

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MAY 11, 2020
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2019 OPERATING BUDGET YEAR-END 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 Year-End Monitoring Report:

- a) The 2019 Operating Budget Year-End Monitoring Report for the Property Tax Supported Budget, Water, and Wastewater & Treatment Budgets (**Appendix A**) **BE RECEIVED** for information. An overview of the net corporate positions are outlined below:
 - i) Property Tax Supported Budget position is balanced at year-end, after taking into account \$4.5m to fund 2020-2023 Multi-Year Budget business cases for additional investment, and \$3.2m to offset the financial impacts of COVID-19.
 - ii) Water Rate Supported Budget position is balanced at year-end.
 - iii) Wastewater & Treatment Rate Supported Budget position is balanced at year-end.
- b) The following contributions to reserves, in accordance with the Council approved Surplus/Deficit Policy, **BE RECEIVED** for information:
 - i) \$3.2 million to the Operating Budget Contingency Reserve.
 - ii) \$1.7 million to the Water Budget Contingency Reserve.
 - iii) \$3.3 million to the Wastewater Budget Contingency Reserve.
- c) Civic Administration **BE AUTHORIZED** to utilize \$3.2 million from the Operating Budget Contingency Reserve as a funding source to offset the anticipated financial impacts of COVID-19 on the City's 2020 budget.
- d) The request to fund the 2019 London & Middlesex Community Housing operational deficit of approximately \$0.4 million **BE APPROVED** (see **Appendix E** for Letter of Request).
- e) Notwithstanding the Council approved Surplus/Deficit Policy, Civic Administration **BE AUTHORIZED** to allocate the Traffic Control & Street Lights energy savings from Light Emitting Diodes (LED) upgrades of approximately \$0.9 million from the Property Tax Supported Budget to the Efficiency, Effectiveness and Economy Reserve to accelerate repayment of the funds borrowed for this project.
- f) Notwithstanding the Council approved Surplus/Deficit Policy, Civic Administration **BE AUTHORIZED** to allocate the Fleet Management operational savings of approximately \$0.6 million from the Property Tax Supported Budget to the Vehicle and Equipment Replacement Reserve Fund to support replacement costs.
- g) Civic Administration's contribution of \$3.7 million (\$3.2 million – Property Tax Supported; \$0.1 million – Water; and \$0.4 million – Wastewater & Treatment) to the Efficiency, Effectiveness and Economy Reserves in 2019 **BE RECEIVED** for information.

Note: The reported year-end position is subject to completion of the financial statement audit.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Corporate Services Committee, meeting on September 24, 2019, Agenda Item 2.1, 2019 Operating Budget Mid-Year Monitoring Report
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=67216>

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 Plan.

BACKGROUND

Budget monitoring is a key component for the governance and accountability process of the Corporation of the City of London’s (the “City”) Multi-Year Budget. As part of the move to a multi-year budget for 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.

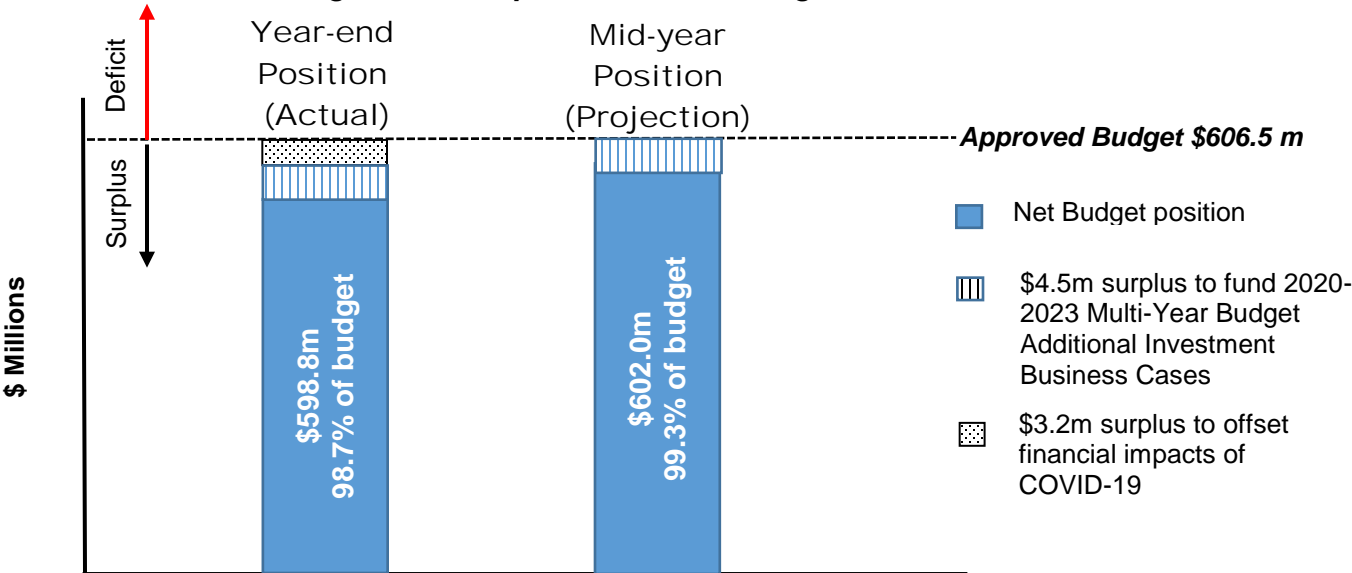
Based on this evaluation, each year Civic Administration will submit two monitoring reports to Council, the Operating Budget Mid-Year Monitoring Report and Operating Budget Year-End Monitoring Report. In addition to these two reporting cycles, once per year the Multi-Year Budget is updated through the 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 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 2019 position is balanced at year-end after a \$3.2 million contribution to the Operating Budget Contingency Reserve, in accordance with the authority delegated to the City Treasurer in the Council approved Surplus/Deficit Policy. Figure 1 below provides a graphical view of the balanced position at year-end.

Figure 1 – Comparison of 2019 Budget and Actual



Outlined in Table 1 are some of the key items that are contributing to the year-end balanced position. For a breakdown of the surplus/deficit by service program, refer to **Appendix B**.

