



2026 Update

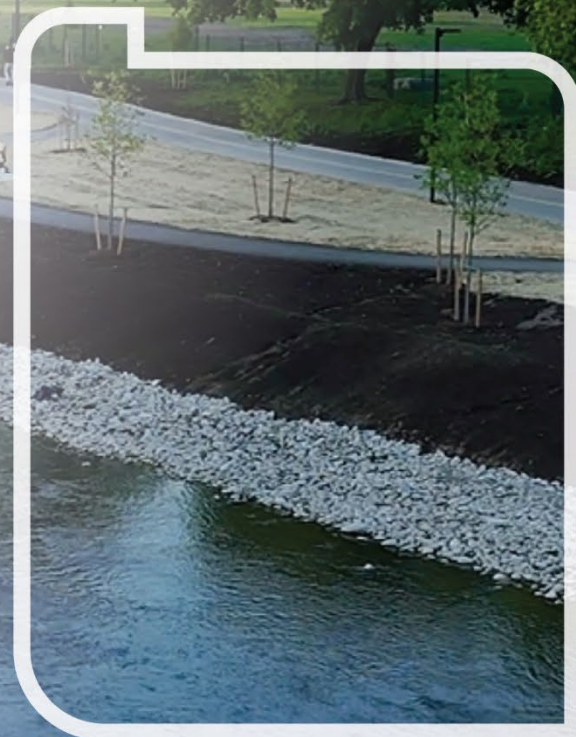
Multi-Year Budget

City of London

Mayor's Tabled Budget for Council's Consideration

Property Tax, Water, Wastewater & Treatment Budgets

2026 Annual Budget Update
October 27, 2025



london.ca/budget



London
CANADA

Land Acknowledgement

The City of London is situated on the traditional lands of the Anishinaabek, Haudenosaunee, Lūnaapéewak and Attawandaron. We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Métis and Inuit today. As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

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Mayor's Message



Each year's budget update is a chance to pause and take stock. We have the opportunity to review what has been achieved as a Council and city, what challenges remain, and determine the best way we can keep moving London forward. Over the past year, I'm pleased to share our city has seen meaningful progress on many of the priorities that matter most to residents: improving community safety, addressing housing and homelessness, expanding transit options, and strengthening the essential services that make daily life work.

These achievements reflect a city that is adapting and caring for its people. Through collaboration between Council, City staff, community partners, and residents, we are building a London that sets a standard the province wants to follow. From HART Hubs inspired by our work with the most vulnerable citizens to permitting times for new homes that are the envy of the nation, we're committed to delivering a more connected, more inclusive, and better prepared city as we manage our rapid growth.

We also recognize the realities Londoners are facing. Rising costs and affordability pressures continue to challenge families and businesses alike. That's why I worked closely with the province to push for clarity on Development Charge exemptions as a municipal obligation, removing these costs from the property tax bill and utility rates of hard-working Londoners. I also instructed departments, and asked boards and commissions, to examine where savings can be found in their budgets. Maintaining this sharp focus on fiscal responsibility was necessary to address the projected increases of 6.4% and 6.7% in 2026 and 2027, respectively, and fulfill my promise to table property tax increases below 5%. Thanks to this work, I'm incredibly proud to share that not only have we surpassed that target, with this year's increase at 3.6%, but have also ensured our 2027 projection now sits at 4.7%. We're ensuring every investment is thoughtful, targeted, and aligned with the needs of our community.

This year's update highlights not just where we are investing, but why. It demonstrates our commitment to balancing growth with prudence, progress with sustainability, and ambition with accountability. We are paying off debt, maintaining our Aaa credit rating, and bringing property tax increases down while staying agile in our response to the issues that matter to Londoners.

As we look ahead, I remain confident in London's direction. Together, we're building a city that is resilient, compassionate, and full of opportunity. A city we can all be proud to call home.

Thank you for your continued support and participation in shaping London's future.

Sincerely,

Josh Morgan
Mayor

Budget in Brief

Key Highlights

Property Tax Supported Budget

The 2026 Annual Budget Update includes \$1.45 billion in operating expenditures funded through \$914 million in property taxes and \$539 million in non-tax revenues for 2026. The City is planning capital investments of \$291 million in 2026, part of a 10-year capital plan (2024 to 2033) of \$3.6 billion. The 2026 Annual Budget Update document contains a total of 25 property tax budget business cases. Of the total 25 business cases, 21 business cases are included in the Mayor's Tabled Budget for Council's Consideration, and four business cases are presented for Council's consideration and discussion. The 21 business cases have reduced the average annual property tax increase over the 2024 to 2027 Multi-Year budget from 7.3% to 6.1% with the 2026 property tax increase being reduced to 3.6% from the previous 6.4%.

Water Rate Supported Budget

The 2026 Annual Budget Update includes \$111 million in operating expenditures and operating revenues with an average annual water rate increase of 2.7%. The City is planning capital investments of \$67 million in 2026, part of a 10-year capital plan (2024 to 2033) of \$710 million. The 2026 Annual Budget Update document contains a total of two water budget business cases, both included in the Mayor's Tabled Budget for Council's Consideration. One of the two business cases has reduced the average annual water rate increase over the 2024 to 2027 Multi-Year Budget from 2.9% to 2.7% with the 2026 water rate increase being reduced to 2.2% from the previous 2.6%.

Wastewater and Treatment Rate Supported Budget

The 2026 Annual Budget Update includes \$143 million in operating expenditures and operating revenues with an average annual wastewater and treatment rate increase of 4.3%. The City is planning capital investments of \$147 million in 2026, part of a 10-year capital plan (2024 to 2033) of \$1.5 billion. The 2026 Annual Budget Update document contains four wastewater and treatment budget business cases, all included in the Mayor's Tabled Budget for Council's Consideration. Two of the four business cases have reduced the average annual wastewater rate increase over the 2024 to 2027 Multi-Year Budget from 4.8% to 4.3% with the 2026 wastewater rate increase being reduced to 2.4% from the previous 4.6%.

Budget in Brief – Property Tax Supported Budget

Operating Budget Overview (\$ Thousands)

2024 to 2027 Multi-Year Budget

Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Expenditure	1,138,250	1,350,502	1,417,195	1,452,612	1,483,024	86,193	
Non-Tax Levy Revenue	401,792	537,759	535,049	538,930	526,125	31,083	
Tax Levy Revenue	736,458	812,743	882,146	913,682	956,899	55,110	
Tax Levy % Increase		10.4%	8.5%	3.6%	4.7%		6.8%
Tax Levy % Increase from Rates ¹		8.7%	7.3%	3.6%	4.7%		6.1%

Subject to rounding.

Note 1: Tax Levy % Increase from Rates adjusts for change in total levy due to assessment growth

Impact to Taxpayer

2024 to 2027 Multi Year Budget

Impact to Taxpayer	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2024-2027 Average
Cost of Municipal Services	3,297	3,583	3,846	3,984	4,172	3,896
Taxpayer Impact	N/A	286	263	137	188	219
% Increase from Rates	N/A	8.7%	7.3%	3.6%	4.7%	6.1%

Subject to rounding.

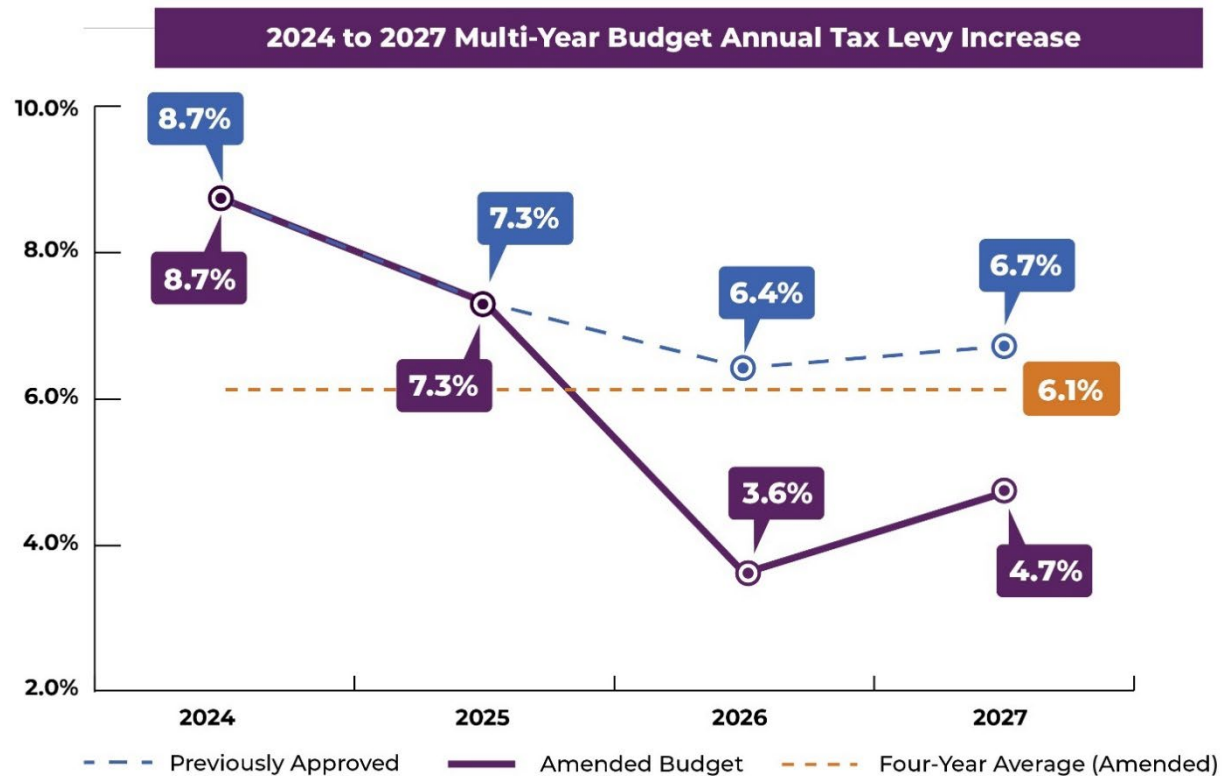
Note: Calculated based on the average assessed value of \$252 thousand in 2022 for a residential property (excludes education tax portion and impacts of tax policy)

Budget in Brief – Property Tax Supported Budget

On March 1, 2024, the City's third Multi-Year Budget was adopted covering the period from 2024 to 2027. The Multi-Year Budget was adopted with an average annual tax levy increase of 7.4%. Included in the adopted budget were 60 business cases for legislative changes, additional investments, and strategic disinvestments.

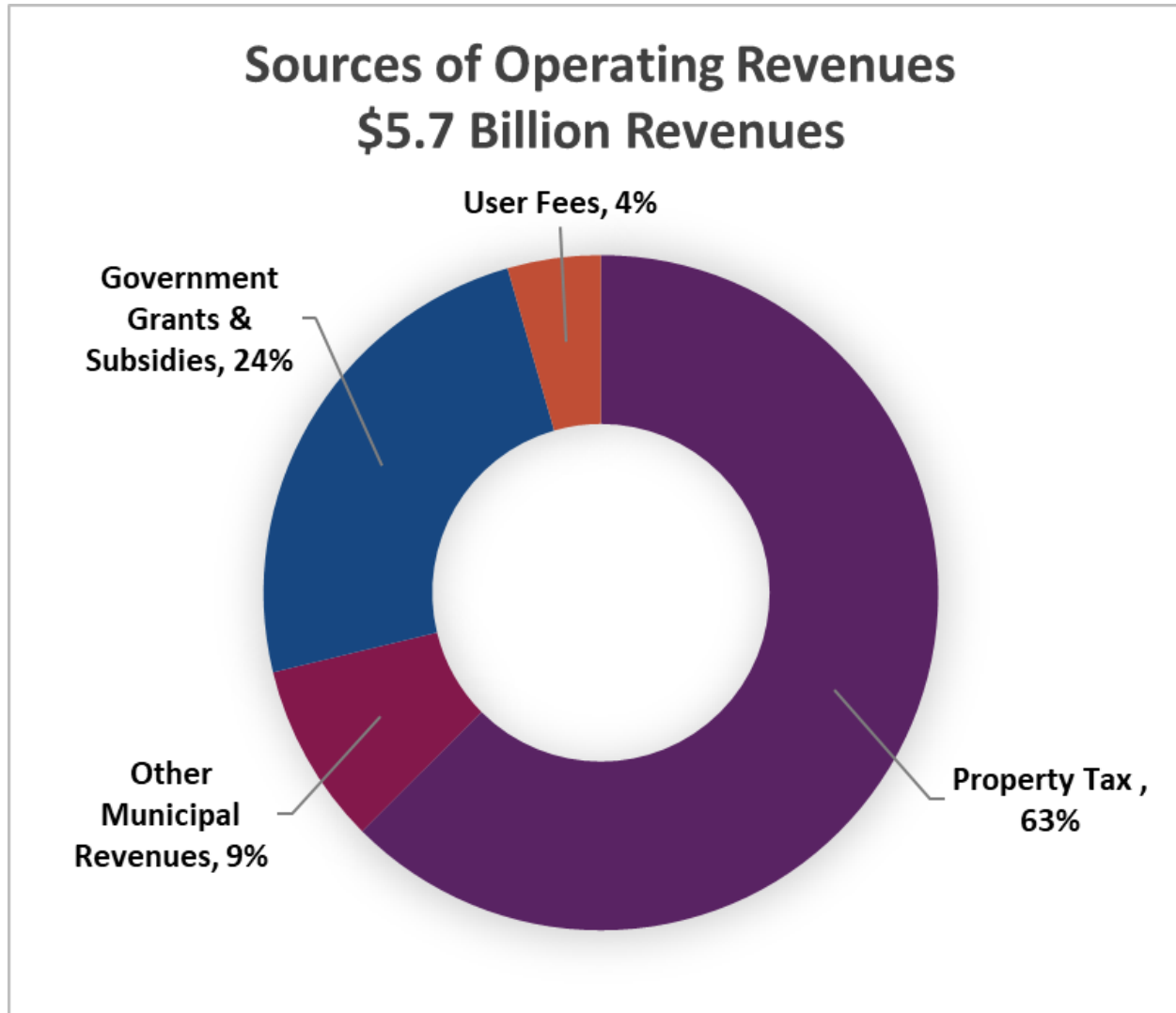
As part of the first annual update process for the 2025 Budget Update, a total of 19 business cases were approved. The net result of the adjustments was a reduction to the average annual property tax revenue increase over the 2024 to 2027 Multi-Year Budget from 7.4% to 7.3%.

The City of London is entering its second annual update to the 2024 to 2027 budget period. The 2026 Annual Budget Update document contains a total of 25 property tax budget business cases. Of the total 25 business cases, 21 business cases are included in the Mayor's Tabled Budget for Council's Consideration, and four business cases are presented for Council's consideration and discussion. The 21 business cases have reduced the average annual property tax revenue increase over the 2024 to 2027 Multi-Year Budget from 7.3% to 6.1% with the 2026 property tax increase being reduced to 3.6% from the previous 6.4%.



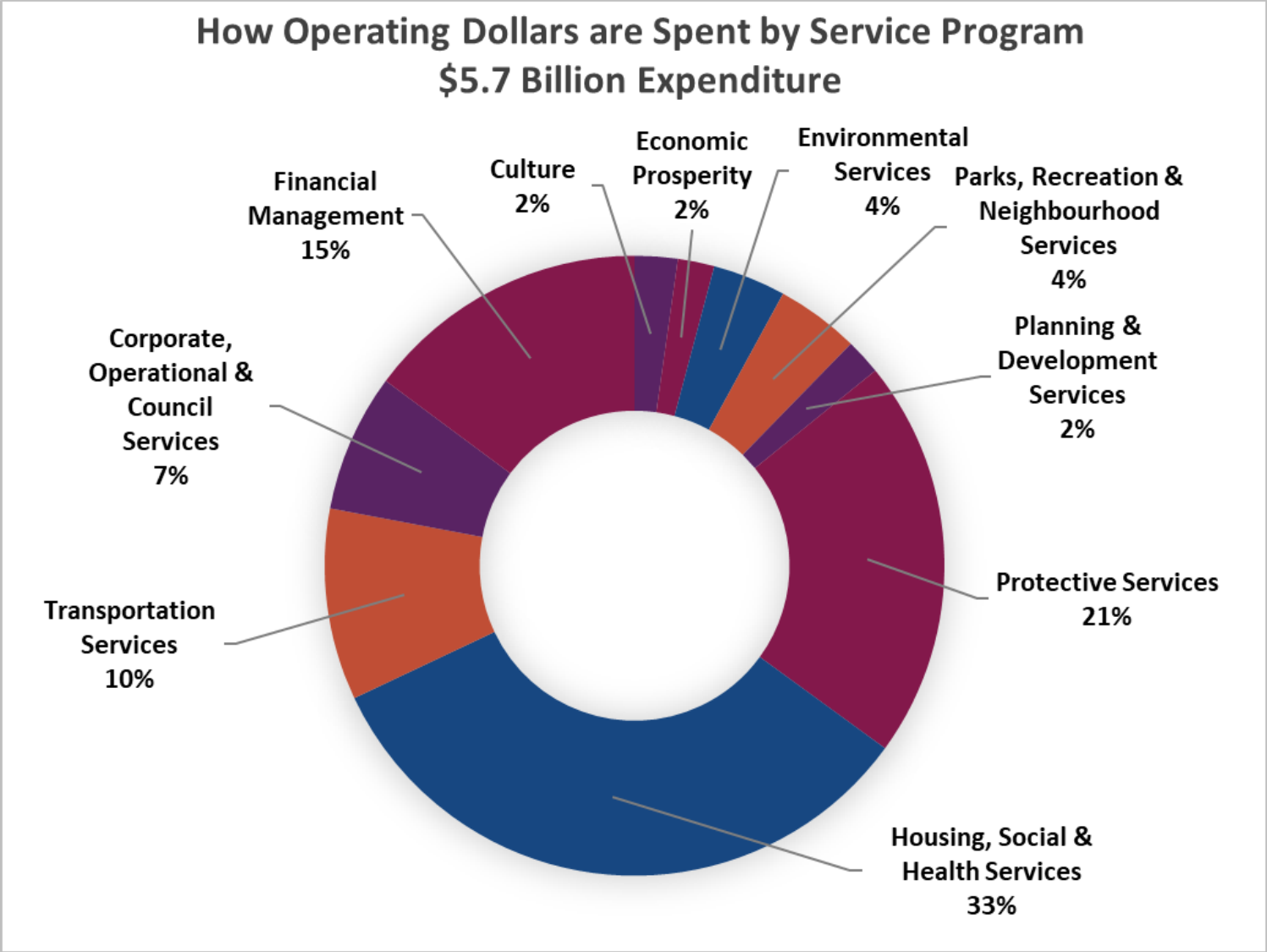
Budget in Brief – Property Tax Supported Budget

Total operating revenues in the 2024 to 2027 Multi-Year Budget are \$5.7 billion. As shown in the chart below, the largest source of revenue is property taxes which accounts for 63% of total revenues.



Budget in Brief – Property Tax Supported Budget

The allocation of 2024 to 2027 Multi-Year Budget operating expenditures by service program is shown in the chart below. A breakdown of the amounts by service program can be found in Appendix A.

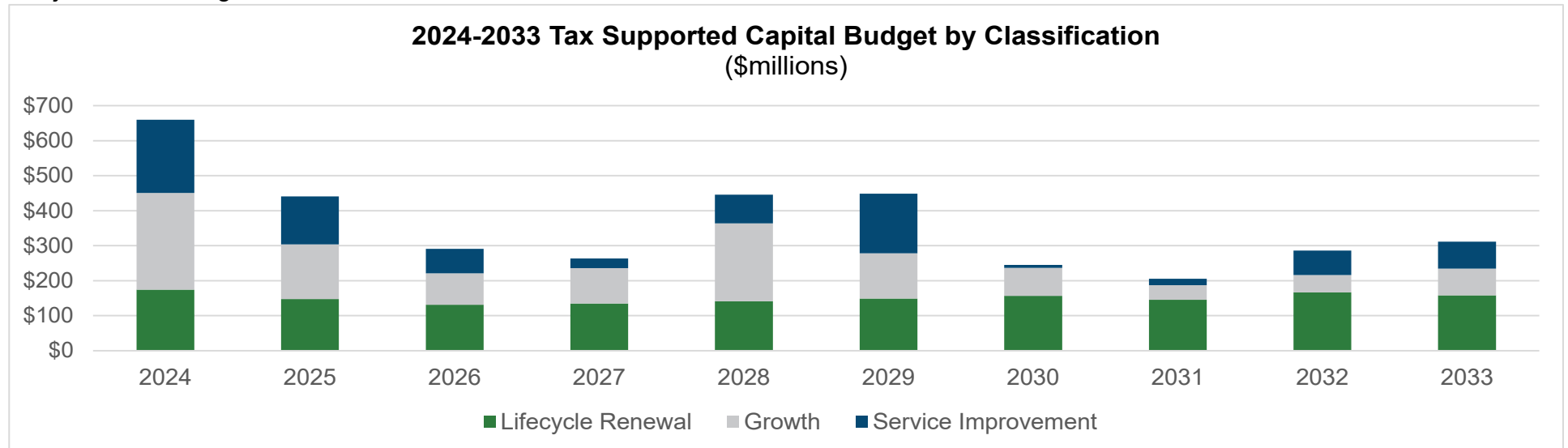


Budget in Brief – Property Tax Supported Budget












































2024 to 2033 Capital Budget Overview (\$ Millions)

Capital Budget Classification	2024 to 2027 Multi-Year Budget	2024 to 2033 Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. road resurfacing and replacing equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$589	\$1,507
Growth projects extend services into newly developed areas of the City (e.g. a road widening to handle additional traffic from new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$623	\$1,221
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. purchasing property for industrial land). These projects are optional, but the case may be compelling.	\$444	\$871
Total	\$1,656	\$3,599

Subject to rounding.



Average Annual Cost of Municipal Services: \$3,896¹

21.3% London Police Services 	\$831.43	3.3% Garbage, Recycling & Composting 	\$130.26	.9% Economic Development 	\$34.48	.3% Corporate Planning & Administration 	\$12.32	.2% By-Law Enforcement & Property Standards 	\$7.52	0% Covent Garden Market 	\$0.00
17.0% Capital Financing 	\$663.69	2.8% Library Services 	\$110.97	.8% Long Term Care 	\$33.08	.3% Tourism & Sports Attraction 	\$11.57	.2% Rapid Transit 	\$6.94	-0.4% Parking 	-\$15.14
8.9% Fire Services 	\$345.24	2.2% London & Middlesex Community Housing 	\$85.75	.7% Emergency Management & Security Services 	\$27.53	.3% Upper Thames River Conservation Authority 	\$11.41	.1% RBC Place London 	\$3.31	-1.5% Other Corporate Revenues & Expenses 	-\$59.51
8.3% Corporate Services 	\$322.44	2.2% Parks & Urban Forestry 	\$85.11	.7% Public Support Services 	\$27.21	.3% Arts, Culture & Heritage Advisory & Funding 	\$10.91	.1% Heritage 	\$2.35		
7.5% London Transit Commission 	\$291.91	2.1% Neighbourhood & Recreation Services 	\$82.83	.6% Development Services 	\$25.17	.2% Museum London 	\$9.65	0% Eldon House 	\$1.70		
6.5% Roadways 	\$252.43	1.8% Municipal Housing 	\$68.55	.6% Council Services 	\$22.65	.2% Animal Services 	\$9.57	0% Kettle Creek Conservation Authority 	\$1.23		
4.1% Social & Community Support Services 	\$160.46	1.1% Finance Supports 	\$41.59	.5% Planning Services 	\$20.25	.2% Building Approvals 	\$8.67	0% Centennial Hall 	\$0.78		
3.8% Land Ambulance 	\$148.20	1.0% Middlesex- London Health Unit 	\$37.94	.4% Community Improvement / Business Improvement Areas 	\$15.44	.2% Climate Change & Environmental Stewardship 	\$7.72	0% Lower Thames Valley Conservation Authority 	\$0.36		

Subject to rounding.

¹Calculated based on the average assessed value of \$252,000 in 2022 for a residential property (excludes education tax portion and impacts of tax policy).

Budget In Brief – Water Budget

On March 1, 2024, the 2024 to 2027 Multi-Year Budget was deemed adopted as amended. The Multi-Year Budget was adopted with an average annual Water rate increase of 2.9% covering the period from 2024 to 2027.

As part of the first annual update during the 2025 Budget process, 2 business cases were submitted and approved, with no impact to the average annual Water rate increase.

The City of London is entering its second annual update to the 2024 to 2027 budget period. The 2026 Annual Budget Update document contains a total of two water budget business cases. Both business cases are included in the Mayor's Tabled Budget for Council's Consideration. One of the two business cases has reduced the average annual water rate increase over the 2024 to 2027 Multi-Year Budget from 2.9% to 2.7% with the 2026 water rate increase being reduced to 2.2% from the previous 2.6%.

The impact to the average ratepayer is outlined in the table below:

2024 to 2027 Impact on Average Residential Customer from Approved Rate Changes¹

Total Annual Amount	2023	2024	2025	2026	2027	2024-2027 Average
Water	\$537	\$550	\$558	\$570	\$597	\$568
Annual Change	N/A	\$13	\$8	\$12	\$27	\$15

Subject to rounding.

Notes

1. The budgeted residential cost is based on an average residential consumption of 200 m³ (2022 BMA Municipal Study).

Budget In Brief – Water Budget

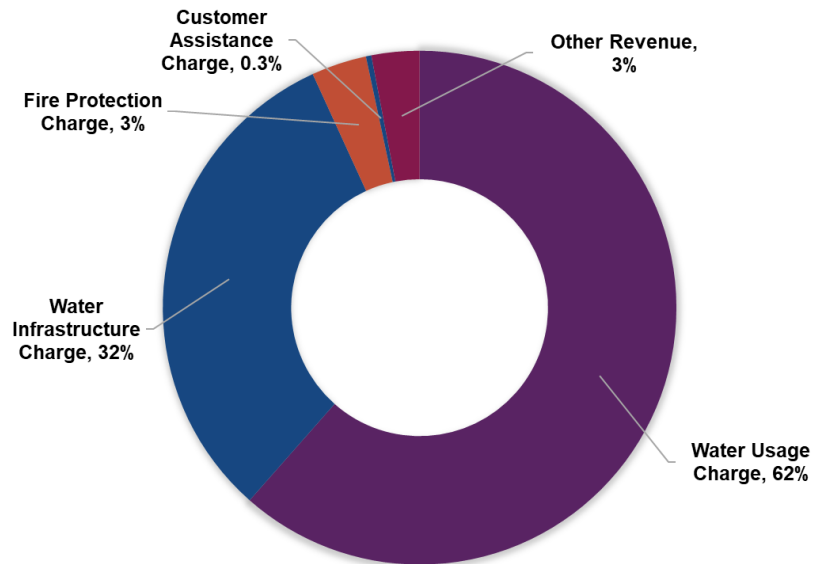
For 2026 there is one capital budget business case and one operating budget business case for Water. The 2024 to 2027 Multi-Year Budget for Water is as follows:

Water – 2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

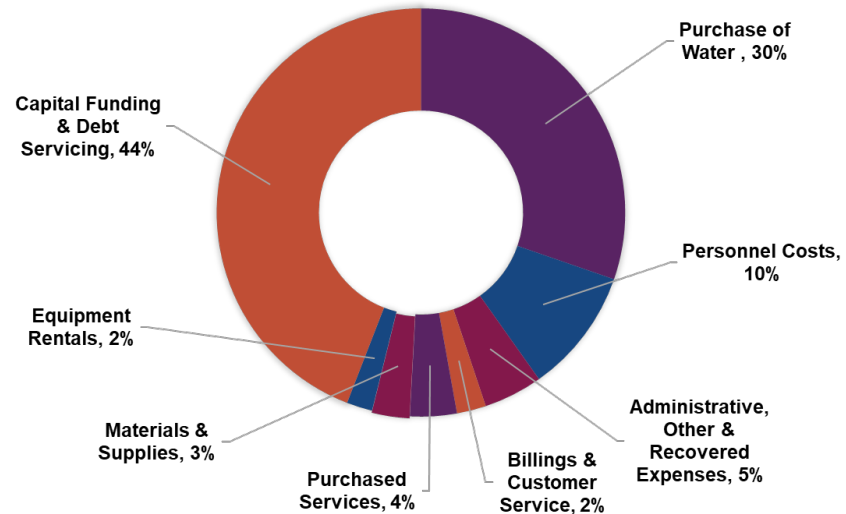
Water	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Average % Increase/ Decrease
Water Budget	93,695	103,501	107,431	111,050	115,205	N/A
Increase over Prior Year Budget (%)	N/A	10.5%	3.8%	3.4%	3.7%	5.3%
Increase over Prior Year Budget (\$)	N/A	9,806	3,930	3,620	4,154	N/A
Water Rate Increase	N/A	2.5%	1.5%	2.2%	4.8%	2.7%

Subject to rounding.

**REVENUE BUDGET - WATER
FOUR YEAR AVERAGE (2024-2027)**



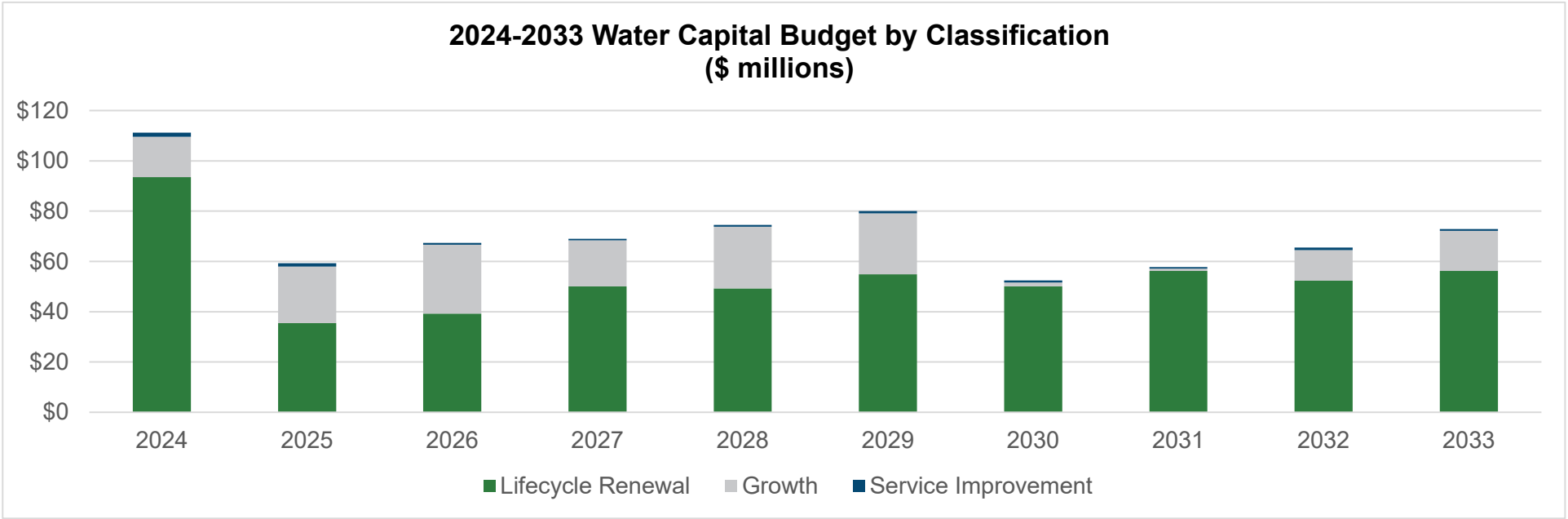
**EXPENDITURE BUDGET - WATER
FOUR YEAR AVERAGE (2024-2027)**



2024 to 2033 Water Capital Budget Overview (\$ Millions)

Capital Budget Classification	2024 to 2027 Multi-Year Budget	2024 to 2033 Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. reservoirs, watermains, valves, etc.). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$218	\$537
Growth projects extend services into newly developed areas of the City (e.g. a watermain to service new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$84	\$164
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a water pumping station). These projects are optional, but the case may be compelling.	\$4	\$9
Total	\$306	\$710

Subject to rounding.



Budget In Brief – Wastewater and Treatment Budget

On March 1, 2024, the 2024 to 2027 Multi-Year Budget was deemed adopted as amended. The Multi-Year Budget was adopted with an average annual Wastewater rate increase of 4.8% covering the period from 2024 to 2027.

As part of the first annual update during the 2025 Budget process, there were no approved business cases and no impact to the average annual Wastewater rate increase.

The City of London is entering its second annual update to the 2024 to 2027 budget period. The 2026 Annual Budget Update document contains a total of four wastewater budget business cases. All four business cases are included in the Mayor's Tabled Budget for Council's Consideration. Two of the four business cases have reduced the average annual wastewater rate increase over the 2024 to 2027 Multi-Year Budget from 4.8% to 4.3% with the 2026 wastewater rate increase being reduced to 2.4% from the previous 4.6%.

The impact to the average ratepayer is outlined in the table below:

2024 to 2027 Impact on Average Residential Customer from Approved Rate Changes¹

Total Annual Amount	2023	2024	2025	2026	2027	2024-2027 Average
Sanitary	\$458	\$476	\$502	\$514	\$542	\$509
Storm	\$221	\$231	\$243	\$249	\$262	\$246
Total	\$679	\$707	\$745	\$763	\$804	\$755
Annual Change	N/A	\$28	\$38	\$18	\$41	\$31

Subject to rounding.

Notes

1. The budgeted residential cost is based on an average residential consumption of 200 m³ (2022 BMA Municipal Study).

Budget In Brief – Wastewater and Treatment Budget

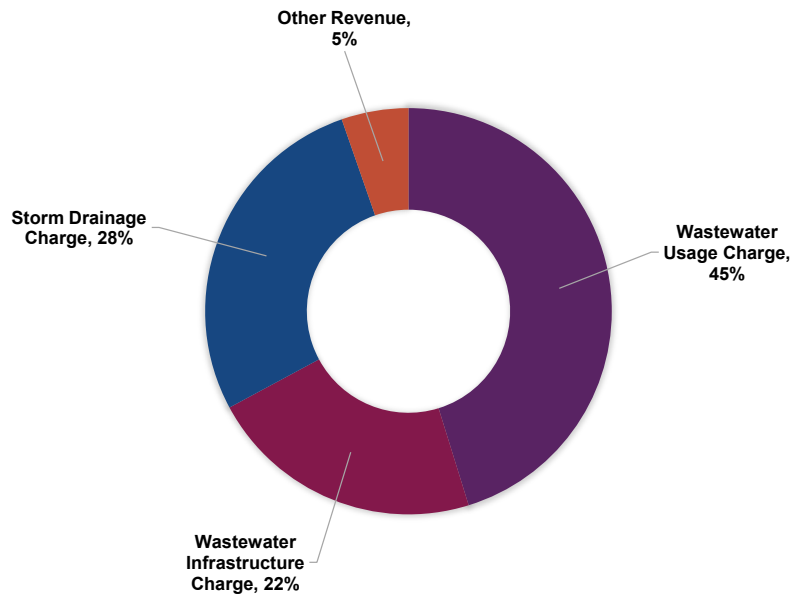
For 2026 there are two capital budget business cases and two operating budget business case for Water. The 2024 to 2027 Multi-Year Budget for Wastewater is as follows:

Wastewater and Treatment – 2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

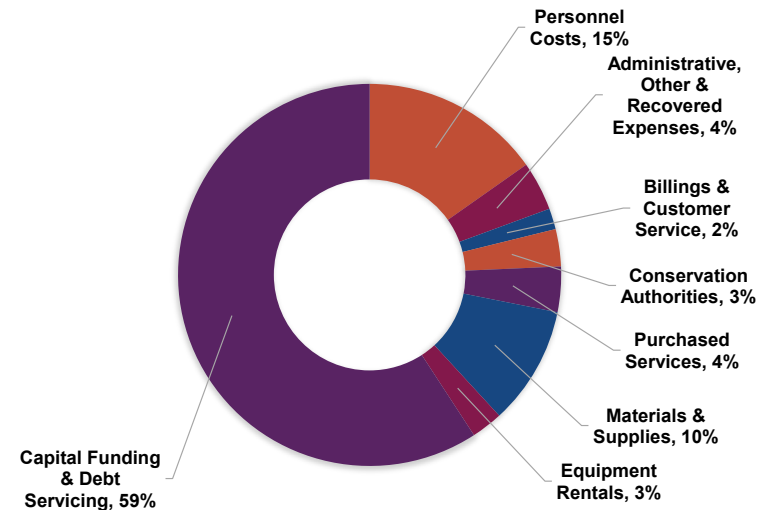
Wastewater and Treatment	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Average % Increase/ Decrease
Wastewater and Treatment Budget	117,544	129,669	137,462	142,567	150,240	N/A
Increase over Prior Year Budget (%)	N/A	10.3%	6.0%	3.7%	5.4%	6.4%
Increase over Prior Year Budget (\$)	N/A	12,125	7,793	5,105	7,673	N/A
Wastewater and Treatment Rate Increase	N/A	4.0%	5.4%	2.4%	5.4%	4.3%

Subject to rounding.

**REVENUE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2024-2027)**



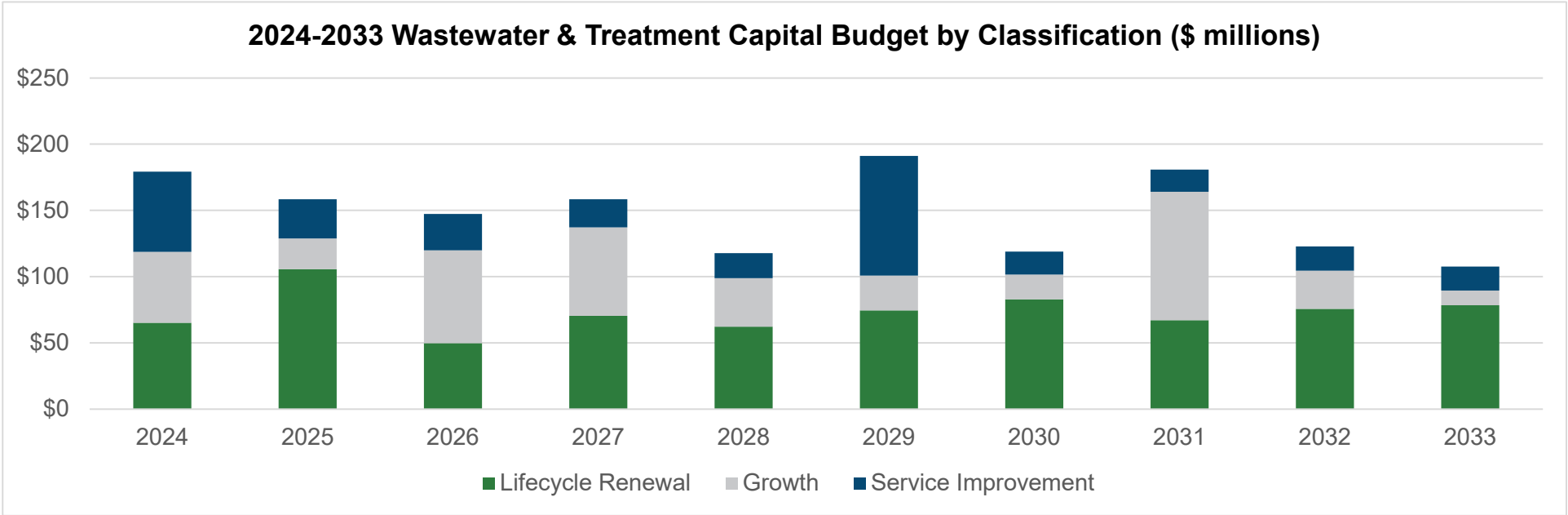
**EXPENDITURE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2024-2027)**



2024 to 2033 Wastewater and Treatment Capital Budget Overview (\$ Millions)

Capital Budget Classification	2024 to 2027 Multi-Year Budget	2024 to 2033 Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. local and trunk sewers, wastewater treatment plants and equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$291	\$732
Growth projects extend services into newly developed areas of the City (e.g. a trunk sewer to service new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$213	\$432
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a wastewater treatment plant). These projects are optional, but the case may be compelling.	\$139	\$319
Total	\$643	\$1,483

Subject to rounding.



Public Sector Accounting Board Reconciliation

Reconciliation of Budgets (Property Tax, Water, Wastewater and Treatment) to Public Sector Accounting Board Financial Statement Budget

Ontario municipalities must adhere to Public Sector Accounting Board (PSAB) accounting standards and reporting requirements. As allowed under Ontario Regulation 284/09, when preparing the budget, The City of London, like most municipalities, excludes typical PSAB items such as costs related to amortization expense, post-employment benefit expense and asset retirement obligation expense. However, the regulation does require that the municipality report to Council on the impact of these excluded costs prior to budget approval.

The tables on the following pages show the 2024 to 2027 budgets to comply with PSAB format, including the following items:

1. Expenses for the amortization of tangible capital assets.
2. Reserve fund contributions and pay as you go contributions for capital asset additions.
3. The current year's post-employment benefit expense for early retirement and accrued sick leave for employees that are eligible for these benefits. The City's consolidated liability as at December 31, 2024, was \$232.4 million. Reserve fund balances of \$208.3 million as of December 31, 2024, are available to offset this obligation. The City makes reserve fund contributions to offset the liabilities created from post-employment expenses depending upon generated surpluses and personnel cost savings.
4. The City has an asset retirement obligation of \$98.5 million.

If the above items were included in the 2024 to 2027 budgets, the projected annual PSAB surplus would increase.

Reconciliation of Budgets to PSAB Financial Statement Budget (\$ Thousands)

Property Tax, Water and Wastewater and Treatment Budgets – Revenues		2024 Budget	2025 Budget	2026 Budget	2027 Budget
Property Tax		812,743	882,146	913,682	956,899
Government Grants and Subsidies		343,781	349,044	350,426	343,943
User Fees		293,627	302,623	313,313	330,345
Municipal Revenues - Other		103,603	111,292	100,109	100,859
Municipal Revenues - Transfers from Reserves and Reserve Funds		29,919	16,982	28,699	16,423
Total Revenues per Budgets		1,583,672	1,662,088	1,706,229	1,748,469
Add/Less: PSAB related adjustments for full accrual budgeting:					
Reconciliation Type	Description				
Deduct Revenue	Transfers from Reserves and Reserve Funds	-29,919	-16,982	-28,699	-16,423
PSAB Adjustment	Capital program funding earned in year ¹	50,087	24,487	47,426	33,984
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	68,416	69,109	70,704	76,136
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund ⁶	55,563	58,073	58,433	58,908
PSAB Adjustment	Government Business Enterprises adjustments ⁷	12,175	13,804	16,757	17,082
PSAB Adjustment	Other	17,073	15,720	18,351	19,918
Total PSAB adjustments to Revenue Budgets		173,396	164,210	182,972	189,604
Total Budgeted Revenues for Financial Statement Purposes		1,757,068	1,826,298	1,889,200	1,938,074

Reconciliation of Budgets to PSAB Financial Statement Budget (\$ Thousands)

Property Tax, Water and Wastewater and Treatment Budgets – Expenses		2024 Budget	2025 Budget	2026 Budget	2027 Budget
Personnel Costs		517,039	557,897	582,761	609,388
Administrative Expenses		19,965	20,743	20,914	21,212
Financial Expenses - Other		12,437	12,526	9,369	9,436
Financial Expenses - Interest and Discount on Long-term Debt		3,568	3,181	13,228	17,949
Financial Expenses - Debt Principal Repayments		23,293	22,047	11,906	10,364
Financial Expenses - Transfers to Reserves and Reserve Funds		171,413	184,852	187,031	186,972
Financial Expenses - Transfers to Capital		112,260	113,432	114,578	118,044
Purchased Services		375,884	382,479	371,273	369,850
Materials and Supplies		92,051	95,865	99,798	104,911
Vehicle and Equipment		38,999	40,071	41,583	41,971
Transfers		240,155	253,593	271,741	276,990
Other Expenses		11,325	11,849	18,489	18,666
Recovered Expenses		-34,718	-36,447	-36,442	-37,284
Total Expenses per Budgets		1,583,672	1,662,088	1,706,229	1,748,469
Add/Less: PSAB related adjustments for full accrual budgeting:					
Reconciliation Type	Description				
Addback Expense	Transfers to Reserves and Reserve Funds	-171,413	-184,852	-187,031	-186,972
Addback Expense	Transfers to Capital	-112,260	-113,432	-114,578	-118,044
Addback Expense	Debt principal repayments	-23,293	-22,047	-11,906	-10,364
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	113,690	79,616	64,047	58,041
PSAB Adjustment	Amortization ³	173,153	177,326	181,855	186,999
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	4,802	4,820	4,827	4,249
PSAB Adjustment	Employee future benefit liability ⁸	11,527	13,404	12,026	11,533

Total PSAB adjustments to Expense Budgets	-3,794	-45,165	-50,761	-54,557
Total Budgeted Expenses for Financial Statement Purposes	1,579,878	1,616,923	1,655,467	1,693,912
Budgeted Annual Surplus for Financial Statement Purposes	177,190	209,375	233,733	244,162

Subject to rounding.

