it is important to note that the contributions may need to be revised and are subject to final approval as part of the Multi-Year Budget deliberations and approvals process.

Table 4 outlines the total proposed 2020-2023 Multi-Year Budget tax supported contributions and net tax supported budget savings.

TABLE 4 – Summary of Tax Supported Contributions and Net Tax Supported Budget Savings (Thousands \$000's)

Budget Line Item	2019	2020	2021	2022	2023
Total Revised Tax Supported Contributions	21,759.9	21,193.4	19,388.5	19,218.4	18,471.4
Year-Over-Year Incr./((Decr.))	N/A	(566.5)	(1,804.9)	(170.1)	(747.0)
% of Net Tax Supported Budget ¹	3.59%	3.40%	3.03%	2.93%	2.74%
% Tax Levy Incr./((Decr.)) ²	N/A	(0.09%)	(0.29%)	(0.03%)	(0.11%)

*Amounts subject to rounding.

Notes:

- 1) For the purpose of this report, the net tax supported budget for 2020-2023 assumes an annual increase of 2.7%.
- 2) As of 2019, a 1% increase in the net tax supported budget is equal to \$6.07 million.

CONCLUSION

Reserves and reserve funds are an important element of the City's long term strategic financial plan as they allow the City to set aside funds for known and unknown future events, which among other things helps to minimize fluctuations in taxes, reduce tax supported debt, maintain a strong credit rating and invest in Strategic Plan priorities.

Civic Administration recommends approval of the revised SPNI and CSRSM proposed 2020-2023 tax supported contributions contained within this report. These contributions are subject to final approval as part of the 2020-2023 Multi-Year Budget deliberations and approvals process.

PREPARED BY:	REVIEWED AND CONCURRED BY:
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Cc:

- Bryan Baar – Senior Financial Business Administrator
- John Millson – Senior Financial Business Administrator
- Alan Dunbar – Manager, Financial Planning & Policy

APPENDIX A – LIST OF PROPOSED 2020-2023 TAX SUPPORTED CONTRIBUTIONS

The following proposed 2020-2023 tax supported contributions pertain to the reserve and reserve funds presented in this report. The 2020-2023 Multi-Year Budget will include other reserve and reserve fund tax supported contributions for capital asset renewal and replacement and growth financing purposes. These contributions are subject to final approval as part of the 2020-2023 Multi-Year Budget deliberations and approvals process.

Reserve/Reserve Fund	2020	2021	2022	2023
Budgeted Contributions				
Civic Investment Reserve Fund	1,099.1	-	-	-
CIP Grant Reserve Fund	1,500.0	1,700.0	1,900.0	2,100.0
CIP Loan Reserve Fund	300.0	300.0	300.0	300.0
Economic Development Reserve Fund	5,000.0	4,500.0	4,000.0	3,500.0
Housing Development Corporation Reserve Fund	2,000.0	2,000.0	2,000.0	2,000.0
Land Acquisition & Management Reserve Fund	1,280.0	1,280.0	1,280.0	1,280.0
Municipal Election Reserve Fund	412.7	433.4	455.0	477.8
Official Plan Reserve Fund	50.0	50.0	50.0	50.0
Operating – Efficiency, Effectiveness & Economy Reserve	1,234.7	729.4	757.3	205.5
Tree Bank Reserve Fund	122.0	122.0	122.0	122.0
Woodland Acquisition & Management Reserve Fund	262.0	262.0	262.0	262.0
Self-Insurance Reserve Fund	3,939.5	4,018.3	4,098.7	4,180.7
Workplace Safety & Insurance Board Reserve Fund	1,014.4	1,014.4	1,014.4	1,014.4
Total Budget Contributions	18,396.4	16,591.5	16,421.4	15,674.4
Non-budgeted Contribution				
Operating – Efficiency, Effectiveness & Economy Reserve	2,797.0	2,797.0	2,797.0	2,797.0
Total Non-budgeted Contribution	2,797.0	2,797.0	2,797.0	2,797.0
Total Tax Supported Contributions	21,193.4	19,388.5	19,218.4	18,471.4

*Amounts subject to rounding.