Table 1 – Key Factors Impacting the Year-End Position

Contributing Factor	Year-End Surplus/ (Deficit)	Year-End % of Net Budget	Mid-Year Surplus/ (Deficit)	Mid-Year % of Net Budget
Increased revenues from supplementary taxes, penalty and interest on taxes and grants in lieu of taxes, partially offset by provisions for taxes and appeals.	\$6.1m	1.0%	\$1.5m	0.2%
Higher than anticipated investment revenue and financing revenue.	\$3.8m	0.6%	\$2.8m	0.4%
User fee based revenues primarily from building permit fees, taxi-limousine licences, business licences and other miscellaneous user fee revenues partially offset by other operational costs.	\$2.6m	0.4%	\$1.2m	0.2%
Portion of budgeted drawdown from the Operating Budget Contingency Reserve (OBCR) not required.	\$(2.0)m	(0.3%)	\$(2.0)m	(0.3%)
Write-off of the London Public Library Promissory Note to fund the Library's share of the Bostwick Community Centre as per the business case approved by Council as part of the 2020-2023 Multi-Year Budget.	\$(1.8)m	(0.3%)	\$0.0m	0.0%
Winter maintenance deficit resulting from higher than anticipated costs in operating supplies based on more events that required the need to maintain roads, sidewalks and bike lanes using salt, sand, and winter liquids as per the Provincial Standards.	\$(1.2)m	(0.2%)	\$(1.2)m	(0.2%)
London Transit Commission surplus due to the approval of annualized assessment growth funding received part-way through 2019.	\$0.5m	0.1%	\$0.5m	0.1%
All other factors	\$(0.3)m	(0.0%)	\$1.7m	0.3%
Subtotal: Year-End Position	\$7.7m	1.3%	\$4.5m	0.7%
A portion of the year-end surplus used to fund 2020-2023 Multi-Year Budget additional investment business cases approved by Council.	\$(4.5)m	(0.7%)	\$0.0m	0.0%
Contribution to Operating Budget Contingency Reserve in accordance with the Council approved Surplus/Deficit Policy, to offset financial impacts of COVID-19.	\$(3.2)m	(0.6%)	\$0.0m	0.0%
Total: Year-End Position	\$0m	0.0%	\$4.5m	0.7%

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:

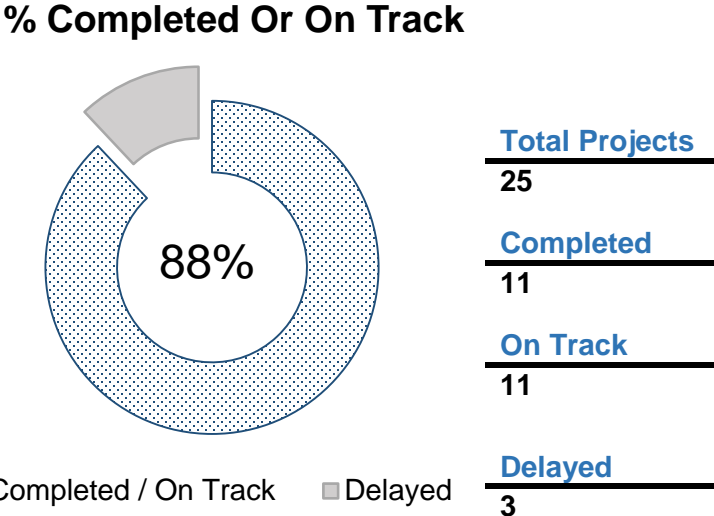
- a) 50% to reduce authorized debt;
- b) 25% to the Community Investment Reserve Fund to be allocated at the discretion of Council; and
- c) 25% to the Capital Infrastructure Gap Reserve Fund to mitigate growth in the infrastructure gap.

If all recommendations are approved, the Property Tax Supported Budget will be balanced at year-end, and no surplus allocation is applicable.

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 – % 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 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 second quarter of 2020. The reason for this delay is due to the length of time it took 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.
2. The Regenerating Public Housing Plan, Business Case #21, has been delayed. This project is a partnership between the City of London, the Housing Development Corporation (HDC) and London & Middlesex Community Housing (LMCH). The final Regeneration Strategy will be provided to Council by the second quarter of 2020. The portion of the budget spent represents the allocated costs from HDC and LMCH for work carried out in the context of this plan. It is expected the full budget of \$0.75 million will be expended by 2022. Council also approved additional funding of \$5.25 million for regeneration of public housing in the 2020-2023 Multi-Year Budget.
3. The Computerized Maintenance Management System (CMMS), Business Case #12, has been delayed. The CMMS Phase 1 launch was postponed pending a move to a new version of the software, a staged integration plan with other enterprise systems and to develop a more detailed training plan. Implementation of Phase 1 to support Water and Wastewater & Treatment is currently nearing completion. The go-live date requires review in coordination with COVID-19 operational plans. Phase 2 for Transportation and Urban Forestry and Phase 3 for Solid Waste and Parks & Horticulture foundational work will be done within the approved 2020-2023 base budget.

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

Strategic Area of Focus	2016 - 2019 Total Budget	Life to date actuals as of December 31, 2019	% Spent of 2016 - 2019 Total Budget
Building a Sustainable City	14,340	14,134	99%
Leading in Public Service	7,297	5,715	78%
Strengthening Our Community	8,529	7,740	91%
Growing Our Economy	17,604	10,518	60%
Total	47,770	38,107	80%

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 - Federal & Provincial Governments – The Federal and Provincial Governments have taken immediate measures in responding to the economic and social fallout resulting from the COVID-19 pandemic. Fiscal measures include economic support for individuals, families and businesses, ensuring appropriate contingencies are in place, and enhancing healthcare resources.</p> <p>What we are doing to mitigate/address the issue: Administration is continuing to monitor new announcements and developments from the Federal and Provincial Governments and evaluating the impact to the budget as the information is received. Additionally, the City has responded by moving quickly to develop a well-planned, policy-based approach to intergovernmental advocacy. The City has participated in a wide range of broad efforts to advocate for stronger federal and provincial supports for cities and communities. For example, through the Big City Mayor's Caucus (BCMC) and the Federation of Canadian Municipalities (FCM), London is highlighting the fiscal challenges faced by cities across the country when it comes to providing essential services such as public transit, housing, and homeless prevention supports. Provincially, the City is working closely alongside the Large Urban Mayors Caucus of Ontario (LUMCO) and the Association of Municipalities of Ontario (AMO) to highlight the need for additional financial</p>	High

