

Bill No. 256
2020

By-law No. A.-_____

A by-law to establish the Capital Asset
Renewal and Replacement Reserve Funds By-
law and to govern the administration and
management of said funds

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS it is desirable to establish reserve funds to provide for the lifecycle renewal and replacement costs of infrastructure assets directly-owned by The Corporation of the City of London and its Agencies, Boards and Commissions, as required;

AND WHEREAS it is desirable to establish a consolidated bylaw governing the management and administration of capital asset renewal and replacement reserve funds;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

SHORT TITLE
CAPITAL ASSET RENEWAL AND REPLACEMENT (CARR) RESERVE FUNDS BY-LAW

1. By-law Statement

1.1 A by-law governing the management and administration of CARR reserve funds.

2. Capital Asset Renewal and Replacement Funds

- a. The bylaws establishing reserve funds listed in Schedule B are hereby repealed.
- b. The reserve funds listed in Schedule A are hereby established or continued.

3. Definitions

In this by-law,

“**budget**” means an estimated financial plan of revenue and expenditure for a set period of time.

“**By-law**” means the Capital Asset Renewal and Replacement Reserve Funds By-law

“CARR reserve funds” means the Capital Asset Renewal and Replacement Reserve Funds listed in Schedule A and defined as a category of reserve funds established to provide funding for the lifecycle renewal (major repair and maintenance) and replacement (including disposition) of existing and newly acquired City assets to ensure city-owned assets do not deteriorate over time.

“City” means The Corporation of the City of London

“Corporate Asset Management Plan” means the City’s multi-disciplinary management techniques (technical and financial) over the lifecycle of municipal infrastructure assets to provide a specific level of service in the most cost effective manner and manage risks associated with municipal infrastructure assets. This typically includes plans to invest, design, construct, acquire, operate, maintain, renew, replace, and decommission assets.

“Council” means the Municipal Council of The Corporation of the City of London

“infrastructure asset” means all or part of physical structures and associated facilities that form the foundation of development, and by or through which a public service is provided, such as roadways, bridges, bicycle paths, drinking water systems, social housing, parks, recreation facilities and community centres as well as any other thing by or through which a public service is provided.

“level of service” means the statement that describes the output or objectives the City intends to deliver to its customers.

“lifecycle renewal” means capital expenditures pertaining to the maintenance, renewal and replacement of the City’s existing and newly acquired assets.

“Municipal Act, 2001” means the *Municipal Act, 2001*, S.O. 2001 c. 25 as may be amended.

4. Applicability

- 4.1 The By-law applies to all CARR reserve funds administered by the City, including those established for any of the City’s Agencies, Boards and Commissions (ABC).
- 4.2 Furthermore, the By-law applies to all City employees who are responsible for the establishment, monitoring, administration and management of the City’s reserve funds.

5. Purpose of CARR Reserve Funds

- 5.1 The general purpose of CARR reserve funds shall be:
 - a) To fund lifecycle renewal (major repair and maintenance) and replacement (including disposition) costs of existing and newly acquired City-owned infrastructure assets contained within the Corporate Asset Management Plan, to ensure these infrastructure assets do not deteriorate over time and continue to meet the level of service specified; and
 - b) To fund lifecycle renewal (repair and maintenance) and replacement (including disposition) costs of existing and newly acquired ABC infrastructure assets, to ensure these infrastructure assets do not deteriorate over time and continue to meet the level of service specified; it being noted that ABC infrastructure assets are not contained within the City’s Corporate Asset Management Plan.
- 5.2 The individual purpose of each CARR reserve fund is set out in Schedule A.

6. Contributions

- 6.1 The following contributions shall be deposited into the CARR reserve funds by the City Treasurer or their designate:
 - a) Council approved tax/rate supported multi-year budget contributions;
 - b) Other tax supported contributions per Council approved policies;

- c) City Treasurer approved tax supported Assessment Growth contributions; and
- d) Other non-tax/non-rate supported contributions as approved by Council, or ABC board.

7. Drawdowns

- 7.1 Before any monies are expended from the CARR reserve funds for the purposes outlined in section 5 of the By-law, approval shall be given by:
- a) Council for City-owned infrastructure assets through the multi-year budget process, or by separate approval of Council; and/or
 - b) ABC Boards' for ABC-owned infrastructure assets through the multi-year budget process, or by other Board approved report(s), subject to the approval of the City Treasurer or their designate.

8. Investment of Reserve Fund Balances

- 8.1 The City Treasurer or their designate, may invest the monies standing in any CARR reserve fund in such securities as are permitted under subsection 418(1), of the *Municipal Act, 2001*, and in so doing, may consolidate the monies standing in a CARR reserve fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the CARR reserve fund shall be accrued to and form part of the CARR reserve fund as permitted under sections 418(3) and 418(4) of the *Municipal Act, 2001*.

9. Maintenance of Reserve Funds

- 9.1 Notwithstanding that provision may not be made by the Council in the budget estimates of the current or any subsequent year for contributions, or drawdowns to the CARR reserve funds, they shall continue and be maintained, and the Council shall always be taken as considering the CARR reserve funds as necessary so long as this By-law continues in force.