PSAB Reconciliation Notes

1. Represents capital revenue such as provincial and federal grants and other contributions. Does not include debenture financing, transfers from operating or reserve funds. Estimate is based on the capital budget for the respective years 2024 to 2027.
2. For PSAB purposes, any expenses not considered to be part of the cost of a tangible capital asset are expensed as operating expenses. Therefore, although funded through capital, these expenses will be included in the operating expenses in the year incurred and will be reflected in the Statement of Operations on the financial statements. Estimate based on 5 year rolling average % of the capital budget, based on 2019-2023 actuals.
3. Represents the annual write-down of the tangible capital assets over the useful life of the asset. Estimate based on 5 year rolling average.
4. Contributed tangible capital assets are tangible capital assets that become the ownership of the City when a subdivision is assumed by the City. These assets are recognized at estimated fair market value during the year of assumption. These assets are predominantly comprised of roads infrastructure. Estimate based on 5 year rolling average.
5. When an asset is replaced prior to the end of its useful life, an adjustment must be made to expense the remaining book value. Amount fluctuates from year to year. Estimate based on 5 year rolling average.
6. Transactions recorded directly to reserve funds must be accounted for through the operating or capital fund. This includes recognition of development charge levies and Canada Community-Building Fund grants earned in the year.
7. London Hydro Inc., Fair-City Joint Venture and City-YMCA Joint Venture are considered Government Business Enterprises (GBE). At year end, the City must record the City's share of earnings based on our percentage ownership in each GBE. Estimate based on 5 year rolling average.
8. Represents the annual change in the estimated future costs of employee benefits. Estimate based on 5 year rolling average.

Property Tax Budget

2026 Annual Budget Update

Multi-Year Budget Recap

On March 1, 2024, the City's third Multi-Year Budget was adopted covering the period from 2024 to 2027. The Multi-Year Budget was adopted with an average annual tax levy increase of 7.4%. Included in the adopted budget were 60 business for legislative changes, additional investments, and strategic disinvestments.

Annual Budget Update Process

The City of London is entering its second annual update to the 2024 to 2027 budget period. For 2025 and in each subsequent year of the multi-year budget, it is required by the *Municipal Act, 2001* to review and readopt the budget for that year. Any changes that are required to make the budget compliant with the provisions of the *Municipal Act, 2001*, are brought forward as part of the Annual Updates. It also provides the opportunity to adjust the budget to provide flexibility for events or circumstances that require funding and resource adjustments. As with the annual updates as part of previous multi-year budgets, budget business cases will be categorized as follows:

1

New/Changed Regulation

A new or changed legislation or regulation with a financial impact to the municipality

2

New Council Direction

A new Council direction that has transpired after the approval of the Multi-Year Budget

3

Cost/Revenue Driver

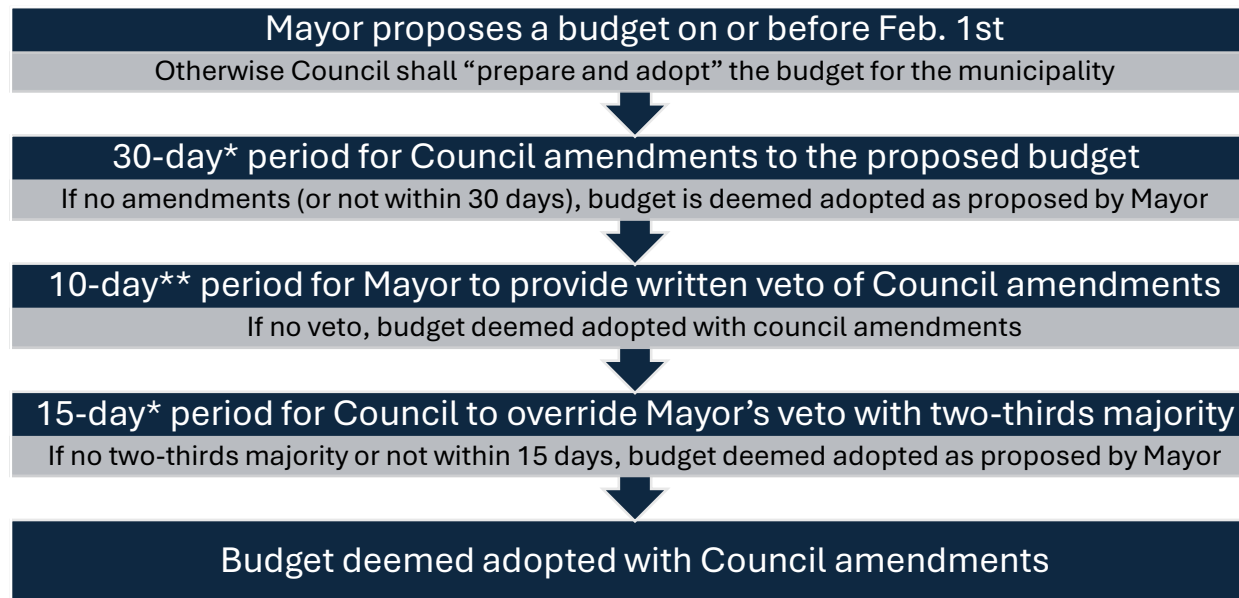
A corporate or service area budget adjustment as a result of a change in economic conditions

Budget business cases are required when the budget request is material in nature and cannot be absorbed within the service area budget or the corporate budget. Proposed changes to future years' operating budgets are only brought forward and approved once per year. Adjustments are limited to once per year, during the annual update period, to ensure that all requests are considered together.

Strong Mayor's Legislation – Impact on Budget Process

On June 16, 2023, the Province of Ontario announced that it was extending "Strong Mayor" powers to 26 Ontario municipalities, including London, effective July 1, 2023. Section 284.16 of the Municipal Act describes the powers and duties of the Mayor with respect to the municipal budget process. Under the "Strong Mayor" process, the power to propose and adopt the budget defaults to the Mayor and cannot be delegated.

This process can be summarized in the following graphic:



* Council may pass resolution to shorten this time period

** Mayor may provide written documents to shorten this time period

The 2024 to 2027 Multi-Year Budget was the first City of London budget process completed under the "Strong Mayor" legislation and associated timelines.

For the 2026 Budget Update there are two separate categories of budget business cases: i) those that are included in the Mayor's tabled budget for Council's consideration; and ii) those that are referred to the budget process for Council's consideration and

discussion but not included in the Mayor's tabled budget. Including both categories of business cases allows for fulsome public engagement and Council debate on the various decision points in the budget.

2025 Mayoral Direction and Budget Committee Meetings

On February 4, 2025, Mayoral Direction's 2025-001 and 2025-002 were issued. Mayoral Direction 2025-001 served to dissolve the Strategic Opportunities Review Working Group (SORWG) and assign this group's mandate to the Budget Committee. Mayoral Direction 2025-002 directed Civic Administration and the City's Agencies, Boards, and Commissions (ABC's) to bring forward options for consideration that, if adopted, would produce a 2026 property tax levy increase under 5%.

On March 19, 2025, the Budget Committee received a report addressing this Mayoral direction. Council directed Civic Administration to submit budget reduction business cases totaling a minimum of 1.5% of the net property tax budget for civic service areas, with priority to options that result in permanent reductions. At the same meeting, the City's ABC's were also requested to submit budget business cases for the 2026 Budget Update reflecting a minimum reduction of 1.5% of each entity's net property tax-funded budget.

During the May 22, 2025 Budget Committee meeting, committee discussed and provided direction on the development of the 2026 Annual Budget Update. The discussion focused on three areas 1) user fee changes for revenue generation opportunities, 2) program/service changes and reduction options, 3) program/service elimination options.

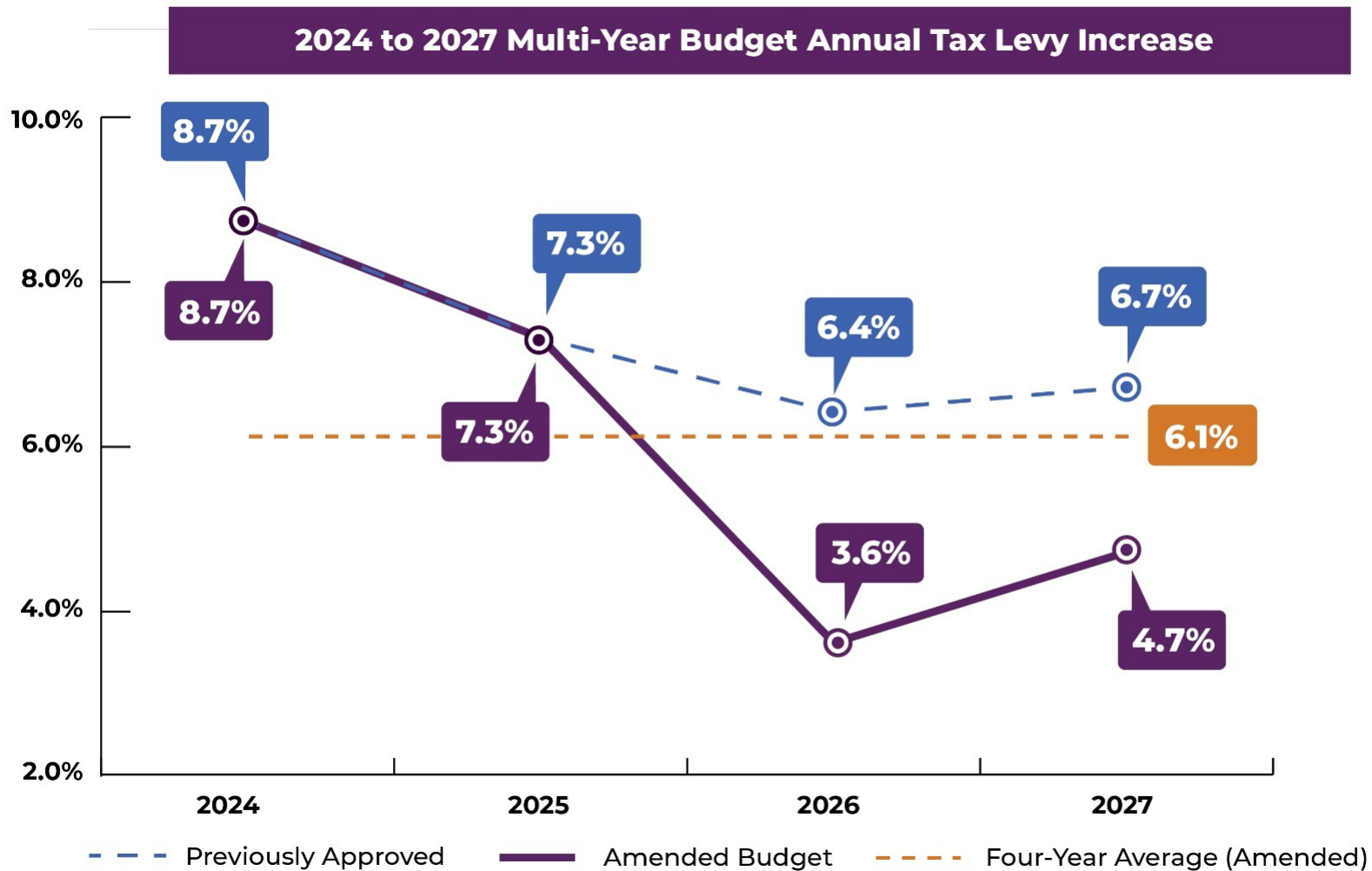
Council directed Civic Administration to proceed with implementing the user fee changes for the revenue generation opportunity identified and to bring forward the corresponding budget business case for inclusion in the Mayor's proposed 2026 Budget Update. Council also directed Civic Administration to exclude certain program/service reduction and elimination options, leaving the following for inclusion in the 2026 Annual Budget Update:

- Tree Planting Grants and Non-replacement Tree Planting (refer to business case #P-22)
- Resident Satisfaction Survey (refer to business case #P-12)
- Human Resources – Internships (refer to business case #P-10)
- Digital Transformation (refer to business case #P-11)
- Elimination of Full Funding for New Streetlight Installations (refer to business case #P-23)
- Climate Change Reserve Fund Contribution (refer to business case #P-24)

At the June 11, 2025 Budget Committee meeting, numerous budget update communications were received from Agencies, Boards and Commissions. A presentation and communication was also provided by the Mayor regarding a letter received from Deputy Minister of Municipal Affairs and Housing regarding municipalities' obligations under the Development Charges Act, 1997. The letter provided clarification on the funding of statutory and non-statutory exemptions and, as such, the Mayor committed to include a business case(s) to make the necessary adjustments in the 2026 Annual Budget Update. These business cases are #P-13, #W-2 and #WWT-4.

Mayor's Tabled Budget for Council's Consideration

The 2026 Annual Budget Update document contains a total of 25 property tax budget business cases. Of the total 25 business cases, 21 business cases are included in the Mayor's Tabled Budget for Council's Consideration, and four business cases are presented for Council's consideration and discussion. The 21 business cases have reduced the average annual property tax increase over the 2024 to 2027 Multi-Year Budget from 7.3% to 6.1% with the 2026 property tax increase being reduced to 3.6% from the previous 6.4%.



Budget Business Case Summaries and Background

The Property Tax budget business cases for the 2026 Annual Budget Update can be broken down as follows:

- 21 business cases are included in the Mayor's Tabled Budget for Council's Consideration.
- 4 business cases are presented for Council's consideration as part of the Mayor's Tabled Budget

The business cases fall into three categories; New/Changed Regulation, New Council Direction, or Cost/Revenue Driver.

A brief synopsis of each of the Property Tax budget business cases is presented below.

Business Cases Included in the Mayor's Tabled Budget for Council's Consideration

Business Case #P-1	Cost or Revenue Driver	LMCH Operating Budget Support for 2026-2027	
Strategic Area of Focus	Housing and Homelessness	Service	London and Middlesex Community Housing
Operating Expenditure	\$1,698,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	-\$260,000	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	\$1,438,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.02%	Total 2024-2027 Taxpayer Impact (Dollars)	\$6.26

This business case proposes an increase in operating funding for LMCH to offset budget pressures, including higher than budgeted property tax increases, to help maintain its financial sustainability. The proposed support represents a modest but essential measure that protects housing services and maintains current service levels. It should be noted that London's share of these increases is \$641 thousand and \$797 thousand in 2026 and 2027 respectively based on the cost-sharing agreement with the County of Middlesex.

Business Case #P- 2	Cost or Revenue Driver	Middlesex-London Health Unit Debt Retirement	
Strategic Area of Focus	Wellbeing and Safety	Service	Middlesex-London Health Unit
Operating Expenditure	\$2,366,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	\$2,366,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	\$10.31

The Middlesex-London Health Unit relocated its offices in January of 2020 to Citi Plaza (355 Wellington Street), requiring a loan to support construction and fit-up of the space. The total combined balance of the outstanding loan is approximately \$2.8 million. The Health Unit spends \$241 thousand in operating funds annually to re-pay the loan that could be diverted to programs and services or used to reduce the deficit facing the Health Unit in 2026. This business case requests London's share of the amount required to extinguish the outstanding loans, subject to approval of proportionate County of Middlesex contribution.

Business Case #P-3	Cost or Revenue Driver	Middlesex London Health Unit Operating Funding Request	
Strategic Area of Focus	Wellbeing and Safety	Service	Middlesex-London Health Unit
Operating Expenditure	\$709,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	\$709,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	\$3.09

The Middlesex-London Health Unit is facing a significant shortfall in 2026, and all avenues are being explored to find further efficiencies in the organization. This request is for one-time funding for 2026 (London's share), noting that this will provide additional time to obtain further clarity on the public health funding approach into the future, and to continue advocacy with the Province to ensure appropriate resourcing of public health.

Business Case #P- 4	Cost or Revenue Driver	Middlesex County Connect Inter-Community Transit Service	
Strategic Area of Focus	Economic Growth, Culture, and Prosperity	Service	Transportation Services
Operating Expenditure	\$423,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	-\$423,000	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	\$0	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	\$0.00

The Middlesex County Connect Inter-Community Transit Service is based on the equal-share contribution model from the five benefitting partner municipalities: Middlesex County, City of London, City of St. Thomas, Oxford County and Lambton County as well as a 50% contribution from the Ontario Transit Investment Fund (OTIF). The City of London's financial contribution would be \$423 thousand over five years (2025-2030), noting that funding is being secured up-front in order to confirm London's participation in the program. The funding for this initiative will be sourced by a drawdown from the Economic Development Reserve Fund, resulting in no tax levy impact.

Business Case #P- 5	Cost or Revenue Driver	Transportation Capital Projects Timing Revisions and Additional Budget	
Strategic Area of Focus	Mobility and Transportation	Service	Roadway Planning and Design
Operating Expenditure	\$0	Total 2024-2027 Capital Expenditure	-\$30,516,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$32,036,000
Net Tax Levy Required	\$0	Capital Sources of Financing	Reserve Fund
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	\$0.00

This business case outlines timing revisions and budget adjustments for multiple growth transportation capital projects. These timing changes aim to improve mobility and safety, improve infrastructure and realign funding with updated project timelines. These timing changes will help to relieve pressure on the City Service Reserve Funds as well as Tax Supported Sources of Financing.

Business Case #P- 6	New Council Direction	Reduced Road Network Improvements	
Strategic Area of Focus	Mobility and Transportation	Service	Roadway Planning and Design
Operating Expenditure	-\$228,000	Total 2024-2027 Capital Expenditure	-\$228,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	-\$684,000
Net Tax Levy Required	-\$228,000	Capital Sources of Financing	Capital Levy
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$0.99

This business case has been prepared in response to the Mayoral Direction to bring forward options for budget savings. The Local Road Reconstruction Program, which has an annual capital budget of approximately \$11-\$12 million, is designed to rehabilitate neighbourhood streets that have reached the end of their service life. Using pavement condition data which is collected every four years, this program typically rebuilds approximately 14 to 18 local roads per year. A reduction of the \$114,000 annually as presented would result in the removal of rehabilitation of approximately one small court or street from the program each year.

Business Case #P- 7	Cost or Revenue Driver	Organic Waste Diversion Facility Timing Change	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Recycling & Composting
Operating Expenditure	\$0	Total 2024-2027 Capital Expenditure	-\$19,500,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$19,500,000
Net Tax Levy Required	\$0	Capital Sources of Financing	Reserve Fund
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	\$0.00

Wastewater is in the process of completing a Biosolids Management Master Plan (BMMP). A potential proposed outcome of the BMMP is to construct an anaerobic digestion and fertilizer production facility on lands within the Waste Management Resource Recovery Area to accept and manage biosolids produced from all the wastewater treatment plants in London, except for Greenway. The facility could potentially be designed to also accept Green Bin materials. To ensure coordination with ongoing developments, it is recommended to defer most of the originally planned capital budget funding for a future organic waste diversion facility to future years and align with the pace of development for advancing projects recommended as part of the BMMP.

Business Case #P- 8	New Council Direction	Stop Multi-Residential Green Bin Cart Pilot Project and Future Expansion	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Recycling & Composting
Operating Expenditure	-\$900,000	Total 2024-2027 Capital Expenditure	-\$3,030,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	-\$180,000
Net Tax Levy Required	-\$900,000	Capital Sources of Financing	Reserve Fund
Average Annual Tax Levy Impact %	-0.01%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$3.92

This business case has been prepared in response to the Mayoral Direction to bring forward options for budget savings. Council has adopted a pilot project to introduce Green Bin collection in multi-residential buildings. The provincial requirement indicates building owners are responsible for this service, not the City of London, so this pilot project could be stopped and future expansion not undertaken by Civic Administration. If the Pilot Project and future expansion were eliminated, Civic Administration would continue to provide technical support and information to building owners to develop their own Green Bin programs (estimated at \$50 thousand per year).

Business Case #P- 9	Cost or Revenue Driver	Upper Thames River Conservation Authority (UTRCA) One-time Operating Budget Reduction	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Upper Thames River Conservation Authority
Operating Expenditure	-\$16,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$16,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$0.07

This business case is being brought forward to reduce the Upper Thames River Conservation Authority (UTRCA) total 2026 operating budget allocation as a result of savings identified through UTRCA's preliminary budget review for 2026. Note that this reduction is split between the property tax and wastewater & treatment budgets (see business case WWT-3).

Business Case #P- 10	New Council Direction	HR Internships Budget Reduction	
Strategic Area of Focus	Well-Run City	Service	Human Resources
Operating Expenditure	-\$168,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$168,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$0.73

In response to the Mayoral Direction to bring forward options for budget savings, a reduction to the number of City of London internships is an identified opportunity to reduce budgets during the current multi-year budget cycle without significant impact to operations.

Business Case #P- 11	New Council Direction	Microsoft Copilot and Microsoft Fabric Budget Reduction	
Strategic Area of Focus	Well-Run City	Service	Information Technology Services
Operating Expenditure	-\$170,000	Total 2024-2027 Capital Expenditure	-\$170,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	-\$510,000
Net Tax Levy Required	-\$170,000	Capital Sources of Financing	Reserve Fund
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$0.74

In response to the Mayoral Direction to bring forward options for budget reductions, an internal review identified an opportunity to reduce the scope and pace of the Microsoft Copilot and Fabric rollouts. Microsoft Copilot is an Artificial Intelligence powered assistant integrated into applications such as Word, Excel, Outlook, and Teams. This software enables users to generate content, summarize information, create documents and interact with tools using natural language prompts. Microsoft Fabric is a unified data and analytics platform that allows organizations to store, process, and analyze data in one integrated environment. This software is designed to simplify data management and make insights more accessible. Investments in both areas have been halved, with Copilot licenses reduced by approximately 75 and Fabric realizing fewer of the key benefits.

Business Case #P- 12	New Council Direction	Resident Satisfaction Survey Frequency	
Strategic Area of Focus	Well-Run City	Service	Corporate Management
Operating Expenditure	-\$28,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$28,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$0.12

This business case has been prepared in response to the Mayoral Direction to bring forward options for budget savings. This business case considers reducing the frequency of the Resident Satisfaction Survey from every year to every two years (“biennial”). The Resident Satisfaction Survey measures how Londoners feel about City services and quality of life. The change in frequency would save approximately \$28 thousand biannually.

Business Case #P-13	Cost or Revenue Driver	Funding of Development Charges Act Statutory Exemptions – Reduction	
Strategic Area of Focus	Well-Run City	Service	Finance Supports
Operating Expenditure	-\$12,800,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$12,800,000	Capital Sources of Financing	\$0
Average Annual Tax Levy Impact %	-0.18%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$55.80

As part of the City’s continuous improvement efforts with regards to Development Charges (DCs), the Mayor and Civic Administration have worked with provincial partners to establish a clear and consistent interpretation as it relates to a municipality’s responsibility to fund statutory DC exemptions from non-DC sources such as property taxes and utility rates. Through these efforts the City received a letter from the Deputy Minister of the Ministry of Municipal Affairs and Housing (MMAH) that provides clarity on this matter. In this communication, it is noted the DCA does not explicitly require municipalities to top-up DC reserve funds for lost DC revenues in situations where full or partial DC exemptions are provided. Based on the MMAH clarifications provided, through this business case the City of London will not be ‘topping up’ DC exemptions through budgeted property taxes and utility rates that impact the City’s various levy requirements.

Business Case #P-14	Cost or Revenue Driver	2026 and 2027 Debt Servicing Cost Savings	
Strategic Area of Focus	Well-Run City	Service	Other Corporate Revenues and Expenditures
Operating Expenditure	-\$18,000,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$18,000,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	-0.48%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$78.47

The review of the debt servicing budget for the remaining period of the 2024 to 2027 Multi-Year Budget has identified opportunities to amend the budget in alignment with updated project timelines and related debt issuance forecasts. This business case recommends the utilization of these savings; first, to contribute to the property tax Debt Substitution Reserve Fund to reduce the need for capital debt financing in the future and thereby provide future tax savings by avoiding the need for future debt servicing costs; and second, to be applied as funding for 2027 property tax mitigation.

Business Case #P-15	Cost or Revenue Driver	Library Capital Projects Timing Revisions	
Strategic Area of Focus	Well-Run City	Service	London Public Library (LPL)
Operating Expenditure	\$0	Total 2024-2027 Capital Expenditure	\$11,304,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	\$0	Capital Sources of Financing	Reserve Fund and, Debenture
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	\$0.00

The London Public Library and Civic Administration have reviewed the life-to-date budget for a new North West Library as well as a South West Library. This business case is being brought forward to adjust the timing of these projects to better align with the anticipated pace of development. It is recommended that the projects will be deferred to 2027, noting that \$500 thousand of funding has been left in the life-to-date budget for each to facilitate necessary work required to be completed in advance such as design and consulting work.

Business Case #P-16	Cost or Revenue Driver	London Public Library Draw from Stabilization Reserve Fund	
Strategic Area of Focus	Well-Run City	Service	London Public Library (LPL)
Operating Expenditure	-\$200,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$200,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$0.87

At the July 17, 2025 meeting of the Library Board, a motion was approved to return \$200 thousand to the City of London from the Library's Stabilization Reserve Fund to assist in the City's efforts to lower the 2026 tax levy. This business case represents a one-time budget reduction in 2026.

Business Case #P-17	Cost or Revenue Driver	London Police Services Draw from Reserve Funds	
Strategic Area of Focus	Well-Run City	Service	London Police Services
Operating Expenditure	-\$1,500,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$1,500,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$6.54

The London Police Services (LPS) Board and its administration have reviewed the 2026 budget and projections for the LPS Reserve Fund and LPS Employment Benefits Reserve Fund. The LPS Board recommends a strategic drawdown of \$700 thousand for 2026 from the LPS Reserve Fund and \$800 thousand for 2026 from the LPS Employment Benefits Reserve Fund to reduce the net (tax levy funded) impact of the LPS budget. This business case represents a one-time budget reduction in 2026.

Business Case #P-18	New Council Direction	London Transit Commission Budget Reduction	
Strategic Area of Focus	Well-Run City	Service	London Transit Commission
Operating Expenditure	-\$700,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$700,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$3.05

The London Transit Commission annually reviews current operating conditions and trends that have emerged since the time of budget preparation and realigns budgets accordingly. As a result of this annual review, a net total of \$700 thousand in savings were identified. This business case represents a one-time budget reduction in 2026.

Business Case # P-19	New Council Direction	Recreation & Sport Additional User Fee Revenue Generation	
Strategic Area of Focus	Well-Run City	Service	Recreation and Sport Services
Operating Expenditure	-\$1,520,700	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$1,520,700	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	-0.02%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$6.63

On June 3, 2025, City Council directed Civic Administration to implement the user fee changes outlined in the May 22nd report to Budget Committee. Recreation and Sport Services have brought forward this business case with updated user fees for 2026 & 2027 resulting in additional revenue. This business case increases most user fees by an additional 7% on average.

Business Case #P-20	New Council Direction	Portion of 2024 Surplus Allocated for Tax Mitigation	
Strategic Area of Focus	Well-Run City	Service	Other Corporate Revenues and Expenditures
Operating Expenditure	-\$16,856,884	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$16,856,884	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	-0.24%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$73.49

As directed by Council resolution from May 13, 2025, \$16.9 million of the 2024 property tax supported operating surplus was retained in the Operating Budget Contingency Reserve, to be applied evenly as tax levy mitigation in 2026 and 2027 and presented as a business case during the 2026 Annual Budget Update; this business case addresses the direction set forth in the Council resolution.

Business Case #P-21	Cost or Revenue Driver	Zero-Based Reviews and Budget Right-Sizing	
Strategic Area of Focus	Well-Run City	Service	Various
Operating Expenditure	-\$20,394,259	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$20,394,259	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	-0.29%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$88.90

Consistent with previous Annual Budget Updates, a right-sizing business case is being brought forward as part of the Annual Budget Update process. Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements and updated information. As a result of this work, Civic Administration has identified over \$20 million in savings that can be implemented over the next two years without impacting services.

Budget Business Cases Not Included in the Mayor's Tabled Budget but presented for Council's Consideration and Discussion

Business Case #P-22	New Council Direction	Urban Forestry – Reduced Tree Planting Grants & Non-replacement Tree Planting	
Strategic Area of Focus	Wellbeing and Safety	Service	Urban Forestry
Operating Expenditure	-\$300,000	Total 2024-2027 Capital Expenditure	-\$300,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	-\$1,800,000
Net Tax Levy Required	-\$300,000	Capital Sources of Financing	Capital Levy
Average Annual Tax Levy Impact %	0.00%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$1.31

In response to the Mayoral Direction to identify potential budget reductions, this business case has been brought forward from Urban Forestry as a budget reduction option for reducing tree planting grants and non-replacement tree planting.

Business Case #P-23	New Council Direction	Streetlight Local Improvements	
Strategic Area of Focus	Wellbeing and Safety	Service	Traffic Control and Streetlight
Operating Expenditure	-\$400,000	Total 2024-2027 Capital Expenditure	-\$400,000
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	-\$1,200,000
Net Tax Levy Required	-\$400,000	Capital Sources of Financing	Capital Levy
Average Annual Tax Levy Impact %	-0.01%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$1.74

In response to the Mayoral Direction to identify potential budget reductions, this business case is proposing to eliminate the full funding of the annual program to install streetlights to older neighbourhood streets where they do not exist. Installations would instead only occur via a Local Improvement process at a 100% property owner's cost.

Business Case #P-24	New Council Direction	Eliminate Climate Change Reserve Fund Contribution	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Capital Financing
Operating Expenditure	-\$384,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$384,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	-0.01%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$1.67

As part of the identification of cost saving opportunities to reduce the 2026 tax rate, a proposal is being made to eliminate planned contributions to the Climate Change Reserve Fund on an ongoing basis. The Climate Change Reserve (CCR) Fund was initially approved by Council with an allocation of \$1 million per year for the term of the current Multi-Year Budget (2024-2027). Planned annual contributions were subsequently reduced to \$192,000 in response to competing priorities as part of an amendment added by Council during the 2025 Annual Budget Update. The projected balance at 2025 year-end is approximately \$1.0 million.

Business Case #P-25	New Council Direction	Stop Collecting Blue Box Materials from Non-Eligible Sources	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Recycling & Composting
Operating Expenditure	-\$500,000	Total 2024-2027 Capital Expenditure	\$0
Non-Tax Levy Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Tax Levy Required	-\$500,000	Capital Sources of Financing	N/A
Average Annual Tax Levy Impact %	-0.01%	Total 2024-2027 Taxpayer Impact (Dollars)	-\$2.18

This business case has been prepared in response to the Mayoral Direction to bring forward options for budget savings. The Blue Box Regulation requires producers to collect designated Blue Box materials from eligible sources, including residences, multi-residential buildings, schools, and non-profit long-term care and retirement homes. However, it excludes non-eligible sources (NES) that are currently receiving Blue Box curbside collection services from municipalities. Collection from NES may no longer be part of the Circular Materials collection system as of January 1, 2026. If it does remain part of the system, there will be a charge from Circular Materials for the collection and processing of materials. There is also a chance that London will run into limited to no local processing capacity for these materials which would further increase costs.

Capital Budget Summary

Capital Budget and Ten-Year Capital Plan (Including Capital Business Cases) (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	660,217	524,709	308,867	252,716	1,746,508	1,866,125	3,612,634
Total Amended Budget	660,217	441,184	291,312	263,180	1,655,892	1,943,388	3,599,281
Total Amended Budget Increase/Decrease	0	-83,525	-17,555	10,464	-90,616	77,263	-13,353
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy	0	629	822	145	1,596	870	2,466
Debenture	0	10,400	7,411	-6,925	10,886	-10,298	588
Reserve Fund	0	3,050	750	14,584	18,384	-20,821	-2,437
Other	0	0	0	0	0	-1,406	-1,406
Non-tax Supported	0	69,446	8,572	-18,268	59,750	-45,608	14,142
Total Source of Financing Increase/Decrease	0	83,525	17,555	-10,464	90,616	-77,263	13,353

Subject to rounding.

Capital Budget by Classification (\$ Thousands)

Budget Classification	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Lifecycle Renewal Total Budget	174,439	147,826	132,432	135,718	590,415	919,461	1,509,876
Lifecycle Renewal Total Amended Budget	174,439	147,826	131,652	134,838	588,755	918,081	1,506,836
Lifecycle Renewal Increase/Decrease	0	0	-780	-880	-1,660	-1,380	-3,040
Growth Total Budget	276,290	236,292	106,492	90,010	709,084	519,117	1,228,202
Growth Total Amended Budget	276,290	155,767	89,732	101,369	623,158	597,940	1,221,099
Growth Increase/Decrease	0	-80,525	-16,760	11,359	-85,926	78,823	-7,103
Service Improvement Total Budget	209,488	140,590	69,943	26,988	447,009	427,547	874,556
Service Improvement Total Amended Budget	209,488	137,590	69,928	26,973	443,979	427,367	871,346
Service Improvement Increase/Decrease	0	-3,000	-15	-15	-3,030	-180	-3,210
Total Amended Budget Increase/Decrease	0	-83,525	-17,555	10,464	-90,616	77,263	-13,353

Subject to rounding.

Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	174,439	147,826	132,432	135,718	590,415	919,461	1,509,876
Total Amended Budget	174,439	147,826	131,652	134,838	588,755	918,081	1,506,836
Total Amended Budget Increase/Decrease	0	0	-780	-880	-1,660	-1,380	-3,040
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy	0	0	45	145	190	870	1,060
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	0	735	735	1,470	510	1,980
Other	0	0	0	0	0	0	0
Non-tax Supported	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	780	880	1,660	1,380	3,040

Subject to rounding.

Growth Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	276,290	236,292	106,492	90,010	709,084	519,117	1,228,202
Total Amended Budget	276,290	155,767	89,732	101,369	623,158	597,940	1,221,099
Total Amended Budget Increase/Decrease	0	-80,525	-16,760	11,359	-85,926	78,823	-7,103
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy	0	629	777	0	1,406	-1,406	0
Debenture	0	10,400	7,411	-6,925	10,886	-10,298	588
Reserve Fund	0	50	0	13,834	13,884	-13,884	0
Other	0	0	0	0	0	0	0
Non-tax Supported	0	69,446	8,572	-18,268	59,750	-53,235	6,515
Total Source of Financing Increase/Decrease	0	80,525	16,760	-11,359	85,926	-78,823	7,103

Subject to rounding.

Service Improvement Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	209,488	140,590	69,943	26,988	447,009	427,547	874,556
Total Amended Budget	209,488	137,590	69,928	26,973	443,979	427,367	871,346
Total Amended Budget Increase/Decrease	0	-3,000	-15	-15	-3,030	-180	-3,210
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy	0	0	0	0	0	0	0
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	3,000	15	15	3,030	180	3,210
Other	0	0	0	0	0	0	0
Non-tax Supported	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	3,000	15	15	3,030	180	3,210

Subject to rounding.

Capital Plan

Infrastructure Funding Updates

A summary of the infrastructure funding status and updates was recently included in Appendix E of the 2025 Capital Mid-Year Monitoring Report at the October 6, 2025, Infrastructure and Corporate Services Committee (agenda item #2.4, pages 35 to 39) which can be found here: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=119091>.

Water Budget

On October 15, 2024, Municipal Council approved a 1.5% increase in the rates and charges related to the provision of Water Services effective January 1, 2025. Further, on October 14, 2025, Council approved an increase of 2.2% effective on January 1, 2026. The 2027 rate increase will be brought forward in 2026.

For 2026, there is 1 capital budget business case and 1 operating budget business case. The capital business case is related to capital project schedule changes and includes a net increase to the overall capital plan, with no impact to rates. The operating budget business case reduced the 2026 water rate increase from 2.6% to 2.2%. These business cases are detailed in the Water Budget Business Cases section of this document. A brief synopsis of each of the Water business cases is presented below.

Water Service Area Financial Plan

Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 mandates the preparation of a Financial Plan as part of the Municipal Drinking Water License program. This regulation was designed by the Ministry of the Environment in response to Justice Dennis O'Connor's Walkerton Inquiry recommendations. The intent is to ensure that municipalities plan for long-term financial stability of their drinking water systems. The Financial Plan must be updated prior to the renewal of a municipal drinking water license every 5 years. London's Water Financial Plan was updated in late 2024 and the most recent version can be found on the City's website by visiting: [The City of London's Water Financial Plan](#) or <https://london.ca/living-london/water-environment/water-system> under Annual and Summary Reports.

Water Budget Business Cases Summaries and Background

The following section summarizes the two Water budget business cases that were included in the Mayor's Tabled Budget for Council's Consideration. The business cases fall into three categories; New/Changed Regulation, New Council Direction, or Cost/Revenue Driver.

A brief synopsis of each of the Water budget business cases is presented below.

Business Case #W-1	Cost or Revenue Driver	Schedule Changes for Water Growth Projects and Budget Increase for Southdale Road	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Water Engineering
Operating Expenditure	\$0	Total 2024-2027 Capital Expenditure	-\$20,545,000
Non-Rate Supported Revenue	\$0	Total 2028-2033 Capital Expenditure	\$20,854,000
Net Rate Supported Impact	\$0	Capital Sources of Financing:	Reserve Fund, Non-Rate Supported
Average Annual Rate Impact %	0%	Total 2024-2027 Rate Payer Impact (Dollars)	\$0

The replacement of existing watermain on Richmond Street (Windermere Road to Huron Street) and Oxford Street (Wonderland Road to Wharncliffe Road) are proposed to be delayed to better coordinate with other Transportation needs across the City in an effort to minimize overall traffic impacts in the City of London. Also, the replacement and upgrade of the existing watermain on Southdale Road (east of Wonderland) requires additional funds to minimize traffic impacts to Wonderland Road South. These projects are on roads with heavy volumes of traffic, and coordinating these projects with other projects on similar corridors is crucial to manage overall traffic flow in the City of London.

Business Case #W-2	New/Changed Regulation	Funding of Development Charges Act Statutory Exemptions - Reduction	
Strategic Area of Focus	Well-Run City	Service	Water – General Administration
Operating Expenditure	-\$1,000,000	Total 2024-2027 Capital Expenditure	-\$0
Non-Rate Supported Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Rate Supported Impact	-\$1,000,000	Capital Sources of Financing:	\$0
Average Annual Rate Impact %	-0.11%	Total 2024-2027 Rate Payer Impact (Dollars)	-\$5.21

As part of the City's continuous improvement efforts with regards to Development Charges (DCs), the Mayor and Civic Administration have worked with provincial partners to establish a clear and consistent interpretation as it relates to a municipality's responsibility to fund statutory DC exemptions from non-DC sources such as property taxes and utility rates. Through these efforts the City received a

letter from the Deputy Minister of the Ministry of Municipal Affairs and Housing (MMAH) that provides clarity on this matter. In this communication, it is noted the DCA does not explicitly require municipalities to top-up DC reserve funds for lost DC revenues in situations where full or partial DC exemptions are provided. Based on the MMAH clarifications provided, through this business case the City of London will not be ‘topping up’ DC exemptions through budgeted property taxes and utility rates that impact the City’s various levy requirements.

2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

Water	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Average % Increase/ Decrease
Water Budget	93,695	103,501	107,431	111,050	115,205	N/A
Increase over Prior Year Budget (%)	N/A	10.5%	3.8%	3.4%	3.7%	5.3%
Increase over Prior Year Budget (\$)	N/A	9,806	3,930	3,620	4,154	N/A
Water Rate Increase	N/A	2.5%	1.5%	2.2%	4.8%	2.7%

Subject to rounding.

Operating Summary

2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

Service	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2024 to 2027 Budget
Water Engineering	2,684	2,795	2,861	2,882	11,221
Water Operations	17,147	17,660	18,026	18,342	71,175
Purchase of Water	30,645	32,298	34,056	35,906	132,906
Water General Administration	53,025	54,678	56,108	58,074	221,885
Total Water	103,501	107,431	111,050	115,205	437,187

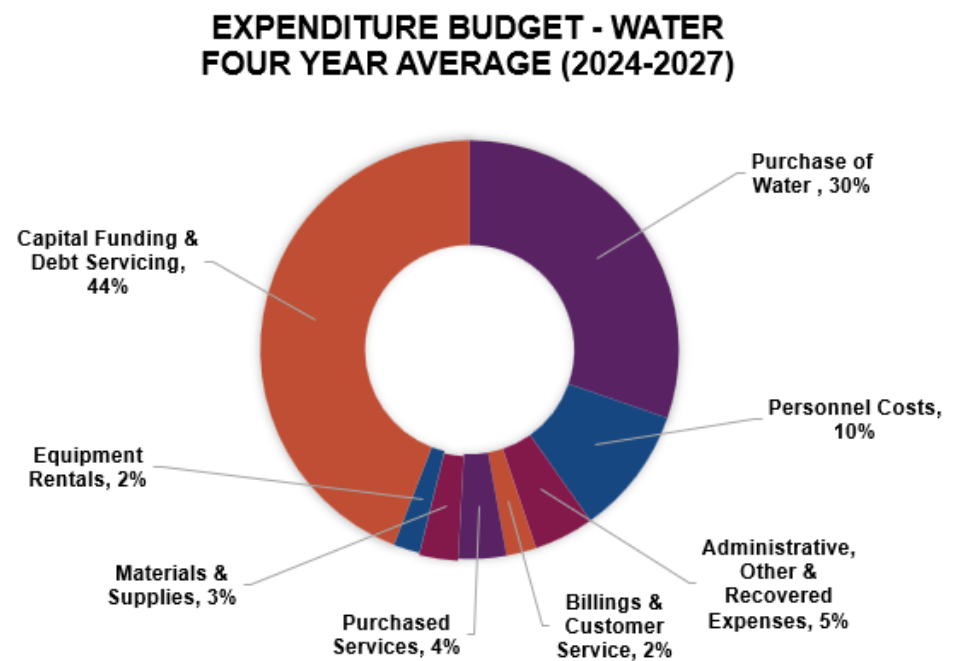
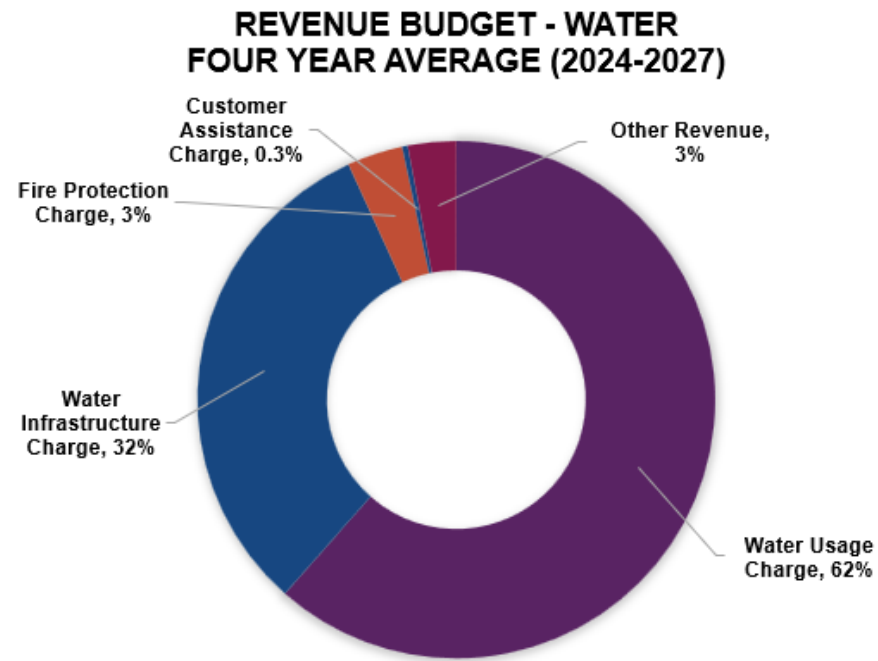
Subject to rounding.

2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

Category	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Increase/ (Decrease)
Water Rate Increase (%)	N/A	2.5%	1.5%	2.2%	4.8%	N/A
Revenues						
Water Usage Charge	58,261	64,135	65,618	67,639	71,522	13,261
Water Infrastructure Charge	30,599	32,437	33,580	34,982	37,389	6,790
Fire Protection Charge	3,273	3,560	3,686	3,841	4,107	834
Customer Assistance Charge	342	364	372	379	387	44
Other Revenue	1,220	3,004	4,175	4,209	1,800	580
Total Revenues	93,695	103,501	107,431	111,050	115,205	21,509
Increase in Total Revenues (\$)	N/A	9,806	3,930	3,620	4,154	
Increase in Total Revenues (%)	N/A	10.5%	3.8%	3.4%	3.7%	
Expenditures						
Purchase of Water	30,504	30,645	32,298	34,056	35,906	5,403
Personnel Costs	10,038	10,398	10,802	11,097	11,352	1,313
Administrative, Other and Recovered Expenses	3,956	4,939	4,999	5,115	5,233	1,277
Billings and Customer Service	2,283	2,431	2,515	2,566	2,617	334
Purchased Services	3,186	3,950	4,020	4,089	4,154	967
Materials and Supplies	2,705	3,148	3,230	3,312	3,398	694
Equipment Rentals	1,759	2,151	2,219	2,283	2,330	571
Total Operating	54,431	57,662	60,084	62,517	64,990	10,559
Financial Expenses						
Debt Servicing Costs	111	0	0	0	0	-111
Contribution to Reserve Funds	16,530	22,424	23,113	23,451	24,254	7,724
Capital Levy	22,623	23,415	24,234	25,083	25,961	3,338
Total Financial Expenses	39,264	45,839	47,347	48,533	50,215	10,950
Total Expenditures	93,695	103,501	107,431	111,050	115,205	21,509
Increase in Total Expenditures (\$)	N/A	9,806	3,930	3,620	4,154	N/A
Increase in Total Expenditures (%)	N/A	10.5%	3.8%	3.4%	3.7%	N/A

Subject to rounding.