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<p><i>supports that can be rapidly deployed to address London’s challenging financial position. The City is also engaging with provincial and federal governments on initiatives that will best position London for economic recovery at the appropriate time.</i></p>	
<p>COST DRIVER</p>	
<p>1. Multiple Services – COVID-19 – On March 20, 2020, the City of London declared a state of emergency as it relates to the coronavirus pandemic. The outbreak is evolving quickly as the number of cases have increased in Canada and Ontario. The public health authorities continue to actively monitor this developing outbreak, while working in collaboration with local, provincial and national health organizations. The COVID-19 pandemic is having significant financial consequences to the City of London in terms of lost revenues and additional costs.</p> <p>2. What we are doing to mitigate/address the issue: Reporting on financial impacts to Council has commenced with preliminary impacts included in the April 28th report to the Strategic Priorities and Policy Committee – “COVID-19 Financial Impacts and Additional Measures for Community Relief”. Civic Administration is monitoring the financial implications of COVID-19 and will continue to update our financial projections on an ongoing basis. Once the duration of the pandemic and return to normal operations is better known, Civic Administration will be able to quantify the estimated impact with greater certainty. This will be summarized in the 2020 Mid-Year Operating Budget Monitoring, through which Civic Administration will also finalize and recommend strategies to mitigate the budgetary impact on the Corporation to the greatest extent possible.</p>	<p>High</p>
<p>3. 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. However, the recovered material end markets have now 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 possible that markets and revenues for recovered materials could deteriorate further.</p> <p>What we are doing to mitigate/address the issue: 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. In April 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. Staff will continue to review whether additional capital investment is warranted to preserve the recovered material revenue stream and offset future operating cost increases. This review will be inclusive of the fact that municipalities may no longer be responsible for operating a Blue Box program once operational and financial responsibility is transferred to producers of packaging (i.e. any investment will need to have a quick and simple payback).</p>	<p>High</p>
<p>4. Social & Health Services - Land Ambulance - There continues to be uncertainty in Land Ambulance as it relates to call volume growth as overall demand for paramedic services is expected to continue growing. This is being further compounded by offload delays, uncertainty in provincial funding, overdue capital investments, etc. There have also been ongoing provincial consultations that are occurring with respect to improving future service delivery of land ambulance and public health. The provincial government is seeking input across communities in Ontario to help develop new models for patient care and improved delivery of emergency health services.</p> <p>What we are doing to mitigate/address the issue: Administration will continue to work with our funding partners to explore opportunities for collaboration and</p>	<p>High</p>

Category / Emerging Issue	Likelihood Of Emerging Issue Impacting 2020-2023 Budget
<i>improvements that will benefit the entire system, as well as continue to participate in the consultation opportunities and stay apprised of the latest developments.</i>	
<p>5. Social & Community Support Services - Employment Services Transformation - The Province of Ontario is transforming employment services across Ontario; On July 2, 2019 the Government of Ontario announced that the new employment services model would first be implemented in the following 3 prototype regions: Region of Peel, Hamilton-Niagara and Muskoka-Kawarthas. In January 2020, the government selected a private sector organization, a Community Consortium led by an American organization, along with one college as the three Service System Managers for these regions. Full implementation will be phased in over the next several years. The City of London has not been selected as one of the early sites and there could potentially be significant budgetary impacts if the City is not selected.</p> <p>What we are doing to mitigate/address the issue: <i>The Ontario Works Administrator is working closely with the Province and colleagues across the Province to ensure London's input on the desired state of employment service delivery is known.</i></p>	High

The emerging issues below appeared on the 2019 mid-year report and have since been resolved or mitigated.

Emerging Issues Included in Mid-Year Report	Resolution
<p>1. Social & Community Support Services - Subsidized Transit – Permanent funding request to support affordable and accessible public transit so that Londoners can move around the city safely and easily in a manner that meets their needs.</p>	<p><i>Funding approved in the 2020-2023 Multi-Year Budget (Business Case #15)</i></p>
<p>2. Multiple Services – Coordinated Informed Response – Permanent funding request to support individuals who are living rough or in encampments to find long term housing stability through supporting individuals and families transitioning from the street into a home.</p>	<p><i>Funding approved in the 2020-2023 Multi-year Budget (Business Case #6)</i></p>
<p>3. Garbage Recycling & Composting - 60% Waste Diversion Action Plan – On October 2, 2018, Municipal Council approved the 60% Waste Diversion Action Plan containing programs and initiatives to be phased in between 2019 and 2022 to achieve 60% waste diversion. City Staff were directed to examine financing options for the Action Plan, it being noted that any additional funding required would be considered alongside other funding requests as part of the 2020-2023 Multi-Year Budget Process.</p>	<p><i>Funding approved in the 2020-2023 Multi-Year Budget (Business Case #1)</i></p>
<p>4. Roadways – Winter Maintenance – 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 Standards.</p>	<p><i>The approved 2020-2023 Multi-year Budget reflects the increased need to treat main roads and bus routes at a higher cost than plowing.</i></p>

2019 WATER RATE SUPPORTED OPERATING BUDGET MONITORING

The 2019 Water Rate Supported Budget is balanced at year-end (Table 4) after a \$1.7 million contribution to the Water Budget Contingency Reserve in accordance with the Council approved Surplus/Deficit Policy. The year-end position is \$2.6 million less than projected in the 2019 Operating Budget Mid-Year Monitoring Report.

Water revenues are in a surplus of \$2.1 million by year-end due primarily to an increase in consumption based revenues, 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 due to higher than anticipated consumption volumes.

Operating expenditures ended the year in a deficit position of \$2.1 million after a \$1.7 million contribution to the Water Budget Contingency Reserve. Purchase of water costs from our regional water supply board were higher than anticipated due to the increase in water consumption, as noted above. These costs were partially offset by personnel savings, a result of vacancies throughout the year from positions not filled due to the delay in federal/provincial grant funding associated with infrastructure works. There were also savings in utility costs that were realized due to a decrease in energy usage at pumping stations and miscellaneous savings in various operational accounts.

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

Water Budget	2019 Revised Budget	Year-End Position	Year-End Surplus/ (Deficit)
Revenues	79,896	81,982	2,086
Expenditures	79,896	81,982	(2,086)
Net Balance Surplus/(Deficit)	-	-	-

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.

The Water Rate Supported Budget is balanced at year-end, therefore no surplus allocation is applicable.

2019 WASTEWATER & TREATMENT RATE SUPPORTED OPERATING BUDGET MONITORING

The 2019 year-end surplus of the Wastewater & Treatment Rate Supported Budget is balanced at year-end (table 5) after a \$3.3 million contribution to the Wastewater Budget Contingency Reserve in accordance with the Council approved Surplus/Deficit Policy. The year-end position is \$2.8 million less than projected in the 2019 Operating Budget Year-End Monitoring Report.

The Wastewater & Treatment revenue surplus of \$0.7 million was driven by higher than anticipated wastewater infrastructure and storm drainage charges partially offset by a decrease in High Strength Sewer surcharges. High strength waste volumes have decreased significantly over prior years as a result of several large companies putting measures in place to reduce their charges for high strength waste.