10. Administration

- 10.1 The administration of this By-law, including the establishment of CARR reserve funds, is delegated to the City Treasurer or their designate.

This By-law shall come into force and effect on the date it is passed.

PASSED in Open Council on September 15, 2020.

Ed Holder
Mayor

Catharine Saunders
City Clerk

SCHEDULE “A” – CARR Reserve Funds

CARR Reserve Fund Name	Purpose
Capital Infrastructure Gap	To mitigate growth in the infrastructure gap as identified in the CAM Plan and to provide a buffer against unforeseen lifecycle renewal capital expenditures.
City Facilities Renewal	To provide for renewal and replacement expenditures of all City facility assets such as corporate facilities, culture facilities, etc.
Public Art Renewal	To provide for renewal and replacement expenditures of public art in accordance with the Public Art Program.
Dearness Home Renewal	To provide for renewal and replacement expenditures of the Dearness Home and associated equipment.
Recreation Renewal	To provide for renewal and replacement expenditures of recreation assets, such as arenas, aquatics, community centers, attractions, recreation sites, senior centres, etc., excluding golf.
Parking Facilities Renewal	To provide for renewal and replacement expenditures of parking infrastructure assets such as pay stations, parking meters and surface lots, etc.
Fire Facilities, Vehicle and Equipment Renewal	To provide for renewal and replacement expenditures of fire assets such as fire stations and facilities, vehicles and equipment, etc.
Material Recovery Facility Renewal	To provide for renewal and replacement expenditures of the City’s material recovery facility and associated equipment.
Solid Waste Renewal	To provide for renewal and replacement expenditures of solid waste assets, excluding the material recovery facility.
Information Technology (IT) Renewal	To provide for renewal and replacement expenditures of IT assets such as applications and software, end user devices and applications, etc. in accordance with the City of London Information Technology Strategy.
Fleet Vehicle and Equipment Renewal	To provide for renewal and replacement expenditures of fleet assets such as vehicles and equipment, refueling stations, fuel storage tanks, etc.
Transportation Renewal	To provide for renewal and replacement expenditures of transportation assets such as roadways, sidewalks, bike lanes, structures, traffic signals, street lights, etc.
Parks Renewal	To provide for renewal and replacement expenditures of parks assets such as Thames Valley Parkway (including footbridges), play structures, sport fields and courts, parks facilities, etc.
Corporate Security & Emergency Management Renewal	To provide for renewal and replacement expenditures of corporate security and emergency management assets such as communication system infrastructure and equipment, emergency equipment, etc.

CARR Reserve Fund Name	Purpose
Urban Forestry Renewal	To provide for renewal and replacement expenditures of Urban Forestry assets such as street trees, park trees, woodlands, etc.
Library Facilities, Vehicle And Equipment Renewal	To provide for renewal and replacement expenditures of London Public Library assets such as facilities, vehicles and equipment, etc.
RBC Place London Renewal	To provide for renewal and replacement expenditures of RBC Place London assets such as facilities, equipment, etc.
Police Facilities, Vehicle and Equipment Renewal	To provide for renewal and replacement expenditures of London Police Service assets such as facilities, vehicles and equipment, etc.
Public Housing Renewal	To provide for renewal and replacement expenditures of London Middlesex Community Housing assets such as facilities, equipment, etc.
Sewage Works Renewal	To provide for renewal and replacement expenditures of wastewater sanitary and stormwater assets such as sewers, pollution treatment plants, equipment, stormwater management facilities, etc.
Water Works Renewal	To provide for renewal and replacement expenditures of water assets such as watermains, pumping stations, reservoirs, meters, equipment, etc.

SCHEDULE “B” – Existing CARR Reserve Fund By-Laws to be Repealed

Capital Asset Renewal & Replacement	By-Law #
Capital Infrastructure Gap	A.-7513-68
City Facilities	A.-5993-508
Courts Administration Repairs and Maintenance	A.-6004-519
Dearness Home Capital	A.-6258-296
Fire Vehicles and Equipment Replacement	F.-144-552
Golf Course	A.-5550-202
Library Facilities, Vehicle and Equipment	A.-5995-510
Material Recovery	A.-6968-184
Parking Facilities	A.-6970-186
Police Vehicle and Equipment Replacement	A.-7195-351
Public Art Acquisition	A.-6306-34
Public Art Maintenance	A.-6305-33
Public Housing Major Upgrades	A.-6003-518
RBC Place London	A.-7730-218
Sanitary Landfill Site	A.-5174-97
Social Housing Major Repairs, Upgrades and Stabilization	A.-7519-79
Technology Services	A.-6967-183
Vehicle and Equipment Replacement	A.-5994-509
Woodland Acquisition and Management	A.-7526-93
Sewage Treatment Plant Capacity	A.-6068-32
Sewage Works	A.-5353-265
New Capital Water	A.-5477-267