The charts below outline the sources of revenue and the type of expenditures based on the average 2024 to 2027 budgets.



Water Capital Summary and Ten-Year Capital Plan (\$ Thousands)

2024 to 2033 Capital Budget Overview by Classification (\$ Thousands)

	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Lifecycle Renewal	93,568	35,506	39,226	50,065	218,366	0	319,039	0	537,405
Growth	16,039	22,504	27,431	18,292	84,266	-20,545	79,274	20,854	163,541
Service Improvement	1,581	1,281	723	595	4,181	0	4,934	0	9,115
Total Expenditures	111,189	59,292	67,381	68,952	306,814	-20,545	403,247	20,854	710,062

Subject to rounding.

Capital Budget Summary (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	111,189	59,292	74,053	82,825	327,359	382,393	709,753
Total Amended Budget	111,189	59,292	67,381	68,952	306,814	403,247	710,062
Total Amended Budget Increase/Decrease	0	0	-6,672	-13,873	-20,545	20,854	309
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	1,866	0	1,866	0	1,866
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	0	0	1,651	1,651	-3,745	-2,094
Other	0	0	0	0	0	0	0
Non-rate Supported	0	0	4,806	12,222	17,028	-17,109	-81
Total Source of Financing Increase/Decrease	0	0	6,672	13,873	20,545	-20,854	-309

Subject to rounding.

Capital Budget by Classification (\$ Thousands)

Budget Classification	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Lifecycle Renewal Total Budget	93,568	35,506	39,226	50,065	218,366	319,039	537,405
Lifecycle Renewal Total Amended Budget	93,568	35,506	39,226	50,065	218,366	319,039	537,405
Lifecycle Renewal Increase/Decrease	0	0	0	0	0	0	0
Growth Total Budget	16,039	22,504	34,103	32,165	104,811	58,420	163,232
Growth Total Amended Budget	16,039	22,504	27,431	18,292	84,266	79,274	163,541
Growth Increase/Decrease	0	0	-6,672	-13,873	-20,545	20,854	309
Service Improvement Total Budget	1,581	1,281	723	595	4,181	4,934	9,115
Service Improvement Total Amended Budget	1,581	1,281	723	595	4,181	4,934	9,115
Service Improvement Increase/Decrease	0	0	0	0	0	0	0
Total Amended Budget Increase/Decrease	0	0	-6,672	-13,873	-20,545	20,854	309

Subject to rounding.

Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	93,568	35,506	39,226	50,065	218,366	319,039	537,405
Total Amended Budget	93,568	35,506	39,226	50,065	218,366	319,039	537,405
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	0	0	0	0	0
Debtenture	0	0	0	0	0	0	0
Reserve Fund	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Non-rate Supported	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0

Subject to rounding.

Growth Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	16,039	22,504	34,103	32,165	104,811	58,420	163,232
Total Amended Budget	16,039	22,504	27,431	18,292	84,266	79,274	163,541
Total Amended Budget Increase/Decrease	0	0	-6,672	-13,873	-20,545	20,854	309
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	1,866	0	1,866	0	1,866
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	0	0	1,651	1,651	-3,745	-2,094
Other	0	0	0	0	0	0	0
Non-rate Supported	0	0	4,806	12,222	17,028	-17,109	-81
Total Source of Financing Increase/Decrease	0	0	6,672	13,873	20,545	-20,854	-309

Subject to rounding.

Service Improvement Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	1,581	1,281	723	595	4,181	4,934	9,115
Total Amended Budget	1,581	1,281	723	595	4,181	4,934	9,115
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	0	0	0	0	0
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Non-rate Supported	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0

Subject to rounding.

2024 to 2033 Source of Financing Overview (\$ Thousands)

	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Rate Supported									
Capital Rates	24,314	24,234	25,083	25,961	99,591	0	175,997	0	275,588
Debt	0	0	0	0	0	0	0	0	0
Reserve Fund	70,600	13,897	16,037	23,978	124,511	-3,517	154,681	3,745	279,192
Other	0	0	0	0	0	0	0	0	0
Total Rate Supported	94,914	38,131	41,119	49,938	224,102	-3,517	330,677	3,745	554,779
Non-Rate Supported									
Debt	0	0	1,000	9,000	10,000	-14,877	19,061	14,877	29,061
Reserve Fund	12,414	19,736	23,837	8,589	64,576	-2,151	44,959	2,232	109,535
Canada Community-Building Fund	1,425	1,425	1,425	1,425	5,700	0	8,550	0	14,250
Federal Grants	0	0	0	0	0	0	0	0	0
Provincial Grants	0	0	0	0	0	0	0	0	0
Other Government	0	0	0	0	0	0	0	0	0
Other	2,435	0	0	0	2,435	0	0	0	2,435
Total Non-Rate Supported	16,275	21,161	26,262	19,014	82,711	-17,028	72,570	17,109	155,281
Total	111,189	59,292	67,381	68,952	306,814	-20,545	403,247	20,854	710,062

Subject to rounding.

2034 to 2035 Capital Budget Overview by Classification (\$ Thousands)

Classification	2034 Forecast	2035 Forecast	2026 to 2035 Amended Ten Year Capital Plan
Lifecycle Renewal	53,834	53,612	515,777
Growth	253	260	125,510
Service Improvement	995	1,046	8,294
Total Expenditures	55,083	54,918	649,582

Subject to rounding.

Source of Financing	2034 Forecast	2035 Forecast	2026 to 2035 Amended Ten Year Capital Plan
Capital Rates	33,029	34,185	294,253
Debt	0	0	0
Reserve Fund	20,403	19,077	234,175
Other	0	0	0
Total Rate Supported	53,432	53,262	528,429
Debt	0	0	29,061
Reserve Fund	226	231	77,842
Canada Community-Building Fund	1,425	1,425	14,250
Federal Grants	0	0	0
Provincial Grants	0	0	0
Other Government	0	0	0
Other	0	0	0
Total Non-Rate Supported	1,651	1,656	121,153
Total	55,083	54,918	649,582

Subject to rounding.

2034 and 2035 Major Capital Projects by Classification

Classification	Project	2034 Forecast	2035 Forecast
Lifecycle Renewal	Infrastructure Renewal Program - Watermains	41,288	43,759
Lifecycle Renewal	Boler Road Watermain	2,704	0
Lifecycle Renewal	Residential Meter Replacement	2,614	2,705
Lifecycle Renewal	Watermain Corrosion Protection	1,605	1,661
Lifecycle Renewal	Watermain Rehabilitation and Relining	1,394	1,427
Lifecycle Renewal	Watermain Condition Assessment	1,045	1,070
Service Improvement	Water Efficiency Program	382	395
Service Improvement	Water Operations Vehicles	0	295
Service Improvement	Extension of Water Servicing	279	285
Service Improvement	Leak Detection Program	195	0
Service Improvement	Customer Billing Process	0	71
Growth	Watermain Internal Oversizing	124	127
Growth	Watermain-Strategic Links	86	88
Growth	Watermain - Built Area Works	43	45

Subject to rounding.

Water Reserve and Reserve Fund Overview

Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure city-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	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.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

Reserve and Reserve Fund Overview (\$ Thousands)

Classification	Type	2024 Uncommitted	2025 Projected ²	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Obligatory	City Services	25,215	17,176	2,374	2,834	10,141
Total	Obligatory	25,215	17,176	2,374	2,834	10,141
Discretionary	Capital Asset Renewal and Replacement	34,892	45,858	54,399	55,968	71,809
Discretionary	Capital Asset Growth	3,771	3,624	3,472	3,315	2,581
Discretionary	Special Projects and New Initiatives	3,409	3,616	3,773	3,930	4,864
Discretionary	Contingencies/Stabilization and Risk Management	14,166	11,736	9,307	9,366	9,766
Total	Discretionary	56,238	64,833	70,950	72,579	89,021
Total		81,453	82,009	73,324	75,413	99,162

Subject to rounding.

Notes

1. 2028 to 2033 Forecasted balances are the projected 2033 ending balance.
2. Due to timing the timing of the reports, these figures do not include the impacts of the 2025 mid-year operating and capital monitoring reports. Those impacts will be incorporated into the adopted budget document.

Reserve and Reserve Fund Details (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Obligatory					
City Services					
Development Levies ^{2,3}	3,534	9,946	8,012	8,273	53,760
Other	5,610	1,863	1,023	776	6,085
Planned Draws	26,531	19,848	23,837	8,589	52,537
Projected Balance	25,215	17,176	2,374	2,834	10,141
Capital Asset Renewal and Replacement					
Water Works Renewal					
Rate Supported Contributions	23,001	22,098	22,853	23,649	158,224
Other	5,582	2,743	1,724	1,898	12,297
Planned Draws	97,324	13,875	16,037	23,978	154,681
Projected Balance	34,892	45,858	54,399	55,968	71,809
Capital Asset Growth					
DC Statutory Exemptions Water					
Rate Supported Contributions	300	0	0	0	0
Other	1,567	0	0	0	0
Planned Draws	1,867	0	0	0	0
Projected Balance	0	0	0	0	0
Industrial DC Incentive Water					
Rate Supported Contributions	300	300	300	300	2,100
Other	200	127	122	117	611
Planned Draws	1,686	574	574	574	3,444
Projected Balance	3,771	3,624	3,472	3,315	2,581
Special Projects and New Initiatives					
Lead Service Replacement Program					
Rate Supported Contributions	0	0	0	0	0
Other	21	21	21	20	84
Planned Draws	25	13	13	13	76
Projected Balance	115	124	132	139	147
Water Customer Assistance					
Rate Supported Contributions	0	0	0	0	0
Other	62	29	30	31	210
Planned Draws	0	0	0	0	0
Projected Balance	824	853	883	914	1,123

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Water Efficiency, Effectiveness and Economy Reserve					
Rate Supported Contributions	0	0	0	0	0
Other	224	119	119	119	717
Planned Draws	404	-50	0	0	0
Projected Balance	2,469	2,639	2,758	2,878	3,594
Contingencies/Stabilization and Risk Management					
Water Budget Contingency Reserve					
Rate Supported Contributions	706	0	0	0	0
Other	0	0	0	0	0
Planned Draws	4,563	2,486	2,486	0	0
Projected Balance	12,590	10,104	7,618	7,618	7,618
Water Debt Substitution					
Rate Supported Contributions	1,503	0	0	0	0
Other	73	55	57	59	401
Planned Draws	0	0	0	0	0
Projected Balance	1,576	1,631	1,688	1,747	2,148
Total Contributions	29,345	32,344	31,165	32,222	214,084
Total Other	13,339	4,958	3,096	3,021	20,404
Total Planned Draws	132,400	36,746	42,946	33,153	210,738
Total Water	81,453	82,009	73,324	75,413	99,162

Subject to rounding.

Notes

1. 2028 to 2033 Forecasted balances are the projected 2033 ending balance.
2. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.
3. The levies for the Obligatory City Services Reserve Funds are based on the low growth scenario contained in the report prepared by Watson and Associates Economists Ltd. entitled "Population, Housing and Employment Growth Projection Study, 2021-2051".

Wastewater and Treatment Budget

On October 15, 2024, Municipal Council approved a 5.4% increase in the rates and charges related to the provision of Wastewater and Treatment Services effective January 1, 2025. Further, on October 14, 2025, Council approved an increase of 2.4% effective on January 1, 2026. The rate increase for 2027 will be brought forward in 2026.

For 2026, there are 2 capital budget business cases and 2 operating budget business cases. The capital business cases do not have any rate impacts, however, the two operating business cases reduced the 2026 wastewater rate increase from 4.6% to 2.4%. These business cases are detailed in the Wastewater and Treatment Budget Business Cases section of this document. A brief synopsis of each of the Wastewater and Treatment business cases is presented below.

Wastewater and Treatment Budget Business Cases Summaries and Background

The following section summarizes the four Wastewater and Treatment budget business cases that were included in the Mayor’s Tabled Budget for Council’s Consideration. The business cases fall into three categories; New/Changed Regulation, New Council Direction, or Cost/Revenue Driver.

A brief synopsis of each of the Wastewater budget business cases is presented below.

Business Case #WWT-1	Cost or Revenue Driver	Budget Amendments for Wastewater Growth Projects	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Wastewater Treatment Operations and Stormwater Engineering
Operating Expenditure	\$0	Total 2024-2027 Capital Expenditure	\$11,313,000
Non-Rate Supported Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Rate Supported Impact	\$0	Capital Sources of Financing:	Reserve Fund, Non-Rate Supported
Average Annual Rate Impact %	0.00%	Total 2024-2027 Rate Payer Impact (Dollars)	\$0

This business case outlines timing revisions and budget adjustments for multiple growth Wastewater and Treatment capital projects. These timing changes aim to realign the timing of these projects with the anticipated pace of development in the City. These timing changes will help to relieve pressure on the City Service Reserve Fund as well as Rate Supported Sources of Financing.

Business Case #WWT-2	Cost or Revenue Driver	Greenway Section 1 Renewal – Advance Budget for Detailed Design	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Wastewater Treatment Operations
Operating Expenditure	\$0	Total 2024-2027 Capital Expenditure	\$5,000
Non-Rate Supported Revenue	\$0	Total 2028-2033 Capital Expenditure	-\$5,000
Net Rate Supported Impact	\$0	Capital Sources of Financing:	Reserve Fund
Average Annual Rate Impact %	0.00%	Total 2024-2027 Rate Payer Impact (Dollars)	\$0

The restoration of Section 1 at Greenway was requested as part of the 2024 to 2027 Multi-Year Budget. However, growth in the Greenway sewershed has led to significantly higher flow increases year over year than those contemplated in 2023. As such, detailed design needs to be advanced to support planned construction in year 2029.

Business Case #WWT-3	Cost or Revenue Driver	Upper Thames River Conservation Authority (UTRCA) One-time Operating Budget Reduction	
Strategic Area of Focus	Climate Action and Sustainable Growth	Service	Upper Thames River Conservation Authority (UTRCA)
Operating Expenditure	-\$24,797	Total 2024-2027 Capital Expenditure	\$0
Non-Rate Supported Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Rate Supported Impact	-\$24,797	Capital Sources of Financing:	\$0
Average Annual Rate Impact %	0.00%	Total 2024-2027 Rate Payer Impact (Dollars)	-\$0.14

This business case is being brought forward to reduce the Upper Thames River Conservation Authority (UTRCA) total 2026 operating budget allocation as a result of savings identified through UTRCA's preliminary budget review for 2026. Note that this reduction is split between the property tax and wastewater & treatment budgets (see business case P-9).

Business Case #WWT-4	New / Changed Regulation	Funding of Development Charges Act Statutory Exemptions – Reduction	
Strategic Area of Focus	Well-Run City	Service	Wastewater and Treatment – General Administration
Operating Expenditure	-\$6,200,000	Total 2024-2027 Capital Expenditure	\$0
Non-Rate Supported Revenue	\$0	Total 2028-2033 Capital Expenditure	\$0
Net Rate Supported Impact	-\$6,200,000	Capital Sources of Financing:	\$0
Average Annual Rate Impact %	-0.53%	Total 2024-2027 Rate Payer Impact (Dollars)	-\$33.64

As part of the City's continuous improvement efforts with regards to Development Charges (DCs), the Mayor and Civic Administration have worked with provincial partners to establish a clear and consistent interpretation as it relates to a municipality's responsibility to fund statutory DC exemptions from non-DC sources such as property taxes and utility rates. Through these efforts the City received a letter from the Deputy Minister of the Ministry of Municipal Affairs and Housing (MMAH) that provides clarity on this matter. In this communication, it is noted the DCA does not explicitly require municipalities to top-up DC reserve funds for lost DC revenues in situations where full or partial DC exemptions are provided. Based on the MMAH clarifications provided, through this business case the City of London will not be 'topping up' DC exemptions through budgeted property taxes and utility rates that impact the City's various levy requirements.

2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

Wastewater and Treatment	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Average % Increase/ Decrease
Wastewater and Treatment Budget	117,544	129,669	137,462	142,567	150,240	
Increase over Prior Year Budget (%)	N/A	10.3%	6.0%	3.7%	5.4%	6.4%
Increase over Prior Year Budget (\$)	N/A	12,125	7,793	5,105	7,673	
Wastewater and Treatment Rate Increase	N/A	4.0%	5.4%	2.4%	5.4%	4.3%

Subject to rounding.

Operating Summary

2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

Service	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Total 2024 to 2027 Budget
Sewer Engineering	2,583	2,694	2,778	2,801	10,856
Stormwater Management	2,314	2,542	2,603	2,621	10,080
Sewer Operations	13,027	13,629	14,163	14,488	55,306
Wastewater & Treatment Operations	23,932	25,162	26,206	27,193	102,493
Wastewater & Treatment General Administration	83,888	89,033	92,152	98,297	363,371
Conservation Authorities	3,924	4,403	4,665	4,841	17,834
Total Wastewater and Treatment	129,669	137,462	142,567	150,240	559,939

Subject to rounding.

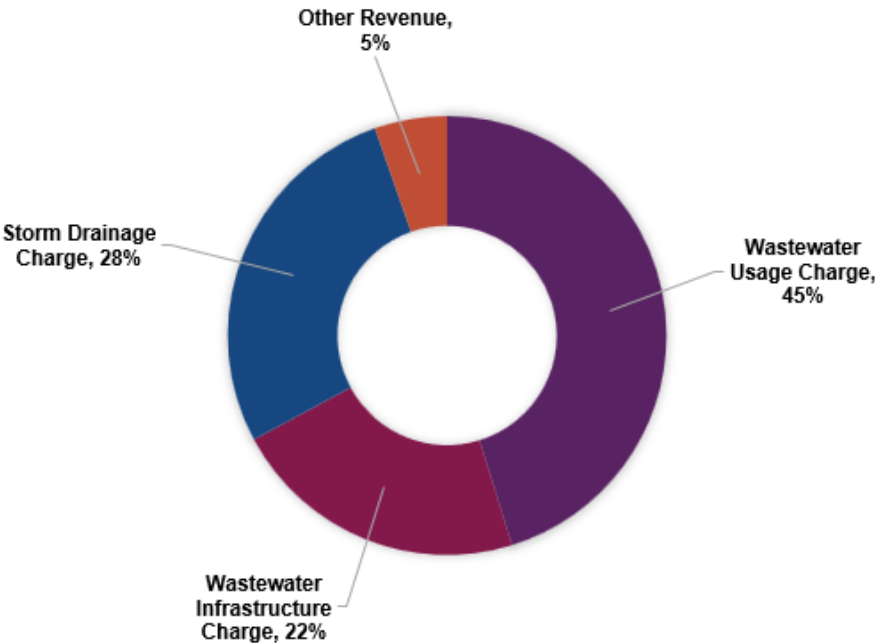
2024 to 2027 Multi-Year Operating Budget (\$ Thousands)

Category	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Increase/ (Decrease)
Wastewater and Treatment Rate Increase (%)	N/A	4.0%	5.4%	2.4%	5.4%	N/A
Revenues						
Wastewater Usage Charge	52,356	58,505	62,171	64,200	68,257	15,901
Wastewater Infrastructure Charge	25,566	27,870	29,967	31,278	33,616	8,050
Storm Drainage Charge	32,978	34,995	37,627	39,282	42,230	9,251
Other Revenue	6,643	8,300	7,697	7,807	6,137	(506)
Total Revenues	117,544	129,669	137,462	142,567	150,240	32,697
Increase in Total Revenues (\$)	N/A	12,125	7,793	5,105	7,673	
Increase in Total Revenues (%)	N/A	10.3%	6.0%	3.7%	5.4%	
Expenditures						
Personnel Costs	19,201	20,281	21,384	22,235	22,769	3,568
Administrative, Other and Recovered Expenses	5,385	5,505	5,570	5,684	5,807	423
Billings and Customer Service	2,258	2,404	2,488	2,538	2,589	331
Conservation Authorities	2,991	3,924	4,403	4,665	4,841	1,850
Purchased Services	3,670	5,511	5,572	5,679	5,783	2,113
Materials and Supplies	11,235	13,025	13,936	14,756	15,591	4,355
Equipment Rentals	3,215	3,479	3,542	3,674	3,802	587
Total Operating	47,954	54,128	56,895	59,232	61,181	13,227
Financial Expenses						
Debt Servicing Costs	4,725	4,402	3,716	4,470	7,333	2,609
Contribution to Reserve Funds	41,848	47,316	52,196	53,346	55,313	13,465
Capital Levy	23,017	23,823	24,656	25,520	26,413	3,396
Total Financial Expenses	69,590	75,541	80,568	83,336	89,059	19,469
Total Expenditures	117,544	129,669	137,462	142,567	150,240	32,697
Increase in Total Expenditures (\$)	N/A	12,125	7,793	5,105	7,673	
Increase in Total Expenditures (%)	N/A	10.3%	6.0%	3.7%	5.4%	N/A

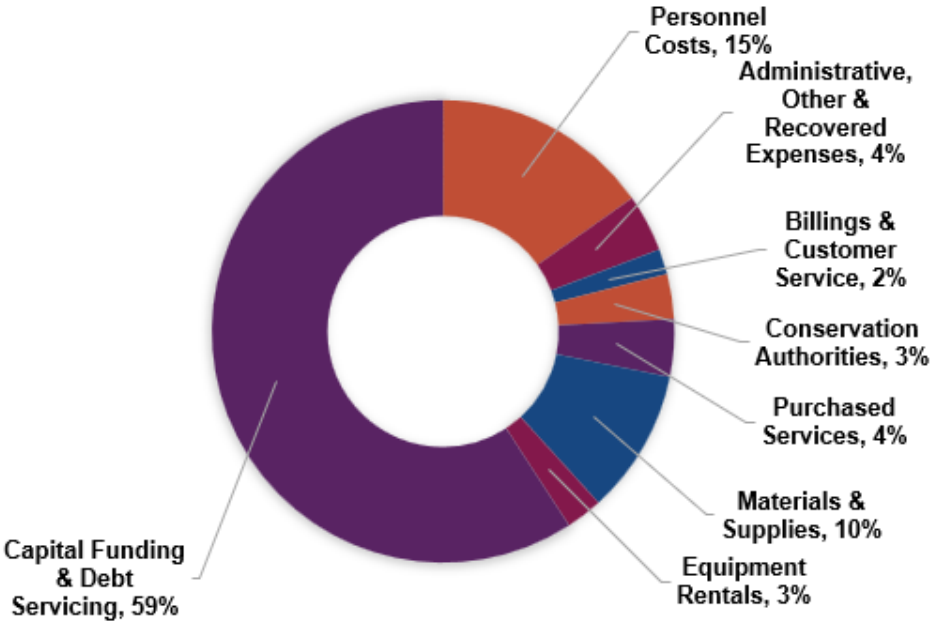
Subject to rounding.

The charts below outline the sources of revenue and the type of expenditures based on the average 2024 to 2027 budgets.

**REVENUE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2024-2027)**



**EXPENDITURE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2024-2027)**



Wastewater and Treatment Capital Summary and Ten-Year Capital Plan (\$ Thousands)

2024 to 2033 Capital Budget Overview by Classification (\$ Thousands)

	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Lifecycle Renewal	65,126	105,740	49,856	70,441	291,163	0	440,870	0	732,032
Growth	53,644	23,019	70,045	66,773	213,482	-3,300	218,219	0	431,701
Service Improvement	60,560	29,645	27,437	21,296	138,937	5,000	179,844	-5,000	318,782
Total Expenditures	179,329	158,404	147,338	158,510	643,582	1,700	838,933	-5,000	1,482,515

Subject to rounding.

Capital Budget Summary (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	179,329	173,017	139,348	150,188	641,882	843,933	1,485,815
Total Amended Budget	179,329	158,404	147,338	158,510	643,582	838,933	1,482,515
Total Amended Budget Increase/Decrease	0	-14,613	7,990	8,322	1,700	-5,000	-3,300
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	N/A	0	0	0	0	0	0
Debenture	N/A	0	0	-2,225	-2,225	0	-2,225
Reserve Fund	N/A	3,763	-4,890	-118	-1,245	5,000	3,755
Other	N/A	0	0	0	0	0	0
Non-rate Supported	N/A	10,850	-3,100	-5,979	1,771	0	1,771
Total Source of Financing Increase/Decrease	0	14,613	-7,990	-8,322	-1,700	5,000	3,300

Subject to rounding.

Capital Budget by Classification (\$ Thousands)

Budget Classification	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Lifecycle Renewal Total Budget	65,126	105,740	49,856	70,441	291,163	440,870	732,032
Lifecycle Renewal Total Amended Budget	65,126	105,740	49,856	70,441	291,163	440,870	732,032
Lifecycle Renewal Increase/Decrease	0	0	0	0	0	0	0
Growth Total Budget	53,644	37,632	67,055	58,451	216,783	218,219	435,002
Growth Total Amended Budget	53,644	23,019	70,045	66,773	213,482	218,219	431,701
Growth Increase/Decrease	0	-14,613	2,990	8,322	-3,300	0	-3,300
Service Improvement Total Budget	60,560	29,645	22,437	21,296	133,937	184,844	318,782
Service Improvement Total Amended Budget	60,560	29,645	27,437	21,296	138,937	179,844	318,782
Service Improvement Increase/Decrease	0	0	5,000	0	5,000	5,000	0
Total Amended Budget Increase/Decrease	0	-14,613	7,990	8,322	1,700	5,000	-3,300

Subject to rounding.

Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	65,126	105,740	49,856	70,441	291,163	440,870	732,032
Total Amended Budget	65,126	105,740	49,856	70,441	291,163	440,870	732,032
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	0	0	0	0	0
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Non-rate Supported	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0

Subject to rounding.

Growth Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	53,644	37,632	67,055	58,451	216,783	218,219	435,002
Total Amended Budget	53,644	23,019	70,045	66,773	213,482	218,219	431,701
Total Amended Budget Increase/Decrease	0	-14,613	2,990	8,322	-3,300	0	-3,300
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	0	0	0	0	0
Debenture	0	0	0	-2,225	-2,225	0	-2,225
Reserve Fund	0	3,763	110	-118	3,755	0	3,755
Other	0	0	0	0	0	0	0
Non-rate Supported	0	10,850	-3,100	-5,979	1,771	0	1,771
Total Source of Financing Increase/Decrease	0	14,613	-2,990	-8,322	3,300	0	3,300

Subject to rounding.

Service Improvement Capital Budget (\$ Thousands)

Budget	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Forecast	2024 to 2033 Ten Year Plan
Total Budget	60,560	29,645	22,437	21,296	133,937	184,844	318,782
Total Amended Budget	60,560	29,645	27,437	21,296	138,937	179,844	318,782
Total Amended Budget Increase/Decrease	0	0	5,000	0	5,000	-5,000	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate	0	0	0	0	0	0	0
Debenture	0	0	0	0	0	0	0
Reserve Fund	0	0	-5,000	0	-5,000	5,000	0
Other	0	0	0	0	0	0	0
Non-rate Supported	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	-5,000	0	-5,000	5,000	0

Subject to rounding.

2024 to 2033 Source of Financing Overview (\$ Thousands)

	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Rate Supported									
Capital Rates	24,050	24,656	25,520	26,413	100,638	0	179,062	0	279,700
Debt	27,677	24,757	17,287	16,798	86,519	2,225	172,744	0	259,264
Reserve Fund	67,844	46,535	36,506	54,221	205,106	1,245	333,007	0	538,113
Other	0	0	0	0	0	0	0	0	0
Total Rate Supported	119,570	95,948	79,313	97,432	392,263	3,470	684,813	0	1,077,077
Non-Rate Supported									
Debt	28,720	-39,403	22,659	15,917	27,893	-2,788	0	0	27,893
Reserve Fund	13,113	79,981	35,420	39,388	167,902	1,018	127,120	-5,000	295,022
Canada Community-Building Fund	4,500	19,500	4,500	4,500	33,000	0	27,000	0	60,000
Federal Grants	12,820	1,967	5,447	1,273	21,506	0	0	0	21,506
Provincial Grants	-10	0	0	0	-10	0	0	0	-10
Other Government	0	0	0	0	0	0	0	0	0
Other	617	411	0	0	1,028	0	0	0	1,028
Total Non-Rate Supported	59,759	62,456	68,025	61,078	251,318	-1,770	154,120	-5,000	405,438
Total	179,329	158,404	147,338	158,510	643,582	1,700	838,933	-5,000	1,482,515

Subject to rounding.

2034 to 2035 Capital Budget Overview by Classification (\$ Thousands)

Classification	2034 Forecast	2035 Forecast	2026 to 2035 Amended Ten Year Capital Plan
Lifecycle Renewal	81,174	84,448	726,788
Growth	7,240	7,413	369,691
Service Improvement	17,733	15,962	262,272
Total Expenditures	106,146	107,824	1,358,751

Subject to rounding.

Source of Financing	2034 Forecast	2035 Forecast	2026 to 2035 Amended Ten Year Capital Plan
Capital Rates	33,601	34,778	299,373
Debt	5,990	6,238	219,059
Reserve Fund	56,783	56,909	537,426
Other	0	0	0
Total Rate Supported	96,375	97,925	1,055,858
Debt	0	0	38,576
Reserve Fund	5,272	5,398	212,598
Canada Community-Building Fund	4,500	4,500	45,000
Federal Grants	0	0	6,719
Provincial Grants	0	0	0
Other Government	0	0	0
Other	0	0	0
Total Non-Rate Supported	9,772	9,898	302,894
Total	106,146	107,824	1,358,751

Subject to rounding.

2034 and 2035 Major Capital Projects by Classification

Classification	Project	2034 Forecast	2035 Forecast
Lifecycle Renewal	Infrastructure Renewal Program – Sanitary Sewers	28,212	29,199
Lifecycle Renewal	Infrastructure Renewal Program – Stormwater Sewers	28,212	29,199
Lifecycle Renewal	Sewer Relining	8,179	8,465
Lifecycle Renewal	Stormwater Treatment	3,950	4,300
Lifecycle Renewal	Sewer Construction & Repairs	3,668	3,796
Service Improvement	UTRCA - Remediating Flood Control Works Within City	6,790	6,935
Service Improvement	Targeted Road and Sidewalk Icing Reduction Program	2,091	0
Service Improvement	Culvert Replacement Program	2,000	2,000
Service Improvement	Wetland Restoration	1,742	1,784
Service Improvement	Targeted Weeping Tile	1,394	1,427
Service Improvement	Sewage Bypass And Overflow	931	953
Growth	Storm Sewer Built Area Works	2,342	2,398
Growth	Wastewater Servicing Built Area Works	1,402	1,435
Growth	Low Impact Development	1,299	1,330
Growth	Storm Sewer Internal Oversizing	1,130	1,157
Growth	Wastewater Strategic Links	510	523

Subject to rounding.

Wastewater Reserve and Reserve Fund Overview

Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure city-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	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.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

Reserve and Reserve Fund Overview (\$ Thousands)

Classification	Type	2024 Uncommitted	2025 Projected ²	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Obligatory	City Services	7,580	4,626	7,660	6,860	161,845
Total	Obligatory	7,580	4,626	7,660	6,860	161,845
Discretionary	Capital Asset Renewal and Replacement	21,648	28,421	42,580	40,759	119,229
Discretionary	Capital Asset Growth	1,916	2,643	3,269	3,918	8,312
Discretionary	Special Projects and New Initiatives	3,901	4,002	4,103	4,705	8,323
Discretionary	Contingencies/Stabilization and Risk Management	4,362	2,597	572	548	411
Total	Discretionary	31,828	37,664	50,525	49,930	136,275
Total		39,408	42,289	58,185	56,790	298,120

Subject to rounding.

Notes

1. 2028 to 2033 Forecasted balances are the projected 2033 ending balance.
2. Due to timing the timing of the reports, these figures do not include the impacts of the 2025 mid-year operating and capital monitoring reports. Those impacts will be incorporated into the adopted budget document.

Reserve and Reserve Fund Details (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Obligatory					
City Services					
Development Levies ^{2,3}	19,979	55,411	44,944	46,408	301,765
Other	24,140	5,810	4,065	4,104	38,925
Planned Draws	121,843	64,176	45,975	51,311	185,705
Projected Balance ³	7,580	4,626	7,660	6,860	161,845
Capital Asset Renewal and Replacement					
Sewage Works Renewal					
Rate Supported Contributions	41,361	45,438	48,944	50,849	398,059
Other	9,009	3,858	1,221	1,433	13,417
Planned Draws	198,749	42,522	36,006	54,103	333,007
Projected Balance ⁴	21,648	28,421	42,580	40,759	119,229
Capital Asset Growth					
DC Statutory Exemptions Wastewater					
Rate Supported Contributions	1,500	0	0	0	0
Other	8,803	0	0	0	0
Planned Draws	10,303	0	0	0	0
Projected Balance	0	0	0	0	0
Industrial DC Incentive Wastewater					
Rate Supported Contributions	3,800	3,800	3,800	3,800	22,800
Other	4,323	10	29	48	736
Planned Draws	9,617	3,275	3,275	3,275	19,653
Projected Balance	28	563	1,116	1,689	5,572
Industrial Oversizing Sewer					
Rate Supported Contributions	0	0	0	0	0
Other	105	74	73	75	511
Planned Draws	337	-118	0	0	0
Projected Balance	1,888	2,081	2,153	2,229	2,740
Special Projects and New Initiatives					

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Sump Pump, Sewage Ejector, and Storm PDC Grant Program					
Rate Supported Contributions	0	0	0	0	0
Other	25	10	11	11	76
Planned Draws	225	0	0	0	0
Projected Balance	299	310	321	332	408
Wastewater Efficiency, Effectiveness and Economy Reserve					
Rate Supported Contributions	0	0	0	0	0
Other	802	590	590	590	3,542
Planned Draws	1,349	500	500	0	0
Projected Balance	3,602	3,692	3,782	4,373	7,915
Contingencies/Stabilization and Risk Management					
Wastewater Budget Contingency Reserve					
Rate Supported Contributions	0	0	0	0	0
Other	0	0	0	0	0
Planned Draws	37	1,931	1,931	0	0
Projected Balance	3,864	1,933	2	2	2
Wastewater and Treatment Debt Substitution					
Rate Supported Contributions	0	0	0	0	0
Other	44	24	21	19	95
Planned Draws	446	-141	115	43	232
Projected Balance	498	664	570	546	409
Total Contributions	66,640	104,649	97,688	101,057	722,624
Total Other	47,250	10,377	6,011	6,281	57,302
Total Planned Draws	342,905	112,145	87,803	108,733	538,596
Total Wastewater and Treatment	39,408	42,289	58,185	56,790	298,120

Subject to rounding.

Notes

1. 2028 to 2033 Forecasted balances are the projected 2033 ending balance.
2. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.
3. The levies for the Obligatory City Services Reserve Funds are based on the low growth scenario contained in the report prepared by Watson and Associates Economists Ltd. entitled "Population, Housing and Employment Growth Projection Study,

2021-2051". Civic Administration continues to regularly review and report on DC revenue projections; for the latest Treasurer's report refer to the following link: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=116465>

4. Although the projected balance of the Sewage Works Renewal reserve fund is growing over the forecast period, the 10-year "maintain current level of service" infrastructure gap (capital funding shortfall) for Wastewater is \$66.8 million as of the 2023 CAM Plan, noting that the infrastructure gap includes projected reserve fund balances.



Appendix A – Operating Budget Tables

Operating Budget Overview (\$ Thousands)

Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Expenditure	1,138,250	1,350,502	1,417,195	1,452,612	1,483,024	86,193	
Non-Tax Levy Revenue	401,792	537,759	535,049	538,930	526,125	31,083	
Tax Levy Revenue	736,458	812,743	882,146	913,682	956,899	55,110	
Tax Levy % Increase		10.4%	8.5%	3.6%	4.7%		6.8%
Tax Levy % Increase from Rates ¹		8.7%	7.3%	3.6%	4.7%		6.1%

Subject to rounding.

Note 1: Tax Levy % Increase from Rates adjusts for change in total levy due to assessment growth

Service Program Overview (\$ Thousands)

Service Program Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Culture Services							
Expenditure	27,983	30,040	31,171	32,401	34,092	1,527	5.1%
Non-Tax Levy Revenue	657	854	689	689	689	8	2.6%
Tax Levy Revenue	27,326	29,187	30,482	31,713	33,404	1,520	5.2%
Economic Prosperity							
Expenditure	15,217	28,315	28,087	30,816	21,574	1,589	16.2%
Non-Tax Levy Revenue	2,603	14,227	13,546	16,083	5,625	756	98.9%
Tax Levy Revenue	12,614	14,088	14,541	14,733	15,949	834	6.1%
Environmental Services							
Expenditure	46,414	56,769	62,002	48,709	49,798	846	3.1%
Non-Tax Levy Revenue	17,326	24,881	25,351	14,193	14,689	-659	1.2%
Tax Levy Revenue	29,088	31,887	36,651	34,516	35,109	1,505	5.1%

Service Program Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Parks Rec & Neighbourhood Services							
Expenditure	58,277	59,040	61,219	63,173	64,103	1,457	2.4%
Non-Tax Levy Revenue	24,564	22,536	22,885	24,016	24,409	-39	0.0%
Tax Levy Revenue	33,713	36,504	38,333	39,157	39,694	1,495	4.2%
Planning & Development Services							
Expenditure	20,647	24,896	26,704	27,371	27,447	1,700	7.7%
Non-Tax Levy Revenue	12,108	13,869	14,415	14,710	13,921	453	3.8%
Tax Levy Revenue	8,539	11,027	12,289	12,660	13,526	1,247	12.6%
Protective Services							
Expenditure	226,360	270,527	294,419	304,538	320,180	23,455	9.2%
Non-Tax Levy Revenue	14,463	17,681	18,259	18,897	17,145	670	4.9%
Tax Levy Revenue	211,897	252,847	276,161	285,640	303,035	22,784	9.5%
Housing, Social & Health Services							
Expenditure	358,601	457,288	469,721	474,488	478,077	29,869	8.0%
Non-Tax Levy Revenue	253,313	345,279	348,111	348,013	349,477	24,041	9.4%
Tax Levy Revenue	105,288	112,008	121,610	126,476	128,600	5,828	5.2%
Transportation Services							
Expenditure	108,554	128,859	137,679	147,513	155,654	11,775	9.6%
Non-Tax Levy Revenue	15,812	17,769	20,115	20,419	20,743	1,233	7.2%
Tax Levy Revenue	92,741	111,090	117,565	127,094	134,911	10,542	10.0%
Corporate Operational & Council Services							
Expenditure	94,615	97,893	102,526	105,882	104,496	2,470	2.5%
Non-Tax Levy Revenue	16,639	13,973	13,885	16,491	14,452	-547	-2.6%
Tax Levy Revenue	77,976	83,920	88,641	89,391	90,044	3,017	3.7%
Financial Management							
Expenditure	181,584	196,875	203,667	217,722	227,603	11,505	5.8%
Non-Tax Levy Revenue	44,308	66,691	57,795	65,420	64,976	5,167	12.4%
Tax Levy Revenue	137,276	130,185	145,873	152,302	162,627	6,338	4.5%
Total Expenditure	1,138,250	1,350,502	1,417,195	1,452,612	1,483,024	86,193	7.0%
Total Non-Tax Levy Revenue	401,792	537,759	535,049	538,930	526,125	31,083	7.9%
Total Tax Levy Revenue	736,458	812,743	882,146	913,682	956,899	55,110	6.8%

Service Grouping Overview (\$ Thousands)

Culture Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Centennial Hall							
Expenditure	848	848	862	872	881	8	1.0%
Non-Tax Levy Revenue	657	689	689	689	689	8	1.2%
Tax Levy Revenue	191	160	173	183	193	0	0.8%
Arts, Culture & Heritage Advisory & Funding							
Expenditure	2,302	2,465	2,487	2,507	2,527	56	2.4%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	2,302	2,465	2,487	2,507	2,527	56	2.4%
Museum London							
Expenditure	1,927	2,002	2,172	2,279	2,381	113	5.4%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	1,927	2,002	2,172	2,279	2,381	113	5.4%
Eldon House							
Expenditure	308	362	379	396	414	26	7.8%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	308	362	379	396	414	26	7.8%
Heritage							
Expenditure	468	520	532	551	547	20	4.0%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	468	520	532	551	547	20	4.0%
Library Services							
Expenditure	22,129	23,842	24,738	25,796	27,342	1,303	5.4%
Non-Tax Levy Revenue	0	165	0	0	0	0	0.0%
Tax Levy Revenue	22,129	23,677	24,738	25,796	27,342	1,303	5.4%
Total Expenditure	27,983	30,040	31,171	32,401	34,092	1,527	5.1%
Total Non-Tax Levy Revenue	657	854	689	689	689	8	2.6%
Total Tax Levy Revenue	27,326	29,187	30,482	31,713	33,404	1,520	5.2%

Economic Prosperity Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Economic Development							
Expenditure	8,990	8,924	8,782	7,878	7,945	-261	-2.9%
Non-Tax Levy Revenue	1,528	971	1,000	0	0	-261	-33.4%
Tax Levy Revenue	7,462	7,953	7,782	7,878	7,945	121	1.6%
Community Improvement / Business Improvement Areas							
Expenditure	3,148	16,081	15,924	19,494	10,146	1,749	96.1%
Non-Tax Levy Revenue	1,075	13,256	12,546	16,083	5,625	1,138	272.7%
Tax Levy Revenue	2,073	2,825	3,378	3,411	4,521	612	22.3%
Conventions, Meetings & Events							
Expenditure	678	708	739	774	808	33	4.5%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	678	708	739	774	808	33	4.5%
Tourism and Sports Attraction							
Expenditure	2,402	2,602	2,641	2,671	2,676	68	2.8%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	2,402	2,602	2,641	2,671	2,676	68	2.8%
Covent Garden Market							
Expenditure	0	0	0	0	0	0	0.0%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	0	0	0	0	0	0	0.0%
Total Expenditure	15,217	28,315	28,087	30,816	21,574	1,589	16.2%
Total Non-Tax Levy Revenue	2,603	14,227	13,546	16,083	5,625	756	98.9%
Total Tax Levy Revenue	12,614	14,088	14,541	14,733	15,949	834	6.1%

Environmental Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Kettle Creek Conservation Authority							
Expenditure	316	645	693	720	749	108	29.9%
Non-Tax Levy Revenue	0	387	416	432	450	112	28.8%
Tax Levy Revenue	316	258	277	288	300	-4	-0.7%
Lower Thames Valley Conservation Authority							
Expenditure	72	192	202	208	214	36	44.8%
Non-Tax Levy Revenue	0	115	121	125	129	32	27.8%
Tax Levy Revenue	72	77	81	83	86	4	4.6%
Upper Thames River Conservation Authority							
Expenditure	1,727	5,703	6,444	6,847	7,106	1,345	63.3%
Non-Tax Levy Revenue	0	3,422	3,866	4,108	4,263	1,066	30.8%
Tax Levy Revenue	1,727	2,282	2,578	2,739	2,843	279	13.8%
Climate Change & Environmental Stewardship							
Expenditure	1,695	1,904	3,648	2,322	2,333	160	17.0%
Non-Tax Levy Revenue	355	545	755	917	930	144	28.7%
Tax Levy Revenue	1,340	1,359	2,893	1,405	1,403	16	15.7%
Garbage, Recycling & Composting							
Expenditure	42,604	48,324	51,015	38,612	39,395	-802	-0.8%
Non-Tax Levy Revenue	16,970	20,412	20,193	8,611	8,918	-2,013	-8.6%
Tax Levy Revenue	25,633	27,912	30,822	30,001	30,477	1,211	4.6%
Total Expenditure	46,414	56,769	62,002	48,709	49,798	846	3.1%
Total Non-Tax Levy Revenue	17,326	24,881	25,351	14,193	14,689	-659	1.2%
Total Tax Levy Revenue	29,088	31,887	36,651	34,516	35,109	1,505	5.1%

Parks, Recreation & Neighbourhood Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Neighbourhood & Recreation Services							
Expenditure	41,981	40,717	41,360	42,849	43,455	369	0.9%
Non-Tax Levy Revenue	24,348	22,227	22,575	23,699	24,078	-67	-0.1%
Tax Levy Revenue	17,633	18,490	18,785	19,150	19,377	436	2.4%
Parks & Urban Forestry							
Expenditure	16,296	18,323	19,858	20,323	20,648	1,088	6.2%
Non-Tax Levy Revenue	216	310	310	317	331	29	12.5%
Tax Levy Revenue	16,080	18,013	19,549	20,006	20,317	1,059	6.1%
Total Expenditure	58,277	59,040	61,219	63,173	64,103	1,457	2.4%
Total Non-Tax Levy Revenue	24,564	22,536	22,885	24,016	24,409	-39	0.0%
Total Tax Levy Revenue	33,713	36,504	38,333	39,157	39,694	1,495	4.2%