Operating expenditures ended the year with a \$0.7 million deficit after a \$3.3 million contribution to the Wastewater Budget Contingency Reserve. Sewer maintenance costs were higher than anticipated during the year and are partially offset by savings in utility costs due to a decrease in energy usage as a result of the installation of more energy efficient equipment. Personnel savings are a result of positions not filled due to the delay in federal/provincial grant funding associated with infrastructure works.

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

Wastewater Budget	2019 Revised Budget	Year-End Position	Year-End Surplus/ (Deficit)
Revenues	98,182	98,873	691
Expenditures	98,182	98,873	(691)
Net Balance Surplus/(Deficit)	-	-	-

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.

The Wastewater & Treatment Rate Supported Budget is balanced at year-end, therefore no surplus allocation is applicable.

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%
- 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 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 funding programs while also investigating other grant programs to help offset future costs.</i></p>	High

OTHER YEAR-END 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/or 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. The contribution to the Efficiency, Effectiveness and Economy reserves was \$3.7 million (\$3.2 million – Property Tax Supported; \$0.1 million – Water; and \$0.4 million – Wastewater & Treatment).

2019 YEAR-END OPERATING BUDGET SURPLUS FOR 2020-2023 MULTI-YEAR BUDGET

Municipal Council, at its meeting on March 2, 2020, as part of the approval of the 2020-2023 Multi-Year Budget, directed that the following 2020-2023 Multi-Year Budget business cases for additional investment totaling \$4.475 million be funded from the 2019 operating budget surplus:

- i. Business Case 7B – Initiative 25 – Core Area Action Plan – Create four-year Core Area Ambassador pilot program - \$2,875,000;
- ii. Business Case 7B – Initiative 43 – Core Area Action Plan – Experiment with temporary free parking - \$600,000;
- iii. Business Case 17B – Community Improvement Plan – Land Acquisition - \$400,000;
- iv. Business Case 20 – London Public Library – Collections - \$600,000.

CONTINGENCY RESERVES

Contingency reserves mitigate the consequences of unforeseen events or one-time unanticipated revenue losses and expenses. This is done in order to stabilize the tax rate, water and wastewater rates, and contribute to the necessary working funds required for operating expenditures incurred prior to the collection of taxes and water and wastewater rates. On March 20, 2020, the City of London declared a State of Emergency due to the growing impact of the COVID-19 pandemic. As a result of this unforeseen circumstance, additional funding will be contributed to the Operating Budget Contingency Reserve, Water Budget Contingency Reserve and Wastewater Budget Contingency Reserve, in accordance with the Council approved Surplus/Deficit Policy, to be utilized as a funding source to offset the anticipated financial impacts of COVID-19 on the City's 2020 budget. As such, the following contributions have been included in the 2019 year-end position:

Contingency Reserve	Over/(Under) Target at Year-end before Contribution	2019 Contribution
Operating Budget (Property Tax)	(\$44.6 million)	\$3.2 million
Water Budget	(\$11.5 million)	\$1.7 million
Wastewater Budget	(\$5.5 million)	\$3.3 million

2019 OPERATING BUDGET YEAR-END MONITORING SUMMARY
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The Property Tax Supported Budget position is balanced at year-end after taking into account \$4.5 million to fund Council approved 2020-2023 Multi-Year Budget business cases for additional investment. Additionally, there will be a \$3.2 million contribution made to the Operating Budget Contingency Reserve in accordance with the Council approved Surplus/Deficit Policy, to offset the anticipated financial impacts of COVID-19 pandemic. The Water and Wastewater & Treatment Rate Support Budget positions are also balanced at year-end after contributions to the contingency reserves.

This 2019 Operating Budget Year-End Monitoring Report concludes the reporting for the 2016-2019 Multi-Year Budget.

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APPENDIX A – 2019 YEAR-END FINANCIAL SUMMARY

	\$ Thousands		
	REVISED NET BUDGET (1)	YEAR-END POSITIONS	YEAR-END SURPLUS/ (DEFICIT)
Culture Services:			
Centennial Hall	191	51	140
Arts, Culture & Heritage Advisory & Funding	2,373	2,351	22
Museum London	1,740	1,740	-
Eldon House	290	290	-
Heritage	204	184	20
Libraries	20,551	22,350	(1,799)
Total Culture Services	25,349	26,966	(1,617)
Economic Prosperity:			
Economic Development	8,829	8,733	96
Community Improvement/BIA	240	238	2
RBC Place London	638	638	-
Tourism London	2,062	2,062	-
Covent Garden Market	-	-	-
Total Economic Prosperity	11,769	11,671	98
Environmental Services:			
Kettle Creek Conservation Authority	551	540	11
Lower Thames Valley Conservation Authority	169	167	2
Upper Thames River Conservation Authority	3,720	3,692	28
Environmental Action Programs & Reporting	796	799	(3)
Garbage Recycling & Composting	17,651	18,917	(1,266)
Total Environmental Services	22,887	24,115	(1,228)
Parks, Recreation & Neighbourhood Services:			
Neighbourhood & Recreation Services	23,343	22,564	779
Parks & Urban Forestry	13,543	13,566	(23)
Total Parks, Recreation & Neighbourhood Services	36,886	36,130	756
Planning & Development Services:			
Building Approvals	(499)	(1,085)	586
Planning Services	4,237	3,785	452
Development Services	5,069	5,120	(51)
Total Planning & Development Services	8,807	7,820	987
Protective Services:			
Animal Services	1,815	1,815	-
By-Law Enforcement & Property Standards	1,743	924	819
Corporate Security & Emergency Management	2,600	2,668	(68)
Fire Services	62,184	62,765	(581)
Police Services	111,586	111,586	-
Total Protective Services	179,928	179,758	170
Social & Health Services:			
Housing Services	11,554	11,073	481
Housing Development Corporation	2,292	2,292	-
London & Middlesex Community Housing	10,440	10,803	(363)
Long Term Care	5,130	4,459	671
Land Ambulance	16,443	16,443	-
Middlesex London Health Unit	6,095	5,941	154
Social & Community Support Services	16,073	15,435	638
Total Social & Health Services	68,027	66,446	1,581
Transportation Services:			
Parking	(3,592)	(2,904)	(688)
Public Transit	32,831	32,307	524
Roadways	43,645	44,098	(453)
Rapid Transit	-	-	-
Total Transportation Services	72,884	73,501	(617)
Corporate, Operational & Council Services:			
Corporate Services	57,768	56,002	1,766
Corporate Planning & Administration	2,176	1,811	365
Council Services	3,879	3,691	188
Public Support Services	2,253	1,457	796
Total Corporate, Operational & Council Services	66,076	62,961	3,115
Financial Management:			
Corporate Financing	113,923	117,168	(3,245)
Total Financial Management	113,923	117,168	(3,245)
Total Property Tax Requirements	606,536	606,536	(0)
Water			
Expenditures	79,896	81,982	(2,086)
Revenues	79,896	81,982	2,086
Total Water	-	-	-
Wastewater & Treatment			
Expenditures	98,182	98,873	(691)
Revenues	98,182	98,873	691
Total Wastewater & Treatment	-	-	-

All figures are subject to rounding.