APPENDIX B – LIST OF SPECIAL PROJECTS & NEW INITIATIVES AND CONTINGENCIES / STABILIZATION & RISK MANAGEMENT RESERVES AND RESERVE FUNDS

Reserve / Reserve Fund	Description / Purpose of Fund	Tax Supported Contribution
Animal Welfare Benefit Reserve Fund	This fund provides funding for initiatives that benefit animal welfare.	
Building Permit Stabilization Reserve Fund	This fund collects annual building permit surpluses, if any, to provide funding for future year building administration and enforcement costs in excess of building permit revenue.	
Child Care and Early Childhood Development Reserve Fund	This fund provides a funding mechanism to meet the future operating and capital funding needs of the City of London's and County of Middlesex's child care and early learning sectors.	
Civic Investment Reserve Fund	This fund provides for the costs of projects identified in the "Downtown Millennium Plan" adopted by Council on March 1, 1999. It remains open to support the debt servicing costs and future operating and capital budget expenditures associated with the City's investments in Budweiser Gardens and Western Fair Sports Centre.	✓
Community Improvement Plans (CIPs) - Grant Reserve Fund	The purpose of this fund is to provide financial assistance to property owners in the CIPs project areas for the purposes of rehabilitation and redevelopment projects, contamination assessment studies, industrial corridor enhancements, DC rebates and tax increment equivalent grants.	✓
CIPs - Loan Reserve Fund	The purpose of this fund is to provide financial assistance, in the form of loans, to property owners in the CIPs project areas for the purposes of building improvements that are necessary to ensure older buildings comply with present day building code standards and for façade improvements that benefit the safety, look and feel (historical and non-historical) of project areas.	✓
Community Investment Reserve Fund	This fund provides funding for one-time initiatives/projects or initiatives/projects that require a temporary source of financing not to exceed four years.	
Creative City Reserve Fund	This fund provides funding for projects, programs and activities approved under the City of London Creative City Fund Terms of Reference.	
Dearness Home Gift Reserve Fund	This fund collects donations from external parties for Dearness Home operations. The funds can only be used to fund Dearness Home related activities.	
Economic Development Reserve Fund	The purpose of this fund is to finance initiatives/projects that support economic development, including but not limited to the creation of long term employment, as well as Council's approved Strategic Plan as follows: one-time initiatives/projects, or initiatives/projects that require a temporary source of financing not to exceed four years.	✓
Housing Development Corporation (HDC) Reserve Fund	This fund provides funding to eligible projects and business activities that advance the HDC's core mandate of "stimulating the development of affordable housing throughout London and Middlesex" with the goal of creating sustainable affordable rental housing units in London.	✓
Housing Support Services (Rent Bank and THAW programs) Reserve Fund	This fund provides funding for the Rent Bank Program and for The Heat and Warmth (THAW) Program.	