Planning & Development Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Building Approvals							
Expenditure	9,599	12,076	12,800	13,085	13,085	871	8.5%
Non-Tax Levy Revenue	8,486	10,451	10,859	10,920	10,880	599	6.8%
Tax Levy Revenue	1,113	1,625	1,940	2,164	2,204	273	19.7%
Planning Services							
Expenditure	3,858	4,811	5,098	5,302	5,367	377	9.0%
Non-Tax Levy Revenue	118	577	715	749	0	-30	79.4%
Tax Levy Revenue	3,740	4,234	4,383	4,553	5,367	407	9.6%
Development Services							
Expenditure	7,189	8,009	8,807	8,984	8,996	452	5.9%
Non-Tax Levy Revenue	3,503	2,841	2,841	3,041	3,041	-116	-3.0%
Tax Levy Revenue	3,685	5,168	5,966	5,943	5,955	567	13.9%
Total Expenditure	20,647	24,896	26,704	27,371	27,447	1,700	7.7%
Total Non-Tax Levy Revenue	12,108	13,869	14,415	14,710	13,921	453	3.8%
Total Tax Levy Revenue	8,539	11,027	12,289	12,660	13,526	1,247	12.6%

Protective Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Animal Services							
Expenditure	3,309	3,680	3,607	3,826	3,895	146	4.3%
Non-Tax Levy Revenue	1,205	1,550	1,558	1,566	1,575	92	7.6%
Tax Levy Revenue	2,104	2,130	2,049	2,260	2,320	54	2.6%
By-Law Enforcement & Property Standards							
Expenditure	3,865	4,850	5,510	5,889	5,636	443	10.4%
Non-Tax Levy Revenue	2,563	3,080	3,307	4,389	4,230	417	14.2%
Tax Levy Revenue	1,302	1,770	2,203	1,500	1,406	26	5.6%
Emergency Management & Security Services							
Expenditure	5,807	6,886	6,180	6,233	6,249	110	2.4%
Non-Tax Levy Revenue	322	85	87	88	90	-58	-16.9%
Tax Levy Revenue	5,485	6,801	6,094	6,144	6,158	168	3.7%
Fire Services							
Expenditure	71,901	77,026	79,528	80,379	80,688	2,197	3.0%
Non-Tax Levy Revenue	326	408	414	421	427	25	7.5%
Tax Levy Revenue	71,575	76,617	79,113	79,959	80,261	2,172	2.9%
Police Services							
Expenditure	141,478	178,085	199,594	208,210	223,712	20,558	12.4%
Non-Tax Levy Revenue	10,048	12,558	12,893	12,434	10,823	194	2.8%
Tax Levy Revenue	131,431	165,528	186,701	195,776	212,889	20,364	13.1%
Total Expenditure	226,360	270,527	294,419	304,538	320,180	23,455	9.2%
Total Non-Tax Levy Revenue	14,463	17,681	18,259	18,897	17,145	670	4.9%
Total Tax Levy Revenue	211,897	252,847	276,161	285,640	303,035	22,784	9.5%

Housing, Social & Health Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Municipal Housing							
Expenditure	24,242	29,510	31,690	31,396	31,647	1,851	7.2%
Non-Tax Levy Revenue	11,063	15,299	16,134	15,229	14,844	945	8.9%
Tax Levy Revenue	13,179	14,211	15,555	16,167	16,803	906	6.3%
London & Middlesex Community Housing							
Expenditure	14,779	16,781	19,046	20,701	21,946	1,792	10.4%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	14,779	16,781	19,046	20,701	21,946	1,792	10.4%
Long Term Care							
Expenditure	28,347	33,120	33,604	33,838	34,087	1,435	4.9%
Non-Tax Levy Revenue	21,266	25,660	25,947	26,237	26,527	1,315	6.0%
Tax Levy Revenue	7,081	7,460	7,657	7,600	7,560	120	1.7%
Land Ambulance							
Expenditure	29,535	30,195	33,283	35,066	37,086	1,888	5.9%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	29,535	30,195	33,283	35,066	37,086	1,888	5.9%
Middlesex-London Health Unit							
Expenditure	7,345	7,565	8,019	11,101	8,267	230	5.5%
Non-Tax Levy Revenue	0	0	227	0	0	0	0.0%
Tax Levy Revenue	7,345	7,565	7,792	11,101	8,267	230	5.7%
Social & Community Support Services							
Expenditure	254,353	340,117	344,080	342,386	345,044	22,673	8.8%
Non-Tax Levy Revenue	220,984	304,320	305,803	306,546	308,106	21,780	9.7%
Tax Levy Revenue	33,369	35,796	38,277	35,840	36,938	892	2.7%
Total Expenditure	358,601	457,288	469,721	474,488	478,077	29,869	8.0%
Total Non-Tax Levy Revenue	253,313	345,279	348,111	348,013	349,477	24,041	9.4%
Total Tax Levy Revenue	105,288	112,008	121,610	126,476	128,600	5,828	5.2%

Transportation Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Parking							
Expenditure	4,446	4,514	4,635	4,710	4,731	71	1.6%
Non-Tax Levy Revenue	8,380	8,088	9,009	7,619	7,729	-163	-1.5%
Tax Levy Revenue	-3,934	-3,574	-4,373	-2,909	-2,998	234	-4.3%
London Transit Commission							
Expenditure	45,837	58,349	62,971	69,541	76,285	7,612	13.8%
Non-Tax Levy Revenue	0	0	0	0	0	0	0.0%
Tax Levy Revenue	45,837	58,349	62,971	69,541	76,285	7,612	13.8%
Roadways							
Expenditure	58,185	65,071	68,198	71,387	72,698	3,628	5.8%
Non-Tax Levy Revenue	7,352	9,631	11,056	12,750	12,901	1,387	15.6%
Tax Levy Revenue	50,832	55,440	57,142	58,636	59,797	2,241	4.2%
Rapid Transit							
Expenditure	87	924	1,876	1,876	1,939	463	268.3%
Non-Tax Levy Revenue	80	50	50	50	113	8	22.1%
Tax Levy Revenue	7	874	1,826	1,826	1,826	455	3293.4%
Total Expenditure	108,554	128,859	137,679	147,513	155,654	11,775	9.6%
Total Non-Tax Levy Revenue	15,812	17,769	20,115	20,419	20,743	1,233	7.2%
Total Tax Levy Revenue	92,741	111,090	117,565	127,094	134,911	10,542	10.0%

Corporate, Operational and Council Services Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Corporate Services							
Expenditure	74,166	76,901	80,895	81,461	82,234	2,017	2.6%
Non-Tax Levy Revenue	6,464	6,344	6,559	6,697	6,802	84	1.3%
Tax Levy Revenue	67,702	70,557	74,335	74,764	75,432	1,933	2.8%
Corporate Planning & Administration							
Expenditure	2,682	2,974	2,888	2,803	2,786	26	1.1%
Non-Tax Levy Revenue	23	114	20	20	20	-1	80.3%
Tax Levy Revenue	2,659	2,860	2,868	2,783	2,766	27	1.1%
Council Services							
Expenditure	5,269	5,438	5,344	7,539	5,418	37	3.6%
Non-Tax Levy Revenue	898	321	181	2,329	178	-180	246.4%
Tax Levy Revenue	4,371	5,117	5,163	5,210	5,240	217	4.9%
Public Support Services							
Expenditure	12,498	12,580	13,400	14,079	14,058	390	3.0%
Non-Tax Levy Revenue	9,254	7,194	7,125	7,445	7,452	-450	-4.7%
Tax Levy Revenue	3,244	5,386	6,275	6,634	6,606	841	22.0%
Total Expenditure	94,615	97,893	102,526	105,882	104,496	2,470	2.5%
Total Non-Tax Levy Revenue	16,639	13,973	13,885	16,491	14,452	-547	-2.6%
Total Tax Levy Revenue	77,976	83,920	88,641	89,391	90,044	3,017	3.7%

Financial Management Operating Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Avg. \$ Increase/ Decrease	Avg. % Increase/ Decrease
Capital Financing¹							
Expenditure	133,577	151,600	152,411	154,070	152,304	4,682	3.5%
Non-Tax Levy Revenue	0	0	1,000	1,000	1,000	250	25.0%
Tax Levy Revenue	133,577	151,600	151,411	153,070	151,304	4,432	3.3%
Other Corporate Revenues and Expenses							
Expenditure	36,544	33,013	38,211	50,376	61,951	6,352	15.2%
Non-Tax Levy Revenue	41,685	63,480	53,301	60,868	60,365	4,670	12.4%
Tax Levy Revenue	-5,141	-30,468	-15,089	-10,492	1,586	1,682	74.2%
Finance Supports							
Expenditure	11,463	12,262	13,045	13,276	13,347	471	3.9%
Non-Tax Levy Revenue	2,623	3,210	3,494	3,552	3,611	247	8.6%
Tax Levy Revenue	8,839	9,052	9,551	9,724	9,736	224	2.5%
Total Expenditure	181,584	196,875	203,667	217,722	227,603	11,505	5.8%
Total Non-Tax Levy Revenue	44,308	66,691	57,795	65,420	64,976	5,167	12.4%
Total Tax Levy Revenue	137,276	130,185	145,873	152,302	162,627	6,338	4.5%

Notes:

1) For a breakdown of Agencies, Boards and Commissions' (ABC's) portion of Capital Financing, please see details starting in the following page.

The following tables represent only those ABC's of the City of London that are supported by the City's capital financing business unit and is not a comprehensive list of all of the city's ABC's. These tables illustrate the proportionate shares of the City's capital financing that is used to support the capital programs of the agencies, boards, and commissions of the City of London. Capital financing in the City's Operating Budget is comprised of three elements – capital levy, tax supported reserve fund contributions, and debt servicing.

Agency, Board, Commission Capital Financing (\$ Thousands)	2026 Capital Financing	% of Total City Capital Financing	% of Total City Tax Levy	2027 Capital Financing	% of Total City Capital Financing	% of Total City Tax Levy
Agency, Board, Commission						
Eldon House	170	0.1%	0.0%	115	0.1%	0.0%
London and Middlesex Community Housing	8,928	5.8%	1.0%	11,531	7.6%	1.2%
London Police Services	10,505	6.9%	1.1%	11,311	7.5%	1.2%
London Public Library	3,151	2.1%	0.3%	3,193	2.1%	0.3%
London Transit Commission	16,523	10.8%	1.8%	16,770	11.1%	1.8%
RBC Place London	1,824	1.2%	0.2%	1,758	1.2%	0.2%
Museum London	410	0.3%	0.0%	420	0.3%	0.0%
Total Attributed to ABC's	41,511	27.1%	4.5%	45,098	29.8%	4.7%

Subject to rounding.

2026 Adjusted ABC Operating Budget Totals including Capital Financing (\$ Thousands)	Tax Levy Revenue	% increase over 2025	Capital Financing	Total	Revised % increase over 2025¹
Agency, Board, Commission (ABC)					
Eldon House	396	4.5%	170	566	-11.4%
London and Middlesex Community Housing	20,701	8.7%	8,928	29,629	6.9%
London Police Services	195,776	4.9%	10,505	206,281	3.0%
London Public Library	25,796	4.3%	3,151	28,947	10.3%
London Transit Commission	69,541	10.4%	16,523	86,064	9.3%
RBC Place London	774	4.7%	1,824	2,598	42.1%
Museum London	2,279	4.9%	410	2,689	6.2%
Total	315,263	6.2%	41,511	356,774	5.6%

Subject to rounding.

2027 Adjusted ABC Operating Budget Totals including Capital Financing (\$ Thousands)	Tax Levy Revenue	% increase over 2026	Capital Financing	Total	Revised % increase over 2026¹
Agency, Board, Commission (ABC)					
Eldon House	414	4.5%	115	529	-6.5%
London and Middlesex Community Housing	21,946	6.0%	11,531	33,477	13.0%
London Police Services	212,889	8.7%	11,311	224,200	8.7%
London Public Library	27,342	6.0%	3,193	30,535	5.5%
London Transit Commission	76,285	9.7%	16,770	93,055	8.1%
RBC Place London	808	4.4%	1,758	2,566	-1.2%
Museum London	2,381	4.5%	420	2,801	4.2%
Total	342,065	8.5%	45,098	387,163	8.5%

Subject to rounding.

Notes:

1) Negative values illustrate circumstances where the capital financing provided to the ABC has decreased and is significant enough to offset and surpass an operating budget increase. E.g. if debt servicing payments have run their course.

Appendix B – Capital Budget Tables

2024 to 2033 Capital Budget Overview by Classification (\$ Thousands)

	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Lifecycle Renewal	174,439	147,826	131,652	134,838	588,755	-1,660	918,081	-1,380	1,506,836
Growth	276,290	155,767	89,732	101,369	623,158	-85,926	597,940	78,823	1,221,099
Service Improvement	209,488	137,590	69,928	26,973	443,979	-3,030	427,367	-180	871,346
Total Expenditures	660,217	441,184	291,312	263,180	1,655,892	-90,616	1,943,388	77,263	3,599,281

Subject to rounding.

Notes:

1) Changes resulting from approval of the recommendations of the 2025 Mid-Year Capital Monitoring Report are not reflected in the capital tables in this document due to timing limitations surrounding the approval of the Mid-Year reports at Council and the print deadline of the 2026 budget document. The final budget document, created after budget deliberations, will include all Council approved decisions from the 2025 Mid-Year Capital Monitoring Report and the 2026 Annual Budget Update.

It is also important to note that due to financial system limitations, i.e. an inability to open past financial years, the life-to-date budget impacts from Business Cases included in this budget are aggregated in the 2025 columns for the purpose of this budget presentation.

2024 to 2033 Capital Budget Overview by Service Program (\$ Thousands)

Service Program	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Culture Services	8,410	-8,618	4,700	16,184	20,674	0	29,939	0	50,613
Economic Prosperity	19,661	19,074	17,217	835	56,787	0	41,586	0	98,372
Environmental Services	5,351	11,104	6,293	8,864	31,611	-22,530	110,040	19,320	141,651
Parks, Recreation and Neighbourhood Services	35,232	41,679	22,185	35,095	134,190	138	139,920	114	274,110
Planning and Development Services	731	684	1,473	854	3,742	0	3,901	0	7,643
Protective Services	125,713	101,279	25,753	19,799	272,544	0	246,333	0	518,877
Housing, Social and Health Services	31,195	42,373	33,343	16,918	123,829	0	61,118	0	184,947
Transportation Services	286,903	196,945	157,707	146,301	787,856	-66,754	1,151,007	58,339	1,938,863
Corporate, Operational and Council Services	146,131	35,164	21,406	17,196	219,896	-1,470	151,723	-510	371,619
Financial Management	891	1,500	1,236	1,135	4,763	0	7,823	0	12,586
Total	660,217	441,184	291,312	263,180	1,655,892	-90,616	1,943,388	77,263	3,599,281

Subject to rounding.

2024 to 2033 Source of Financing Overview (\$ Thousands)

	2024	2025 Amended	2026 Amended	2027 Amended	2024 to 2027 Amended Total	2025 to 2027 Amended Budget Increase / Decrease	2028 to 2033 Amended Forecast	2028 to 2033 Amended Forecast Increase / Decrease	2024 to 2033 Amended Ten Year Capital Plan
Tax Supported									
Capital Levy	69,310	69,989	64,465	65,091	268,855	-1,596	438,830	536	707,686
Debt	167,973	104,460	31,982	30,994	335,410	-10,885	369,709	10,298	705,119
Reserve Fund	190,402	87,357	89,789	63,974	431,522	-18,384	472,170	13,194	903,691
Other	25	0	0	0	25	0	0	0	25
Total Tax Supported	427,710	261,806	186,237	160,059	1,035,812	-30,865	1,280,709	24,028	2,316,521
Non-Tax Supported									
Debt	138,088	27,166	1,896	1,130	168,281	-31,149	118,974	22,540	287,255
Reserve Fund	39,535	110,734	68,086	73,345	291,700	-24,022	384,232	26,116	675,932
Canada Community-Building Fund	21,920	24,560	19,586	21,338	87,405	0	131,985	0	219,390
Federal Grants	18,438	-47,104	7,150	2,666	-18,850	-2,498	5,878	2,498	-12,973
Provincial Grants	7,435	56,917	7,391	3,705	75,448	-2,082	14,333	2,081	89,781
Other Government	0	0	0	0	0	0	0	0	0
Other	7,091	7,104	966	936	16,097	0	7,277		23,374
Total Non-Tax Supported	232,507	179,378	105,076	103,120	620,081	-59,751	662,679	53,235	1,282,760
Total	660,217	441,184	291,312	263,180	1,655,892	-90,616	1,943,388	77,263	3,599,281

Subject to rounding.

2034 to 2035 Capital Budget Overview by Classification (\$ Thousands)

Classification	2034 Forecast	2035 Forecast	2026 to 2035 Amended Ten Year Capital Plan
Lifecycle Renewal	165,750	190,591	1,540,912
Growth	93,907	58,809	941,757
Service Improvement	9,325	7,173	540,766
Total Expenditures	268,982	256,573	3,023,435

Subject to rounding.

Source of Financing	2034 Forecast	2035 Forecast	2026 to 2035 Amended Ten Year Capital Plan
Capital Levy	80,489	83,464	723,340
Debt	14,851	5,290	452,827
Reserve Fund	69,135	91,235	786,302
Other	0	0	0
Total Tax Supported	164,475	179,989	1,971,469
Debt	1,438	1,488	128,077
Reserve Fund	82,580	54,580	659,674
Canada Community-Building Fund	19,553	19,579	212,042
Federal Grants	0	0	15,693
Provincial Grants	0	0	25,429
Other Government	0	0	0
Other	936	936	11,051
Total Non-Tax Supported	104,507	76,584	1,051,966
Total	268,982	256,573	3,023,435

Subject to rounding.

2034 and 2035 Major Capital Projects by Classification

Classification	Project	2034 Forecast	2035 Forecast
Lifecycle Renewal	Road Networks Improvements (Main)	22,862	23,662
Lifecycle Renewal	Bus Purchase Replacement	21,636	22,393
Lifecycle Renewal	Road Network Improvements (Local and Rural)	14,999	15,524
Lifecycle Renewal	Bridges Major Upgrades	9,371	9,699
Lifecycle Renewal	Police Technology Equipment	4,344	9,683
Service Improvement	Long Term Disposal Capacity	2,027	2,097
Service Improvement	Misc Parkland Acquisition	1,553	1,607
Service Improvement	Urban Forestry Strategy	1,606	1,456
Service Improvement	Facility Energy Management	621	643
Service Improvement	Police Vehicle and Equipment	1,836	0
Growth	Veterans Memorial Parkway	16,275	40,268
Growth	Conventional Transit (Growth)	3,595	3,721
Growth	New Sports Park	0	3,167
Growth	New Pedestrian Bridges	511	3,022
Growth	Boler Road to Sanatorium	25,354	0

Subject to rounding.

Appendix C – Reserve and Reserve Fund Tables

Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Build Fund	Canada Community-Build Fund Reserve Fund is maintained under the Municipal Funding Agreement for the Transfer of Canada Community-Building Fund funding between the Association of Municipalities of Ontario (AMO) and The Corporation of the City of London.
Obligatory	Parkland	Parkland Reserve Fund is legislated by the Planning Act, R.S.O. 1990, as amended; monies standing in the reserve fund represent contributions from developers for payments in lieu of providing parkland and the reserve fund is restricted to supporting related park or other recreational purposes.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure city-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	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.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

Reserve and Reserve Fund Overview (\$ Thousands)

Classification	Type	2024 Uncommitted	2025 Projected ²	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Obligatory	City Services	27,349	30,432	48,829	61,405	120,341
Obligatory	Canada Community-Building Fund	20,355	4,345	6,685	8,451	17,339
Obligatory	Parkland	5,098	4,048	3,093	1,872	2,788
Total	Obligatory	52,801	38,825	58,608	71,728	140,468
Discretionary	Capital Asset Renewal and Replacement	124,917	136,454	150,505	161,433	222,066
Discretionary	Capital Asset Growth	24,362	29,544	19,408	25,103	22,580
Discretionary	Special Projects and New Initiatives	172,909	178,801	181,294	196,856	270,358
Discretionary	Contingencies/Stabilization and Risk Management	328,452	297,974	306,217	311,581	381,761
Total	Discretionary	650,640	642,773	657,424	694,973	896,766
Total		703,442	681,597	716,032	766,701	1,037,233

Subject to rounding.

Notes

1. 2028 to 2033 Forecasted balances are the projected 2033 ending balance.
2. Due to the timing of the reports, these figures **do not include** the impacts of the 2025 mid-year operating and capital monitoring reports. Those impacts will be incorporated into the adopted budget document.

Reserve and Reserve Fund Details

Obligatory Reserve Funds (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
City Services					
Development Levies ²	40,190	104,139	86,770	89,473	583,260
Other	34,991	7,558	4,673	5,206	34,967
Planned Draws	237,957	108,614	73,047	82,102	559,291
Projected Balance ²	27,349	30,432	48,829	61,405	120,341
Canada Community-Building Fund					
Canada Community-Building Fund Grant	1,152	2,258	2,258	3,365	20,187
Other	3,886	2,656	190	1,367	3,810
Planned Draws	70,859	20,925	107	1,859	15,109
Projected Balance ³	20,355	4,345	6,685	8,451	17,339
Parkland					
Developer Contributions	1,212	1,573	1,573	1,573	9,438
Other	307	548	123	85	478
Planned Draws	2,850	3,171	2,650	2,880	9,000
Projected Balance	5,098	4,048	3,093	1,872	2,788
Total Contributions	42,554	107,970	90,602	94,410	612,885
Total Other	39,184	10,762	4,986	6,658	39,254
Total Planned Draws	311,666	132,709	75,804	86,841	583,400
Total Projected Balance	52,801	38,825	58,608	71,728	140,468

Subject to rounding.

Notes

1. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.
2. The levies for the Obligatory City Services Reserve Funds are based on the low growth scenario contained in the report prepared by Watson and Associates Economists Ltd. entitled "Population, Housing and Employment Growth Projection Study, 2021-2051". Civic Administration continues to regularly review and report on DC revenue projections; for the latest Treasurer's report refer to the following link: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=116465>
3. The growing balance of the CCBF reserve fund is due to the excess funds received under the renewed AMO-CCBF Municipal Funding Agreement. These funds will be utilized in future budget development cycles to make investments in housing-enabling infrastructure to support the growth of housing supply which is identified as a priority in the renewed funding agreement, and in alignment with the City's Housing Needs Assessment.

Capital Asset Renewal and Replacement Reserve Funds (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Capital Infrastructure Gap					
Tax Supported Contributions ²	10,181	2,186	0	0	0
Other	1,728	1,034	753	622	5,352
Planned Draws	21,753	2,061	4,500	4,500	12,000
Projected Balance	22,606	23,766	20,019	16,141	9,493
City Facilities					
Tax Supported Contributions	9,688	9,722	9,659	9,682	61,001
Other	3,996	1,537	130	187	1,626
Planned Draws	77,585	19,059	7,783	8,594	50,600
Projected Balance	10,587	2,786	4,792	6,067	18,094
Corporate Security & Emergency Management					
Tax Supported Contributions	16	20	13	17	114
Other	4	3	4	5	46
Planned Draws	0	0	0	0	0
Projected Balance	84	107	124	146	305
Courts Administration					
Tax Supported Contributions	0	0	0	0	0
Other	14	6	1	2	10
Planned Draws	255	0	0	0	0
Projected Balance	36	41	43	44	55
Dearness Home					
Tax Supported Contributions	510	535	527	549	3,724
Other	199	113	91	110	719
Planned Draws	3,087	-17	100	100	4,300
Projected Balance	1,727	2,392	2,909	3,468	3,612
Information Technology					
Tax Supported Contributions	3,129	3,110	2,391	2,465	21,494
Other	688	367	262	305	1,376
Planned Draws	14,419	2,168	2,011	914	24,502
Projected Balance	5,985	7,293	7,936	9,792	8,159

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Library					
Tax Supported Contributions	978	1,018	1,060	1,103	7,637
Other	6,084	211	1,442	1,434	8,620
Planned Draws	9,102	730	2,623	2,883	15,450
Projected Balance	2,023	2,523	2,401	2,055	2,863
Material Recovery Facility					
Tax Supported Contributions	0	0	0	0	0
Other	883	197	169	2,201	3,369
Planned Draws	753	1,230	0	510	7,130
Projected Balance	5,854	4,821	4,990	6,680	2,919
Municipal Affordable Housing Renewal ³					
Tax Supported Contributions	0	0	0	0	0
Other	0	0	0	0	0
Planned Draws	0	0	0	0	0
Projected Balance	0	0	0	0	0
Parking Facilities					
Tax Supported Contributions	0	875	875	875	5,250
Other	1,213	194	152	188	1,955
Planned Draws	3,888	683	0	0	0
Projected Balance	3,515	3,901	4,928	5,991	13,196
Parks					
Tax Supported Contributions	1,734	1,090	1,194	1,221	8,069
Other	243	2,129	2,113	150	3,043
Planned Draws	5,059	2,064	1,250	1,297	9,742
Projected Balance	1,103	2,258	4,315	4,388	5,758
Public Art Renewal					
Tax Supported Contributions	200	210	220	230	1,559
Other	35	18	10	10	69
Planned Draws	666	210	220	230	1,559
Projected Balance	265	282	292	303	372
Public Housing					
Tax Supported Contributions	7,328	6,893	7,157	7,429	50,328
Other	2,239	1,354	2,204	2,246	3,393
Planned Draws	25,649	9,228	9,421	9,460	45,952
Projected Balance	7,175	6,195	6,135	6,350	14,120

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
RBC Place London ⁴					
Tax Supported Contributions	1,308	1,089	1,124	1,158	4,847
Other	166	262	162	188	1,139
Planned Draws	2,056	997	961	179	6,336
Projected Balance	1,289	1,643	1,968	3,135	2,785
Recreation					
Tax Supported Contributions	6,202	6,339	5,577	5,697	36,784
Other	634	342	222	296	4,284
Planned Draws	11,369	4,988	3,337	4,149	17,740
Projected Balance	3,531	5,225	7,687	9,532	32,860
Solid Waste					
Tax Supported Contributions	3,009	3,068	3,030	3,050	19,954
Other	3,617	1,163	829	851	3,888
Planned Draws	17,537	2,236	4,379	2,109	32,566
Projected Balance	22,361	24,356	23,836	25,627	16,903
Transportation					
Tax Supported Contributions	17,405	20,312	21,139	20,913	139,491
Other	2,147	1,251	902	1,022	10,042
Planned Draws	31,085	16,265	17,278	19,759	112,359
Projected Balance	18,556	23,854	28,617	30,793	67,967
Urban Forestry					
Tax Supported Contributions	397	411	426	441	2,987
Other	136	71	59	67	605
Planned Draws	1,912	277	277	277	1,708
Projected Balance	1,412	1,618	1,826	2,057	3,941
Vehicle Replacement - City					
Tax Supported Contributions	6,700	7,875	7,199	7,445	50,470
Other	2,283	1,363	829	1,102	17,395
Planned Draws	16,362	9,504	4,716	6,467	71,120
Projected Balance	8,745	8,479	11,791	13,871	10,617
Vehicle Replacement - Fire					
Tax Supported Contributions	5,594	6,136	5,580	5,601	33,432
Other	10,924	10,561	2,912	2,867	1,944
Planned Draws	16,510	11,456	8,719	10,864	37,459
Projected Balance	6,104	11,346	11,118	8,722	6,639

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Vehicle Replacement - Police					
Tax Supported Contributions	1,346	1,393	1,441	1,492	10,113
Other	1,274	475	434	480	2,551
Planned Draws	8,034	258	668	477	17,526
Projected Balance	1,958	3,568	4,775	6,270	1,409
Total Tax Supported Contributions	75,725	72,282	68,611	69,367	457,256
Total Other	38,508	22,652	13,681	14,330	71,425
Total Planned Draws	267,078	83,396	68,242	72,769	468,049
Total Projected Balance	124,917	136,454	150,505	161,433	222,066

Subject to rounding.

Notes

1. Balances are increasing because several reserves and reserve funds do not forecast draws until approved by Municipal Council or authorized designate. The 10-year “maintain current level of service” infrastructure gap (capital funding shortfall) for tax-supported services is \$879.2 million as of the 2023 CAM Plan, noting that the infrastructure gap includes projected reserve fund balances
2. The tax supported contributions in the Capital Infrastructure Gap Reserve Fund are allocations from assessment growth surplus, as per the Assessment Growth Policy and operating budget surplus, as per the Surplus/Deficit Policy.
3. This new reserve fund (established in the “2024 Reserve and Reserve Fund Monitoring and Housekeeping Report”, Corporate Services Committee, May 27, 2024) will have contributions and draws established as part of the 2028-2031 Multi-Year Budget.
4. Budgeted activity within this reserve fund is governed by Agency, Board or Commission policies and approvals.

Capital Asset Growth Reserve Funds (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast
DC Statutory Exemptions					
Tax Supported Contributions	3,200	0	0	0	0
Other	16,752	0	0	0	0
Planned Draws	19,952	0	0	0	0
Projected Balance	0	0	0	0	0
DC Incentive Program Property Tax-Supported					
Tax Supported Contributions	5,000	5,000	5,000	5,000	30,000
Other	730	478	474	480	2,859
Planned Draws	9,760	5,733	5,455	5,123	34,600
Projected Balance	14,016	13,761	13,779	14,137	12,395
Industrial Land					
Tax Supported Contributions	1,958	2,027	2,098	2,171	14,719
Other	8,111	3,632	3,183	3,098	19,038
Planned Draws	21,458	350	15,500	0	34,950
Projected Balance	8,591	13,900	3,681	8,949	7,756
Industrial Oversizing					
Tax Supported Contributions	200	0	0	0	0
Other	149	87	66	68	454
Planned Draws	1,778	-41	0	0	41
Projected Balance	1,754	1,883	1,949	2,017	2,429
Total Tax Supported Contributions	10,358	7,027	7,098	7,171	44,719
Total Other	25,742	4,197	3,722	3,646	22,350
Total Planned Draws	52,948	6,042	20,955	5,123	69,591
Total Projected Balance	24,362	29,544	19,408	25,103	22,580

Subject to rounding.

Special Projects and New Initiatives Reserve Funds (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Affordable Housing					
Tax Supported Contributions	3,714	3,728	3,743	3,759	22,912
Other	7,598	4,131	1,266	226	1,919
Planned Draws	46,689	9,050	8,300	3,000	19,800
Projected Balance	10,563	9,373	6,082	7,067	12,098
Animal Services					
Tax Supported Contributions	0	0	0	0	0
Other	13	10	10	10	69
Planned Draws	0	0	0	0	0
Projected Balance	273	283	292	303	372
Automated Enforcement					
Tax Supported Contributions	0	0	0	0	0
Other	1,445	2,326	2,361	2,443	9,740
Planned Draws	1,234	1,120	0	0	0
Projected Balance ²	5,924	7,131	9,492	11,935	21,675
Child Care and Early Childhood Development					
Tax Supported Contributions	0	0	0	0	0
Other	246	182	188	195	1,322
Planned Draws	0	0	0	0	0
Projected Balance	5,202	5,384	5,573	5,768	7,090
Civic Investment					
Tax Supported Contributions	0	0	0	0	0
Other	0	170	1,886	1,893	11,537
Planned Draws	28	0	1,666	1,666	9,996
Projected Balance	290	460	680	907	2,448
Climate Change					
Tax Supported Contributions	1,000	192	192	192	1,152
Other	49	46	40	48	475
Planned Draws	10	235	0	0	0
Projected Balance	1,039	1,042	1,273	1,513	3,140

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Community Efficiency Retrofit Programs					
Tax Supported Contributions	0	1,500	0	0	0
Other	0	26	53	55	375
Planned Draws ³	0	0	0	0	0
Projected Balance	0	1,526	1,580	1,635	2,010
Community Improvement Program					
Tax Supported Contributions	2,484	2,571	2,661	2,754	18,671
Other	4,037	2,183	2,078	2,099	5,011
Planned Draws	10,496	4,101	3,902	4,430	31,042
Projected Balance	11,262	11,914	12,751	13,174	5,814
Community Investment					
Tax Supported Contributions ⁴	6,996	0	0	0	0
Other	446	179	69	54	340
Planned Draws	8,203	1,821	750	250	0
Projected Balance	4,000	2,358	1,678	1,482	1,822
Cultural Prosperity					
Tax Supported Contributions	0	0	0	0	0
Other	248	62	63	65	443
Planned Draws	63	0	0	0	0
Projected Balance	1,740	1,802	1,865	1,930	2,373
Dearness Home Gift					
Tax Supported Contributions	0	0	0	0	0
Other	39	28	29	30	204
Planned Draws	64	6	0	0	0
Projected Balance	747	769	798	828	1,032
Economic Development					
Tax Supported Contributions	3,500	3,195	3,186	3,176	12,915
Other	1,219	2,001	814	935	8,017
Planned Draws	28,127	3,050	805	250	500
Projected Balance	5,378	7,525	10,719	14,580	35,012
Golf Course					
Tax Supported Contributions	0	0	0	0	0
Other	499	382	366	369	2,265
Planned Draws	2,021	300	300	300	1,800
Projected Balance	1,811	1,893	1,959	2,028	2,492

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Horton Street Environmental					
Tax Supported Contributions	0	0	0	0	0
Other	4,078	944	944	944	5,664
Planned Draws	1	0	0	0	0
Projected Balance	87,278	88,222	89,166	90,110	95,775
Housing Support Services					
Tax Supported Contributions	0	0	0	0	0
Other	27	20	21	21	145
Planned Draws	0	0	0	0	0
Projected Balance	570	590	611	632	777
Land Acquisition					
Tax Supported Contributions	911	943	976	1,010	6,846
Other	883	487	436	482	4,039
Planned Draws	12,620	94	100	100	600
Projected Balance	10,673	12,009	13,320	14,712	24,997
Municipal Affordable Homeownership					
Tax Supported Contributions	0	0	0	0	0
Other	302	255	264	273	886
Planned Draws ³	0	0	0	0	0
Projected Balance	3,071	3,326	3,590	3,863	4,749
Municipal Election					
Tax Supported Contributions	380	360	357	355	1,775
Other	180	140	115	89	741
Planned Draws	126	19	2,292	140	3,950
Projected Balance	3,780	4,261	2,442	2,747	1,312
Operating Effectiveness, Efficiency and Economy					
Tax Supported Contributions	312	377	458	464	319
Other	6,015	7,979	2,979	2,979	17,874
Planned Draws	34,818	8,812	5,676	0	200
Projected Balance	4,804	4,348	2,108	5,551	23,544
Social Housing					
Tax Supported Contributions	518	536	554	574	3,890
Other	310	205	181	176	974
Planned Draws	2,638	-200	900	900	5,400
Projected Balance	4,415	5,356	5,192	5,042	4,505

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Social Services					
Tax Supported Contributions	0	0	0	0	0
Other	200	122	100	104	703
Planned Draws	1,500	0	0	0	0
Projected Balance	2,740	2,862	2,962	3,066	3,769
Tourism Infrastructure					
Tax Supported Contributions	0	0	0	0	0
Other	2,436	2,018	2,460	2,488	15,566
Planned Draws	400	3,000	1,666	1,666	9,996
Projected Balance	7,350	6,367	7,161	7,982	13,552
Total Tax Supported Contributions	19,815	13,402	12,127	12,283	68,480
Total Other	30,269	23,897	16,723	15,980	88,306
Total Planned Draws	149,038	31,408	26,357	12,702	83,284
Total Projected Balance	172,909	178,801	181,294	196,856	270,358

Subject to rounding.

Notes

1. Balances are increasing because several reserves and reserve funds do not factor in draws until approved by Municipal Council or authorized designate.
2. The projected inflows and future balance in the Automated Enforcement Reserve Fund will be subject to review once the prospects of the municipal automated speed enforcement camera program in Ontario are better known. On September 25, 2025, the Ontario government announced their intention to ban the use of speed cameras across the province, noting that many Ontario municipalities (including London) are advocating for their continued use.
3. Planned draws from these new reserve funds will be established as further details of the programs they support become available.
4. The tax supported contribution to the Community Investment Reserve Fund was prior year's surplus allocation, as per the Surplus/Deficit Policy.

Contingency/Stabilization and Risk Management Reserve Funds (\$ Thousands)

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast
Building Permits					
Tax Supported Contributions	0	0	0	0	0
Other	153	105	108	112	760
Planned Draws	261	0	0	0	0
Projected Balance	2,989	3,093	3,201	3,313	4,073
Debt Substitution					
Tax Supported Contributions ²	17,227	27,471	10,800	6,400	0
Other	1,556	788	588	842	5,580
Planned Draws ³	22,408	28,067	2,038	1,846	5,345
Projected Balance	12,236	12,428	21,779	27,174	27,410
London Police Services ¹					
Tax Supported Contributions	7,239	0	0	0	0
Other	130	266	190	184	1,248
Planned Draws	4,648	2,637	700	0	0
Projected Balance	8,140	5,768	5,258	5,442	6,690
LPS Employee Benefits ¹					
Tax Supported Contributions	0	0	0	0	0
Other	678	142	123	106	697
Planned Draws	0	400	1,000	200	0
Projected Balance	4,269	4,011	3,134	3,040	3,737
LPS Sick Leave ¹					
Tax Supported Contributions	0	0	0	0	0
Other	2	1	0	0	3
Planned Draws	36	0	0	0	0
Projected Balance	11	12	12	12	15
LPL Sick Leave ¹					
Tax Supported Contributions	0	0	0	0	0
Other	1	1	0	0	1
Planned Draws	14	16	0	0	0
Projected Balance	17	2	2	2	3

Reserve Fund	2024 Uncommitted	2025 Projected	2026 Projected	2027 Projected	2028 to 2033 Forecast ¹
Operating Budget Contingency					
Tax Supported Contributions	60,595	0	0	0	0
Other	3,000	0	0	0	0
Planned Draws	68,114	29,198	9,428	9,428	0
Projected Balance	86,072	56,874	47,446	38,017	38,017
Self Insurance					
Tax Supported Contributions	4,353	3,412	3,826	3,971	25,549
Other	1,219	1,013	1,098	1,107	7,042
Planned Draws	4,559	2,305	4,492	5,375	29,479
Projected Balance	15,102	17,222	17,654	17,356	20,468
Sick Leave City					
Tax Supported Contributions	0	0	0	0	0
Other	264	4	1	1	9
Planned Draws	256	114	0	0	0
Projected Balance	146	37	38	39	48
Unfunded Liability					
Tax Supported Contributions	0	0	0	0	0
Other	9,707	9,893	8,778	9,085	61,592
Planned Draws	10,262	11,264	0	0	0
Projected Balance	178,688	177,317	186,095	195,180	256,772
Workplace Safety and Insurance Board					
Tax Supported Contributions	1,046	1,078	1,112	1,147	7,688
Other	1,122	922	935	949	5,984
Planned Draws	162	1,575	1,658	1,691	11,147
Projected Balance	20,784	21,210	21,599	22,004	24,528
Total Tax Supported Contributions	90,460	31,962	15,738	11,518	33,237
Total Other	17,833	13,134	11,822	12,387	82,914
Total Planned Draws	110,720	75,575	19,317	18,540	45,972
Total Projected Balance	328,452	297,974	306,217	311,581	381,761

Subject to rounding.

Notes

1. Budgeted activity within this reserve fund is governed by Agency, Board or Commission policies and approvals.
2. The 2024 and 2025 tax supported contributions in the Debt Substitution Reserve Fund are allocations from the prior year's operating surplus, as per the Surplus/Deficit Policy.

3. Debt Substitution is applied strategically as appropriate capital projects are identified (e.g. debt substitution was utilized to fully substitute property tax supported debt from the 2025 debt issuance). As there is greater debt budgeted in the capital plan than funds available in the reserve fund, the balance available in the fund will be fully applied in the future to offset authorized but unissued debt.



Appendix D – Debt Tables

Annual Debt Servicing Costs (\$ Thousands)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Property Tax Levy Supported	23,222	20,681	18,637	19,130	22,210	26,552	36,274	46,527	56,349	62,695
City Services Reserve Funds (DC's)	4,084	5,904	7,816	12,277	18,493	30,560	30,802	30,383	37,277	43,671
Other	493	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Total Tax Supported	27,799	28,298	28,166	33,121	42,417	58,826	68,791	78,624	95,340	108,080
Water Rate Supported	-	-	-	-	-	-	-	-	-	-
City Services Reserve Funds (DC's)	-	-	-	-	-	-	-	1,992	2,601	3,620
Total Water	-	-	-	-	-	-	-	1,992	2,601	3,620
Wastewater Rate Supported	4,402	3,847	5,708	5,446	5,827	5,882	9,255	12,076	18,683	19,906
City Services Reserve Funds (DC's)	12,014	11,235	10,250	11,592	11,235	9,316	9,408	9,767	8,781	7,840
Total Wastewater & Treatment	16,416	15,082	15,958	17,039	17,062	15,198	18,663	21,843	27,463	27,746
LMCH	166	463	768	944	1,016	1,016	1,016	1,064	4,750	827
Joint Water Boards (City's Share)	1,472	1,461	686	38	-	-	-	-	-	-
Total Consolidated Entities	1,638	1,924	1,454	982	1,016	1,016	1,016	1,064	4,750	827
Total	45,853	45,304	45,578	51,141	60,495	75,039	88,470	103,523	130,155	140,273

Subject to rounding.

1) The 2024 debt servicing costs for Property Taxes, Wastewater & Treatment, Water and Consolidated entities represent actual amounts while 2025 - 2033 represent forecasted amounts.

2) Figures exclude the impacts of future debt substitution.

Forecasted Issued Debt Levels at Year-End (\$ Thousands)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Property Tax Supported	91,756	73,548	60,431	61,787	104,877	170,214	278,026	378,281	458,243	497,528
City Services Reserve Funds (DC's)	26,359	41,766	35,301	66,706	111,727	193,883	179,459	158,470	185,937	204,006
Other	-	21,004	20,304	19,571	18,802	17,997	17,152	16,266	15,338	14,365
Total Tax Supported	118,114	136,318	116,036	148,064	235,407	382,094	474,637	553,017	659,518	715,899
Water Rate Supported	-	-	-	-	-	-	-	-	-	-
City Services Reserve Funds (DC's)	-	-	-	-	-	-	-	14,680	17,788	23,442
Total Water	-	-	-	-	-	-	-	14,680	17,788	23,442
Wastewater Rate Supported	11,184	13,879	23,203	21,883	22,575	37,014	57,527	71,462	131,927	128,121
City Services Reserve Funds (DC's)	55,356	65,174	63,804	52,331	65,713	70,515	59,335	49,647	40,596	32,149
Total Wastewater and Treatment	66,540	79,053	87,007	74,214	88,288	107,529	116,861	121,109	172,523	160,270
LMCH	4,386	7,849	14,583	19,017	21,140	20,852	20,554	20,198	16,067	15,812
Joint Water Boards (City's Share)	2,385	963	292	-	-	-	-	-	-	-
Total Consolidated Entities	6,771	8,813	14,875	19,017	21,140	20,852	20,554	20,198	16,067	15,812
Total	191,426	224,183	217,918	241,295	344,834	510,475	612,053	709,004	865,896	915,423

Subject to rounding.

1) Figures exclude the impacts of future debt substitution.