1) 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.

APPENDIX B – 2019 YEAR-END EXPLANATIONS BY SERVICE PROGRAM

SERVICE PROGRAM	\$ Millions
CULTURE SERVICES	(1.6)
<ul style="list-style-type: none"> • Centennial Hall surplus of \$140k a result of higher than anticipated revenues and net operational savings. • Arts, Culture and Heritage Advisory & Funding surplus of \$22k a result of higher than anticipated revenues and net operational savings after a contribution to reserves for the surplus in the Creative City and Public Art Acquisition Programs consistent with policy. • Museum London balanced budget with no major factors to report. • Eldon House balanced budget with no major factors to report. • Heritage surplus of \$20k a result of personnel savings. • London Public Library deficit of \$1.8m a result of the write-off of the Promissory Note to fund the Library's share of the Bostwick Community Centre as per the business case approved by Council as part of the 2020-2023 Multi-Year Budget. 	
ECONOMIC PROSPERITY	0.1
<ul style="list-style-type: none"> • Economic Development surplus of \$96k a result of personnel savings. • Community Improvement/Business Improvement Area surplus of \$2k with no major factors to report. • RBC Place London balanced budget with no major factors to report. • Tourism & Sports Attraction balanced budget after a contribution of \$222k to the Tourism Trust in accordance with Board approval. The savings contributed to their Trust are the result of personnel savings, increases in co-op promotional revenues and membership fee revenues, partially offset by higher than anticipated other net operational costs. • Covent Garden Market balanced budget a result of an increase in user fees and other operational savings offset by higher than anticipated administrative costs and other operational costs. 	
ENVIRONMENTAL SERVICES	(1.2)
<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 deficit of \$3k a result of an increase in personnel costs partially offset by other operational savings. • Garbage, Recycling & Composting deficit of \$1.3m a result of the following: <ul style="list-style-type: none"> ○ \$2.1m deficit a result of a decrease in revenues achieved for recovered materials sold from the Material Recovery Facility (MRF), deficit in Resource Productivity & Recovery Authority allocated funding, partially offset by savings in payments to customers of the MRF for recovered materials sold on their behalf. ○ \$0.8m surplus a result of higher than anticipated Garbage Disposal revenue due to increased quantities of waste at W12A Landfill, surplus in garbage tag revenue and miscellaneous revenue; partially offset by a contribution to the Sanitary Landfill Site Reserve Fund, higher than anticipated personnel costs and increased operational costs. 	
PARKS, RECREATION, & NEIGHBOURHOOD SERVICES	0.8
<ul style="list-style-type: none"> • Neighbourhood & Recreation Services surplus of \$779k a result of net personnel savings and other net operational savings, partially offset by a deficit in Child Care services and reduced user fees in Community Recreation & Leisure Program due to the delay in the opening of the East Lions Community Centre. • Parks and Urban Forestry deficit of \$23k a result of increased net personnel costs partially offset by savings in purchased services, other operational savings and a surplus in Urban Forestry revenues. 	
PLANNING & DEVELOPMENT SERVICES	0.9
<ul style="list-style-type: none"> • Building Approvals surplus of \$586k a result of increases in building permit fees and other user fee revenues and personnel savings, partially offset by a contribution to the Building Permit Stabilization Reserve Fund and other net operational costs. 	

SERVICE PROGRAM	\$ Millions
<ul style="list-style-type: none"> • Planning Services surplus of \$452k a result of personnel savings partially offset by other net operational costs. • Development Services deficit of \$51k a result of office renovation costs, deficit in subdivision applications and other operational costs, partially offset by personnel savings and a surplus in condo development applications, official plan/zoning by-law amendments, site plan fees and other user fee revenues. 	
PROTECTIVE SERVICES	0.2
<ul style="list-style-type: none"> • Animal Services balanced budget after a contribution of \$28k to the Animal Services Reserve Fund. The savings contributed to their reserve fund are the result of a surplus in inventory due to less product purchases at the veterinary clinic, savings in contracted services and personnel costs, partially offset by higher than anticipated other net operational costs. • By-Law Enforcement & Property Standards surplus of \$819k a result of higher than anticipated taxi-limousine licenses and business licenses and other user fee revenues and personnel savings, partially offset by other net operational costs. • Corporate Security & Emergency Management deficit of \$68k a result of additional costs due to unplanned emergency evacuations during the year and a deficit in personnel costs. • Fire Services deficit of \$581k a result of higher than anticipated personnel and operational costs, partially offset by higher than anticipated non-resident and MTO vehicle incident calls & fire inspection fees, and other operational savings. • The London Police Services (LPS) balanced budget after contributing \$401k 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 a new Provincial grant structure and various operational costs. 	
SOCIAL & HEALTH SERVICES	1.5
<ul style="list-style-type: none"> • Housing Services surplus of \$481k a result of higher than budgeted County revenue share resulting from changes in weighted assessment and the County's share of increased housing investments, net variance in housing provider subsidies and rent supplements and personnel savings, partially offset by one-time costs to support the implementation of the new housing information system under development by the Housing Consortium Initiative. • Housing Development Corporation balanced budget with no major factors to report. • London & Middlesex Community Housing deficit of \$363k primarily a result of higher than anticipated costs related to the vacancy management initiative including personnel related costs, building maintenance costs and other operational costs, partially offset by other operational savings. • Long Term Care surplus of \$671k a result of savings in utilities, increased resident room fee revenue and various other revenues, surplus in government funding related to level of care funding increases, savings in purchased services and other operational savings, partially offset by higher than anticipated personnel costs, additional resident care and nursing equipment costs and a deficit in resident recreation and entertainment. • Land Ambulance balanced budget with no major factors to report. • Middlesex-London Health Unit surplus of \$154k a result of year-end variances between accruals and actuals settled in 2019. • Social and Community Support Services surplus of \$0.6m a result of the following: <ul style="list-style-type: none"> ○ \$0.8m net surplus in Ontario Works due to personnel savings partially offset by higher than anticipated Employment Related Expenses due to a focus on achieving employment targets. ○ \$0.2m 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. 	