Land Acquisition Reserve Fund	The purpose of this fund is to provide for the acquisition of land and property in advance of projected needs and finance operating costs associated with maintaining land and property until the future use of the land and property is determined by Council.	✓
London & Middlesex Housing Corporation Employee Entitlement Reserve Fund	This fund provides for the cost of vacation, sick leave credits and other LMHC employee entitlements for former LMHA employees, based on each employee's entitlement and the timing of their termination from the LMHC.	
London Police Service Sick Leave Reserve Fund	This fund provides for the cost of vested sick leave benefits for members of the London Police Service.	
London Police Service Employee Benefits Reserve Fund	This fund was established and will be maintained for funds received by the London Police Service Board as a result of surpluses in the Administrative Services area of employee benefit plans and the demutualization of the insurance industry.	
London Police Service Recruitment Reserve Fund	This fund was established to manage the loss of revenue at the end of the Provincial Grant period in order to minimize impacts to the operating budgets to the greatest extent possible.	
London Police Service Unfunded Liability Reserve Fund	This fund supports post-employment and post-retirement benefits, vacation credits and vested sick leave benefits for which the London Police Service did not have an identified funding source.	
London Public Library Sick Leave Reserve Fund	This fund was established to for the payment of vested sick leave benefits to eligible employees of the London Public Library.	
Municipal Affordable Homeownership Loan Reserve Fund	This fund provides funding for the Municipal Affordable Homeownership Program, which provides loans to eligible purchasers with repayment of such loans to be made over a period of 15 years.	
Municipal Election Reserve Fund	The purpose of this fund is to support the City's municipal election expenses and smooth the associated cyclical expenditures of running a municipal election.	✓
New Affordable Housing Reserve Fund	This fund provides capital funding to support not-for-profit housing providers and partnerships between not-for-profit housing providers and private sector organizations for the development of housing for low income and special needs households.	
Official Plan Reserve Fund	The purpose of this fund is to support the cyclical expenditures associated with the City's Official Plan and ancillary plans such as growth related secondary plans and community improvement plans.	✓
Operating Budget Contingency Reserve (OBCR)	This fund covers tax supported budget contingencies to mitigate unforeseen events or one-time unanticipated revenue losses and expenses in order to stabilize the tax rate and contributes to the necessary working funds required for operating expenditures incurred prior to the collection of taxes.	
Operating Efficiency, Effectiveness and Economy Reserve	The purpose of this reserve is to provide funding for opportunities that create efficiency, effectiveness and economy within the City's tax supported operations. Returns can range from increased future revenues, decreased future expenditures, increased service levels, improved service quality, etc. Also, this reserve provides funding for contingency costs in excess of funds available in the OBCR.	✓
Public Utilities Commission Environmental Reserve Fund	This fund was established for the purposes of investigation, remediation, restoration and any other related costs with respect to the coal tar affected lands held by the City of London.	
Red Light Camera Reserve Fund	The fund provides funding for future road safety initiatives and Red Light Camera Program shortfalls, if necessary.	

Self-Insurance Reserve Fund	The purpose of this fund is to provide for the payment of insurance deductibles, adjusting expenses and other insurance related expenses specifically approved by Council.	✓
Sick Leave (City of London) Reserve Fund	This fund provides funding for the payment of vested sick leave benefits to eligible employees.	
Social Services Reserve Fund	The fund provides funding for local priorities that address unmet human services needs in London through initiatives that support employment, homelessness, social services improvements and that supplement outcomes mandated under the Ontario Works program.	
Tourism Infrastructure (City of London) Reserve Fund	The fund provides funding for initiatives/projects that support tourism, including but not limited to: Funding tourism related infrastructure projects; finance new projects and improve venue capacity and sustainability in order to strengthen London's ability to attract major tourism related events; and leverage private sector and government capital investment to support initiatives that encourage tourism infrastructure development.	
Tourism London Municipal Accommodation Tax Reserve Fund	This fund presents Tourism London's portion of the Municipal Accommodation Tax. Drawdowns are approved by the Board of Tourism London.	
Tree Bank Reserve Fund	The purpose of this fund is to provide a dedicated source of financing for tree planting on private lands. The fund is drawn upon for tree planting that involves community and business collaboration.	✓
Unfunded Liability (City of London) Reserve Fund	This fund supports post-employment and post-retirement benefits, vacation credits, vested sick leave benefits and landfill closure and post-closure liabilities for which the City previously did not have an identified funding source.	
Woodland Acquisition and Management Reserve Fund	The purpose of this fund is to provide for the acquisition of significant woodlands, including woodlands inside an Environmentally Significant Area, that are inside or outside the Urban Growth Boundary, with a priority on those that are or may be threatened or surrounded by development in the future.	✓
Workplace Safety and Insurance Board Reserve Fund	The purpose of this fund is to provide for the costs of Workplace Safety and Insurance Board (WSIB) claims in excess of \$250 thousand, it being noted that notwithstanding the Council approved WSIB Reserve Fund by-law, should the need arise, this fund may be recommended to finance operating budget pressures pertaining to claims below \$250 thousand.	✓