Projected Debt Servicing Cost as a Percentage of Revenue	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Property Tax Supported -Tax Levy Revenue	2.9%	2.3%	2.0%	2.0%	2.3%	2.7%	3.6%	4.5%	5.3%	5.8%
Water Rate Supported- Rate Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wastewater Rate Supported- Rate Revenue	3.4%	2.8%	4.0%	3.6%	3.7%	3.5%	5.3%	6.5%	9.6%	9.7%

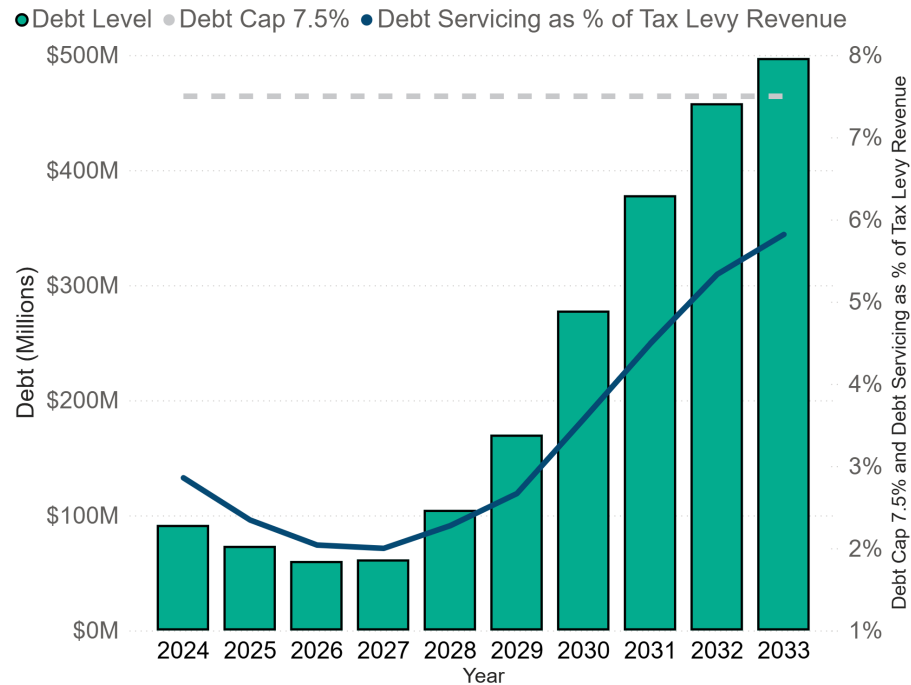
1) Tax Levy and Rate Revenue is approved for the 2024 to 2027 Multi-Year Budget Period; 2028 to 2033 revenues are forecasted

Forecasted Debt Levels

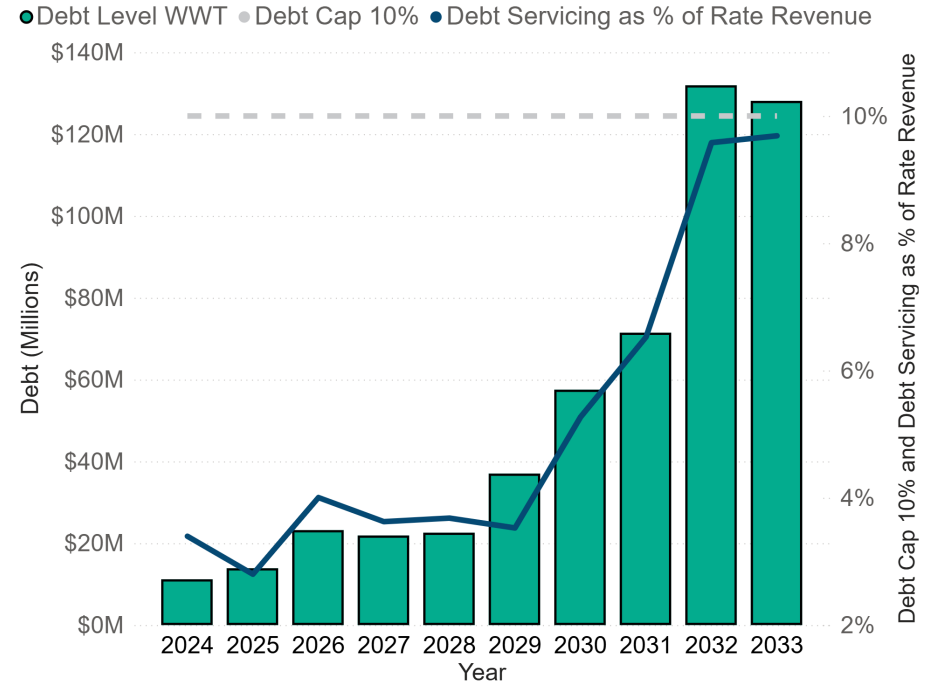
The charts below illustrate the forecasted outstanding debt and subsequent debt servicing positions of the City's authorized but unissued debt financing in the 10-year Capital Plans for the Property Tax supported debt and Wastewater rate supported debt, as included in this 2026 Annual Budget Update. The Water budget does not currently have any debt financing. These charts represent the first full update since they were presented in the 2024 Year-End Capital Budget Monitoring Report on April 30, 2025 at the Infrastructure and Corporate Services Committee. The key drivers of change are summarized in the notes to the graphs.

It is important to note that while the graphs below indicate a short-term ability to accommodate additional debt financing, Civic Administration manages the City's tax/rate supported capital debt financing forecasts to internal debt caps in all three (property tax 7.5%, water 10%, wastewater and treatment 10%) budgets over the 10-year Capital Plan period.

Forecasted Property Tax Supported Debt Levels



Forecasted WWT Rate Supported Debt Levels



Notes:

1. Debt servicing payments associated with Multi-Year Budget business cases that were budgeted to commence in 2027 have now been updated to reflect best available information with respect to project timelines. In some cases, these timelines are still preliminary estimates, while in other projects that have moved forward in their planning phases, better timing estimates are becoming known.
2. Civic Administration's Debt Substitution program has recently received significant recent contributions via the Surplus/Deficit and Assessment Growth policies: 2023 Year-End - \$14.0 million, 2024 AG - \$3.2 million, 2024 Year-end - \$25.3 million, 2025 AG - \$2.2 million. As these policy decisions are approved and implemented, authorized but unissued debt in the City's capital plan is being significantly reduced. Since 2016, Civic Administration has implemented over \$105 million worth of debt substitution.
3. Through the annual budget update and mid-year and year-end capital monitoring processes, significant project deferrals have had positive impacts on the amount of authorized but unissued debt financing in the capital plan, e.g. Wharncliffe Road-Becher Street Underpass, Southdale Road-Wickerson Road to Byronhills Drive, and the Northwest and Southeast London Public Library branches.
4. Civic Administration's debt forecast has undergone a service review and updated iteration of key assumptions, e.g. refreshing of debt structure and terms, timing of issuance and interest rates, etc.
5. It is worth noting that while the City of London has been fortunate to receive a number of recent approvals for various government funding programs, these developments have not materially impacted future debt servicing projections. Receipt of this funding has predominantly served to establish new capital projects, increase the budgets of existing capital projects, or impact existing capital projects where the tax/rate supported funding was of a form other than debt financing, e.g. receipt of \$23.7 million of Housing-Enabling Water Systems Fund (HEWSF) for the Downtown Sewer Capacity Expansion project relieved pressure on Sewage Works Renewal Reserve Fund.

Appendix E – 2024 to 2027 Multi-Year Budget Property Tax Summary

2024 to 2027 Multi-Year Budget Tax Levy Summary	2024 to 2027 Average % Increase
2024 Budget to Maintain Existing Service Levels	4.9%
2024 Business Cases	2.5%
2024 Budget % Increase from Rates	7.4%
2025 Business Cases	-0.1%
2025 Budget % Increase from Rates	7.3%
2026 Business Cases	-1.2%
2026 Budget % Increase from Rates	6.1%

Subject to rounding.

2024 to 2027 Multi-Year Budget Tax Levy Summary (\$ Thousands)	2024	2025	2026	2027
2024 % Increase to Maintain Existing Service Levels	5.6%	4.6%	3.9%	5.4%
P-L1 – Mandatory Download of Part III Responsibilities from Province	72	72	72	72
P-L2 – Provincial Offences Act (POA) Virtual Courtroom Expansion	255	11	17	23
P-L3 – More Homes Built Faster Act, Bill 23 – Statutory Exemptions	3,300	5,000	6,600	6,600
P-L4 – Fixing Long-Term Care Act, 2021 - Maintenance and Housekeeping Revisions	180	180	180	180
P-L5 – Fire Next Generation 9-1-1 (NG 9-1-1)	351	364	378	393
P-L6 – Ont. Reg. 343/22 Firefighter Certification	254	260	819	838
P-L7 – Conservation Authority Act (Ontario Regulation 686/21)	7	7	7	7
P-L8 – Next Generation 911 Centre	4,622	2,407	2,721	3,148
P-L9 – Community Safety and Policing Act, 2019 - Response to Active Attacker Incidents Regulation	99	0	0	0
P-L10 – Bill 109 and Bill 23 (More Homes Built Faster Act, 2022) – Staff Resources	1,446	1,836	1,836	1,836
P-L11 – Multi-Residential Organics (Green Bin) Program	0	0	0	0
P-L12 – Internalizing Locate Services	912	921	929	931
P-L13 – Conservation Authorities Act and Regulations	385	397	405	413

2024 to 2027 Multi-Year Budget Tax Levy Summary (\$ Thousands)	2024	2025	2026	2027
P-1 – Sustaining the One Voice Radio Program	208	208	372	600
P-2 – Vehicle and Equipment Replacement	2,083	2,083	2,083	2,083
P-3 – Rapid Transit Implementation	0	0	1,763	3,014
P-4 – City Hall Urgent Repairs and Lifecycle Renewals	2,700	2,845	2,965	2,965
P-6 – PeopleWorks Human Capital Management System - Phase 2 Requirements	46	211	305	4
P-7 – Implementation of a New Property Tax Software System and Capital Asset Reporting Tool for Financial Reporting	125	373	753	629
P-9 – Giwetashkad Implementation	355	710	710	710
P-11 – Community Housing Subsidy Investment	496	1,238	1,764	2,266
P-12 – Strategic Land and Building Acquisition	0	0	0	0
P-14 – Municipal Housing Development Resourcing	441	1,102	1,253	1,904
P-20 – Roadmap to 3,000 Units Enhanced Portable Housing Benefit Program	1,000	2,000	3,000	4,000
P-21 – LMCH Regeneration of Community Housing	0	38	961	2,498
P-22 – LMCH Service Improvement Plan	676	1,324	1,381	1,394
P-23 – Development Planning Data Reporting	0	0	0	781
P-24 – Animal Welfare Services Enhancements	0	0	0	0
P-25 – Proactive Municipal Compliance	0	0	0	0
P-26 – Community Gardens Program Expansion to Support Food Security	0	0	12	12
P-28 – Public Safety and Infrastructure Modernization	8,509	15,790	17,579	20,406
P-29 – Police Vehicle and Equipment Requirements	629	1,579	1,634	1,762
P-30 – Enhancing Digital Divide Support Services - London Public Library	0	0	0	0
P-32 – Naturalization of Boulevards and Reduced Roadside Cutting	0	0	-39	-151
P-36 – Safe London and Anti Racism/Anti Oppression Action Plan	125	125	125	125
P-37 – CMHA Holly's House	650	675	700	700
P-38 – City of London Community Arts Investment Program Expansion	115	115	115	115
P-41 – Washroom Hours – Dundas Place Fieldhouse & Victoria Park	150	150	150	150

2024 to 2027 Multi-Year Budget Tax Levy Summary (\$ Thousands)	2024	2025	2026	2027
P-42 – 5-Year Community Improvement Plan (CIP) Review Implementation	150	1,075	1,075	2,175
P-43 – Budweiser Gardens Expansion Phase 2	0	0	0	0
P-44 – Core Area Initiatives	1,166	956	956	956
P-46 – Economic and Partnerships Initiatives	100	1,100	1,100	1,100
P-47– Enhancements to the Industrial Land Development Strategy	0	0	0	0
P-48 – Canadian Mental Health Transitional Case Worker - London Public Library	0	0	0	0
P-51– Transit Service Hours Growth	2,440	5,571	8,563	11,744
P-53 – Road Safety Enhancements	0	0	0	0
P-56 – Climate Emergency Action Plan (CEAP) Implementation Support	1,121	2,688	1,191	1,194
P-57– London Police Service Facilities Masterplan and Protective Services Training Campus	333	564	6,920	9,635
P-58 – Library Facilities Capital Assets Management	0	0	0	0
P-60 – London Transit Commission Project 2 Highbury Facility Rebuild	0	0	0	0
P-61 – Ecological Master Planning Funding	50	0	50	170
P-62 – Environmentally Significant Areas Management	70	73	145	148
P-65 – Legislative and Council Services Enhancement	291	291	291	291
P-66 – Covent Garden Market Parking Garage Repairs	0	0	0	0
P-67 – Alternative Work Strategies and Interior Renewals	1,620	1,620	1,620	1,620
P-68 – Digital Modernization	0	865	1,109	1,192
P-69 – Expanded Support for Library Collections	0	0	0	0
P-70 – Museum London Elevator Upgrades	460	0	0	0
P-71 – Utilization of COVID-19 Contingency as Tax Levy Relief	-15,475	0	0	0
P-74 – Elevators – RBC Place London	350	350	350	350
Total 2024 Business Cases \$	22,864	57,173	74,920	90,982
Total 2024 Business Cases %	3.1%	4.1%	1.8%	1.3%
2024 % Increase from Rates	8.7%	8.7%	5.7%	6.7%

2024 to 2027 Multi-Year Budget Tax Levy Summary (\$ Thousands)	2024	2025	2026	2027
2025 Annual Budget Update:				
P-1 – Renovictions: Renovation License and Relocation Bylaw	0	330	285	169
P-2 – Pause Current City of London Annual Community Grants Program and Implement Reduced Program based on Availability of Funding	0	-496	-496	-496
P-3 – Pause Neighbourhood Decision Making Program	0	-250	-250	-250
P-4 – Film London (Continue Strategic Objectives for 2025 to 2027)	0	0	0	0
P-5 – LTC Bus Purchase Replacement Program	0	0	0	0
P-6 – Transportation Capital Growth Projects	0	0	0	0
P-7 – Library Capital Assets Management	0	0	1,600	1,600
P-8 – Council Expense Reduction	0	-21	-21	-21
P-9 – London Police Service Draw from Reserve Fund	0	-850	0	0
P-10 – London Transit Commission 2025 Service Review	0	-1,495	0	0
P-11 – Community Investment Reserve Fund Contribution to Tax Levy Reduction	0	-1,000	-1,000	-1,000
P-12 – Zero-Based Reviews and Right-Sizing	0	-6,762	-4,662	-4,017
P-14 – (Added): Parks Operations Service Delivery Enhancements	0	0	0	0
P-15 – (Added): Shelter Expansion Funding (Ark Aid Street Mission) – Cronyn-Warner Location	0	0	0	0
P-16 – (Added): Shelter Expansion Funding (Ark Aid Street Mission)	0	0	0	0
P-17 – (Added): Hoarding/Extreme Clean Program	0	0	0	0
P-18 – (Added): London Downtown Business Association Grant	0	0	0	0
P-19 – (Added): Reduced Contribution to Economic Development Reserve Fund (Economic Partnership Initiatives)	0	-500	-500	-500
P-20 – (Added): Middlesex London Health Unit Funding	0	0	0	0
Total 2025 Budget Adjustments \$	0	-11,044	-5,044	-4,515
Total 2025 Budget Adjustments %	0.0%	-1.4%	0.7%	0.0%
2025 Adjusted % Increase from Rates	8.7%	7.3%	6.4%	6.7%

Subject to rounding.

Note: Summary represents operating and capital levy (property tax) funding only. It does not include funding from other sources, primarily reserves/reserve funds.

2024 to 2027 Multi-Year Budget Tax Levy Summary (\$ Thousands)	2024	2025	2026	2027
2026 Annual Budget Update:				
P-1 – LMCH Operating Budget Support for 2026-2027	0	0	641	797
P-2 – Middlesex-London Health Unit Debt Retirement	0	0	2,366	0
P-3 – Middlesex London Health Unit Operating Funding Request	0	0	709	0
P-4 – Middlesex County Connect Inter-community Transit Service	0	0	0	0
P-5 – Transportation Capital Projects Timing Revisions and Additional Budget	0	0	0	0
P-6 – Reduced Road Network Improvements	0	0	-114	-114
P-7 – Organic Waste Diversion Facility Timing Change	0	0	0	0
P-8 – Stop Multi-Residential Green Bin Cart Pilot Project and Future Expansion	0	0	-450	-450
P-9 – Upper Thames River Conservation Authority (UTRCA) One-time Operating Budget Reduction	0	0	-16	0
P-10 – HR Internships Budget Reduction	0	0	-84	-84
P-11 – Microsoft Copilot and Microsoft Fabric Budget Reduction	0	0	-85	-85
P-12 – Resident Satisfaction Survey Frequency	0	0	0	-28
P-13 – Funding of Development Charges Act Statutory Exemptions – Reduction	0	0	-6,400	-6,400
P-14 – 2026 and 2027 Debt Servicing Cost Savings	0	0	0	-18,000
P-15 – Library Capital Projects Timing Revisions	0	0	0	0
P-16 – London Public Library Draw from Stabilization Reserve Fund	0	0	-200	0
P-17 – London Police Services Draw from Reserve Funds	0	0	-1,500	0
P-18 – London Transit Commission Budget Reduction	0	0	-700	0
P-19 – Recreation & Sport Additional User Fee Revenue Generation	0	0	-760	-760
P-20 – Portion of 2024 Surplus Allocated for Tax Mitigation	0	0	-8,428	-8,428
P-21 – Zero-Based Reviews and Budget Right-Sizing	0	0	-9,610	-10,784
Total 2026 Budget Adjustments \$	0	0	-24,632	-44,337
Total 2026 Budget Adjustments %	0.0%	0.0%	-2.8%	-2.0%
2026 Adjusted % Increase from Rates	8.7%	7.3%	3.6%	4.7%

Subject to rounding.

Note: Summary represents operating and capital levy (property tax) funding only. It does not include funding from other sources, primarily reserves/reserve funds.

Appendix F – Water Schedule of Rates and Charges

1. Monthly Water Usage Charges - Water rates

Range within Block (m³)	Monthly Water Consumption (m³)	January 1, 2024 Rate (\$/m³)	January 1, 2025 Rate (\$/m³)	January 1, 2026 Rate (\$/m³)	January 1, 2027 Rate (\$/m³)
0 - 7	First 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 - 15	Next 8	\$2.5464	\$2.5844	\$2.6404	\$2.7678
16 - 25	Next 10	\$3.2739	\$3.3227	\$3.3948	\$3.5585
26 - 35	Next 10	\$3.6377	\$3.6919	\$3.7720	\$3.9539
36 - 250	Next 215	\$1.3824	\$1.4030	\$1.4334	\$1.5026
251 - 7,000	Next 6,750	\$1.3095	\$1.3291	\$1.3579	\$1.4234
7,001 - 50,000	Next 43,000	\$1.1933	\$1.2111	\$1.2373	\$1.2970
50,001+	Over 50,000	\$1.0623	\$1.0782	\$1.1015	\$1.1547

2. Monthly Water Fixed Charges

2.1 Infrastructure Connection Charge

Meter Size (mm)	January 1, 2024 Monthly Charge	January 1, 2025 Monthly Charge	January 1, 2026 Monthly Charge	January 1, 2027 Monthly Charge
16 mm	\$17.88	\$18.15	\$18.54	\$19.43
19 mm	\$26.81	\$27.21	\$27.80	\$29.14
25 mm	\$44.69	\$45.36	\$46.34	\$48.58
40 mm	\$89.40	\$90.73	\$92.70	\$97.17
50 mm	\$143.03	\$145.17	\$148.32	\$155.47
76 mm	\$312.87	\$317.53	\$324.42	\$340.07
100 mm	\$536.35	\$544.35	\$556.16	\$582.98
150 mm	\$1,251.50	\$1,270.16	\$1,297.71	\$1,360.30
200 mm	\$2,145.41	\$2,177.40	\$2,224.62	\$2,331.92
250 mm	\$2,681.90	\$2,721.90	\$2,780.93	\$2,915.06

2.2 Fire Protection Charge

Property Classification	January 1, 2024 Monthly Rate	January 1, 2025 Monthly Rate	January 1, 2026 Monthly Rate	January 1, 2027 Monthly Rate
Residential and Low-density Residential	\$1.83	\$1.86	\$1.90	\$1.99
Institutional, Commercial, Industrial, Medium-density Residential, High Rise under 5.0 hectares	\$12.26	\$12.45	\$12.72	\$13.33
Institutional, Commercial, Industrial, Medium-density Residential, High Rise 5.0 hectares and over	\$61.31	\$62.23	\$63.58	\$66.65

2.3 Customer Assistance Charge

Property Classification	January 1, 2024 Monthly Charge	January 1, 2025 Monthly Charge	January 1, 2026 Monthly Charge	January 1, 2027 Monthly Charge
Residential	\$0.25	\$0.25	\$0.25	\$0.25

3.1 Temporary Connection Charges for Construction

Building Type	January 1, 2024 Charge (\$)	January 1, 2025 Charge (\$)	January 1, 2026 Charge (\$)	January 1, 2027 Charge (\$)
Single family	\$66.23	\$67.22	\$68.68	\$71.99
Duplex	\$66.23	\$67.22	\$68.68	\$71.99
Up to 4 units	\$82.75	\$83.98	\$85.80	\$89.94
5 to 10 units	\$124.05	\$125.90	\$128.63	\$134.83
11 to 15 units	\$165.45	\$167.92	\$171.56	\$179.84
16 to 20 units	\$206.88	\$209.97	\$214.52	\$224.87
21 to 25 units	\$249.06	\$252.77	\$258.25	\$270.71
26 to 30 units	\$289.52	\$293.84	\$300.21	\$314.69
31 to 35 units	\$331.06	\$336.00	\$343.29	\$359.85
36 to 40 units	\$372.43	\$377.98	\$386.18	\$404.81

Building Type	January 1, 2024 Charge (\$)	January 1, 2025 Charge (\$)	January 1, 2026 Charge (\$)	January 1, 2027 Charge (\$)
41 to 50 units	\$413.75	\$419.92	\$429.03	\$449.72
Over 50 units (Charge per unit)	\$8.38	\$8.50	\$8.68	\$9.10
Other Structures	\$16.84 per 93 m2 of floor space (minimum charge \$42.08)	\$17.09 per 93 m2 of floor space (minimum charge \$42.71)	\$17.46 per 93 m2 of floor space (minimum charge \$43.64)	\$18.30 per 93 m2 of floor space (minimum charge \$45.74)

3.2 Main Tap Charges

Type of Main Tap	January 1, 2024 Charge	January 1, 2025 Charge	January 1, 2026 Charge	January 1, 2027 Charge
Tap size of 50 mm or less	\$397.31	\$403.24	\$411.98	\$431.85
Tap size of greater than 50 mm	\$794.64	\$806.49	\$823.98	\$863.72
Tapping concrete mains or tap size of greater than 300 mm	\$2,383.91	\$2,419.46	\$2,471.93	\$2,591.16

3.3 Miscellaneous Charges

Service or Activity	January 1, 2024 Charge	January 1, 2025 Charge	January 1, 2026 Charge	January 1, 2027 Charge
Change of occupancy/ Account set-up/ Security deposit	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Late payment	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
NSF cheques	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro

Service or Activity	January 1, 2024 Charge	January 1, 2025 Charge	January 1, 2026 Charge	January 1, 2027 Charge
Collection charges	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Bulk Water User charges Cost of Water per 1,000 litres	\$4.25	\$4.31	\$4.40	\$4.61
Inspecting waterworks installations/disconnections (per hour)	\$147.08	\$149.27	\$152.51	\$159.87
Disconnection of Water Service				
During regular hours	\$35.88	\$36.42	\$37.21	\$39.00
After regular hours	\$189.63	\$192.46	\$196.63	\$206.11
Arrears Certificate Charges (non-payment/arrears)	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Disconnect and Reconnect Meter at customer request				
16 and 19 mm	\$139.99	\$142.08	\$145.16	\$152.16
25 mm and larger	\$279.99	\$284.17	\$290.33	\$304.33
Install Water Meter and Remote Read-Out Unit at customer request				
16 and 19 mm	\$339.43	\$344.49	\$351.96	\$368.94
25 mm and larger	Time & Material	Time & Material	Time & Material	Time & Material
Repair damaged Water Meter				
16 and 19 mm	\$260.22	\$264.10	\$269.83	\$282.85
25 mm and larger	Time & Material	Time & Material	Time & Material	Time & Material
Meter checked for accuracy at customer's request and found to be accurate				
16 and 19 mm	\$299.82	\$304.29	\$310.89	\$325.89
25 mm and larger	\$446.91	\$453.58	\$463.42	\$485.77

Service or Activity	January 1, 2024 Charge	January 1, 2025 Charge	January 1, 2026 Charge	January 1, 2027 Charge
Builder and Developer Frontage Charges: (based on actual frontage which directly abuts City right-of-way)				
Residential (per meter; maximum 50 meters)	\$258.65	\$262.51	\$268.20	\$281.14
Commercial, Industrial and Institutional (per meter)	\$275.11	\$279.21	\$285.26	\$299.02
Illegal Hydrant Connection Charge (charge per offence + Water consumption)	\$848.56	\$861.22	\$879.90	\$922.34
Temporary Hydrant Connection				
Hydrant connection/disconnection	\$436.68	\$443.19	\$452.80	\$474.64
Hydrant occupancy (per week)	\$45.26	\$45.93	\$46.93	\$49.19
Water consumption:				
Minimum charge (up to 300m ³)	\$1,243.82	\$1,262.37	\$1,289.75	\$1,351.96
All additional m ³ (per m ³)	\$4.15	\$4.21	\$4.30	\$4.51
Water Meter Installation Options (by application):				
Radio Device Wired to Outside of House	No Charge	No Charge	No Charge	No Charge
Touch Pad Wired Outside of House	Material	Material	Material	Material
Meter Pit Installation	Time and Material (\$2,500.00 deposit)	Time and Material (\$2,500.00 deposit)	Time and Material (\$2,500.00 deposit)	Time and Material (\$2,500.00 deposit)
Valve Rod Extensions (by Length):				
2 Foot	\$74.64	\$75.75	\$77.39	\$81.12
2 ½ Foot	\$76.07	\$77.20	\$78.87	\$82.67
3 Foot	\$77.46	\$78.62	\$80.32	\$84.19
3 ½ Foot	\$78.89	\$80.07	\$81.81	\$85.76
4 Foot	\$80.30	\$81.50	\$83.27	\$87.29

Service or Activity	January 1, 2024 Charge	January 1, 2025 Charge	January 1, 2026 Charge	January 1, 2027 Charge
4 ½ Foot	\$81.74	\$82.96	\$84.76	\$88.85
5 Foot	\$83.15	\$84.39	\$86.22	\$90.38
5 ½ Foot	\$84.57	\$85.83	\$87.69	\$91.92
6 Foot	\$85.99	\$87.27	\$89.16	\$93.46
6 ½ Foot	\$87.40	\$88.70	\$90.62	\$94.99
7 Foot	\$88.81	\$90.13	\$92.08	\$96.52
7 ½ Foot	\$90.23	\$91.58	\$93.57	\$98.08
8 Foot	\$91.67	\$93.04	\$95.06	\$99.65
9 Foot	\$94.48	\$95.89	\$97.97	\$102.70
10 Foot	\$97.32	\$98.77	\$100.91	\$105.78

Appendix G – Wastewater and Treatment Schedule of Rates and Charges

1. Monthly Wastewater Usage Charges

Range within Block (m³)	Monthly Water Consumption (m³)	January 1, 2024 Rate (\$/m³)	January 1, 2025 Rate (\$/m³)	January 1, 2026 Rate (\$/m³)	January 1, 2027 Rate (\$/m³)
0 - 7	First 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 - 15	Next 8	\$2.3583	\$2.4860	\$2.5444	\$2.6818
16 - 25	Next 10	\$3.0321	\$3.1963	\$3.2714	\$3.4480
26 - 35	Next 10	\$3.3690	\$3.5514	\$3.6349	\$3.8311
36 - 250	Next 215	\$1.2799	\$1.3492	\$1.3809	\$1.4555
251 - 7,000	Next 6,750	\$1.2129	\$1.2785	\$1.3086	\$1.3792
7,001 - 50,000	Next 43,000	\$1.1050	\$1.1648	\$1.1922	\$1.2566
50,001+	Over 50,000	\$0.9838	\$1.0371	\$1.0615	\$1.1188

2. Monthly Wastewater Fixed Charges

Meter Size (mm)	January 1, 2024 Monthly Charge	January 1, 2025 Monthly Charge	January 1, 2026 Monthly Charge	January 1, 2027 Monthly Charge
16 mm	\$15.78	\$16.63	\$17.02	\$17.94
19 mm	\$23.64	\$24.92	\$25.50	\$26.88
25 mm	\$39.42	\$41.55	\$42.53	\$44.82
40 mm	\$78.82	\$83.09	\$85.04	\$89.63
50 mm	\$126.11	\$132.94	\$136.06	\$143.41
76 mm	\$275.87	\$290.81	\$297.64	\$313.71
100 mm	\$472.89	\$498.50	\$510.21	\$537.75
150 mm	\$1,103.45	\$1,163.21	\$1,190.54	\$1,254.80
200 mm	\$1,891.60	\$1,994.03	\$2,040.89	\$2,151.04
250 mm	\$2,365.19	\$2,493.26	\$2,551.86	\$2,689.58

3. Monthly Stormwater Fixed Charges

Property Type and Size	January 1, 2024 Storm Drainage Charge	January 1, 2025 Storm Drainage Charge	January 1, 2026 Storm Drainage Charge	January 1, 2027 Storm Drainage Charge
Residential, land area equal to or below 0.40 hectares without a storm sewer within 90m of property (\$/Month)	\$14.45	\$15.23	\$15.59	\$16.43
Land area equal to or below 0.40 hectares (\$/Month)	\$19.22	\$20.26	\$20.74	\$21.86
Land area above 0.40 hectares (\$/hectare/Month)	\$159.99	\$168.66	\$172.62	\$181.94

4. Miscellaneous Rates and Charges

4.1 Frontage Charge

Type of Sewer Connection (\$ per metre of calculated frontage)	January 1, 2024 Frontage Charge	January 1, 2025 Frontage Charge	January 1, 2026 Frontage Charge	January 1, 2027 Frontage Charge
Sanitary Sewer	\$293.36	\$309.25	\$316.52	\$333.60
Storm Sewer - Residential	\$271.58	\$286.29	\$293.02	\$308.83
Storm Sewer - All Lands excluding Residential	\$543.19	\$572.60	\$586.06	\$617.69

4.2 Private Drain Connection (PDC) Charges

Services provided by the Engineer - single detached residential, low density residential dwellings	January 1, 2024 Each PDC (\$)	January 1, 2025 Each PDC (\$)	January 1, 2026 Each PDC (\$)	January 1, 2027 Each PDC (\$)
Repair or replace existing PDC - no construction	\$5,750.00	\$6,500.00	\$7,250.00	\$8,000.00

4.3 Hauled Liquid Waste Disposal

Type of Service	January 1, 2024 Rate (\$ per 1,000 litres)	January 1, 2025 Rate (\$ per 1,000 litres)	January 1, 2026 Rate (\$ per 1,000 litres)	January 1, 2027 Rate (\$ per 1,000 litres)
Hauled Liquid Waste excluding Leachate	\$16.69	\$17.59	\$18.00	\$18.97
Leachate	\$30.76	\$32.43	\$33.19	\$34.98

4.4 High Strength Sewage Service Charge

Type of Service	January 1, 2024 Rate (\$ per m ³)	January 1, 2025 Rate (\$ per m ³)	January 1, 2026 Rate (\$ per m ³)	January 1, 2027 Rate (\$ per m ³)
High Strength Sewage Service Charge	\$0.774	\$0.816	\$0.835	\$0.880

Appendix H – Property Tax Budget Business Cases

Property Tax Business Cases Included in the Mayor's Tabled Budget for Council's Consideration

Business Case #P-1 - LMCH Operating Budget Support for 2026-2027

Primary Strategic Area of Focus:	Housing and Homlessness
Primary Outcome:	The City of London demonstrates leadership and builds partnerships to increase quality, affordable, and supportive housing options.
Primary Strategy:	Align policies and programs recognizing the broad range of factors that contribute to accessing and maintaining transitional, supportive, community, affordable and market housing.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	Yes
Description:	London and Middlesex Community Housing is requesting operating budget support for 2026 and 2027 to relieve cost pressures and help ensure our current level of service.
Service(s):	London and Middlesex Community Housing
Lead:	Paul Chisholm, Chief Executive Officer

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$641	\$797	\$1,438
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$2.79	\$3.47	\$6.26
Estimated Annual Tax Levy Change %	N/A	N/A	0.07%	0.01%	0.02% (Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$2.79	\$0.68	\$0.87(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252,000 for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Operating Budget Support for London Middlesex Community Housing

London and Middlesex Community Housing (LMCH) plays a vital role in ensuring that low-income individuals and families have access to safe, stable, and affordable housing. However, LMCH is experiencing operating budget pressures. In particular, the rising cost of property taxes has become increasingly difficult for LMCH to manage financially. Due to the large number of residential properties owned by LMCH the base 2023 property tax costs were \$5.4 million. LMCH's operating budget has been significantly impacted by the higher than budgeted residential property taxes on these properties. Without support, these additional costs will put continued pressure on LMCH's operations and possible future deficits.

This business case proposes an increase in operating funding to offset the higher than budgeted property tax increases for LMCH to help maintain its financial sustainability. The request aligns with the City of London's Strategic Plan, particularly the goal aligning policies and programs recognizing the broad range of factors that contribute to accessing and maintaining transitional, supportive, community, affordable and market housing. This is an ongoing investment in our budget to offset the impact of property tax increases over the original budgeted amounts for the 2024-27 fiscal periods.

LMCH absorbed additional property tax increases in 2024 and 2025 by deferring staff hiring, delaying operating expenses and improving our position in rental revenue collection. LMCH's operating budget is already constrained by additional inflationary pressures on utilities, insurance, maintenance, and staffing. The accumulated impact of the property tax increases in 2026 and 2027 will ultimately require service reductions. Without support, these added tax burdens could reduce the organization's ability to deliver essential supports to tenants and complete timely building maintenance.

LMCH has continued to strengthening procurement practices to reduce administrative expenses, including significant savings through a new office phone system and new cell phone contracts, which are reducing administrative expenses by well over \$40 thousand annually. LMCH is in the process of completing a budget and operations review that will focus on further improvements to Net Operating Income. This review will identify opportunities to increase revenues and to manage future operating expenses. This review will also provide a solid background for the development of the 2028-2031 Multi-Year Budget.

Reducing the financial burden on LMCH will help protect existing affordable housing operations, ensure timely unit restoration for new tenants, and support the City's efforts to address housing affordability and homelessness. This request supports the quality and availability of affordable housing stock in London for those who need it most.

The proposed support represents a modest but essential measure that protects housing services and maintains current service levels. It should be noted that London's share of these increases is \$641 thousand and \$797 thousand in 2026 and 2027 respectively based on the cost-sharing agreement with the County of Middlesex.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) ¹	N/A	N/A	\$16,751	\$17,051	\$33,802
Adjustment ²	N/A	N/A	\$641	\$797	\$1,438
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$17,392	\$17,848	\$35,240

Subject to rounding.

1 2026: \$19,756 less \$3,005 County of Middlesex recovery; \$20,817 less \$3,766 County of Middlesex recovery.

2 The breakdown of the increase is as follows:

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Adjustment to LMCH Operating Budget	N/A	N/A	\$757	\$940	\$1,697
Revenue: Other (County of Middlesex)	N/A	N/A	-\$116	-\$144	-\$260
Net Tax Levy Impact	N/A	N/A	\$641	\$797	\$1,438

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

While the primary focus of this business case is financial sustainability, there are indirect environmental and resilience-related benefits tied to operational stability. Consistent and adequate operating funding enables LMCH to maintain buildings more effectively through regular cleaning, pest management, waste handling, and minor repairs, all of which contribute to healthier living environments and reduce the likelihood of environmental degradation within communities.

This business case does not result in any new greenhouse gas emission sources or increases from existing sources. Operational stability ensures continued adherence to building management practices that help reduce energy waste and environmental strain.

Improved operational funding supports preventative maintenance and tenant education programs (e.g., waste separation, energy-saving behaviors) that may contribute indirectly to lower environmental impacts, and therefore lower community greenhouse gas emissions, over time.

This business case is not expected to have any impact on community adaptation and resilience. This business case supports community resilience by strengthening LMCH's ability to maintain safe and stable housing for over 5,000 residents. By preventing service reductions caused by operating budget pressures, LMCH can continue to focus on supporting vulnerable households, many of whom are disproportionately affected by climate-related risks, thereby reducing pressure on emergency shelters and municipal crisis services.

LMCH recognizes that stable and predictable funding supports environmental stewardship by enabling timely maintenance and reducing deferred repairs that often lead to higher waste and energy use. Approval of this business case strengthens LMCH's capacity to invest in efficiency measures over time, while denial would divert resources away from these opportunities and risk prolonging the use of outdated, inefficient systems that increase environmental impact.

Socio-economic Equity:

At its core, LMCH's mission is to provide clean, safe, and affordable housing, a critical foundation for enhancing the quality of life for many individuals and families. This goal is particularly significant in a socio-economic context where a substantial portion of the community faces barriers to accessing housing, primarily due to financial constraints.

A key demographic served by LMCH includes tenants on fixed incomes, such as the elderly, disabled and those receiving income support. These groups often struggle with the rising costs of living, making affordable housing a crucial lifeline. By focusing on this need, LMCH not only provides a basic human right – shelter – but also fosters a sense of stability and security among its tenants. This

stability is a vital step towards enabling residents to focus on other aspects of their lives, such as education, employment, health and personal development, without the constant worry of housing insecurity.

This proposal directly supports socio-economic equity by helping to maintain affordable housing operations and reduce the risk of housing unavailability for low-income residents. Rising cost pressures, including residential property taxes, disproportionately impact non-profit providers serving equity-denied populations, including seniors, newcomers, and single-parent families.

Approval of this case ensures that resources remain focused on stabilizing tenancies, reducing homelessness, and supporting social inclusion across London and Middlesex Community Housing. If denied, a greater portion of limited funds would be consumed by property tax obligations, impeding LMCH's ability to maintain quality housing, while also safeguarding the stability that our tenants require.

Governance:

LMCH's governance focuses on the ethical, transparent, and responsible management of the organization. This includes adherence to legal standards and regulations, ensuring accountability in operations, and maintaining transparency in financial and administrative processes. LMCH's governance practices also encourage engaging with interested parties, including tenants, local government, and community partners, to ensure that the services provided align with the community's needs and expectations. LMCH's governance goals also strive to promote diversity and inclusion, ensuring that decision-making reflects the diversity of the community it serves.

Business Case Details

This business case is driven by the increasing financial pressure faced by London & Middlesex Community Housing due to significantly increasing municipal property tax costs. LMCH operates on a fixed funding models, primarily through municipal subsidies and rent geared to income (RGI) programs and have limited ability to absorb escalating expenses without impacting service delivery or maintenance.

Current tax levels now represent one of the largest single operating expenses and without operating budget support, LMCH will face difficult choices in the near future that may include deferred repairs and/or reduced resident services.

This business case proposes that the City of London provide operating budget support to offset the additional property tax increases projected for LMCH. This approach would mitigate the financial impact of rising property tax obligations on a provider currently operating as a 100% Rent-Geared-to-Income model, ensuring that limited resources remain focused on maintaining safe, stable, and affordable housing. The request aligns with Council's priorities around housing affordability, equity, and responsible financial stewardship.

Business Case #P-2 - Middlesex-London Health Unit Debt Retirement

Primary Strategic Area of Focus:	Wellbeing and Safety
Primary Outcome:	London has safe, vibrant, and healthy neighbourhoods and communities.
Primary Strategy:	Deliver programs and activities that foster improved physical, mental, and social wellbeing.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Repayment of bank loans related to office relocation to free up operating funds, address inflationary pressures, and preserve staff positions for public health programs.
Service(s):	Middlesex-London Health Unit
Lead:	Emily Williams, Chief Executive Officer

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$2,366	\$0	\$2,366
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$10.31	\$0.00	\$10.31
Estimated Annual Tax Levy Change %	N/A	N/A	0.27%	-0.27%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$10.31	-\$10.31	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy)

Business Case Summary

The Health Unit relocated its offices in January of 2020 to Citi Plaza (355 Wellington Street), requiring a loan to support construction and fit-up of the space. On December 30th, 2020, the \$4.2 million that was drawn against the loan was converted to long-term financing, with \$3,050,000 in a fixed rate, fixed term loan for a 5-year term / 20-year amortization at 1.915% per annum. The remaining portion of \$1,150,000 was booked as a variable rate loan at Prime Rate minus 0.75%. Pre-payment is not available for fixed rate, fixed term loans but can be done at any time on variable loans. It is noted that in October of 2023, City Council supported the Board of Health's request to redirect the Health Unit's surplus from the City of London at the time (\$611,898) to assist in paying down the Health Unit's variable loan.

The total combined balance of the outstanding loan is approximately \$2.8 million. The Health Unit spends \$184 thousand annually to repay the fixed rate fixed term loan, and another \$58 thousand plus interest annually to repay the variable loan. These payments equate to \$241 thousand (plus interest) in operating funds that could be diverted to programs and services or used to reduce the deficit facing the Health Unit in 2026. The initial 5-year interest rate term on the fixed portion of the loan matures on December 30, 2025, which would be the next cost-effective repayment date. This business case requests London's share of the amount required to extinguish the outstanding loans, subject to approval of proportionate County of Middlesex contribution.

The Health Unit is facing a significant shortfall in 2026, and all avenues are being explored to find further efficiencies in the organization. As presented at the June 11th, 2025 City of London Budget Committee meeting, further reductions to programs and services will be required to address the shortfall, which will have negative effects on the 'Well-Being' of Londoners.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Expenditure	N/A	N/A	\$8,026	\$8,267	\$16,293
Adjustment	N/A	N/A	\$2,366	\$0	\$2,366
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$10,392	\$8,267	\$18,659

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental:

- The Middlesex-London Health Unit is mandated, per the Ontario Public Health Standards, to address environmental health hazards. Public Health Inspectors, as well as Epidemiologists, conduct surveillance of environmental factors to identify and monitor trends as well as any emerging public risks. Such risks may include water-borne illness, food-borne illnesses, vector-borne diseases, extreme temperatures and air quality. Public Health Inspectors also inspect facilities at higher risk for adverse health outcomes to the public such as food premises, personal service settings, childcare facilities, shelters, and public pools.
- The Middlesex-London Health Unit is mandated to work closely with municipalities on official plans, by-laws, and standards to improve health outcomes through housing standards, mitigating and addressing the impacts of climate change, and reducing hazardous environmental exposures. Public Health Inspectors support City of London Inspectors in responding to calls from the public regarding health hazards such as major pest infestations, mould, poor indoor air quality, lack of heat supply, and unsafe drinking water.
- This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.
- This business case is not expected to have any impact on greenhouse gas emissions in the community.
- This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

- The Middlesex-London Health Unit grounds its interventions in health equity, wherever appropriate using universal proportionalism to ensure populations receive services proportionate to their varying needs. This involves identifying and prioritizing work with equity-deserving groups and prioritized populations.
- The Middlesex-London Health Unit is actively fostering and strengthening relationships with its neighbouring First Nations communities to support them as requested in the delivery of public health services.
- The Middlesex-London Health Unit is implementing the recommendations made through its Anti-Black Racism Plan, Employment System Review, and Taking Action for Reconciliation plan to improve equity and inclusivity internally and externally through its service delivery. Examples include ensuring all staff receive Indigenous cultural safety training and anti-discrimination training.
- The Middlesex-London Health Unit is a 'Living Wage Certified Champion' Employer, ensuring all employees, including those provided by subcontractors, are paid a living wage.
- The Middlesex-London Health Unit provides dental services to low-income seniors and children who may otherwise not be able to afford it.
- The Middlesex-London Health Unit supports new parents and children to grow and develop, particularly those facing significant challenges including young, first time parents, newcomers, and parents who are low income or who lack social supports.

- Through participation in the Middlesex London Food Policy Council and programs like Harvest Bucks, the Middlesex-London Health Unit is working with other agencies to address food insecurity.

Governance:

- The Middlesex-London Health Unit is governed by a local, autonomous Board of Health, which is comprised of elected officials from the County of Middlesex (3), the City of London (2, plus 1 Citizen Appointee) and the Province of Ontario (5). This is reflective of the main funding sources of the Health Unit.
- The work of Boards of Health is dictated by the Health Promotion and Protection Act, and the Ontario Public Health Standards, which are planned for review in 2025 and could bring change to the work required by local public health agencies like the MLHU.

Business Case Details

In August of 2023, the Ministry of Health announced an initiative, “Strengthening Public Health” which included three main components: voluntary mergers of local public health agencies (LPHAs), a review of the Ontario Public Health Standards (which direct the work of LPHAs), and a review of the funding approach for public health in Ontario. While 9 health units are undergoing mergers, the Middlesex London Health Unit (MLHU) is not one of them, as it meets all the criteria outlined by the Ministry of Health in terms of population size served and capacity for critical functions. The MLHU funding from the province has therefore been capped at 1% for 2024, 2025, and 2026. The new OPHS are anticipated in August of 2025, however they are not expected to further reduce local public health unit’s responsibilities beyond what the MLHU has already stopped doing. Additionally, there have been no updates on a revised funding approach for local public health, leaving the MLHU to assume the 1% increase to provincial funding for 2026.

In recent years, other Boards of Health in Ontario have significantly increased municipal contributions to address inflationary pressures facing LPHAs. The Middlesex-London Board of Health has not undertaken this strategy, instead focusing on reprioritization of programs and services and finding operational efficiencies. 2025 marked the first year the MLHU Board of Health approved an increase above 3% for the City of London. With respect to provincial and municipal funding received by the MLHU, we have recently received permission to share our local data from the province. Specifically:

- MLHU’s total per-capita funding for our mandatory programs is \$69/person; the provincial average is \$87/person. There are some health units in SW Ontario that are funded as much as \$102/person.
- The amount that municipalities contribute varies widely. The MLHU municipal per-capita funding for our mandatory programs is **\$18/person**, tying us for the second lowest municipal contribution in the province. The average municipal per-capita contribution is **\$30/person**.

Business Case #P-3 - Middlesex London Health Unit Operating Funding Request

Primary Strategic Area of Focus:	Welbeing and Safety
Primary Outcome:	London has safe, vibrant, and healthy neighbourhoods and communities.
Primary Strategy:	Deliver programs and activities that foster improved physical, mental, and social wellbeing.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Year(s) Applicable: 2026
Description:	Increasing municipal contributions to address inflationary pressures and preserve staff positions for public health programs.
Service(s):	Middlesex-London Health Unit
Lead:	Emily Williams, Chief Executive Officer

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$709	\$0	\$709
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$3.09	\$0.00	\$3.09
Estimated Annual Tax Levy Change %	N/A	N/A	0.08%	-0.08%	0.00% (Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$3.09	-\$3.09	\$0.00(Average)

Subject to rounding.

Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

The Middlesex-London Health Unit (MLHU) is facing a significant shortfall in 2026, and all avenues are being explored to find further efficiencies in the organization, including the closure of the MLHU main office in Strathroy. As presented at the June 11th, 2025 City of London Budget Committee meeting, further reductions to programs and services will be required to address the shortfall, which will have negative effects on the 'Well-Being' of Londoners. Increasing the municipal contribution to support public health programs and services is one option that will ensure the preservation of critical public health programs and services for the residents of London and Middlesex County. This request is for one-time funding for 2026 (London's share), noting that this will provide additional time to obtain further clarity on the public health funding approach into the future, and to continue advocacy with the Province to ensure appropriate resourcing of public health.

In recent years, other Boards of Health in Ontario have significantly increased municipal contributions to address inflationary pressures facing London Public Health Agencies (LPHA). The Middlesex-London Board of Health has not undertaken this strategy, instead focusing on reprioritization of programs and services and finding operational efficiencies. 2025 marked the first year the MLHU Board of Health approved an increase above 3% for the City of London, to prevent further position loss, following the decrease of 20 Full Time Equivalents in 2024. With respect to provincial and municipal funding received by the MLHU, permission to share local data has been granted by the province. Specifically:

- Based on 2024 population and funding, MLHU's total per-capita funding for our mandatory programs is \$69/person; the provincial average is \$87/person. There are some health units in SW Ontario that are funded as much as \$102/person.
- The amount that municipalities contribute varies widely. Based on 2024 population and funding, the MLHU municipal per-capita funding for our mandatory programs is **\$18/person**, tying for the second lowest municipal contribution in the province. The average municipal per-capita contribution is **\$30/person**.

With London and Middlesex continuing to grow at an unprecedented rate, it is becoming increasingly challenging to provide public health programs and services consistent with the expectations as outlined in the Ontario Public Health Standards. As noted in the 2024 Annual Report and Attestation to the Ministry of Health, insufficient resources prevented the MLHU from fully operationalizing and meeting all the requirements of the OPHS in 2024, as was also the case in 2023. Resource limitations prevented the MLHU from **comprehensive** delivery of the following Program Standards:

- Chronic Disease Prevention and Well-Being
- Healthy Environments
- Healthy Growth and Development
- School Health
- Substance Use and Harm Reduction Guideline
- Injury Prevention Guideline

Resource limitations and a lack of data also limited the MLHU from:

- Fulsome population health assessment, including the identification of priority populations, social determinants of health and health inequities
- Collecting and analysis of relevant data to monitor trends over time, emerging trends, priorities, and health inequities, and report and disseminate the data and information
- Using a systematic approach to plan public health programs

Without additional funding, the MLHU will be further compromised in its ability to meet the Ontario Public Health Standards, which ultimately negatively impacts the health and well-being of Londoners. It is noted under Section 72 (1)(2) of the Health Protection and Promotion Act, that:

(1) The obligated municipalities in a health unit shall pay,

(a) The expenses incurred by or on behalf of the board of health of the health unit in the performance of its functions and duties under this or any other Act; and

(b) The expenses incurred by or on behalf of the medical officer of health of the board of health in the performance of his or her functions and duties under this or any other Act. 1997, c. 30, Sched. D, s. 8.

(2) In discharging their obligations under subsection (1), the obligated municipalities in a health unit shall ensure that the amount paid is sufficient to enable the board of health,

(a) To provide or ensure the provision of health programs and services in accordance with sections 5, 6 and 7, the regulations and the public health standards; and

(b) To comply in all other respects with this Act and the regulations. 1997, c. 30, Sched. D, s. 8; 2017, c. 25, Sched. 3, s. 1 (2).

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Expenditure	N/A	N/A	\$8,026	\$8,267	\$16,293
Adjustment	N/A	N/A	\$709	\$0	\$709
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$8,735	\$8,267	\$17,002

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental:

- The Middlesex-London Health Unit is mandated, per the Ontario Public Health Standards, to address environmental health hazards. Public Health Inspectors, as well as Epidemiologists, conduct surveillance of environmental factors to identify and monitor trends as well as any emerging public risks. Such risks may include water-borne illness, food-borne illnesses, vector-borne diseases, and extreme temperatures and air quality. Public Health Inspectors also inspect facilities at higher risk for adverse health outcomes to the public such as food premises, personal service settings, child care facilities, shelters, and public pools.
- The Middlesex-London Health Unit is mandated to work closely with municipalities on official plans, by-laws, and standards to improve health outcomes through housing standards, mitigating and addressing the impacts of climate change, and reducing hazardous environmental exposures. Public Health Inspectors support City of London Inspectors in responding to calls from the public regarding health hazards such as major pest infestations, mould, poor indoor air quality, lack of heat supply, and unsafe drinking water.
- This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.
- This business case is not expected to have any impact on greenhouse gas emissions in the community.
- This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

- The Middlesex-London Health Unit grounds its interventions in health equity, wherever appropriate, using universal proportionalism to ensure populations receive services proportionate to their varying needs. This involves identifying and prioritizing work with equity-deserving groups and prioritized populations.
- The Middlesex-London Health Unit is actively fostering and strengthening relationships with its neighbouring First Nations communities to support them as requested in the delivery of public health services.
- The Middlesex-London Health Unit is implementing the recommendations made through its Anti-Black Racism Plan, Employment System Review, and Taking Action for Reconciliation plan to improve equity and inclusivity internally and externally through its service delivery. Examples include ensuring all staff receive Indigenous cultural safety training and anti-discrimination training.
- The Middlesex-London Health Unit is a 'Living Wage Certified Champion' Employer, ensuring all employees, including those provided by subcontractors, are paid a living wage.
- The Middlesex-London Health Unit provides dental services to low-income seniors and children who may otherwise not be able to afford it.
- The Middlesex-London Health Unit supports new parents and children to grow and develop, particularly those facing significant challenges including young, first time parents, newcomers, and parents who are low income or who lack social supports.
- Through participation on the Middlesex London Food Policy Council and programs like Harvest Bucks, the Middlesex-London Health Unit is working with other agencies to address food insecurity.

Governance:

- The Middlesex-London Health Unit is governed by a local, autonomous Board of Health, which is comprised of elected officials from the County of Middlesex (3), the City of London (2, plus 1 Citizen Appointee) and the Province of Ontario (5). This is reflective of the main funding sources of the Health Unit.
- The work of Boards of Health is dictated by the Health Promotion and Protection Act, and the Ontario Public Health Standards, which are planned for review in 2025 and could bring change to the work required by local public health agencies like the MLHU.

Business Case Details

In August of 2023, the Ministry of Health announced an initiative, “Strengthening Public Health” which included three main components; voluntary mergers of Local Public Health Agencies (LPHAs), a review of the Ontario Public Health Standards (which direct the work of LPHAs), and a review of the funding approach for public health in Ontario. While 9 health units are undergoing mergers, the Middlesex London Health Unit (MLHU) is not one of them, because it meets all the criteria outlined by the Ministry of Health in terms of population size served and capacity for critical functions. The MLHU funding from the province has therefore been capped at 1% for 2024, 2025, and 2026. The new OPHS are anticipated in August of 2025, however they are not expected to further reduce local public health unit’s responsibilities beyond what the MLHU has already stopped doing. Additionally, there have been no updates on a revised funding approach for local public health, leaving the MLHU to assume the 1% increase to provincial funding for 2026.

Given the insufficient funding and the need to assume the costs of COVID-19 related work, the shortfall for the 2024 budget was in the range of \$2.6-\$2.8 million dollars. To address this shortfall, the MLHU underwent the prioritization of public health programs and services and organizational restructuring, which resulted in the reduction of 20 positions. This included eliminating 1 Director, 2 Managers, 1 Full Time and 1 Part Time Health Promoters, 2 Registered Dietitians, and 13 Public Health Nurse roles in the agency. The new structure was implemented January 1st, 2024, and reduced the agency’s ability to provide comprehensive school health nursing services, group programs dedicated to improving food literacy in vulnerable youth, and healthy public policy work beyond the local level. Zero-based budgeting of general expenses was also undertaken in 2023, resulting in a reduction of over \$500 thousand.

During 2024, other initiatives to improve efficiency and find savings, or to generate additional revenue were undertaken, including:

- Implementation of centralized ordering of all program supplies to ensure economies of scale and lowest cost
- Review of provincial Vendor of Record contracts to transition existing contracts and capitalize on savings (e.g. Cell phones)
- Completion of a Request For Proposal (RFP) for employee benefits and employee and family assistance program to lower costs, while ensuring the same offering
- Completion of an RFP for legal services provided to the health unit to lower costs, while diversifying representation
- Shifting the model of service delivery to include Saturdays as a regular workday for specific teams, decreasing overtime and on-call costs
- Reduction in Registered Dietitian position by attrition (retirement)
- Reduction in a part-time Marketing Coordinator position (ending contract)
- Reduction in professional development opportunities and associated travel/accommodation costs for all staff

- Shifting the annual staff day celebration from an in-person lunch to a combination of a virtual and casual drop-in event to save costs
- Submission of an application to provincial funding targeted at reducing Intimate Partner Violence, in support of the Nurse Family Partnership program offered by the MLHU
- Meeting with local federal Members of Parliament, as well as the Public Health Agency of Canada, to review the impact of Newcomers on the demand for services from the MLHU and advocate for the associated increase in costs to be recognized

These strategies, combined with the reduction in positions in 2024, assisted the MLHU in addressing the inflationary pressures for the 2025 budget. However, additional pressures have continued this year, including increased demand for infectious disease control, vector borne disease control, and vaccine services. Volumes in these areas have tripled from pre-pandemic rates in some cases, and the work has become more complex, with many clients requiring translation services, which has also increased costs. The MLHU continues to look for further efficiencies, making the difficult decision to close its Strathroy main office effective October 31st. Services will continue to be provided via different avenues, and this change provides operating cost savings of \$200 thousand annually.

The MLHU remains committed to our mission of promoting and protecting the health of our community, despite operating in an increasingly challenging fiscal environment. Without change to the funding model, the future public health picture for London and Middlesex is grim. The ongoing funding shortfall could lead to the following service reductions over the next few years:

A significant reduction in public health inspection capacity, including:

- Discontinuation of inspections of some food service providers
- Discontinuation of inspections of special events at which food is served (e.g. Festivals in Victoria Park).
- Reductions in inspections of nail salons, barbers and hair salons
- Reductions in inspections of recreational water premises at required and recommended intervals (ex. Public swimming pools and spas)

A discontinuation of **all** group programming, including:

- Smart Start for Babies, a weekly prenatal nutrition program for pregnant people who are living on a limited income and may be facing other challenging life situations.
- Eating Disorder Intervention Program, a program focused on youth developing skills in critical thinking, resilience, communication, relationships, and help-seeking.
- Quash, a smoking and vaping cessation program for youth and emerging adults delivered in prioritized high schools.

A significant reduction in social marketing interventions, including:

- Discontinuation of all public health awareness campaigns, including, for example, STI prevention campaigns or tobacco prevention campaigns.

Reductions in case and contact management, including:

- Discontinuation of case and contact management of some infectious diseases like chlamydia, which is rapidly rising and the most common reportable disease in Middlesex-London.

Reductions in clinical services, including:

- Discontinuation of the family planning clinic, which has provided birth control options to individuals who can't access primary care for more than 30 years.

Reduction in surveillance of emerging vector-borne diseases, including:

- Collection of ticks and assessment of mosquito larvae to mitigate Lyme disease and West Nile transmission.

Business Case #P-4 - Middlesex County Connect Inter-community Transit Service

Primary Strategic Area of Focus:	Economic Growth, Culture and Prosperity
Primary Outcome:	London encourages equitable economic growth and diversification.
Primary Strategy:	Strengthen London's position as a regional centre for economic opportunity, and connectivity
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Cost-sharing proposal with Middlesex County to match the Ontario Transit Investment Fund (OTIF) funding for Middlesex County Connect inter-community transit service.
Service(s):	Transportation Services
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Middlesex County has received [approval](https://pub-middlesexcounty.escribemeetings.com/filestream.ashx?DocumentId=15583) (<https://pub-middlesexcounty.escribemeetings.com/filestream.ashx?DocumentId=15583>) under the Ontario Transit Investment Fund (OTIF) of up to \$3.4 million over five years to support the continued operation and optimization of the Middlesex County Connect inter-community transit service. The OTIF funding covers 50% of the total operating expenditure across all four routes. The cost-sharing proposal from Middlesex County is based on an equal-share contribution model from the five benefitting partner municipalities: Middlesex County, City of London, City of St. Thomas, Oxford County and Lambton County. The City of London's financial contribution would be \$423 thousand over five years (2025-2030), noting that funding is being secured up-front in order to confirm London's participation in the program.

Financial and Staffing Impacts

To confirm the City of London's financial commitment over the five years, the full contribution has been included in the 2026 Budget Update.

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Middlesex County Connect	\$0	\$0	\$0	\$0	\$0
Expenditure Adjustment	N/A	N/A	\$423	\$0	\$423
Revenue Adjustment ¹	N/A	N/A	-\$423	\$0	-\$423
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0

Subject to rounding.

Note 1: The funding for this initiative will be sourced by a drawdown from the Economic Development Reserve Fund, resulting in no tax levy impact.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new corporate greenhouse gas emission sources or increased emissions from existing sources.

This business case is expected to avoid, reduce, or help to reduce greenhouse gas emissions in the community. The inter-community transit network reduces reliance on single-occupancy vehicles, helping to lower emissions and traffic congestion within the City of London and surrounding communities.

This business case is not expected to have any impact on community adaptation and resilience

Socio-economic Equity:

There are several socio-economic benefits from inter-community transit service.

- **Regional Employment Access:** Routes connect to major job centres, including Maple Leaf Foods – London Poultry Plant, the Amazon Fulfilment Centre in Southwold, and the future Volkswagen PowerCo plant in St. Thomas.
- **Post-Secondary Linkages:** Direct stops at Fanshawe College's main campus in London and nearby access to Western University improve connectivity to post-secondary education.
- **Healthcare & Retail Connectivity:** Residents travel to and from London for healthcare appointments, shopping, and essential services.
- **Equity & Inclusion:** Expands mobility options for students, seniors, and residents without access to a private vehicle.
- **Economic Growth:** London businesses benefit from expanded access to a broader regional workforce and consumer base.
- **Regional Alignment:** Provides a dependable inter-community transit option aligned with broader regional planning and transportation priorities.

Governance:

The business case affirms Council's vision of London as a Regional Transportation/Mobility Hub for Southwestern Ontario by supporting connections to surrounding communities.

The business case supports the Mobility Master Plan vision of Londoners having environmentally sustainable and affordable connectivity to the region that is supportive of economic growth and development.

Support of the inter-community transit service will access provincial funding by leveraging regional partnerships.

Business Case Details

Summary

This business case seeks Council approval for London to join a regional cost-sharing agreement supporting continued service of the [Middlesex County Connect](#) inter-community transit system. With a fixed City contribution of \$423 thousand over five years (about \$84 thousand annually), the initiative unlocks \$3.4 million in provincial OTIF funding and maintains essential regional transit links for workers, students, seniors, and residents without private vehicles. It is a time-limited, strategic investment with no capital costs, no staffing requirements, and limited fiscal exposure. The proposal reinforces London's role as the regional transit hub for Southwestern Ontario.

Strategic Alignment

This partnership advances Council's August 2021 [motion](#) (<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=82789>) designating London as a Regional Transportation and Mobility Hub and supports goals in the Mobility Master Plan and City of London Strategic Plan, including improved transit, economic growth, and equitable access.

Regional efforts to support the service included a joint City–County delegation to the Minister of Transportation at the 2025 Rural Ontario Municipal Association (ROMA) Conference, and discussion at the April 4, 2025 [County and City Liaison Committee](#). (<https://pub-london.escribemeetings.com/Meeting.aspx?Id=73ee4ee6-808c-4724-bdfd-26aca93c2a6d&Agenda=Agenda&lang=English&Item=10&Tab=attachments>) A July 8, 2025 County Council [report](#) (<https://pub-middlesexcounty.escribemeetings.com/filestream.ashx?DocumentId=15582>) provides additional background.

Expected Impacts

The service supports economic, equity, and environmental outcomes:

- Improves workforce access to major employers such as Maple Leaf Foods, Amazon in Southwold, and the forthcoming Volkswagen PowerCo site in St. Thomas
- Connects to Fanshawe College and near Western University
- Enables rural residents to reach services and opportunities in London
- Expands mobility for people without personal vehicles
- Reduces traffic congestion and emissions

Between 40 and 55 percent of boardings on Routes 1, 2 and 3 take place within London, with slightly lower percentages on Route 4.

Between 2022 and 2024, Middlesex County Connect saw a 678% ridership increase, demonstrating substantial and growing demand for inter-community transit services in and around Middlesex County.

Value for Money

London's cost is fixed with no capital or staffing burden. The \$423 thousand contribution over five years unlocks \$3.4 million in provincial funds. The County also intends to apply for Ontario's Dedicated Gas Tax Funds for Public Transit to support additional operating costs arising from route optimization. This five-year commitment will include regular reviews of ridership and performance to assess the program's effectiveness and continued value-for-money.

Implementation

Middlesex County operates the service, with equal contributions from five municipal partners. The model is based on a 2025 federally funded service review of inter-community transit and future transit development. All routes connect directly to London:

- Route 1: Lucan, Ilderton, Arva, London (weekdays)
- Route 2: Woodstock, Ingersoll, Putnam, Dorchester, London (weekdays)
- Route 3: Dorchester, London, St. Thomas, Southwold (Monday to Saturday)
- Route 4: Sarnia, Strathroy, Mount Brydges, Komoka, London (seven days a week; proposed integration from Strathroy-Caradoc)

Any future changes will be subject to discussion with initiative partners.

London's fixed contribution of \$423 thousand over five years secures \$3.4 million in provincial funding, preserves important transit links for thousands of workers and students, and reinforces London's role as the region's economic and mobility hub. Approval of this business case supports continued transit and economic connections between London and surrounding communities.

The 5-year service budget (April 1, 2025– March 31, 2030) is as follows:

5-Year OTIF Budget	Total Operating Cost	OTIF Funding	Fare Revenue	Remaining Municipal Cost	Each Municipal Share (1/5)
2025–26	\$1,284,017	\$522,703	\$130,000	\$631,314 <i>*(covered by residual CT grant)</i>	\$0
2026–27	\$1,322,538	\$1,058,030	\$131,300	\$133,208	\$26,641
2027–28	\$1,362,214	\$762,840	\$132,613	\$466,761	\$93,352
2028–29	\$1,403,080	\$631,386	\$133,939	\$637,755	\$127,551
2029–30	\$1,445,173	\$433,552	\$135,279	\$876,342	\$175,268
Total	\$6,817,022	\$3,408,511	\$663,131	\$2,745,380	\$422,813

*Middlesex County is contributing an additional \$631,314 in residual Community Transportation (CT) grant funding in the first year.

Business Case #P-5 - Transportation Capital Projects Timing Revisions and Additional Budget

Primary Strategic Area of Focus:	Mobility and Transportation
Primary Outcome:	Londoners of all identities, abilities and means can move throughout the city safely and efficiently.
Primary Strategy:	Build infrastructure that provides safe, integrated, connected, reliable, and efficient transportation choices
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2024-2033
Description:	<p>Timing revision and additional budget request for capital transportation projects (growth)</p> <p>Part A: TS1348-1 to TS1348-10 Wonderland Road Widening</p> <p>Part B: TS1365 Sunningdale Road – Hyde Park Road to Wonderland Road North</p> <p>Part C: TS1496-4 Sunningdale Road – Richmond Street to Bluebell Road</p> <p>TS1496-5 Sunningdale Road – Adelaide Street to Bluebell Road</p> <p>Part D: TS1353-2 Adelaide Street North – Fanshawe Park Road to Sunningdale Road</p> <p>Part E: TS1364 Sunningdale Road – Highbury Avenue to Clarke Road</p> <p>Part F: TS1472 Oxford Street West – Sanitorium Road to Commissioners Road</p> <p>Part G: TS1308 Highway 401 Interchange Projects</p> <p>Part H: TIMMS Transportation Intelligent Mobility Management System</p> <p>Part I: RTNORTH – Rapid Transit North Connection</p>

Part J: RTWEST– Rapid Transit West Connection

TS1333 – Intersection Oxford and Wharncliffe

Service(s): Roadway Planning and Design, Traffic Control and Streetlight and Rapid Transit

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Part A: TS1348-1 to TS1348-10 Wonderland Road Widening

In 2021, Council directed Civic Administration to suspend the Discover Wonderland Road Environmental Assessment considering a six-lane widening of the Wonderland Road corridor, pending further review under the Mobility Master Plan (MMP), as a result of applying a climate lens to that project. In April 2025, in conjunction with the development of the MMP, Council directed Civic Administration to re-start the Discover Wonderland Road Environmental Assessment. The limits of the project were expanded from Southdale Road to Fanshawe Park Road. Council direction is to construct six general purposes through lanes along the corridor with a long-term build-and-convert option to Bus Rapid Transit. In addition, MMP maps are to be modified accordingly and that the estimated cost of the six general purpose lane widening be used in the creation and prioritization of projects in the 2028 Development Charges Background Study.

The construction budget for Wonderland Road widening from Sarnia Road to Southdale Road East is phased across numerous years starting in 2026, but due to the Environmental Assessment being temporarily suspended, construction being deferred, and pressure on development charges revenue, this business case is requesting to move budget from 2026 and 2027, to 2028 and beyond, except for \$2.0 million for the Environmental Assessment.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – Wonderland Road Widening: TS1348-1 Riverside Dr to Springbank Dr¹	\$1,010	\$0	\$0	\$0	\$1,302	\$1,302	\$51,976
<i>Adjusted TS1348-1</i>	\$1,010	\$0	\$0	\$1,302	\$0	\$1,302	\$51,976
TS1348-2 Springbank Dr to Commissioners Rd	\$0	\$659	\$441	\$520	\$7,232	\$8,851	\$0
<i>Adjusted TS1348-2</i>	\$0	\$0	\$0	\$750	\$0	\$750	\$8,101
TS1348-7 Commissioners Rd to Southdale Rd	\$0	\$0	\$569	\$0	\$679	\$1,248	\$20,290
<i>Adjusted TS1348-7</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$21,538
TS1348-8 Intersection – Oxford – Wonderland	\$0	\$0	\$0	\$0	\$339	\$339	\$4,427
<i>Adjusted TS1348-8</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$4,766
TS1348-9 Intersection – Riverside – Wonderland	\$1,520	\$0	\$0	\$10,930	\$0	\$10,930	\$0
<i>Adjusted TS1348-9</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$12,450
TS1348-10 Intersection – Springbank – Wonderland	\$0	\$474	\$0	\$708	\$8,716	\$9,899	\$0
<i>Adjusted TS1348-10</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$9,899
Adjustment	-\$1,520	-\$1,133	-\$1,009	-\$10,106	-\$18,268	-\$30,516	\$32,036
Adjusted Budget	\$1,010	\$0	\$0	\$2,052	\$0	\$2,052	\$108,730

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$228	\$1,327	\$3,176	\$4,732	-\$4,732
Reserve Fund ²	\$190	\$227	\$0	\$0	\$0	\$227	-\$417
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ³	\$1,330	\$906	\$781	\$8,779	\$15,091	\$25,558	-\$26,888
Adjusted Budget	\$1,010	\$0	\$0	\$2,052	\$0	\$2,052	\$108,730

Subject to rounding.

Notes:

- 1) The life-to-date funding on TS1348-1 has been spent and cannot be moved administratively.
- 2) The reserve fund source of financing is the Debt Substitution Reserve Fund.
- 3) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 4) There are no changes to TS1348-3, TS1348-4, TS1348-5. The total 2028-2033 budget of these projects is \$15.8 million.
- 5) The 2034 capital gross expenditure across all projects is \$16.8 million (TS1348-5), the 2035 capital gross expenditure is \$0.
- 6) The budget for TS1348-6 occurs beyond 2036 outside the currently reported capital plan window. The future capital gross expenditure of TS1348-6 is \$86.6 million.

Part B: TS1365 – Sunningdale Road – Hyde Park Road to Wonderland Road North

The westerly portion of the Sunningdale Road rural to urban upgrade project is scheduled to go to construction in 2026. It is recommended that a portion of the construction funds for the Sunningdale Road upgrade project be advanced from 2028 to 2026 to accommodate construction in 2026 based on the detailed design cost estimate update.

To accommodate the ongoing development and travel demand increase along Sunningdale Road, it is recommended that detailed design and land acquisition funds for the balance of the Sunningdale Road upgrade project, from east of Jordan Boulevard to Wonderland Road, be advanced from 2027 to 2026 to accommodate construction in 2028.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS1365 – Sunningdale Road – Hyde Park Road to Wonderland Road North	\$0	\$0	\$300	\$2,700	\$2,036	\$5,036	\$10,656
Adjustment	\$0	\$0	\$0	\$3,936	-\$2,036	\$1,900	-\$1,900
Adjusted Budget	\$0	\$0	\$300	\$6,636	\$0	\$6,936	\$8,756

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	-\$449	\$232	-\$217	\$217
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ¹	\$0	\$0	\$0	-\$3,487	\$1,804	-\$1,683	\$1,683
Adjusted Budget	\$0	\$0	\$300	\$6,636	\$0	\$6,936	\$8,756

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$0.

Part C: TS1496-4 and TS1496-5 Sunningdale Road

The construction budgets for Sunningdale Road – Richmond Street to Bluebell Road and Sunningdale Road – Adelaide Street to Bluebell Road are available in the current year but due to design complexities, required agreements and approvals with Imperial Oil Limited, and pressure on development charges revenue, this business case is requesting to defer budget to 2027.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS1496-4 Sunningdale Road – Richmond Street to Bluebell Road	\$0	\$806	\$13,111	\$0	\$0	\$13,916	\$0
Previously Approved Budget – TS1496-5 Sunningdale Road – Adelaide Street to Bluebell Road	\$0	\$632	\$22,919	\$0	\$0	\$23,551	\$0
Adjustment	\$0	\$0	-\$33,680	\$0	\$33,680	\$0	\$0
Adjusted Budget	\$0	\$1,438	\$2,350	\$0	\$33,680	\$37,467	\$0

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$2,137	\$0	-\$2,137	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ¹	\$0	\$0	\$31,543	\$0	-\$31,543	\$0	\$0
Adjusted Budget	\$0	\$1,438	\$2,350	\$0	\$33,680	\$37,467	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$0.

Part D: TS1353-2 Adelaide Street North – Fanshawe Park Road to Sunningdale Road

To accommodate the ongoing development and travel demand increase along Sunningdale Road, it is recommended that detail design and utility relocation be advanced to 2026, and construction budget be advanced to 2028.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS1353-2 Adelaide Street North – Fanshawe Park Road to Sunningdale Road	\$378	\$0	\$0	\$0	\$0	\$0	\$11,912
Adjustment	\$0	\$0	\$0	\$1,200	\$0	\$1,200	-\$1,200
Adjusted Budget	\$378	\$0	\$0	\$1,200	\$0	\$1,200	\$10,712

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	-\$158	\$0	-\$158	\$158
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ¹	\$0	\$0	\$0	-\$1,042	\$0	-\$1,042	\$1,042
Adjusted Budget	\$378	\$0	\$0	\$1,200	\$0	\$1,200	\$10,712

Subject to rounding.

Notes:

1) The non-tax supported source of financing is the City Services Roads Reserve Fund.

2) The 2034 and 2035 capital gross expenditures are \$0.

Part E: TS1364 Sunningdale Road – Highbury Avenue to Clarke Road

Intersection improvements are planned for the Sunningdale Road and Clarke Road intersection to improve safety and traffic operations including the implementation of new traffic signals and left turn lanes. Detail design is underway, and it is recommended that budget be moved forward from 2028 to 2026 to accommodate construction in 2026. In addition, given the section of the road was repaved recently and MMP has identified Sunningdale Road – Highbury Avenue to Clarke Road as a long-term project in 2050, the \$8.2 million construction budget in 2028 is requested to be released and will be requested through a future DC study.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS1364 Sunningdale Road – Highbury Avenue to Clarke Road	\$1,281	\$0	\$0	\$0	\$0	\$0	\$11,711
Adjustment	\$0	\$0	\$0	\$3,500	\$0	\$3,500	-\$11,711
Adjusted Budget	\$1,281	\$0	\$0	\$3,500	\$0	\$3,500	\$0

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	-\$528	\$0	-\$528	\$1,768
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ¹	\$0	\$0	\$0	-\$2,972	\$0	-\$2,972	\$9,943
Adjusted Budget	\$1,281	\$0	\$0	\$3,500	\$0	\$3,500	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$0.

Part F: TS1472 Oxford Street West – Sanitorium Road to Commissioners Road

The Oxford Street West two to four lane widening project from Westdel Bourne to Commissioners Road is scheduled for construction in 2026, which includes extending the four through lanes on the Oxford Street West to east of Commissioners Road. It is recommended that a portion of the budget for Oxford Street West widening project from Commissioners Road east to Sanitorium Road be advanced from 2031 to 2026 to accommodate the portion of works on Oxford Street West, east of Commissioners Road, and based on the detailed cost estimate update for Oxford Street West widening from Westdel Bourne to Commissioners Road.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS1472 Oxford Street West – Sanitorium Road to Commissioners Road	\$356	\$0	\$0	\$0	\$0	\$0	\$22,871
Adjustment	\$0	\$0	\$0	\$3,000	\$0	\$3,000	-\$3,000
Adjusted Budget	\$356	\$0	\$0	\$3,000	\$0	\$3,000	\$19,871

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	-\$258	\$0	-\$258	\$258
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Specify source)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ¹	\$0	\$0	\$0	-\$2,742	\$0	-\$2,742	\$2,742
Adjusted Budget	\$356	\$0	\$0	\$3,000	\$0	\$3,000	\$19,871

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$0.

Part G: TS1308 Highway 401 Interchange Projects

In 2013, the City entered into an agreement with the Ministry of Transportation Ontario (MTO) to improve Highway 401 interchanges at Wonderland Road, Highbury Avenue, Veterans Memorial Parkway and Colonel Talbot Road. These projects provided benefit to both the City of London and MTO. The agreement had estimated the total value of these projects at \$115.0 million and City's share at \$25.0 million. Proportional cost escalation sharing was included with the City's proportional contribution increase capped at \$2.0 million. Since the agreement there have been significant cost increases due to inflation and MTO is tracking total cost of all four projects well in excess of the original \$115.0 million estimate. Therefore, an additional payment of \$2.0 million is required plus \$118 thousand for employment land drainage works solely benefitting the City. The MTO is expected to complete all projects by 2027.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS1308 Highway 401 Interchange Projects	\$20,000	\$0	\$0	\$5,000	\$0	\$5,000	\$0
Adjustment	\$0	\$0	\$0	-\$5,000	\$7,118	\$2,118	\$0
Adjusted Budget	\$20,000	\$0	\$0	\$0	\$7,118	\$7,118	\$0

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$2,500	-\$3,559	-\$1,059	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ¹	\$0	\$0	\$0	\$2,500	-\$3,559	-\$1,059	\$0
Adjusted Budget	\$20,000	\$0	\$0	\$0	\$7,118	\$7,118	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$0.

Part H: TIMMS Transportation Intelligent Mobility Management System

This capital project provides an integrated solution to support the growth of the City and the development of Rapid Transit (RT) through improved management and operation of the transportation network. This includes the creation of a Transportation Management Centre (TMC) including an Advanced Traffic Management System (ATMS), adaptive traffic signals pilot corridor, CCTV for traffic monitoring and incident management. The City continues to grow creating increased congestion along major corridors. The Transportation Intelligent Mobility Management System (TIMMS) will optimize the capacity of the existing roads.

This business case is to defer life-to-date budget to 2028 to better align implementation phases of TIMMS to Rapid Transit corridor construction and other growth-related road projects and due to pressure on development charges reserve funds.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TIMMS Transportation Intelligent Mobility Management System	\$11,781	\$1,010	\$1,010	\$1,010	\$1,010	\$4,040	\$1,010
Adjustment	-\$3,349	-\$1,010	-\$1,010	-\$10	-\$10	-\$2,040	\$5,388
Adjusted Budget	\$8,432	\$0	\$0	\$1,000	\$1,000	\$2,000	\$6,398

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$89	\$0	\$0	\$74	\$74	\$149	-\$238
Reserve Fund ¹	\$0	\$27	\$86	\$0	\$0	\$113	-\$113
Other (Federal and Provincial ICIP Grants)	\$2,456	\$741	\$153	-\$733	-\$733	-\$572	-\$1,883
Non-Tax Supported ²	\$804	\$242	\$771	\$669	\$669	\$2,351	-\$3,154
Adjusted Budget	\$8,432	\$0	\$0	\$1,000	\$1,000	\$2,000	\$6,398

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Debt Substitution Reserve Fund.
- 2) The non-tax supported source of financing is City Services Roads Reserve Fund.
- 3) The 2034 and 2035 capital gross expenditures are \$0.

Part I: RTNORTH – Rapid Transit North Connection

This rapid transit corridor will reconstruct approximately 6.8 km of roads connecting London's Downtown to Western University and the Masonville shopping area as approved in the Mobility Master Plan. This corridor already serves as a major transit spine and introducing continuous dedicated transit lanes would take buses out of mixed traffic providing frequent, reliable transit operations while supporting vehicle traffic flow. While rebuilding the roads, this gateway would address necessary underground work, including replacing and upgrading aging sewers and watermains. Smarter traffic signals would also be installed.

This business case includes budget to support a Transit Project Assessment Process (TPAP) Addendum for 3.2 km of rapid transit corridor not covered in the original TPAP study, along with funding to advance detailed design to position the project to be as shovel-ready as possible for potential future transit funding programs. The budget also retains life-to-date funds for strategic property acquisitions, should opportunities arise. All remaining life-to-date budget has been deferred pending the outcomes of the 2028 Development Charges Background Study.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – RTNORTH – Rapid Transit North Connection	\$5,036	\$10,994	\$27,963	\$8,823	\$1,660	\$49,440	\$773
Adjustment	\$0	\$0	-\$15,511	-\$8,823	-\$1,160	-\$25,494	\$25,494
Adjusted Budget	\$5,036	\$10,994	\$12,452	\$0	\$500	\$23,946	\$26,267

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$777	\$0	\$777	-\$777
Debenture	\$0	\$0	\$1,127	\$3,493	\$128	\$4,748	-\$4,748
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Federal and Provincial ICIP Grants)	\$0	\$0	\$2,100	\$0	-\$367	\$1,733	-\$1,733
Non-Tax Supported ¹	\$0	\$0	\$12,285	\$4,553	\$1,399	\$18,236	-\$18,236
Adjusted Budget	\$5,036	\$10,994	\$12,452	\$0	\$500	\$23,946	\$26,267

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is City Services Roads Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$0.

Part J: RTWEST – Rapid Transit West Connection and TS1333 – Intersection Oxford and Wharncliffe

This rapid transit corridor, approximately 4.0 km long, would address a number of opportunities to enhance travel along Oxford Street, which currently serves as a major east-west transit spine with both express and local routes. This project would extend continuous dedicated transit lanes to the Wonderland and Oxford Transit Village, with the goal of improving traffic capacity in general traffic lanes and increasing the frequency and reliability of transit. While rebuilding the roads, this gateway would address necessary underground work, including replacing and upgrading aging sewers and watermains. Smarter traffic signals would also be installed. The Wharncliffe/Oxford Intersection project would have involved the addition of eastbound and westbound transit queue jump lanes on Oxford Street to increase transit reliability and facilitate better traffic flow at this intersection. This intersection will be reassessed as part of the planning and design of the West Rapid Transit corridor identified in the Mobility Master Plan.

This business case includes budget to support detailed design and the widening of Queens Bridge to accommodate rapid transit lanes to position the project to be as shovel-ready as possible for potential future transit funding programs. The budget also retains life-to-date funds for strategic property acquisitions, should opportunities arise. All remaining life-to-date budget has been deferred pending the outcomes of the 2028 Development Charges Background Study.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – RTWEST– Rapid Transit West Connection	\$13,318	\$1,430	\$13,760	\$2,840	\$269	\$18,299	\$309
Previously Approved Budget – TS1333 – Intersection Oxford/Wharncliffe	\$0	\$0	\$0	\$1,617	\$0	\$1,617	\$0
Adjustment	-\$6,656	-\$680	-\$3,664	-\$4,457	\$231	-\$8,570	\$15,226
Adjusted Budget	\$6,662	\$750	\$10,096	\$0	\$500	\$11,346	\$15,535

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$629	\$0	\$0	\$0	\$0	\$0	-\$629
Debenture	\$0	\$0	\$1,004	\$1,410	\$14	\$2,428	-\$2,428
Reserve Fund ¹	\$0	\$127	\$0	\$0	\$0	\$127	-\$127
Other (Federal and Provincial ICIP Grants)	\$550	-\$550	\$1,330	\$0	-\$367	\$413	-\$963
Non-Tax Supported ²	\$5,477	\$1,103	\$1,330	\$3,047	\$122	\$5,603	-\$11,080
Adjusted Budget	\$6,662	\$750	\$10,096	\$0	\$500	\$11,346	\$15,535

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Debt Substitution Reserve Fund.
- 2) The non-tax supported source of financing is City Services Roads Reserve Fund.
- 3) The 2034 and 2035 capital gross expenditures are \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This business case is not expected to have any impact on greenhouse gas emissions in the community.

This business case is not expected to have any impact on community adaptation and resilience. Implementation of complete streets via Transportation Growth Projects helps Londoners make sustainable transportation choices. Design of the capital infrastructure projects includes Climate Change adaptation and resilience measures. The Climate Emergency Screening Tool is used in the design and construction of these capital projects.

Socio-economic Equity:

Transportation infrastructure upgrades in growing parts of the city helps create equitable opportunities for Londoners by reducing mobility barriers. The implementation of Transportation programs are informed by increased use of the Corporation's Equity Tool.

Governance:

Meeting the terms of agreements with partners contributes to the integrity of the Corporation.

Council approval of the consultant assignments and or construction awards for these projects will be requested as required in accordance with City's Procurement of Goods and Services Policy. Progress of these projects will also be monitored through the capital budget monitoring process.

Not proceeding with these requests will result in ineffective coordination with adjacent developments and potential impacts to housing supply. Not proceeding with the request will also reduce coordination of improvement to surface and underground services.

Business Case #P-6 - Reduced Road Network Improvements

Primary Strategic Area of Focus:	Mobility and Transportation
Primary Outcome:	Londoners of all identities, abilities and means can move throughout the city safely and efficiently
Primary Strategy:	Build infrastructure that provides safe, integrated, connected, reliable, and efficient transportation choices
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Reduction to Annual Local Road Reconstruction Program
Service(s):	Roadways: Roadway Planning & Design
Lead:	Kelly Scherr, Deputy City Manager, Environment & Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$114	-\$114	-\$228
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.50	-\$0.50	-\$0.99
Estimated Annual Tax Levy Change %	N/A	N/A	-0.01%	0.00%	-0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.50	\$0.00	-\$0.12(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

The Local Road Reconstruction Program is an annual lifecycle renewal program to repair and resurface neighbourhood local and secondary collector streets. This program currently has a budget of approximately \$11.0 million annually.

This program rehabilitates local streets that have reached the end of their service life. Pavement condition data is collected on a rotating four-year cycle and data extrapolated in between to support data-driven project prioritization. At present, over 600 local streets across the city are identified as having very poor pavement condition.

The program typically rebuilds 14 to 18 local roads each year. A base budget reduction of approximately 1% would reduce the annual allocation to this program by \$114 thousand. In response to the Mayoral Direction to decrease the property tax levy, this business case has been brought forward as a budget reduction option. This budget reduction would translate to the removal of approximately one small court or street from the program annually.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Capital Levy	\$55,226	\$57,176	\$59,444	\$61,657	\$233,373
Adjustment	N/A	N/A	-\$114	-\$114	-\$228
Adjusted Net Budget (Tax Levy)	\$55,226	\$57,176	\$59,330	\$61,413	\$233,145

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget - TS301426 – Road Networks Improvements (Local and Rural)	\$96,295	\$10,633	\$11,005	\$11,391	\$11,789	\$44,818	\$79,924
Adjustment	\$0	\$0	\$0	-\$114	-\$114	-\$228	-\$684
Adjusted Budget	\$96,295	\$10,633	\$11,005	\$11,277	\$11,675	\$44,590	\$79,240

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$114	\$114	\$228	\$684
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$96,295	\$10,633	\$11,005	\$11,277	\$11,675	\$44,590	\$79,240

Subject to rounding.

Notes:

1) The 2034 capital gross expenditure is \$14,999,190 and the 2035 gross expenditure is \$15,524,162.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

Road reconstruction projects deliver environmental benefits by supporting sustainable transportation choices through upgraded sidewalks, curb repairs, and new pedestrian connections. A reduction in program scope would slow the pace of these improvements, limiting opportunities to realize these environmental benefits and prolonging the higher lifecycle emissions associated with deteriorating infrastructure.

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This business case is not expected to have any impact on greenhouse gas emissions in the community, other than potentially a minor reduction due to less construction.

This business case is likely to decrease or may encourage a decrease in community adaptation and resilience.

Socio-economic Equity:

The program helps ensure equitable renewal of aging neighbourhood infrastructure across the city. A reduction would defer one small road project annually, with relatively minor impacts overall, but could prolong poor conditions in some areas and disproportionately affect residents who rely on walking, cycling, or transit connections.

Governance:

Asset Management Planning is required under provincial legislation, and the Local Road Reconstruction Program contributes directly to managing the city's infrastructure gap. A reduction would impact Corporate Asset Management Plan goals by deferring the reconstruction of approximately one small neighbourhood road each year, slowing progress toward closing the current infrastructure gap.

Business Case Details

This represents a reduction to previously planned capital investments for road improvements on local streets. Local streets are classified as neighbourhood streets and neighbourhood connectors. The projects delivered in this program are pavement rehabilitation on residential neighbourhood streets that are in poor condition combined with curb repairs, sidewalk upgrades and new sidewalk connections.

The 2023 Corporate Asset Management Plan identifies a Transportation Services 10-year Infrastructure Gap of \$677 million, or 72% of the total corporate infrastructure gap. Within the Transportation assets are 2,381 lane-km of local roads which have a replacement value of over \$2,033 million. Despite the City progress towards addressing the Transportation infrastructure gap through increased investment in this area and better coordination with Water and Wastewater projects, the efforts have not led to a positive impact as now 78% of Transportation infrastructure now rates in a condition of Fair or better; versus 80% in 2019.

Previous investments increased the funding for local street improvements from historic levels to enable a larger program and earlier construction of projects planned in the multi-year program. This business case represents the removal of approximately one small court or street from the program annually.

Business Case #P-7 - Organic Waste Diversion Facility Timing Change

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London has a strong and healthy environment
Primary Strategy:	Create a plan for sustainable growth through waste diversion and energy management, innovation that addresses the flow of materials resources and energy.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Year(s) Applicable: 2027- 2028
Description:	Request to defer capital budget funding for SW6020 (Organic Waste Diversion Facility) to align with the pace of development for advancing projects recommended as part of the Biosolids Management Master Plan (BBMP).
Service(s):	Recycling & Composting
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00(Average)

Subject to rounding.1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Wastewater is in the process of completing a Biosolids Management Master Plan (BMMP). A potential proposed outcome of the BMMP is to construct an anaerobic digestion and fertilizer production facility (Facility) on lands within the Waste Management Resource Recovery Area to accept and manage biosolids produced from all the wastewater treatment plants in London except for Greenway. The Facility could potentially be designed to also accept Green Bin materials. To ensure coordination with ongoing developments, it is recommended to defer most of the originally planned capital budget funding for a future organic waste diversion facility to future years and align with the pace of development for advancing projects recommended as part of the BMMP and the timeline to design and construct a combined Facility to manage both biosolids and organics from the City's Green Bin program.

Financial Impacts

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
SW6020 – Organic Waste Diversion Facility	\$0	\$0	\$0	\$0	\$20,000	\$20,000	\$0
Adjustment	\$0	\$0	\$0	\$0	-\$19,500	-\$19,500	\$19,500
Adjusted Budget	\$0	\$0	\$0	\$0	\$500	\$500	\$19,500

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$0	\$0	\$0	\$0	\$13,884	\$13,884	-\$13,884
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ²	\$0	\$0	\$0	\$0	\$5,616	\$5,616	-\$5,616
Adjusted Budget	\$0	\$0	\$0	\$0	\$500	\$500	\$19,500

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Solid Waste Renewal Reserve Fund.
- 2) The non-tax supported source of financing is the City Services Waste Diversion Reserve Fund.
- 3) The 2034 and 2035 capital gross expenditures are each \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources. The BMMP sets out a long-term plan for processing and disposing of wastewater solids from the City's five wastewater treatment plants. Biosolids management represents one of the most significant costs in the operating budget of wastewater treatment facilities, and some strategies for managing wastewater solids also present opportunities for resource recovery. As such, careful asset renewal planning needs to be undertaken while also considering opportunities and the City's environmental commitments. The Climate Emergency Action Plan (CEAP) calls for greenhouse gas reduction. Generation of biogas for renewable energy and producing compost/fertilizers for agriculture presents opportunities to meet goals set for renewable energy and circular economy in the Corporate Strategic Plan.