SERVICE PROGRAM	\$ Millions
TRANSPORTATION SERVICES	(0.6)
<ul style="list-style-type: none"> • Parking Services deficit of \$688k after a contribution to the Parking Facilities Reserve Fund related to net parking lot revenues, a deficit in on-street parking revenue due to road construction, lower than anticipated parking fines and court fees, higher than anticipated personnel costs, partially offset by a net surplus in HONK parking application revenue and other operational savings. • London Transit Commission surplus of \$524k due to the approval of annualized assessment growth funding received part-way through 2019. • Roadway Services deficit of \$0.5m a result of the following: <ul style="list-style-type: none"> ○ Roadway Maintenance balanced budget a result of savings in purchased services, professional fees and other net operational cost savings, offset by personnel costs. ○ \$0.3m surplus in Roadway Planning & Design due to personnel savings, surplus in Occupancy Charges revenue, partially offset by other operational costs. ○ \$1.2m deficit in Winter Maintenance operating supplies based on more weather events that required the need to maintain roads, sidewalks and bike lanes using salt, sand, and winter liquids as per the Provincial Standards requirements, partially offset by personnel savings, higher than budgeted winter maintenance user fee revenues and other operational savings. ○ \$0.4m surplus in Traffic Control & Street Lights a result of energy savings from street lights due to LED upgrades, personnel savings, savings in traffic maintenance operating supplies and other net operational savings, partially offset by a recommended contribution to the Efficiency, Effectiveness and Economy (EEE) Reserve. The savings contributed to the EEE reserve are directly related to the energy electricity savings due to LED upgrades. • 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	3.1
<ul style="list-style-type: none"> • Corporate Services surplus of \$1.8m a result of personnel savings, savings in fuel, hydro and natural gas, surplus in Realty user fee revenues and Government Grants & Subsidies and other net operational cost savings, partially offset by a contribution to the Information Technology Services Reserve Fund to be used to support corporate investment in systems, and a recommended contribution to the Vehicle and Equipment Replacement Reserve Fund to support future replacement costs. 2019 net savings in Energy/Utility costs are due primarily to savings in electricity as a result of legislative changes related to the Ontario Rebate for Electricity Consumers Act and Ontario's Fair Hydro Plan as well as the delay in the opening of the East Lions Community Centre. Fuel consumption savings are a result of favourable market rates; additionally, fuel usage volume was lower than planned. • Corporate Planning and Administration Services surplus of \$365k a result of personnel savings and savings in purchased services, partially offset by other net operational costs. • Council Services surplus of \$188k a result of personnel savings and other net operational cost savings. • Public Support Services surplus of \$796k a result of higher than anticipated tax department revenue, surplus in marriage revenues and boulevard rentals, personnel and operational savings, partially offset by net deficits in provincial offences revenues. 	
FINANCIAL MANAGEMENT	4.5
<ul style="list-style-type: none"> • Corporate Financing net surplus of \$4.5m a result of: <ul style="list-style-type: none"> ○ \$4.8m 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 budgeted drawdown from the Operating Budget Contingency Reserve not required. ○ \$4.2m net surplus due to increased revenues from supplementary taxes, partially offset by higher than anticipated appeals, resulting in a higher than anticipated provision for tax appeals. 	

SERVICE PROGRAM	\$ Millions
<ul style="list-style-type: none"> ○ \$3.8m surplus in investment revenue due to favourable market conditions. ○ \$2.3m surplus due to increased revenue from Western Fair, lower uptake in tax rebate programs, savings in insurance premiums and other operational savings. ○ \$1.8m surplus due to increased revenue from penalty and interest on taxes and additional revenue from grants in lieu of taxes. 	
SUBTOTAL YEAR-END POSITION	\$7.7
FINANCIAL MANAGEMENT (continued)	(\$7.7)
<ul style="list-style-type: none"> • \$4.5m allocated to fund Council approved business cases for additional investment as part of the 2020-2023 Multi-Year Budget. • \$3.2m contribution to the Operating Budget Contingency Reserve in accordance with the Council approved Surplus/Deficit Policy, to offset anticipated financial impacts from COVID-19. 	
TOTAL YEAR-END POSITION	\$0

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 December 31, 2019 (\$000's)
Building A Sustainable City				
1	Library's Ten Year Capital Plan	Susanna Hubbard Krimmer	1,900	1,900
	<ul style="list-style-type: none"> Contract with Ameresco was completed in December 2018. As a result, the following capital projects are now complete: <ul style="list-style-type: none"> Jalna rooftop HVAC replacement; Beacock boiler and HVAC replacement; Central Library replacement of fire system and back flow prevention system; Byron rooftop HVAC replacement; and 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: <ol style="list-style-type: none"> 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; Blue Boxes are now being sold at the EnviroDepots; Reduced container limits for garbage are now being enforced and garbage tags are being sold for bags above the limit set out for collection; Community composting projects have been initiated at six multi-residential locations; 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 commencing in 2020, and other waste reduction/resource recovery initiatives such as the Heft Energy Bag pilot project.</p> <p><i>Project Status: On Track</i> <i>Project Start Date: 2018</i></p> 			
3	Urban Forest Strategy	Gregg Barrett	3,455	3,455
	<ul style="list-style-type: none"> The City has completed has a Planting Strategy to ensure that the funds invested generate the most trees/future tree canopy and leverage partnerships with the community. Plans to support the strategy will continue into the 2020-2023 Multi-Year Budget. Some of the major accomplishments completed in the past 4 years include the development of a Tree Planting Strategy to guide efforts to reach our tree canopy cover goal of 34% by 2065. It also ensures that the funds invested generate the most trees/future tree canopy and leverage partnerships with the community. Efforts to support this include an increase in City tree planting efforts from 2,500 to 5,000 a year and the creation of the TreeME fund in the amount of \$200,000 yearly for tree planting on private land. A private Tree Protection by-law and revisions to the Boulevard Tree Protection by-law were adopted along with updates to City specifications and contract documents to preserve trees on private and public lands. Significant improvement has been made in asset management through a recent comprehensive City tree inventory update. Inventory now includes revised condition rating for boulevard trees, includes trees in open spaces and identifies new planting locations. Moving forward, some larger projects will include completion of the City tree inventory, tree canopy cover analysis and a comprehensive Urban Forestry Communications Plan. <p><i>Project Status: Completed</i> <i>Project Start Date: Spring 2016</i></p>			
4	Thames Valley Corridor Plan	Gregg Barrett	1,200	1,200
	<ul style="list-style-type: none"> Detailed design and land negotiations are finalized. All funds have been committed, noting the construction commenced in 2019 with completion forecasted for 2020. <p><i>Project Status: On Track</i> <i>Project Start Date: Design in 2017</i></p>			
5	Road Safety Strategy	Kelly Scherr	500	394
	<ul style="list-style-type: none"> Implementation of Road Safety Strategy Initiatives including Vision Zero and other safety related initiatives such as pedestrian crossovers, road safety audits, rail 			

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of December 31, 2019 (\$000's)
	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. Plans to support Road Safety Strategy will continue into the 2020-2023 Multi-Year Budget. <i>Project Status: Completed</i> <i>Project Start Date: March 2016</i>			
6	Rapid Transit Implementation Strategy	Kelly Scherr/ Jennie Dann	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. Early stages of the detail design began in 2020 for the Downtown Loop. The City is currently awaiting the final Transfer Payment Agreement (TPA). Civic Administration is reviewing next steps for the North & West transportation options which will be presented to Council in Spring 2020 with the anticipation to move forward with the next round of ICIP application(s) intake for senior government funding. <i>Project Status: On Track</i> <i>Project Start Date: July 2014</i>			
7	State of Infrastructure Report	Anna Lisa Barbon	6,750	6,750
	<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 in particular. Funds have also been allocated to projects in Parks and Recreation, Fire and Corporate Services through 2019. <i>Project Status: Completed</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	129
	<ul style="list-style-type: none"> The strategic investment funding has been added to the capital and operating budget in 2019. Work with this budget began in the third and fourth quarters of 2019. It will be completed in the first quarter of 2020. <i>Project Status: On Track</i> <i>Project Start Date: 2019</i>			
9	Technology – Amanda	George Kotsifas	1,000	918
	<ul style="list-style-type: none"> A Mobile Application Solution has successfully been implemented which will allow inspectors to access and update AMANDA when not connected; all projects have been successfully rolled out. <i>Project Status: Completed</i> <i>Project Start Date: April 2016</i>			
10	Establish Public Engagement as an Area of Focus	Gregg Baret	100	98
	<ul style="list-style-type: none"> Enhanced signage, tenant notifications and mail-outs have been completed. <i>Project Status: Completed</i> <i>Project Start Date: 2017</i>			
11	Service London Implementation Plan	Lynne Livingstone	3,947	3,202
	<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 			

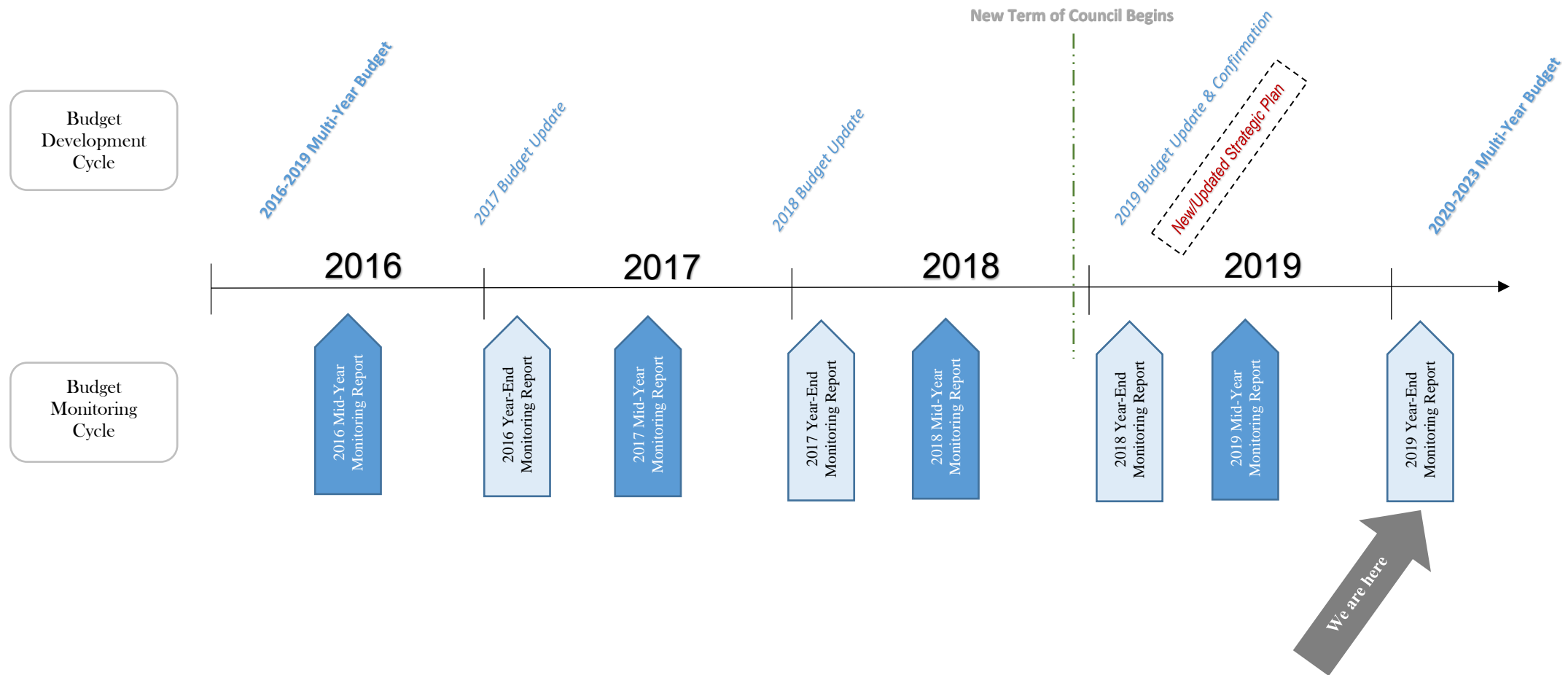
Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of December 31, 2019 (\$000's)
	<p>in 2018 as capital projects are operationalized and full staffing complement is achieved.</p> <ul style="list-style-type: none"> The capital investment to date has focused on the following projects: <ul style="list-style-type: none"> Customer Relationship Management (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 Q2 2019 and CRM (Phase 5) was completed and launched in Q4 2019. In 2020-2021, work will continue to optimize and build out the CRM platform in preparation for migration to Dynamics 365 in the cloud. Other capital projects focus on renewing strategies to improve the customer experience at counters, and ongoing technology integrations in the Service London Contact Centre. <p><i>Project Status: On Track</i> <i>Project Start Date: March 2016</i></p>			
12	Computerized Maintenance Management System	Kelly Scherr	2,100	1,369
	<ul style="list-style-type: none"> The CMMS Phase 1 launch was postponed pending a move to a new version of the software, a staged integration plan with other enterprise systems and to develop a more detailed training plan. Implementation of Phase 1 to support Water and Wastewater & Treatment is currently nearing completion. The go-live date requires review in coordination with COVID-19 operational plans. Phase 2 for Transportation and Urban Forestry and Phase 3 for Solid Waste and Parks & Horticulture foundational work will be done within approved 2020-2023 base budget. <p><i>Project Status: Delayed</i> <i>Project Start Date: July 2016</i></p>			
Strengthening Our Community				
13	London Strengthening Neighbourhoods Strategy (LSNS) 2015-2020	Cheryl Smith	780	780
	<ul style="list-style-type: none"> All of the 2016 funds (\$30k), 2017 funds (\$250k), and 2018 funds (\$250k) available for this project have been spent on neighbourhood projects, and all 2019 funds (\$250k) have been committed, noting that some 2019 projects are currently in the process of being completed in 2020. <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	2,009
	<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. Program funding has been approved as part of the base budget in the 2020-2023 Multi-Year Budget. <p><i>Project Status: Completed</i> <i>Project Start Date: June 2016</i></p>			
15	Mental Health and Addictions Strategy	Sandra Datars Bere	200	200
	<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 were used by the end of 2019. <p><i>Project Status: Completed</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	3,244