This business case is expected to reduce greenhouse gas emissions corporately and/or in the community as renewable natural gas or electricity is one of the products and displaces the use of fossil fuels. The creation and use of a fertilizer product will have a net reduction in greenhouse gas emissions.

This business case is expected to improve resiliency (climate change adaptation) as the new facility will be designed with knowledge of increased severe weather and the potential impacts on infrastructure and buildings (e.g., backup power, floodproofing).

Socio-economic Equity:

This business case is a request to defer capital project funding to future years and does not contain issues associated with:

- Barriers to inclusion;
- Social demographics of the communities impacted, community economic impact;
- Housing;
- Health and safety; or
- Standard of living.

Governance:

There are no risks associated with proceeding with this business case. The business case is requesting approval to defer growth capital project funding for an organic waste diversion facility to align with the pace of development for advancing projects recommended as part of the BMMP and the design and construction of an anaerobic digestion and fertilizer production facility.

Not proceeding with this recommendation poses financial sustainability pressures on the reserve funds. By moving these planned draws and debt to future years, capacity is created in the short term and accomplishes the objective of realigning the growth capital plan to match the pace of development of a larger project.

Business Case Details

Link to the Biosolids Management Master Plan – Notice of Completion Report, July 17, 2025 – <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=117794>

Business Case #P-8 - Stop Multi-Residential Green Bin Cart Pilot Project and Future Expansion

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London has a strong and healthy environment
Primary Strategy:	Work with residents, businesses, and organizations to reduce waste and divert more materials from landfill
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Stop the multi-residential Green Bin Cart Pilot Project and future expansion to other buildings. Civic Administration would continue to provide technical support to assist building owners to develop their own Green Bin programs.
Service(s):	Recycling & Composting
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$450	-\$450	-\$900
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$1.96	-\$1.96	-\$3.92
Estimated Annual Tax Levy Change %	N/A	N/A	-0.05%	0.00%	-0.01%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$1.96	\$0.00	-\$0.49(Average)

Subject to rounding. 1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Council has adopted a pilot project to introduce Green Bin collection in multi-residential buildings. The provincial requirement indicates building owners are responsible for this service, not the City of London, so this pilot project could be stopped and future expansion not undertaken by Civic Administration. Details on the expansion were contained in the 2024-2027 Multi-Year Budget Legislative Change Business Case #P-L11. The original program roll-out was envisioned to be a cost-sharing arrangement with City operating budget not to exceed the existing approved \$500 thousand per year.

If the Pilot Project and future expansion were eliminated, Civic Administration would continue to provide technical support and information to building owners to develop their own Green Bin programs (i.e., estimated at \$50 thousand per year).

The net annual budget reduction would be \$450 thousand from the Operating Budget plus \$3 million life-to-date unspent capital funding that would be returned to the Solid Waste Renewal Reserve Fund along with future ongoing annual provisions associated with this initiative.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – 60% Green Bins – Other Purchased Services	N/A	N/A	\$500	\$500	\$1,000
Adjustment	N/A	N/A	-\$450	-\$450	-\$900
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$50	\$50	\$100

Subject to rounding.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – SW6057 – Multi-Residential Organics	\$0	\$1,000	\$2,000	\$15	\$15	\$3,030	\$180
Adjustment	\$0	-\$1,000	-\$2,000	-\$15	-\$15	-\$3,030	-\$180
Adjusted Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ²	\$0	\$1,000	\$2,000	\$15	\$15	\$3,030	\$180
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Subject to rounding.

Notes:

1) If approved, cancellation of this pilot program would result in the release of all funding in, and closure of, capital project SW6057, including any unspent amounts left in the 2024 and 2025 life-to-date budgets. Per Council policy, reserve fund financing would be returned to the fund from which it came.

2) The reserve fund source of financing is the Solid Waste Renewal Reserve Fund.

Staffing Adjustment - Cumulative	2024	2025	2026	2027
# of Full-Time Employees Impacted	N/A	N/A	0	0
# of Full-Time Equivalents Impacted	N/A	N/A	0.00	0.00
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	\$0	\$0

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

The estimated amount of Green Bin (organic) materials that are generated by multi-residential buildings in London are between 8,000 and 10,000 tonnes per year. Based on experience in a small number of Ontario municipalities, the amount of material that would be recovered would be between 1,700 and 3,400 tonnes per year. The recovered materials would be directed to the City's composting contractor. Currently all organic materials are sent to the W12A Landfill mixed in with other garbage.

This business case does not impact corporate greenhouse gas emissions.

This business case is likely to increase or may encourage an increase in greenhouse gas emissions in the community.

This business case is likely to decrease or may encourage a decrease in community adaptation and resilience.

Socio-economic Equity:

A City of London subsidized Green Bin Cart collection and composting system would be similar to what is provided to households that are part of the curbside Green Bin program. It is a service available to all households with curbside service. City policies and programs are in place to encourage the use of the Green Bin.

With very limited City involvement, buildings that cannot afford to pay for Green Bin Cart collection and composting will not likely start this service which would create barriers to inclusion and diversion. These buildings would be in contravention of provincial rules. Green Bin Cart Collection and composting would likely occur only at buildings with a greater ability to afford these services. As a result, this elimination may have a greater impact on buildings that have a higher percentage of equity-denied and other vulnerable groups.

Governance:

Providing a Green Bin Cart collection and composting system to owners of multi-residential buildings is not a requirement of the City of London. Approving this service elimination business case will translate into reduced costs for the municipality. Alternatively, a City-wide coordinated collection and composting system would bring efficiencies of economies of scale.

Business Case Details

The City launched the Green Bin Cart Pilot Project in April 2024. To date, five buildings are operational noting that one building on Talbot Street started as an “opt-in” concept with residents signing up to participate (e.g., 40 eligible units participating in the pilot program).

The Multi-Residential Green Bin Cart Pilot Project locations receive weekly collection for the 120L Green Bin Carts. Discussions are underway with an additional three to five buildings to join the Pilot Project. Additional data collection and outreach activities are planned for all buildings in the Pilot Project (e.g., participation, estimated tonnage quantities, resident feedback, on-site lobby displays, etc.).

Elimination of the Pilot Project and future expansion would require building owners in London to undertake the majority of the work to implement a program as per the requirements of the provincial government. Because the Green Bin (organic) materials are currently part of the waste stream that the City of London collects from the majority of multi-residential buildings, Civic Administration would be a point of contact to building owners for information as they navigate the requirements for implementing a Green Bin Cart Program. Information and a contact person would be available in areas such as:

- On-site storage for Green Bin Carts and garbage bins including possible changes
- Service frequency for Green Bin Carts including adjustments to garbage collection frequency
- Background information on how to implement a program for various building sizes
- Managing on-site constraints and potential conflicts with garbage collection
- Obtaining new information from municipal staff in other cities with respect to best practices

It is anticipated that these advisory and information services, estimated at an annual cost of \$50,000, would be required starting in 2026 and be available until most building owners have implemented system.

Alternative of a Full Cost Recovery Approach

As an alternative to this business case, moving to a full cost recovery system for Green Bin collection and processing system is possible; however, it would be even more challenging to bring multi-family buildings on board because the regulator for the service is not the City, it is the provincial government. This means that the City has limited ability to force a building owner to join the system; the building owner could decline and opt to be served by a private operator. The current business case is based on building owners paying about 60% of the costs and the City paying about 40% which makes it more enticing but Civic Administration views even this split as challenging for many building owners.

The challenges and risks of any partial or full cost recovery system (more so with full cost recovery) will be:

- The City has no control over whether a multi-residential building owner signs up for this service as this is regulated by the province;
- Firming up the customer base was always viewed as challenging. With less investment from the City, it will be more challenging to bring on people and to justify City investments in trucks, etc.;

- Increased costs may be met with pushback from building owners and/or residents;
- Full cost recovery may disproportionately affect lower-income buildings or residents;
- Existing contracts, in some buildings, may not support savings on garbage collection to be transferred to help reduce Green Bin collection costs;
- Some buildings will have much higher participation and higher amounts of organics to collect. Others will have very little to collect but still have to pay their fair share. Higher costs may discourage proper use of Green Bins Carts;
- Full cost recovery requires accurate tracking of service usage and performance;
- Adjusting service levels to match cost recovery goals may strain logistics; and
- Cost pressures may lead some buildings to improperly dispose of organic waste.

Details below were submitted as part of the MYB 2024-2027 Legislative Business Case

The *Resource Recovery and Circular Economy Act, 2016*, identifies the Provincial interest in having a system of waste reduction and resource recovery in Ontario, and allows the Minister of the Environment, Conservation and Parks (MECP) to issue Policy Statements to further the Provincial interest. The Food and Organic Waste Policy Statement, issued under section 11 of the *Resource Recovery and Circular Economy Act, 2016*, provides direction to Provincial ministries, municipalities, industrial, commercial, and institutional establishments, and the waste management sector to increase waste reduction and resource recovery of food and organic waste.

Currently, a multi-unit residential building is defined as an owner of a building with six or more dwelling units to which section 10 of O. Reg. 103/94 under the Environmental Protection Act applies. Increasing resource recovery from multi-unit residential buildings by improving access to food and organic waste resource recovery services for this growing segment of Ontarians is identified as a key factor as noted in the Food and Organic Waste Policy Statement, as follows:

- 4.10 Multi-unit residential buildings shall provide collection of food and organic waste to their residents.
- 4.11 For multi-unit residential buildings:
 - i. Collection of source separated food and organic waste is the preferred method of servicing multi-unit residential buildings.
 - ii. Alternatives to the collection of source separated food and organic waste may be used if it is demonstrated that Provincial waste reduction and resource recovery targets can be achieved efficiently and effectively.
- 4.12 Multi-unit residential buildings should implement best practices that support convenient access to resource recovery efforts.
- 4.13 Multi-unit residential buildings shall provide promotion and education materials to residents that support and increase participation in resource recovery efforts.

As defined in section 2.1.e., targets set for multi-unit residential buildings subject to policy 4.10 include 50% waste reduction and resource recovery of food and organic waste generated at the building by 2025.

Business Case #P-9 - Upper Thames River Conservation Authority (UTRCA) One-time Operating Budget Reduction

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London has a strong and healthy environment.
Primary Strategy:	Protect the natural environment and avoid natural hazards when building new infrastructure or development.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Proposed one-time budget reduction by UTRCA
Service(s):	Upper Thames River Conservation Authority (UTRCA)
Lead:	Tracy Annett, General Manager

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$16	\$0	-\$16
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.07	\$0.00	-\$0.07
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.07	\$0.07	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

This business case is being brought forward to reduce UTRCA's total 2026 operating budget allocation as a result of savings identified through UTRCA's preliminary budget review for 2026. This budget is used to deliver programs and services to protect and manage impacts on water and other natural resources in partnership with the City of London. It should be noted that the UTRCA board does not approve their 2026 Budget until February, and this one-time budget reduction will reduce the City of London's 2026 tax levy and 2026 wastewater rates (see business case WWT-3). Additionally, this reduction will not have an impact on levels of service provided to the City of London.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – UTRCA Budget Funded by Tax-Supported Budget	\$2,282	\$2,578	\$2,755	\$2,843	\$10,458
Adjustment	N/A	N/A	-\$16	\$0	-\$16
Adjusted Net Budget (Tax Levy)	\$2,282	\$2,578	\$2,739	\$2,843	\$10,442

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emissions in the community.

This Business Case is not expected to have any impact on community adaptation and resilience emissions in the community.

Socio-economic Equity:

This Business Case supports socio-economic equity by reducing the financial burden on residents through minor tax levy reduction in 2026.

Governance:

There is no risk to this budget reduction as it's related to budget savings identified by UTRCA and will not impact levels of service provided to the City of London.

Business Case #P-10 - HR Internships Budget Reduction

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	The City of London is a leader in public service.
Primary Strategy:	The City of London is recognized as an employer of choice. Attract and retain dedicated, highly skilled, and committed public servants to the City of London while identifying and removing barriers faced by equity-denied groups
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Proposed budget reduction to internship program
Service(s):	Human Resources
Lead:	John Paradis, Deputy City Manager, Enterprise Supports

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$84	-\$84	-\$168
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.37	-\$0.37	-\$0.73
Estimated Annual Tax Levy Change %	N/A	N/A	-0.01%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.37	\$0.00	-\$0.09(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

The Internship Program was developed to demonstrate a commitment to attracting, engaging, developing and celebrating exceptional people in public service who are representative of our community. To be eligible for an internship, individuals must identify as a new immigrant, person with self-declared disabilities which pose employment barriers, recent local post-secondary graduate, indigenous person, foreign trained professional, a member of an equity denied group and/or, an international student. The applications received each year vary and applicants may identify in more than one of the required categories. The most historically impacted groups, in the 60-70% range, have been recent local post-secondary graduates and equity denied groups. The next most impacted groups, in the 20-30% range, would be indigenous persons and foreign trained engineering professionals. Other impacted groups, in the 10-15% range, would be persons with self-declared disabilities and new immigrants.

The City of London has made significant strides in increasing workplace diversity, reaching 82% representation due to enhanced marketing efforts and targeted recruitment. In addition, internships have played a role in this achievement by serving as an accessible entry point for individuals from underrepresented groups, offering valuable career exposure, mentorship, and pathways to permanent employment. In response to the Mayoral Direction to bring forward options for budget savings, a reduction to the number of internships is an identified opportunity to reduce during the current multi-year budget cycle without significant impact to operations.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Internship Budget	\$168	\$170	\$172	\$172	\$681
Adjustment	N/A	N/A	-\$84	-\$84	-\$168
Adjusted Net Budget (Tax Levy)	\$168	\$170	\$88	\$88	\$513

Subject to rounding.

Staffing Adjustment - Cumulative	2024	2025	2026	2027
# of Full-Time Employees Impacted	N/A	N/A	-1.0	-1.0
# of Full-Time Equivalents Impacted	N/A	N/A	-1.5	-1.5
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	-\$84	-\$84

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

Corporate Greenhouse Gas Emissions: This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

Community Greenhouse Gas Emissions: This business case is not expected to have any impact on greenhouse gas emissions in the community.

Community Adaptation and Resilience: This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

While the organization has enhanced marketing efforts and targeted recruitment, a reduction in the number of internships will have an impact on workplace diversity. The internship program also creates the opportunity to support young professionals with employment barriers and contributes to our efforts to retain talent reflective of our community.

While a reduction to the number of internships will offer an immediate cost savings, it may impact the workplace diversity rate and undermine previous commitments made to inclusions and could impact future recruitments and partnerships with community organizations.

Governance:

Reducing the number of internships will impact the number of accessible opportunities for students from underrepresented backgrounds.

A reduction in the number of internships may impact the City of London's reputation of being seen as an employer of choice among students and early-career professionals.

Business Case #P-11 - Microsoft Copilot and Microsoft Fabric Budget Reduction

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Implement technology, business processes, data and analytics through the Technology Investment Strategy.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Proposed budget reduction to Microsoft Copilot and Microsoft Fabric programs
Service(s):	Information Technology Services
Lead:	John Paradis, Deputy City Manager, Enterprise Supports

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$85	-\$85	-\$170
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.37	-\$0.37	-\$0.74
Estimated Annual Tax Levy Change %	N/A	N/A	-0.01%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.37	\$0.00	-\$0.09(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Microsoft Copilot is an Artificial Intelligence powered assistant integrated into applications such as Word, Excel, Outlook, and Teams. This software enables users to generate content, summarize information, create documents and interact with tools using natural language prompts. Copilot increases user productivity by reducing manual effort, streamlining workflows, and enhancing the quality of outputs. Copilot supports informed decision making and consistent execution by embedding real-time artificial intelligence directly within familiar applications.

Microsoft Fabric is a unified data and analytics platform that allows organizations to store, process, and analyze data in one integrated environment. This software is designed to simplify data management and make insights more accessible. Fabric reduces complexity by consolidating data workflows into a single, secure, and scalable platform. Fabric accelerates decision making by providing users at multiple levels with consistent and well-governed data, therefore reducing fragmentation and enhancing the accuracy, depth and quality of assessments.

In response to the Mayoral Direction to bring forward options for budget reductions, an internal review identified an opportunity to reduce the scope and pace of the Microsoft Copilot and Fabric rollouts. Investments in both areas have been halved, with Copilot licenses reduced by approximately 75 and Fabric realizing fewer of the key benefits.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Tax Supported Contribution – Information Technology Renewal Reserve Fund	\$2,848	\$2,980	\$3,051	\$3,125	\$12,003
Adjustment	N/A	N/A	-\$85	-\$85	-\$170
Adjusted Net Budget (Tax Levy)	\$2,848	\$2,980	\$2,966	\$3,040	\$11,833

Subject to rounding.

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – IT3010	\$300	\$400	\$300	\$435	\$1,435	\$2,377
Adjustment	N/A	N/A	-\$85	-\$85	-\$170	-\$510
Adjusted Budget	\$300	\$400	\$215	\$350	\$1,265	\$1,867

Capital Budget Source of Financing for Case Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	\$85	\$85	\$170	\$510
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
Adjusted Budget	\$300	\$400	\$215	\$350	\$1,265	\$1,867

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Information Technology Renewal Reserve Fund.
- 2) The 2034 and 2035 capital gross expenditures are \$372,745 and \$486,174 respectively.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

While the reduction in the scope and pace of the Microsoft Copilot and Fabric rollouts will not directly impact Environmental considerations such as corporate greenhouse gas emissions, it may decrease opportunity and ability to collect, process and analyse environmental data. For example, information and data associated with flooding, heat, extreme wind/ice storms, and other weather events may be fragmented resulting in suboptimal data management and analysis.

Corporate Greenhouse Gas Emissions: This business case does not include any new greenhouse gas emission sources or increase emissions from existing sources.

Community Greenhouse Gas Emissions: This business case is not expected to have any impact on greenhouse emissions in the Community.

Community Adaptation and Resilience: This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

As above, although the business case will not directly impact Socio-economic Equity, a reduced ability to collect, process and analyse social services, demographics, and employment data may negatively influence data driven decision making and process delivery in City of London Service Areas tasked with associated responsibilities.

Governance:

From a governance perspective, reduced implementation may limit the City of London's ability to leverage data for evidence-based reporting and decision making. It may also delay progress to further enhance cross-Service Area coordination, outcome alignment, and operational response to emerging priorities.

This potential reduction will proportionately decrease the value realized from the rollouts, including reduced user productivity and efficiency, sub-optimal collection and processing of data, and weakened ability to analyze data.

Business Case Details

The driver of this case is the request to identify budget reductions. The outcome of the case would occur rapidly and be delivered through an immediate term reduction of the pace and scope of the Microsoft Copilot and Fabric rollouts. Impacts identified below are proportional to the budget reduction. Notably, an influential 2017 whitepaper by McKinsey & Company cautioned that organizations with outdated systems may need to double their Information Technology spending over a five-year period to support full digital transformation.

Impact to User Productivity and Efficiency

- Unrealized productivity gains due to manual tasks such as writing emails, taking notes, and creating summaries
- Decreased ability to automate repetitive tasks and processes
- Less streamlined workflows resulting in potential for errors and re-work

Impact to Collection and Processing of Data

- Ongoing reliance on sub-optimal data structures across Service Areas
- Overlooked opportunities to modernize data approach resulting in possible process duplication
- Manual entry and intervention resulting in potential for mistakes and downstream negative impacts

Impact to Data Analysis

- Reduced ability to identify trends and make timely, informed decisions
- Potential obstacles evaluating the effectiveness of processes
- Decreased validity and reliability of analyses

Business Case #P-12 - Resident Satisfaction Survey Frequency

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	The City of London is trusted, open, and accountable in the service of the community.
Primary Strategy:	Improve the quality, inclusivity, and accessibility of public participation opportunities.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Reduce the frequency of the resident satisfaction survey.
Service(s):	Corporate Management
Lead:	Sandra Datars Bere, City Manager

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$0	-\$28	-\$28
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	-\$0.12	-\$0.12
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	-0.00%	-0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	-\$0.12	-\$0.03(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

This business case considers reducing the frequency of the Resident Satisfaction Survey from every year to every two years (“biennial”). The Resident Satisfaction Survey measures how Londoners feel about City services and quality of life. The change in frequency would save approximately \$28 thousand biannually.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Annual Budget for Resident Satisfaction Surveys	\$28	\$28	\$28	\$28	\$108
Adjustment	N/A	N/A	\$0	-\$28	-\$28
Adjusted Net Budget (Tax Levy)	\$28	\$28	\$28	\$0	\$84

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This business case is not expected to have any impact on greenhouse gas emissions in the community.

This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

Reducing the frequency of the Resident Satisfaction Survey from annually to biennially removes one structured opportunity for residents, including equity-denied and other vulnerable groups, to provide input on City services and quality of life. With fewer data points, the City may be slower to detect emerging equity gaps or declines in public perception. As such, it places greater reliance on other feedback channels such as Service London, Get Involved London, and front-line interactions to surface community needs between survey years. To help mitigate equity risks, staff will work with the vendor to determine additional opportunities to prioritize inclusive sampling and disaggregation of results by key demographic groups.

Governance:

This business case negotiates the balance of two of the City's core values: **Financial Stewardship** and **Accountability and Trust**. Reducing the frequency of the Resident Satisfaction Survey achieves modest ongoing savings, supporting efforts to manage public funds responsibly. At the same time, it reduces one structured opportunity for residents to provide feedback, which may affect perceptions of openness and responsiveness.

Governance risks include reduced visibility into resident sentiments and less frequent data to support Council and service area decision-making. These risks are mitigated by preserving a consistent survey methodology, aligning survey timing with major planning milestones, and continuing to report results publicly. Not proceeding with the change maintains the current feedback cycle but misses an opportunity to reinforce the City's commitment to fiscal responsibility and meet Council direction for ongoing cost savings, however modest.

Business Case Details

Purpose

This business case outlines the rationale, anticipated impacts, and financial implications of adjusting the City of London's Resident Satisfaction Survey from an annual to a biennial frequency.

Background

The City of London conducts the Resident Satisfaction Survey annually through a third-party provider. The survey has remained relatively consistent over time, enabling longitudinal analysis. Results are reported to City Council and the public via a committee report. Delivery of this service is aligned with the Well-Run City Strategic Area of Focus. The relevant Implementation Plan action is "Conduct and report annually to Council and the community on the results of the Resident Satisfaction Survey."

In preparation for the 2026 Annual Budget Update, Civic Administration received Mayoral Direction to bring forward options for consideration that, if adopted, would produce a 2026 property tax levy increase below 5%. This direction includes identifying right-sizing opportunities and proposing service adjustments where appropriate. Service reductions are one of several strategies being explored to meet this target and was approved by the Budget Committee to be brought forward during the 2026 Annual Budget Update.

Proposition

This business case proposes shifting the Resident Satisfaction Survey from an annual to a biennial schedule. The cost to conduct the survey in 2025 is estimated to be \$27,921 + HST. Moving to a biannual format would result in savings of \$28,000 biannually.

This service reduction is presented for Council's consideration as a cost containment measure that preserves the survey's value as a strategic performance tool while reducing ongoing expenditures.

Mitigating factors

The following factors mitigate the impacts of a potential service reduction to the Resident Satisfaction Survey:

- Peer Alignment
 - Other municipalities in Ontario use a biennial schedule for their resident satisfaction surveys. Examples of Ontario municipalities delivering surveys every two years include:
 - [Guelph](https://guelph.ca/2024/06/2024-guelph-satisfaction-survey-results/) - <https://guelph.ca/2024/06/2024-guelph-satisfaction-survey-results/>
 - [Oakville](https://www.oakville.ca/town-hall/mayor-council-administration/cao-administration/community-satisfaction-survey/) - <https://www.oakville.ca/town-hall/mayor-council-administration/cao-administration/community-satisfaction-survey/>
 - [Burlington](https://www.burlington.ca/en/council-and-city-administration/community-survey.aspx) - <https://www.burlington.ca/en/council-and-city-administration/community-survey.aspx>
 - While many municipalities deliver a resident satisfaction survey annually, these examples show that a biennial schedule is not unusual.
- Data Stability
 - Year-over-year shifts in London data tend to be small and often fall within the survey's margin of error, typically in the range of +/- 4%. A review of London's recent results shows 18% of year-over-year changes were statistically significant in the last four years (2021, 2022, 2023, and 2024).
- Data Continuity
 - The survey methodology can persist to allow ongoing longitudinal tracking; only a change in frequency is contemplated.
 - The two-year approach, if adopted, would be scheduled as an input into the development of Council's Strategic Plan and as a mid-term check-in, i.e. the survey would run in 2026 and 2028 for the next Council cycle.
- Additional Data Collection Methods
 - Londoners have additional formal and informal methods to provide feedback on City services and quality of life, including: social media, Get Involved London, Service London, project-specific engagements, and resident-Council and resident-staff interactions (including point of service feedback). Each of these methods can be used to collect information from residents to inform and improve City services.

Business Case #P-13 - Funding of Development Charges Act Statutory Exemptions – Reduction

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service
Primary Strategy:	Develop and monitor the Multi-Year Budget to align financial resources with Council's Strategic Plan.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	Yes – Reduction to ongoing funding
Description:	Ministry of Municipal Affairs and Housing clarification of municipal obligations under the Development Charges Act
Service(s):	Finance Supports
Lead:	Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$6,400	-\$6,400	-\$12,800
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$27.90	-\$27.90	-\$55.80
Estimated Annual Tax Levy Change %	N/A	N/A	-0.73%	0.00%	-0.18% (Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$27.90	\$0.00	-\$6.98 (Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

The Development Charges Act (DCA) provides the legislative framework which municipalities must follow to levy development charges (DCs) in Ontario. In addition to establishing the rules for setting DC rates, the DCA also includes several statutory (legislated) DC exemptions. If statutory DC exemptions are not funded through non-DC sources, they result in lost DC revenues and lower than anticipated DC reserve fund balances, which may put the funding of certain growth infrastructure projects at risk and/or place pressures on future DC rates. Typical non-DC funding sources include other levels of government grants and subsidies, property taxes, and utility rates.

Based on consultant and legal advice, the City's historical DCA interpretation was that municipalities were responsible for funding statutory DC exemptions. The City's approach to this has been to first seek and secure other levels of government grants and subsidies with the remainder offset through property taxes and utility rates funding.

As part of the City's continuous improvement efforts with regards to DCs, the Mayor and Civic Administration have worked with provincial partners to establish a clear and consistent interpretation as it relates to a municipality's responsibility to fund statutory DC exemptions from non-DC sources such as property taxes and utility rates. Through these efforts the City received a letter¹ from the Deputy Minister of the Ministry of Municipal Affairs and Housing (MMAH) that provides clarity on this matter.

Key clarifications received within the letter include:

- Municipalities are responsible for ensuring that they have adequate resources to enable infrastructure necessary to support their growth.
- The DCA does not explicitly require municipalities to top-up DC reserve funds for lost DC revenues in situations where full or partial DC exemptions are provided.
- The decision to top-up DC reserve funds for lost DC revenues is a local decision based on what a municipal Council considers most appropriate under a set of given circumstances.

Based on the MMAH clarifications provided, Civic Administration will undertake the following practices when managing lost DC revenues due to statutory DC exemptions:

- Realized statutory DC exemptions will not be 'topped up' through budgeted property taxes and utility rates that impact the City's various levy requirements.
- Continue to advocate for a reliable and predictable form of other levels of government funding to support growth costs across the City, especially growth related to statutory DC exemptions.

¹ Link to letter received from MMAH - <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=116970>

- The DC Background Study (the “DC Study”) contains many assumptions pertaining to projected residential and non-residential growth, DC levies, and associated growth capital works, noting that the DC Study is completed at a point-in-time. As such, efforts across the Corporation will assess realized growth, DC levies, DC reserve funds sustainability, and revised growth capital needs to identify and recommend adjustments to the DC Study. Recommended adjustments will be brought forward for Council approval through the following existing processes:
 - The Growth Management Implementation Strategy (GMIS) will be used to adjust the timing of select growth capital works to align with the pace of development (GMIS growth capital works are timed to ensure that additional buildable lots can proceed as planned); and
 - The Capital Budget Monitoring and Budget processes will be used to adjust the timing of non-GMIS growth capital works when needed (similar to a just-in-time delivery system) and funds are released when not required.
- Should the City Treasurer determine that these measures are not sufficient to ensuring that adequate resources are in place to support growth infrastructure demand, then additional non-DC funding sources, such as property taxes and utility rates, may be sought.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Reserve Fund Contribution – DC Statutory Exemptions Tax Reserve Fund	\$3,200	\$4,800	\$6,400	\$6,400	\$20,800
Adjustment	N/A	N/A	-\$6,400	-\$6,400	-\$12,800
Adjusted Net Budget (Tax Levy)	\$3,200	\$4,800	\$0	\$0	\$8,000

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

Corporate Greenhouse Gas Emissions: This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

Community Greenhouse Gas Emissions: This business case is not expected to have any impact on greenhouse gas emissions in the community.

Climate Change: This business case is not expected to have an impact on climate change.

Socio-economic Equity:

This business case creates a permanent reduction to the City's annual tax levy requirement, which decreases the 2026 tax levy and 2024-2027 average. Because tax levy savings lower the City's property tax requirements, they help to improve the financial health and well-being of the residential and non-residential populations of London.

Governance:

This amendment is the result of Provincial clarification regarding a Development Charges Act legislative requirement. As mentioned previously in this business case, Civic Administration will undertake various practices to manage lost DC revenues due to statutory DC Exemptions including advocacy efforts with other levels of government and adjustments to the DC Study. Should the City Treasurer determine that these measures are not sufficient to ensuring that adequate resources are in place to support growth infrastructure demand, then additional non-DC funding sources, such as property taxes and utility rates, may be sought.

Business Case #P-14 - 2026 and 2027 Debt Servicing Cost Savings

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service
Primary Strategy:	Conduct targeted service reviews to ensure the efficient and effective allocation of resources.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable year(s): 2026 and 2027
Description:	2026 and 2027 Debt Servicing cost savings resulting from service review. Part A: Debt servicing savings Part B: Recommended application of debt servicing savings
Service(s):	Other Corporate Revenues and Expenditures
Lead:	Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$0	-\$18,000	-\$18,000
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	-\$78.47	-\$78.47
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	-1.92%	-0.48%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	-\$78.47	-\$19.62(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Civic Administration has completed a thorough review of debt budgets and debt servicing projections. Savings resulting from 2025 debt substitution have been incorporated as reductions in 2026 Business Case #P-1 – Zero-based Reviews and Right-sizing. The review of the debt servicing budget for the remaining period of the 2024 to 2027 Multi-Year Budget has also identified opportunities to amend the budget in alignment with updated project timelines and related debt issuance forecasts. Part A of this adjustment results in projected debt servicing cost savings of \$10.8 million in 2026 and \$24.4 million in 2027.

In assessing the proposed utilization of these projected savings, Civic Administration highlights the need to weigh the financial stability of the Corporation (which can be supported through the application of these savings to debt substitution) against short-term relief to the taxpayer in the form of tax levy mitigation. Part B of this Business Case recommends the utilization of these savings; first, to contribute to the property tax Debt Substitution Reserve Fund to reduce the need for capital debt financing in the future and thereby provide future tax savings by avoiding the need for future debt servicing costs, and second, to be applied as funding for 2027 property tax mitigation. It is recommended that these savings be allocated as follows:

Debt Substitution Reserve Fund (property tax) Contribution: \$10.8M in 2026 and \$6.4M in 2027

Property Tax Mitigation: \$18.0M in 2027

In effect, given the importance of both the financial stability of the Corporation and short-term relief for the taxpayer, Civic Administration is recommending an approximately equal split of the projected debt servicing savings between debt substitution and tax levy relief.

Financial and Staffing Impacts

Part A – Debt servicing savings:

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Debt Servicing	\$22,500	\$21,600	\$33,100	\$48,200	\$125,400
Adjustment – Debt Servicing	N/A	N/A	-\$10,800	-\$24,400	-\$35,200
Adjusted Net Budget (Tax Levy)	\$22,500	\$21,600	\$22,300	\$23,800	\$90,200

Subject to rounding.

Part B – Recommend application of debt servicing savings:

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget – Debt Substitution	\$3,200	\$2,200	\$0	\$0	\$5,400
Adjustment - Debt Substitution RF Contribution (property tax)	\$0	\$0	\$10,800	\$6,400	\$17,200
Adjusted Net Budget (Tax Levy)	\$3,200	\$2,200	\$10,800	\$6,400	\$22,600

Summary of Part A and B - Net Adjustments – Annual Tax Levy Impact

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Adjustment to Debt Servicing Cost (a)	\$0	\$0	-\$10,800	-\$24,400	-\$35,200
Adjustment to Debt Substitution RF Contribution (b)			\$10,800	\$6,400	\$17,200
Net Adjustments – Annual Tax Levy Impact [(a) + (b)]	\$0	\$0	\$0	-\$18,000	-\$18,000

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

The City of London's Climate Lens worksheet was utilized to evaluate any relevant environmental considerations or impacts. This business case has no significant impacts on environmental factors as it relates to tax levy reductions. This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources. This Business Case is not expected to have any impact on greenhouse gas emission in the community. This Business Case is not expected to have any impact on community adaptation and resilience emissions in the community.

Socio-economic Equity:

The City of London's Anti-Racism and Anti-Oppression Framework was referenced in evaluating this business case. This Business Case supports socio-economic equity by reducing the financial burden on residents through tax levy reductions in the 2027 fiscal year and providing for future tax savings through application of debt substitution.

Governance:

Application of a portion of the debt servicing costs in such a way complies with regulatory and legislative considerations. It should be noted that while providing tax relief in year 2027, this business case does not provide for permanent funds to maintain this reduction past 2027, aside from future debt substitution impacts. The debt servicing budget will be re-cast as part of the 2028-2031 Multi-Year Budget.

Business Case Details

As part of the review of the debt servicing budget, it has been determined that the debt servicing budget can be revised and aligned to reflect updated debt forecasts. Based on the current projections, the estimated cost savings are:

2026 Fiscal Year - \$10.8 million

2027 Fiscal Year - \$24.4 million

This business case recommends the following allocation of these savings:

a) Debt Substitution (Reserve Fund Contribution)

2026 Fiscal Year - \$10.8 million

2027 Fiscal Year - \$6.4 million

b) Tax mitigation

2026 Fiscal Year – \$0

2027 Fiscal Year - \$18.0 million

Business Case #P-15 - Library Capital Projects Timing Revisions

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Review, update and implement the City's strategic financial principles, policies and practices.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year: 2027
Description:	<p>Timing revision for capital library projects (growth)</p> <p>Part A: RC3464 and RC3468 – New library branch in the Northwest</p> <p>Part B: RC3466 and RC3467 – New library branch in the Southeast</p>
Service(s):	London Public Library (LPL)
Lead:	Michael Ciccone, Chief Executive Officer and Chief Librarian

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00
Estimated Annual Tax Levy Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	\$0.00	\$0.00	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Part A: RC3464 and RC3468 – New library branch in the Northwest (NW)

The LPL and Civic Administration have reviewed the life-to-date budget for a new NW library branch project. This business case is being brought forward to adjust the timing of this project to better align with the anticipated pace of development. It is recommended that the project be deferred to 2027, noting that \$500 thousand of funding has been left in the life-to-date budget for necessary work to be completed in advance, including design and consulting work as LPL undergoes a Facilities Master Plan process.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – RC3464-NW Branch Library	\$6,686	\$0	\$0	\$0	\$0	\$0	\$0
Previously Approved Budget – RC3468-NW Collections	\$250	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment	-\$6,436	\$0	\$0	\$0	\$6,436	\$6,436	\$0
Adjusted Budget	\$500	\$0	\$0	\$0	\$6,436	\$6,436	\$0

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$3,530	\$0	\$0	\$0	-\$3,530	-\$3,530	\$0
Reserve Fund ¹	\$25	\$0	\$0	\$0	-\$25	-\$25	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ²	\$2,881	\$0	\$0	\$0	-\$2,881	-\$2,881	\$0
Adjusted Budget	\$500	\$0	\$0	\$0	\$6,436	\$6,436	\$0

Subject to rounding.

Notes:

- 1) The reserve fund source of financing for RC3468 is the Library Facilities, Vehicle and Equipment Renewal Reserve Fund.
- 2) The non-tax supported source of financing is the City Services Library Reserve Fund.
- 3) The 2034 and 2035 capital gross expenditures are each \$0.

Part B: RC3466 and RC3467 – New library branch in the Southeast (SE)

The LPL and Civic Administration have reviewed the life-to-date budget for a new SE library branch project. This business case is being brought forward to adjust the timing of this project to better align with the anticipated pace of development. It is recommended that the project be deferred to 2027, noting that \$500 thousand of funding has been left in the life-to-date budget for necessary work to be complete in advance, including design and consulting work as LPL undergoes a Facilities Master Plan

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – RC3466-SE Branch Library	\$5,118	\$0	\$0	\$0	\$0	\$0	\$0
Previously Approved Budget – RC3467-SE Collections	\$250	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment	-\$4,868	\$0	\$0	\$0	\$4,868	\$4,868	\$0
Adjusted Budget	\$500	\$0	\$0	\$0	\$4,868	\$4,868	\$0

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$1,329	\$0	\$0	\$0	-\$1,325	-\$1,325	\$0
Reserve Fund ¹	\$25	\$0	\$0	\$0	-\$25	-\$25	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported ²	\$3,514	\$0	\$0	\$0	-\$3,518	-\$3,518	\$0
Adjusted Budget	\$500	\$0	\$0	\$0	\$4,868	\$4,868	\$0

Subject to rounding.

- 1) The reserve fund source of financing for RC3467 is the Library Facilities, Vehicle and Equipment Renewal Reserve Fund.
- 2) The non-tax supported source of financing is the City Services Library Reserve Fund.
- 3) The 2034 and 2035 capital gross expenditures are each \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emission in the community.

This Business Case is not expected to have any impact on community adaptation and resilience in the community.

Socio-economic Equity:

LPL's 16 branches serve as hubs for literacy and learning through collections, cultural and educational programming, nurturing community partnerships, ensuring the sharing and distribution of resources – including City of London information and resources – and offering much-needed access to technology and support for using technology.

As the population of London continues to increase, LPL's ability to provide these services and address the needs of equity-deserving and other marginalized communities becomes proportionally more difficult. A delay could result in a perceived inequitable access to Library resources for Londoners.

Governance:

This deferral aligns with the city's Capital Budget and Financing Policy. There is no significant risk to this deferral as its aim is only to realign budget with realistic project timelines.

Business Case #P-16 - London Public Library Draw from Stabilization Reserve Fund

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Conduct targeted service reviews to ensure the efficient and effective allocation of resources.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Strategic drawdown from the London Public Library Stabilization Reserve Fund in 2026 to reduce the net tax levy impact of the London Public Library (LPL) budget.
Service(s):	London Public Library
Lead:	Michael Ciccone – CEO and Chief Librarian

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$200	\$0	-\$200
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.87	\$0.00	-\$0.87
Estimated Annual Tax Levy Change %	N/A	N/A	-0.02%	0.02%	0.00% (Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.87	\$0.87	\$0.00 (Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

At the July 17, 2025 meeting of the Library Board, a motion was approved to return \$200 thousand to the City of London from the Library's Stabilization Reserve Fund to assist in the City's efforts to lower the 2026 tax levy.

As per the Library's *Reserves and Reserve Funds Policy*, the Stabilization Reserve Fund exists to mitigate the impacts of unforeseen events, extraordinary expenditures or reductions in revenue. It is funded from LPL's annual operating budget surplus, and the Policy stipulates that the target balance be between 2%-5% of the annual operating budget. The percentage of the balance for the projected 2026 operating budget is 5.8%. By returning this amount, LPL projects the Stabilization Reserve Fund's balance will remain at its upper threshold of approximately 5% of the Library's projected 2026 annual operating budget.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Library Services	\$23,677	\$24,738	\$25,996	\$27,342	\$101,754
Adjustment	N/A	N/A	-\$200	\$0	-\$200
Adjusted Net Budget (Tax Levy)	\$23,677	\$24,738	\$25,796	\$27,342	\$101,554

Subject to rounding.

Notes:

1) The source of financing is the Library's Stabilization Reserve Fund.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

The City of London's Climate Lens worksheet was utilized to evaluate any relevant environmental considerations or impacts. Based on this review, there are no specific environmental issues identified for this business case as it relates primarily to tax levy reductions. This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources. This business case is not expected to have any impact on greenhouse gas emissions in the community. This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

The City of London's Anti-Racism and Anti-Oppression Framework was referenced in evaluating this business case. The most significant impact of this business case is the economic impact to tax levy payers; both direct and indirect. This case has a positive impact to economic conditions by reducing taxes. While individual impacts will be experienced through established tax collection processes this may have bigger impact to persons with lower incomes.

Governance:

There are no significant risks to this amendment as it represents use of existing funds for tax levy reduction, noting however that the reduction is not permanent in nature and limited to a one-time return of \$200 thousand to the City from the Library's Stabilization Reserve Fund.

Business Case #P-17 - London Police Services Draw from Reserve Funds

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Conduct targeted service reviews to ensure the efficient and effective allocation of resources.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Strategic drawdown from the London Police Services (LPS) Reserve Fund and LPS Employment Benefits Reserve Fund in 2026 to reduce the net tax levy impact of the LPS budget.
Service(s):	London Police Services
Lead:	Chief Thai Truong

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$1,500	\$0	-\$1,500
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$6.54	\$0.00	-\$6.54
Estimated Annual Tax Levy Change %	N/A	N/A	-0.17%	0.17%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$6.54	\$6.54	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

The LPS Board and LPS administration have reviewed the 2026 budget and projections for the LPS Reserve Fund and LPS Employment Benefits Reserve Fund. The LPS Board recommends a strategic drawdown of \$700 thousand for 2026 from the LPS Reserve Fund and \$800 thousand for 2026 from the LPS Employment Benefits Reserve Fund to reduce the net (tax levy funded) impact of the LPS budget. While these are one-time drawdowns for 2026, LPS administration will be reviewing opportunities for additional budget reductions in preparation for the 2027 Annual Budget Update.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – London Police Services	N/A	N/A	\$197,276	\$212,888	\$410,164
Adjustment	N/A	N/A	-\$1,500	\$0	-\$1,500
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$195,776	\$212,888	\$408,664

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emissions in the community.

This Business Case is not expected to have any impact on community adaptation and resilience in the community.

Socio-economic Equity:

This amendment will reduce the required tax levy, making services more affordable. It is not anticipated that approving this amendment will negatively impact equity-deserving and other vulnerable groups, as fundamentally this amendment is not resulting in any change in services or service levels.

Governance:

There are no anticipated risks as fundamentally this amendment is not resulting in any change in services or service levels. LPS will continue to regularly monitor budget progress and the balance of the LPS Reserve Fund and the LPS Employment Benefits Reserve Fund and provide formal updates to the LPS Board and through the City's semi-annual budget monitoring process and annual Reserve Fund Monitoring process.

Business Case #P-18 - London Transit Commission Budget Reduction

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Conduct targeted service reviews to ensure the efficient and effective allocation of resources.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Proposed one-time budget reduction to conventional transit
Service(s):	London Transit Commission
Lead:	Kelly Paleczny, General Manager

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$700	\$0	-\$700
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$3.05	\$0.00	-\$3.05
Estimated Annual Tax Levy Change %	N/A	N/A	-0.08%	0.08%	0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$3.05	\$3.05	\$0.00(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Notwithstanding the approval of the multi-year budgets covering the period of 2024-2027, London Transit Commission (LTC) administration undertakes a review of each year's budget and seeks Commission approval for the same. The annual reviews assess current operating conditions and trends that have emerged since the time of budget preparation and realigns budgets accordingly. As a result of the annual review, a net total of \$700 thousand in savings were identified as follows:

	Budget Line Item	2026 Budget Impact
1.	Fuel Price	-\$1,800,000
2.	General Insurance	-\$250,000
3.	Software Maintenance	\$350,000
4.	Transportation Revenue	\$500,000
5.	Provincial Gas Tax	\$500,000
	Total	-\$700,000

1. Fuel price: 2026 diesel fuel prices have been adjusted to reflect current realities.
2. General insurance cost: Insurance costs are lower than budget due to lower premiums in auto liability category.
3. Software maintenance: Renewal fees for maintenance contracts have resulted in higher costs.
4. Transportation revenue: Decrease in revenues due to enrollment decline in Fall 2025 at Fanshawe College and Western University.
5. Provincial Gas Tax contributions: Adjusted to reflect the annual allocation from the province.

Each of the line items above are subject to fluctuations that are not within the control of the Commission, as such, LTC administration does not assume that current trends impacting these line items will remain consistent through to the end of 2027. Consistent with each of the previous years, administration will undertake an annual review and prepare a report for Commission consideration which provides the opportunity to reduce City of London investment based on the savings identified.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Conventional Service	\$44,113	\$47,936	\$53,033	\$57,654	\$202,736
Adjustment	N/A	N/A	-\$700	\$0	-\$700
Adjusted Net Budget (Tax Levy)	\$44,113	\$47,936	\$52,333	\$57,654	\$202,036

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emission in the community.

This Business Case is not expected to have any impact on community adaptation and resilience emissions in the community.

Socio-economic Equity:

This budget reduction will not change the service level London Transit Commission provides. There are no impacts to public from this business case decision. London Transit Commission's 5 Year Service Plan including growth hours will be implemented as planned.