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of December 31, 2019 (\$000's)
	<ul style="list-style-type: none"> London Homeless Prevention and Housing Plan 2010-2024: 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 \$499,989 has been spent in 2019. London Homeless Prevention System Implementation Plan: The new timeline for the opening of the Housing First youth emergency shelter is Q2 2020. 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 \$500,000 spent in 2019. <p><i>Project Status: Delayed</i> <i>Project Start Date: April 2016</i></p>			
17	Winter Maintenance Strategy	Scott Stafford	574	525
	<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. Plans to support the Winter Maintenance Strategy will continue into the 2020-2023 Multi-Year Budget. <p><i>Project Status: On Track</i> <i>Project Start Date: 2016</i></p>			
	Enhance By-law Enforcement	George Kotsifas/Orest Katolyk	1,095	982
Council Added Initiative	<ul style="list-style-type: none"> The Coordinated Informed Response, 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 monetary penalties. Currently the City is only collecting revenues from licensing private hires. Vacant building by-law fees were eliminated due to a policy direction change by Council. Administrative monetary penalties (AMPs) will be implemented in 2020 for parking. <p><i>Project Status: Completed</i> <i>Project Start Date: June 2016</i></p>			
Growing Our Economy				
18	London Community Foundation's "Back to the River Project"	Gregg Barrett	700	700
	<ul style="list-style-type: none"> The One River Master Plan is complete. The scope of the Master Plan was amended to include the full schedule B Environmental Assessment required for the Back to the River inaugural project at the Forks of the Thames. <p><i>Project Status: Completed</i> <i>Project Start Date: 2018</i></p>			
20	London's Downtown Plan – Small Scale Projects	Gregg Barrett	100	2
	<ul style="list-style-type: none"> The Move Forward strategy was adopted in 2015 for public and private sector investment in Downtown, and included a roster of small scale projects to help implement strategic directions. The evaluation and prioritization of those small scale projects has begun and the selected projects will be planned and implemented throughout 2020. \$50,000 has been earmarked in 2019 and 2020 towards an uplifting grant program. <p><i>Project Status: On Track</i> <i>Project Start Date: 2019</i></p>			
21	Regenerating Public Housing Plan	Sandra Datars Bere	750	224
	<ul style="list-style-type: none"> Approved funding started in 2018 to develop a detailed strategic plan for regeneration/redevelopment of LMCH properties, inclusive of funding, partnership, tenant impact and engagement strategies. This project is a partnership between the City, HDC and LMCH. The portion of the budget spent represents the allocated costs from HDC and LMCH for work carried out in the context of this plan. LMCH will provide Council a final Regeneration Strategy, as noted in the Housing Quarterly Report that was brought forward to Community and Protective Services Committee on January 21, 2020. The final Regeneration Strategy will be provided to Council by the second quarter of 2020. It is expected the full budget for the initial investment of \$750 thousand will be expended by 2022. Council approved additional funding of \$5.25 million for regeneration of public housing in the 2020-2023 Multi-year Budget. <p><i>Project Status: Delayed</i> <i>Project Start Date: 2018</i></p>			

Business Case #	Strategic Area of Focus / Initiative	Initiative Lead	2016-2019 Investment (\$000's)	Life-to-Date Actuals as of December 31, 2019 (\$000's)
22	Dundas Place	Kelly Scherr/ John Fleming	15,614	9,253
	<ul style="list-style-type: none"> Dundas Place Phase 1 construction is completed with second phase substantially complete. The City received PTIF funding extension until July 31, 2021 for any construction work beyond March 31, 2020. 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	Lynne Livingstone	360	282
	<ul style="list-style-type: none"> Currently there are two foreign trained professionals employed for 12 month terms under the expanded internship program. The long term placements provide candidates an opportunity to obtain accreditation in their chosen profession. Plans to support this initiative will continue into the 2020-2023 Multi-Year Budget. <i>Project Status: On Track</i> <i>Project Start Date: 2017</i>			
Council Added Initiative	Brownfield Incentives	Gregg Barrett	80	55
	<ul style="list-style-type: none"> 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.



APPENDIX E – London & Middlesex Community Housing Funding Request



February 28, 2020

Lynne Livingstone, Acting City Manager
City of London, City Manager's Office
300 Dufferin Avenue
PO Box 5035

RE: London and Middlesex Community Housing Funding Request

Dear Lynne,

London & Middlesex Community Housing is requested payment of \$363,230.74 to balance the Corporation's budget, based on the unaudited year-end deficit for the 2019 fiscal year.

As seen in the 2019 mid-year monitoring report, LMCH communicated to Civic Administration about the forecasted operating deficit – as such, fiscal 2019 saw unexpected costs related to: vacancy management, including increased compensation costs to support the vacancy reduction initiative, persistent pest challenges at LMCH's Simcoe and Dundas sites and the treatment of mold in 30 units at LMCH's Limberlost site.

I would like to thank you for your consideration in this matter.

Sincerely,

Nick van der Velde
Interim Director of Finance
London & Middlesex Community Housing

A handwritten signature in blue ink, appearing to read 'Sandra Datars Bere'.

Sandra Datars Bere
Chair, Interim Board of Directors
London & Middlesex Community Housing