Governance:

There are no anticipated risks as remaining budgets will be sufficient to accommodate required service level outcomes and would support implementation of planned London Transit Commission's 5 Year Service Plan including growth hours. The decision to reduce budget has been approved at London Transit Commission meeting held on August 27, 2025.

Business Case Details

Link to the London Transit Commission's website, Staff Report #12:

[Staff Report #12 – 2026 Operating Budget Program – London Transit Commission](https://www.londontransit.ca/staff-report-12-2026-operating-budget-program-2/) - <https://www.londontransit.ca/staff-report-12-2026-operating-budget-program-2/>

Business Case #P-19 - Recreation & Sport Additional User Fee Revenue Generation

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Develop and monitor the Multi-Year Budget to align financial resources with Council's Strategic Plan.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Increase user fee revenue within Recreation and Sport Services by increasing the share of services covered by user fees and decreasing the share covered by property taxes.
Service(s):	Recreation and Sport Services
Lead:	Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$760	-\$760	-\$1,520
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$3.31	-\$3.31	-\$6.63
Estimated Annual Tax Levy Change %	N/A	N/A	-0.09%	0.00%	-0.02%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$3.31	\$0.00	-\$0.83(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

On June 3, 2025, City Council resolved the following:

“The Civic Administration BE DIRECTED to proceed with implementing the user fee changes for the revenue generation opportunity identified in Appendix “A”, as appended to the staff report dated May 22, 2025, and to bring forward the corresponding business case for inclusion in the Mayor’s proposed 2026 Budget Update”.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Net Operating Cost of the Recreation and Sport Services	N/A	N/A	\$13,427	\$13,595	\$27,022
Adjustment	N/A	N/A	-\$760	-\$760	-\$1,520
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$12,667	\$12,835	\$25,502

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emissions in the community.

This Business Case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

It is possible that any price increase of services may have a negative impact on low-income individuals in the community, noting income is a barrier to participation in recreation and sport services. The City of London has tools in place to assist with limiting this impact, including offering a balance of no fee/low fee programs, and the use of subsidy programs, specifically, the [Play Your Way Fund](https://london.ca/living-london/recreation/play-your-way-fund) (<https://london.ca/living-london/recreation/play-your-way-fund>) Financial Assistance Program, and the [Request to Waive or Reduce Facility Rental Fees](https://london.ca/council-policies/request-waive-or-reduce-facility-rental-fees) (<https://london.ca/council-policies/request-waive-or-reduce-facility-rental-fees>) Program.

In 2024, the City of London supported 8,866 individuals accessing recreation opportunities through the Play Your Way Fund, approved 107 applications through the Waiving or Reducing of Fees (WORF) Policy, representing over 1,500 hours of space, and welcomed over 50,000 individuals into free programming opportunities throughout the year.

Governance:

There are no anticipated risks associated with this Business Case and all service levels will continue to be achieved.

Business Case Details

Under the Municipal Act, 2001, municipalities in Ontario have broad authority to impose fees or charges for any activity or service they provide. While municipalities can determine which services to charge for, the amount of the fee and who pays it, the Municipal Act, 2001, limits them to cost recovery (Municipal Act, 2001, Part XII, Section 391).

Historically, the City of London has operated recreation and sport services with an approximate cost recovery model of 63%, meaning that 63% of all operating costs are recovered through specific fees charged to users, with the remaining 37% being funded through the municipal tax levy. It is important to note that not all services included in the Recreation and Sport portfolio operate under the same user fee cost recovery percentages and 63% represents the total cost recovery by the Division. Individual services budgeted user fee cost recovery percentages are as follows:

- Golf = 100%
- Storybook Gardens = 89%
- Arenas = 82%
- Aquatics = 68%
- Recreation Programming = 57%
- Community Centres = 43%
- Sport Services = 35%

To further illustrate these percentages, the 2025 Recreation and Sport Operating Budget includes operating expenses of \$35 million, revenues from user fees of \$22 million, and a tax supported budget of \$13 million.

City Council approves User Fees that inform the revenue projections included in the 2026 Mayor's Proposed budget. This allows Recreation and Sport Services (and other Services) to make incremental increases to user fees to cover inflationary pressures and adjust to market conditions, such as (but not limited to) casual labour, security, water, energy, and insurance. Recreation and sport have raised user fees on average, approximately 2% per year over the last 6 years to ensure each year cost recovery splits remain consistent (63% from users and 37% from municipal taxes).

Increasing certain user fees by an additional 7%, as included in this case, provides City Council the opportunity to shift an additional \$760 thousand to user fee revenues from the tax supported budget for the 2026 budget year and beyond. If the Business Case is approved, the budgeted cost recovery model from user fees would increase from 63% to 65%.

There are approximately 241 user fees for Recreation and Sport Services (excluding golf), and this case includes 197 fees. Civic Administration has completed benchmarking activities for user fees included in this case against peer municipalities as well as other local providers. There are no fees included in this Business Case where the City of London would be the highest cost provider, locally, or in comparison to other municipalities.

This business case increases most user fees by an additional 7%, however, there are a few user fee outliers from this standard 7% increase that can be categorized into the following three categories:

- Aquatic Facility Rentals (17 fees) – 0%
- Arena Facility Rentals (23 fees) – 0%
- Recreation Programs (22 fees) – 10%

The facility rental categories are outliers at 0% because the City of London has large contract holders, mainly not-for-profit community sport organizations, with large participant bases. A 7% increase could negatively impact their operations, based on their fee collection processes and timelines.

The recreation programs category is an outlier at 10% because benchmarking activities indicated that the City of London was the lowest fee provider in comparison to all peer municipalities and local providers.

Next Steps:

Should City Council adopt this business case, Civic Administration will develop and bring forward an updated User Fee By-Law that includes this additional standard 7% increase for 2026 for approval. It is important to note that if the updated User Fee By-Law is approved, the new fee schedule would be implemented for March 1, 2026, which allows time for Civic Administration to complete the updating of fees in required systems, and to avoid confusion about winter programs costs as registration for these programs commencing in January, begins in December 2025.

Business Case #P-20 - Portion of 2024 Surplus Allocated for Tax Mitigation

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	The City of London is trusted, open, and accountable in service of the community.
Primary Strategy:	Review municipal best practices, identifying gaps and opportunities, and deliver projects that improve performance.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	No - Applicable year(s): 2026 & 2027
Description:	Allocating portion of the 2024 Budget Surplus for 2026 & 2027 tax levy mitigation.
Service(s):	Other Corporate Revenues and Expenditures
Lead:	Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$8,428	-\$8,428	-\$16,857
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$36.74	-\$36.74	-\$73.49
Estimated Annual Tax Levy Change %	N/A	N/A	-0.96%	0.00%	-0.24% (Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$36.74	\$0.00	-\$9.19 (Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

As directed by Council resolution from May 13, 2025, \$16.9 million of the 2024 property tax supported operating surplus was retained in the Operating Budget Contingency Reserve, to be applied evenly as tax levy mitigation in 2026 and 2027 and presented as a business case during the 2026 Annual Budget Update; this business case addresses the requirement set forth in the Council resolution.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) –	\$812,743	\$882,146	\$938,314	\$1,001,237	\$3,634,439
Adjustment	N/A	N/A	-\$8,428	-\$8,428	-\$16,856
Adjusted Net Budget (Tax Levy)	\$812,743	\$882,146	\$929,886	\$992,809	\$3,617,583

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

The City of London's Climate Lens worksheet was utilized to evaluate any relevant environmental considerations or impacts. This business case does not have significant impacts on environmental factors as it relates to tax levy reductions. This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources. This Business Case is not expected to have any impact on greenhouse gas emission in the community. This Business Case is not expected to have any impact on community adaptation and resilience in the community.

Socio-economic Equity:

The City of London's Anti-Racism and Anti-Oppression Framework was referenced in evaluating this business case. This Business Case supports socio-economic equity by reducing the financial burden on residents through tax levy reductions in 2026 and 2027 fiscal years.

Governance:

Applying a portion of the 2024 property tax supported operating budget surplus to reduce the tax levy in 2026 and 2027 fulfills a Council directive. This direction was provided notwithstanding the City's Surplus/Deficit Policy. This business case complies with regulatory and legislative considerations. It should be noted that while providing tax relief in years 2026 and 2027, this business case does not provide

for permanent funds to maintain this reduction past 2027, creating a potential future tax pressure. This business case aims to provide direct and timely financial relief to Londoners in balancing short-term pressures of affordability when considering the tax levy increases over the course of the 2024-2027 Multi-Year Budget.

Business Case Details

The 2024 Property Tax Supported Budget realized a \$58.8 million surplus. A portion of the surplus (\$16.6 million) was retained in the Operating Budget Contingency Reserve to fund statutory development charges exemptions in excess of budget as understood to be a requirement at the time. The remaining surplus of \$42.2 million was initially to be allocated in accordance with the Surplus/Deficit Policy, respectively:

- 60% contribution to the Debt Substitution Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) i) - \$25.3 million
- 3% contribution to the Community Investment Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) ii) - \$1.3 million
- 17% contribution to the Unfunded Liability Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) iii) - \$7.2 million
- 20% contribution to the Capital Infrastructure Gap Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) iv) - \$8.4 million.

Upon further consideration at the Infrastructure and Corporate Services Committee meeting on April 30, 2025 it was brought forward that, notwithstanding policy, a portion of the surplus be applied as tax mitigation through a business case in the 2026 Budget Update.

On May 13, 2025, City Council directed utilization of remaining surplus after applying \$16.6 million to the Operating Budget Contingency Reserve for statutory development charges exemptions and \$25.3 million to the Debt Substitution Reserve Fund:

“That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the 2024 Year-End Operating Budget Monitoring Report:

3. Remaining \$16.9 million to be retained in the Operating Budget Contingency Reserve, to be applied evenly as tax levy mitigation in 2026 and 2027 through a business case in the 2026 Budget Update.”

This business case reflects the Council’s direction and aims to enact application of a portion the 2024 Property Tax Supported Operating Budget surplus as tax levy mitigation for the remaining years of the 2024-2027 Multi-Year Budget.

Business Case #P-21 - Zero-Based Reviews and Budget Right-Sizing

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Conduct targeted service reviews to ensure the efficient and effective allocation of resources.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	Yes
Description:	Reductions due to zero-based budget reviews and other budget right-sizing.
Service(s):	Various
Lead:	Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$9,610	-\$10,784	-\$20,394
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$41.89	-\$47.01	-\$88.90
Estimated Annual Tax Levy Change %	N/A	N/A	-1.09%	-0.06%	-0.29% (Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$41.89	-\$5.12	-\$11.75 (Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

As part of the May 22, 2025 report to Budget Committee, Council resolved: “Civic Administration BE DIRECTED to continue to include identified budget right-sizing opportunities in a budget amendment for inclusion in the Mayor’s proposed 2026 Budget Update.” Consistent with previous Annual Budget Updates, a right-sizing business case is being brought forward as part of the Annual Budget Update process. Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements and updated information. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, Civic Administration has identified over \$20 million in savings that can be implemented over the next two years without impacting services.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Zero-Based Reviews and Right-sizing	N/A	N/A	\$0	\$0	\$0
Adjustment	N/A	N/A	-\$9,610	-\$10,784	-\$20,394
Adjusted Net Budget (Tax Levy)	\$0	\$0	-\$9,610	-\$10,784	-\$20,394

Subject to rounding.

Staffing Adjustment – Cumulative	2024	2025	2026	2027
# of Full-Time Employees Impacted	N/A	N/A	0	0
# of Full-Time Equivalents Impacted	N/A	N/A	-0.7	0.0
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	-\$26	\$0

Subject to rounding.

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – IT3012B – Computer Hardware	\$1,215	\$837	\$864	\$972	\$3,888	\$7,354
Adjustment	N/A	N/A	-\$650	-\$650	-\$1,300	\$0
Adjusted Budget	\$1,215	\$837	\$214	\$322	\$2,588	\$7,354

Capital Budget Source of Financing for Case Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	N/A	N/A	\$0	\$0	\$0	\$0
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	\$650	\$650	\$1,300	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
Adjusted Budget	\$1,215	\$837	\$214	\$322	\$2,588	\$7,354

Subject to rounding.

Notes:

1) The reserve fund source of financing is the Information Technology Renewal Reserve Fund.

2) The 2034 capital gross expenditure is \$709 thousand, and the 2035 capital gross expenditure is \$1.2 million.

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – PK206324 – Maintain Open Space	\$320	\$1,118	\$1,157	\$1,197	\$3,792	\$8,450
Adjustment	N/A	N/A	\$119	\$19	\$138	\$114
Adjusted Budget	\$320	\$1,118	\$1,276	\$1,216	\$3,930	\$8,564

Capital Budget Source of Financing for Case Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	N/A	N/A	-\$119	-\$19	-\$138	-\$114
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
Adjusted Budget	\$0	\$0	\$1,276	\$1,216	\$3,930	\$8,564

Subject to rounding.

Notes:

1) The 2034 capital gross expenditure is \$1.7 million, and the 2035 capital gross expenditure is \$1.7 million.

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS4040 – Miscellaneous Traffic Studies	\$121	\$123	\$126	\$128	\$498	\$816
Adjustment	N/A	N/A	-\$50	-\$50	-\$100	-\$300
Adjusted Budget	\$121	\$123	\$76	\$78	\$398	\$516

Capital Budget Source of Financing for Case Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	N/A	N/A	\$50	\$50	\$100	\$300
Debenture	N/A	N/A	\$0	\$0	\$0	\$0
Reserve Fund	N/A	N/A	\$0	\$0	\$0	\$0
Other	N/A	N/A	\$0	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	\$0	\$0	\$0	\$0
Adjusted Budget	\$121	\$123	\$76	\$78	\$398	\$516

Subject to rounding.

Notes:

1) The 2034 capital gross expenditure is \$98 thousand, and the 2035 capital gross expenditure is \$102 thousand.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emission in the community.

This Business Case is not expected to have any impact on community adaptation and resilience emissions in the community.

Socio-economic Equity:

This amendment will reduce the required tax levy, making services more affordable. It is not anticipated that approving this amendment will negatively impact equity-deserving and other vulnerable groups.

Governance:

There are no anticipated risks as remaining budgets will be sufficient to accommodate required service level outcomes. The changes resulting from this amendment will be reflected in the corporate budget monitoring process.

Business Case Details

As outlined in the City of London's 2023–2027 Strategic Plan, specifically in the Well-Run City Strategic Area of Focus, the Corporation is committed to delivering services in a financially and socially responsible way that builds trust and confidence in local government. One way we do this is by continually looking at our service models and refining them as new information becomes available. As a result of performing zero-based budget reviews and trend analysis across various services, total savings in excess of \$20 million over the remaining two years of the Multi-Year Budget have been identified. Net budget savings (unless otherwise noted) were identified in a variety of areas including:

- Provision for tax appeals and uncollectible taxes right-sizing (\$3.2 million annually)
- Ontario Works provincial revenue right-sizing (\$2.7 million annually)
- Debt Servicing Budget right-sizing from 2025 debt substitution (\$1.6 million in 2026 and \$2.7 million in 2027)
- Child Care municipal funding right-sizing (\$1 million annually)
- Information Technology – Savings from transitioning from hardware leasing to buying and various other right-sizing (\$1.0 million annually)
- Garbage and Recycling – Tipping Fee Revenue at W12A Landfill right-sizing (\$900 thousand annually)
- By-law Enforcement & Property Standards revenue right-sizing (\$800 thousand annually)
- Partially offset by right-sizing to address budget pressures in select services, such as Parking revenues (\$1.5 million annually) and Recreation (\$761 thousand annually)

Property Tax Business Cases for Council's Consideration and Discussion

Business Case #P-22 - Urban Forestry – Reduced Tree Planting Grants & Non-replacement Tree Planting

Primary Strategic Area of Focus:	Wellbeing and Safety
Primary Outcome:	London has safe, vibrant, and healthy neighbourhoods and communities
Primary Strategy:	Invest in publicly owned facilities, parks, open spaces, and natural amenities that provide cultural, social, and recreational opportunities, programming and engagement.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Decrease funding provided to reimburse costs for tree planting on private lands. Decrease funding allotted to planting new, non-replacement trees to increase the City's canopy cover.
Service(s):	Urban Forestry
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$150	-\$150	-\$300
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.65	-\$0.65	-\$1.31
Estimated Annual Tax Levy Change %	N/A	N/A	-0.02%	0.00%	-0.00%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.65	\$0.00	-\$0.16(Average)

Subject to rounding.1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

In response to the Mayoral Direction to decrease the property tax levy, this business case has been brought forward from Urban Forestry as a budget reduction option for tree planting grants and non-replacement tree planting.

- 1) Decrease funding provided to reimburse costs for tree planting on private lands.
 - a. Urban Forestry is pursuing external funding through the Federation of Canadian Municipalities' Green Municipal Fund to help offset this reduction. While the program has been invited to submit a full application, City funding is still required to match 50% of costs. Maintaining a municipal contribution would allow City dollars to be leveraged through the grant program, extending the reach of available funding for tree planting on private lands. No staffing implications are associated.
- 2) Decrease funding allotted to planting new, non-replacement trees to increase the City's canopy cover.
 - a. The budget reduction would result in approximately 280 less trees per year. With increased costs associated with the supply and installation of new trees, this decrease would further affect the City's ability to meet canopy targets under the Urban Forest Strategy and Tree Planting Strategy. Also of note, The London Plan indicates a replacement ratio of 1 tree for every 10 cm of tree removed, not a stem ratio of 1 to 1.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Capital Levy	\$55,226	\$57,176	\$57,805	\$58,685	\$228,891
Adjustment	N/A	N/A	-\$150	-\$150	-\$300
Adjusted Net Budget (Tax Levy)	\$55,226	\$57,176	\$57,655	\$58,535	\$228,591

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget - UF2047 - Urban Forest Strategy	\$5,226	\$1,490	\$1,495	\$1,495	\$1,495	\$5,975	\$9,026
Adjustment	\$0	\$0	\$0	-\$150	-\$150	-\$300	-\$1,800
Adjusted Budget	\$5,226	\$1,490	\$1,495	\$1,345	\$1,345	\$5,675	\$7,226

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$150	\$150	\$300	\$1,800
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$5,226	\$1,490	\$1,495	\$1,345	\$1,345	\$2,690	\$7,226

Subject to rounding.

Notes:

1) The 2034 and 2035 capital gross expenditure is \$1.5 million each year.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

Urban trees play a role in reducing greenhouse gas emissions by sequestering carbon and mitigating the urban heat island effect. A reduction in the budget for non-replacement tree planting is estimated to result in approximately 280 fewer trees planted each year, which may modestly reduce the city's potential carbon sequestration and other associated environmental benefits, such as improved air quality and stormwater management.

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This business case is not expected to have any impact on greenhouse gas emissions in the community.

This business case is expected to have minor negative impact on community adaptation and resilience.

Socio-economic Equity:

Urban forests provide measurable community benefits, including improved public health outcomes, reduced urban heat, enhanced habitat for flora and fauna, and increased longevity of city infrastructure through shading and stormwater management. Food-bearing trees can also contribute to local food security. A reduction in planting new, non-replacement trees may limit these benefits, particularly in neighbourhoods with lower canopy cover where tree planting contributes to more equitable distribution of urban forest benefits across the city.

Governance:

Through the interplay of Acts, Regulations, City By-laws, studies, inventories, policies and practices, the City's forestry assets are identified, protected and conserved. The federal Trees Program and other climate change-related initiatives continue to provide momentum for expansion of urban and rural tree cover. A reduction in the budget for non-replacement tree planting would modestly slow progress toward the City's canopy targets and related strategic objectives, while still aligning with existing governance frameworks and regulatory obligations.

Business Case Details

Council endorsed documents that will be affected by this funding reduction will include the Urban Forest Strategy (2014), the Urban Forest Implementation Plan (2014) and the Tree Planting Strategy (2017-2021 previously received; next phase is in preparation currently).

Links to Strategy documents: City of London Urban Forest Strategy: Enhancing the Forest City -

<https://london.ca/sites/default/files/2024-11/Urban%20Forest%20Strategy%20-%20Accessible.pdf>

[Plant More - Tree Planting Plan 2017-2021 - https://london.ca/sites/default/files/2024-11/Tree%20Planting%20Strategy%202017-2021%20-%20Accessible.pdf](https://london.ca/sites/default/files/2024-11/Tree%20Planting%20Strategy%202017-2021%20-%20Accessible.pdf)

Business Case #P-23 - Streetlight Local Improvements

Primary Strategic Area of Focus:	Wellbeing and Safety
Primary Outcome:	London has safe, vibrant, and healthy neighbourhoods and communities
Primary Strategy:	Prioritize walking and cycling in the development or retrofitting of streets and roadways.
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Eliminate City funding of streetlight installations on existing streets
Service(s):	Traffic Control and Streetlight
Lead:	Kelly Scherr, Deputy City Manager, Environmental and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$200	-\$200	-\$400
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.87	-\$0.87	-\$1.74
Estimated Annual Tax Levy Change %	N/A	N/A	-0.02%	0.00%	-0.01%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.87	\$0.00	-\$0.22(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

Additional investment was approved in the 2020-2023 Multi-Year Budget to add new streetlights to older neighbourhoods with 60/40 cost sharing between the City and the property owners. Subsequently, due to lack of interest, the program was changed (2023 Annual Budget Update) to be fully funded by the City (capital levy funded). In response to the Mayoral Direction to identify budget reduction opportunities, this business case is proposing to eliminate the full funding of the annual program to install streetlights to older neighbourhood streets where they do not exist. Installations would only occur via a Local Improvement process at a 100% property owner's cost.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Capital Tax Levy) – TS5123 – Streetlight Maintenance	\$2,968	\$3,003	\$3,037	\$3,089	\$12,097
Adjustment	N/A	N/A	-\$200	-\$200	-\$400
Adjusted Net Budget (Capital Tax Levy)	\$0	\$0	\$2,837	\$2,889	\$11,697

Subject to rounding.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – TS5123 – Streetlight Maintenance	\$26,683	\$2,968	\$3,003	\$3,037	\$3,089	\$12,097	\$20,844
Adjustment	\$0	\$0	\$0	-\$200	-\$200	-\$400	-\$1,200
Adjusted Budget	\$26,683	\$2,968	\$3,003	\$2,837	\$2,889	\$11,697	\$19,644

Capital Budget Source of Financing for Case Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$200	\$200	\$400	\$1,200
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Tax Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$26,683	\$2,968	\$3,003	\$2,837	\$2,889	\$11,697	\$19,644

Subject to rounding.

1) The 2034 capital gross expenditure is \$3.7 million, and the 2035 capital gross expenditure is \$3.8 million.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental:

This business case would avoid a very minor increase in power usage and an increased emissions from existing sources.

This business case is not expected to have any impact on greenhouse gas emissions in the community.

This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

Property owners in older neighbourhoods will be required to fund the installation of streetlights on streets where they do not exist.

London's Community Safety and Well-Being Plan identified concerns with lack of proper lighting on streets as a consideration regarding a safe London for women and girls.

Governance:

There are no risks associated with approving this business case. If approved, property owners would be responsible for 100% of the cost to install streetlights to older neighbourhood streets where they do not exist

Business Case Details

As detailed in a previous 2019 staff report on Streetlight Local Improvements ([Civic Works Committee – February 20, 2019](https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=58137) – <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=58137>), a review of the relevant research indicates that today's car headlights are often sufficient to meet the illumination needs of motorists on many roads without the need for street lights. Streetlights, however, still play an important role for active transportation users and contribute to the level of safety and comfort cyclists, pedestrians and other road users experience at night. Property owners also often indicate that they feel safer when there are streetlights. For minor roads, when new subdivisions are constructed, the developer is required to install streetlights on all public roads. The cost of this work is passed on to the purchasers of the property by the developer. In some older areas, the developers installed small front yard lights rather than streetlights. The yard lights are the responsibility of the property owner to maintain. An annual street light local improvement program of \$200,000 would light approximately 670 meters of residential streets each year or 0.5% of all unlit residential roads annually. For illustrative purposes, see below for other potential cost sharing options between property owners and the City based on a \$200,000 cumulative program:

- At 2/3rd property owners would be responsible for \$134,000 and the City's share would be \$66,000
- At 50% property owners would be responsible for \$100,000 and the City's share would be \$100,000
- At 1/3rd property owners would be responsible for \$66,000 and the City's share would be \$134,000.

Business Case #P-24 - Eliminate Climate Change Reserve Fund Contribution

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London is one of the greenest and most resilient cities in Canada in alignment with the Council-declared climate emergency and the Climate Emergency Action Plan
Primary Strategy:	Implement the Climate Emergency Action Plan with a focus on actions up to 2027 that will contribute towards achieving 2030 emissions reduction targets
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Eliminate remaining annual ongoing contribution to Climate Change Reserve Fund
Service(s):	Capital Financing, Climate Change and Environmental Stewardship
Lead:	Anna Lisa Barbon, Deputy City Manager, Finance Supports and Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$192	-\$192	-\$384
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$0.84	-\$0.84	-\$1.67
Estimated Annual Tax Levy Change %	N/A	N/A	-0.02%	0.00%	-0.01%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$0.84	-\$0.00	-\$0.21(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

As part of the identification of cost saving opportunities to reduce the 2026 tax rate, a proposal is being made to eliminate planned contributions to the Climate Change Reserve Fund on an ongoing basis.

The Climate Change Reserve (CCR) Fund was initially approved by Council with an allocation of \$1 million per year for the term of the current Multi-year Budget (2024-2027). Planned annual contributions were subsequently reduced to \$192,000 in response to competing priorities as part of an amendment added by Council during the 2025 Annual Budget Update. The projected balance at 2025 year-end is approximately \$1.0 million.

The CCR Fund enables the City to advance on its climate action commitments. Each of the projects either using or planning to use capital from the CCR Fund will advance important initiatives that will contribute to emissions reduction and resilience improvements, some of which can also return savings and/or be used as the City’s contribution to access grant funding opportunities.

Approximately \$225,000 has been earmarked to projects and the remaining \$1.0 million has been tentatively allocated to projects in varying degrees of planning and/or approval which total a potential requirement of \$1.21 million to \$1.91 million. Elimination of the planned annual contributions of \$192,000 would mean that some planned climate action projects may not proceed unless other sources of funding can be found.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Reserve Fund Contribution – Climate Change Reserve Fund	N/A	N/A	\$192	\$192	\$384
Adjustment	N/A	N/A	-\$192	-\$192	-\$384
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case increases or may lead to increased corporate greenhouse gas emissions (either from direct use of fuels or new electricity requirements) by either adding a new source of emissions or increasing emissions from existing sources. The future addition and expansion of Corporate assets required to meet the growing demands of London can have their emissions reduced or eliminated through projects enabled by funding from the CCR Fund (e.g., funding to overcome a “green premium” and enable lower operational or embodied emissions or improved resilience for new infrastructure). Similarly, this business case is likely to increase or may encourage an increase in greenhouse gas emissions in the community.

This business case is likely to decrease or may encourage a decrease in community adaptation and resilience. Studies, projects and programs intended to identify risks and vulnerabilities and subsequently support improved resilience city-wide can be supported and enabled by the CCR Fund. Without funding, many of these studies, projects and/or programs with resilience improvement outcomes will not go ahead (e.g., Green Municipal Fund supporting community climate risk assessments, neighbourhood climate resilience improvement projects additional funding for cooling centre resilience upgrades).

Socio-economic Equity:

Changes to the current CCR Fund would primarily impact proposed climate actions being undertaken by the Corporation to reduce the impact of/on municipal assets such as municipal buildings, fleet vehicles and equipment. Some funding is currently allocated to studies and programs that address energy poverty as it is recognized that climate change impacts disproportionately affect some socio-economic and equity-denied groups. The Canadian Climate Institute’s 2022 report titled “Damage Control – Reducing the Costs of Climate Impacts in Canada”, similar to many other academic, insurance industry, and environmental non-profit organization reports and positions conclude that low-income households will see the largest reductions in real household income due to climate change impacts.

Governance:

Enterprise-wide input contributed to the creation of the CEAP, including findings from the assessment of the risks of doing nothing to address climate change. Curtailing investments in climate actions, particularly those that would be required to meet the corporate greenhouse gas emission reduction target exposes the Corporation to reputational risk (i.e., the City of London would have less work being done and may no longer be leading-by-example). The reduced visibility of municipal climate action leadership could also have an impact on the broader community by lessening the “peer pressure” on Londoners and London’s businesses and institutions.

Business Case Details

The CCR Fund is a key financial instrument that enables the City to advance on its climate action commitments. More specifically, the CCR Fund:

- demonstrates to potential government funders that we have multiple support systems for financing climate action;
- allows quick access to funds that can be matched with other funding opportunities following Council policy (e.g., FCM's Green Municipal Fund streams require some upfront capital to access grants);
- allows top up to projects to cover any premium prices required to realize better climate outcomes (e.g., fuel switching for building heat); and
- allows greater ability to add climate funding should Council wish to allocate additional funds in the future as priorities shift.

Projects with Civic Administration approval to use funds from CCR Fund:

- Additional capital investment (EV1015) to help grow the Smart Commute London program was approved as part of the 2024-2027 Multi-Year Budget. This funding is meant to increase bike racks, signage, and other commuting amenities.
- Completing a city-wide assessment of community energy system opportunities. Under the Green Municipal Fund's Accelerating Community Energy Systems funding stream, a proposal has been submitted that will leverage the recently completed ScenaCommunity detailed community energy and emissions model for London to identify opportunity areas within the Primary Transit Area and Industrial Place Types for low-carbon community energy systems (including renewable and district energy systems) and develop mechanisms to support implementation (CCR Fund allocation of \$100,000, with 50% reimbursement to the CCR Fund from a Green Municipal Fund grant).
- Supporting the creation of a Green Development Framework, including an engagement program, a review of the City's climate change policies and initiatives, and an analysis of green development best practices that will lead to the creation of Green Development Guidelines for private development in London and an associated implementation strategy (\$125,000), subject to final Council approval in the Q4 2025.

Projects seeking CCR Fund support, or more:

- A fleet electrification feasibility study, with funding available from the Green Municipal Fund, is required to determine and assess the full extent of operational and infrastructure requirements to electrify the City of London fleet of vehicles (estimated total cost of \$200,000, with 50% reimbursement to the CCR Fund from a Green Municipal Fund grant).

- To upgrade six corporate fleet SUVs that have reached end-of-life, purchase small electric handheld equipment for trial testing, and associated infrastructure upgrades to accommodate training and operation of the handheld equipment, Fleet Services requires additional funding from the CCR Fund (approximately \$110,000).

Other Potential Funding Opportunities

Elimination of the annual contributions of \$192,000 would mean that some planned climate action projects would not be carried out unless other sources of funding were used such as:

- The Federation of Canadian Municipalities' (FCM) Green Municipal Fund (GMF) is only available for projects that have had previous GMF-funded feasibility studies. GMF grants included in some funding streams can only be accessed if the City of London also agrees to take the additional debt in the form of the GMF loan as well.
- Utility-based financial incentives (e.g., Enbridge) only cover a small portion of overall costs in order to improve the financial payback of a project.
- Private sector financing options (e.g., power purchase agreements, energy performance contracts) are also only an option for those climate action projects that have a financial payback (e.g., energy efficiency, solar PV projects), including the use of utility-based incentives, and can have hidden costs associated with them (i.e., a portion of the financial savings goes towards the private sector entity).

Business Case #P-25 - Stop Collecting Blue Box Materials from Non-Eligible Sources

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London has a strong and healthy environment
Primary Strategy:	Work with residents, businesses, and organizations to reduce waste and divert more materials from landfill
Budget Business Case Type:	New Council Direction
Ongoing Funding:	Yes
Description:	Stop collecting Blue Box Materials from Non-Eligible Sources (NES) such as small businesses, non-profit organizations, daycares, churches and other places of worship.
Service(s):	Recycling & Composting
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Business Case Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Tax Levy Impact	N/A	N/A	-\$250	-\$250	-\$500
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	-\$1.09	-\$1.09	-\$2.18
Estimated Annual Tax Levy Change %	N/A	N/A	-0.03%	0.00%	-0.01%(Average)
Estimated Incremental Tax Payer Impact \$ ¹	N/A	N/A	-\$1.09	\$0.00	-\$0.27(Average)

Subject to rounding.

1) Calculated based on the average assessed value of \$252 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Business Case Summary

The *Blue Box* Regulation requires producers to collect designated Blue Box materials from eligible sources, including residences, multi-residential buildings, schools, and non-profit long-term care and retirement homes. However, it excludes non-eligible sources (NES) that are currently receiving Blue Box curbside collection services from municipalities. During the transition period, from July 1, 2023 up until December 31, 2025, the option to provide Blue Box collection services to NES located on existing residential collection routes was provided by Circular Materials at the request of communities (as was done in London). Circular Materials is the producer responsibility organization that is responsible for implementing and managing the new extended producer responsibility recycling system in Ontario. The City of London pays approximately \$1,000 per month for materials collected from these locations. Collection from NES may no longer be part of the Circular Materials collection system as of January 1, 2026. If it does remain part of the system, there will be a charge from Circular Materials for the collection and processing of materials.

London currently has 535 NES locations located along residential collection routes that receive curbside Blue Box collection services. There are between 30 and 50 locations that may be interested in being added to the program.

The collection cost to manage NES in London is estimated at \$250,000 per year (likely between \$200,000 and \$300,000). Refined estimates will be provided by Circular Materials in September or October 2025 and it is anticipated that market conditions may cause higher costs due to the inefficiency of a fragmented collection system and processing availability. There is also a chance that London will run into limited to no local processing capacity for these materials which would further increase costs.

Financial and Staffing Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget (Tax Levy) – Waste Diversion Residential Recycling Program – Waste Diversion Services	N/A	N/A	\$412	\$412	\$824
Adjustment	N/A	N/A	-\$250	-\$250	-\$500
Adjusted Net Budget (Tax Levy)	\$0	\$0	\$162	\$162	\$324

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

The estimated tonnage of recyclables from NES sources is between 350 and 400 tonnes per year (about 700 kg/location/yr). By comparison, the total amount of recyclables collected in London (from both residential and depot collections) was approximately 23,000 tonnes in 2024. It is not known if NES would arrange their own recycling services or if this material would end up being landfilled. The latter is more likely for locations working with limited funds available for recycling services.

Corporate - This business case does not impact corporate greenhouse gas emissions.

Community - This business case is likely to increase or may encourage an increase in greenhouse gas emissions in the community because this change will unnecessarily result in more collection trucks on the road, increasing greenhouse gas emissions and operational costs.

Community - This business case is not expected to have any impact on community adaptation and resilience because the overall tonnage being handled is small. Over a long period of time, these small amounts do add up and may have an impact of adaptation and resilience.

Socio-economic Equity:

NES that are currently part of the City of London curbside Blue Box recycling system are located on a residential collection route; these include small businesses, non-profit organizations, daycares, churches and other places of worship. The alternative for these locations would be to seek private sector recycling services available; given the transition and fragmentation it is anticipated that collection costs will increase for many locations as shifts in waste management practices will introduce inefficiencies (i.e., volume-based cost savings from multiple locations being served by a single service provider would not likely occur).

Locations that cannot afford to pay for recycling will stop this service. Recycling would likely occur only at locations with a greater ability to afford these services. As a result, the elimination of this service will have a greater impact on NES that are more vulnerable; further compounding other obstacles such as rising inflation, interest rates and debt costs.

Governance:

Providing recycling services to small businesses, non-profit organizations, daycares, churches and other places of worship is not a requirement of the City of London as per Ontario's new Blue Box Regulation. It is a service that has been provided in London for more than fifteen years and some locations likely over twenty-five years. Approving this service elimination business case will translate into reduced costs to the municipality. Alternatively, The City of London could choose to coordinate the system to help lower costs for the NES location by creating some collection efficiencies and establishing a new User Fee to participate in the program.

Business Case Details

Other recyclable materials that are not eligible for producer funding at this time include materials collected from municipal community buildings such as arenas and libraries. London has about 65 community facilities locations. About 100 tonnes of recyclable materials are collected from these locations annually.

Public space containers not on existing residential routes are not eligible for producer funding at this time. There are approximately 35 locations (in the downtown) representing about 25 tonnes per year.

Other pertinent background details based on information obtained from Ontario municipalities includes:

Funding NES Collection

- Currently, many municipalities fund Blue Box recycling programs through municipal taxes, spreading costs among residents and businesses, regardless of participation;
- Under the *Blue Box* Regulation, producers will fund eligible sources, reducing the tax base available for services to non-eligible properties;
- Establishing a mechanism to bill NES customers separately will create administrative burdens;
- Some municipalities have already decided not to continue to collect recyclables from NES locations starting January 1, 2026. This means that NES locations will either find other more costly recycling solutions or place recyclable materials into the garbage;
- Some municipalities are exploring service fees or maintaining the status quo (e.g., payment via municipal taxes);
- Many municipalities as of August 2025 have not made this decision yet;
- As of July 2025, the Province has asked Circular Materials and other Producer Responsibility Organizations for proposals to continue to provide collection services to municipalities on a fee for service basis.

Inefficient Collection Methods

- Banning the co-collection of eligible and non-eligible materials post-2026 creates inefficiencies, as many NES locations are located on recycling routes currently serving eligible sources. A separate collection system must be put in place unless a province-wide solution is provided; and
- This change will unnecessarily result in more collection trucks on the road, increasing greenhouse gas emissions and operational costs.

Lack of Market Competition

- Over the past 5 to 10 years, fewer service providers have bid on recycling and waste collection contracts, indicating limited competition in the sector; and
- This lack of competition places municipalities at a disadvantage, leading to higher service costs for NES and further financial pressure on municipalities, small businesses, non-profits, and/or community organizations.

Appendix I – Water Budget Business Cases (Included in the Mayor’s Tabled Budget for Council’s Consideration)



Budget Business Case #W-1 - Schedule Changes for Water Growth Projects and Budget Increase for Southdale Road

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London's infrastructure and systems are built, maintained, and operated to meet the long-term needs of the community
Primary Strategy:	Build, maintain and operate assets with consideration for energy, efficiency, environmental sustainability and climate resilience
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026-2032
Description:	Schedule Changes for Water Growth Projects and Budget Increase for EW3427 Part A: EW3420 - Richmond Street (Windermere Road to Huron) Part B: EW3421 - Oxford Street (Wonderland Road to Wharncliffe Road) Part C: EW3427 - Southdale Road (East of Wonderland Road)
Service(s):	Water Engineering
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Rate Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Payer Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Rate Payer Impact	N/A	N/A	\$0	\$0	\$0 (Average)

Subject to rounding.

Budget Business Case Summaries

Parts A and B – Richmond Street and Oxford Street West

Part A: Richmond Street and Part B: Oxford Street West are proposed to be delayed one year to 2028 to better coordinate with Transportation needs across the City in an effort to minimize overall traffic impacts in the City of London. Both projects will replace and upgrade existing watermains to provide increased capacity and servicing growth in the areas of Windermere Road to Huron Street and Wonderland Road to Wharncliffe Road respectively. These projects are on arterial roads with heavy traffic flows and coordination with the timing of other arterial road projects is required.

Part A:

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget - EW3420 – Richmond Street (Windermere Road to Huron)	\$0	\$873	\$6,981	\$0	\$7,854	\$0
Adjustment	\$0	\$0	-\$6,981	\$0	-\$6,981	\$6,981
Adjusted Budget	\$0	\$873	\$0	\$0	\$873	\$6,981

Capital Budget Source of Financing Updated Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$0	\$0	\$2,094	\$0	\$2,094	-\$2,094
Other	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ²	\$0	\$0	\$4,887	\$0	\$4,887	-\$4,887
Adjusted Budget	\$0	\$873	\$0	\$0	\$873	\$6,981

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Water Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is the City Services Water Reserve Fund.

Part B:

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget - EW3421 - Oxford Street (Wonderland Road to Wharnccliffe Road)	\$0	\$0	\$1,734	\$13,873	\$15,607	\$0
Adjustment	\$0	\$0	\$0	-\$13,873	-\$13,873	\$13,873
Adjusted Budget	\$0	\$0	\$1,734	\$0	\$1,734	\$13,873

Capital Budget Source of Financing Updated Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$0	\$0	\$0	\$1,651	\$1,651	-\$1,651
Other	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ²	\$0	\$0	\$0	\$12,222	\$12,222	-\$12,222
Adjusted Budget	\$0	\$0	\$1,734	\$0	\$1,734	\$13,873

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Water Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is the City Services Water Reserve Fund.

Part C – Southdale Road West

Part C: Southdale Road West requires additional funds to minimize traffic impacts to Wonderland Road South. This project was budgeted anticipating that installation of the watermain would be completed using open cut methods through the Southdale Road and Wonderland Road South intersection. As engineering design has progressed, it has been identified that trenchless installation methods are feasible for the installation of this watermain, reducing traffic impacts through this intersection. This growth project is important for supporting the continued growth in the Southwest area of the City.

Capital Budget Expenditure Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – EW3427 – Southdale Road (East of Wonderland Road (SL-6))	\$0	\$91	\$ 731	\$0	\$822	\$0
Adjustment	\$0	\$0	\$309	\$0	\$309	\$0
Adjusted Budget	\$0	\$91	\$1,040	\$0	\$1,131	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$0	\$0	-\$228	\$0	-\$228	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ²	\$0	\$0	-\$81	\$0	-\$81	\$0
Adjusted Budget	\$0	\$91	\$1,040	\$0	\$1,131	\$0

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Water Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is the City Services Water Reserve Fund.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources. By reducing traffic impacts and congestion in the City as a result of coordinating projects and by altering construction methods so that traffic disruption is decreased, this business case is expected to avoid, reduce, or help to reduce greenhouse gas emissions in the community.

This business case is not expected to have any impact on community adaptation and resilience.

Socio-economic Equity:

This business case will have a very low impact on Socio-economic Equity. Adjusting project timing to coordinate with the timing of other Transportation projects throughout the City will primarily limit disruption to the public from construction which effects everyone but can have an increased effect on vulnerable groups.

Governance:

Rescheduling this work so that it is aligned with other larger transportation projects, and utilizing construction methods that will reduce traffic impacts would be positive for the City since it will reduce overall disruption over multiple years. These projects are on roads with heavy volumes of traffic, and coordinating these projects with other projects on similar corridors is crucial to manage overall traffic flow in the City of London.

The recommended budget amendments in this business case align with the City's Capital Budget and Financing Policy. There are no significant risks to the recommended deferrals or budget increase, as they are meant to realign with realistic project costs and timelines.

Budget Adjustment Details

All three of the projects in this budget amendment involve the installation of large diameter watermain to address the increased water demand as a result of growth in the City of London, and all three projects are on roads with heavy traffic volumes. Construction coordination and utilizing construction methods that will reduce these traffic impacts are the driver for all these budget amendments. Further details of each amendment are as follows:

Part A: Richmond Street had original budgeted construction timing of 2026. As part of this amendment, it is proposed to defer this funding to 2028. Construction coordination and the requirement to reduce traffic impacts is driving this proposed amendment.

Part B: Oxford Street West had an original budgeted construction timing of 2027. As part of this amendment, it is proposed to defer this funding to 2028. Construction coordination and the requirement to reduce traffic impacts is driving this proposed amendment.

Part C: Southdale Road West project timing is still planned for 2026 construction. Additional funds to utilize construction methods that will significantly reduce traffic impacts is what is driving this proposed amendment.

Budget Business Case #W-2 - Funding of Development Charges Act Statutory Exemptions – Reduction

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service
Primary Strategy:	Develop and monitor the Multi-Year Budget to align financial resources with Council's Strategic Plan.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	Yes – Reduction to ongoing funding
Description:	Ministry of Municipal Affairs and Housing clarification of municipal obligations under the Development Charges Act
Service(s):	Water – General Administration
Lead:	Kelly Sherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Rate Impact	N/A	N/A	-\$500	-\$500	-\$1,000
Estimated Annual Rate Payer Impact	N/A	N/A	-\$2.62	-\$2.59	-\$5.21
Estimated Annual Rate Change %	N/A	N/A	-0.47%	0.03%	-0.12%(Average)
Estimated Incremental Rate Payer Impact	N/A	N/A	-\$2.62	\$0.03	-\$0.65 (Average)

Subject to rounding.

Budget Business Case Summary

The Development Charges Act (DCA) provides the legislative framework which municipalities must follow to levy development charges (DCs) in Ontario. In addition to establishing the rules for setting DC rates, the DCA also includes several statutory (legislated) DC exemptions. If statutory DC exemptions are not funded through non-DC sources, they result in lost DC revenues and lower than anticipated DC reserve fund balances, which may put the funding of certain growth infrastructure projects at risk and/or place pressures on future DC rates. Typical non-DC funding sources include other levels of government grants and subsidies, property taxes, and utility rates.

Based on consultant and legal advice, the City's historical DCA interpretation was that municipalities were responsible for funding statutory DC exemptions. The City's approach to this has been to first seek and secure other levels of government grants and subsidies with the remainder offset through property taxes and utility rates funding.

As part of the City's continuous improvement efforts with regards to DCs, the Mayor and Civic Administration have worked with provincial partners to establish a clear and consistent interpretation as it relates to a municipality's responsibility to fund statutory DC exemptions from non-DC sources such as property taxes and utility rates. Through these efforts the City received a letter² from the Deputy Minister of the Ministry of Municipal Affairs and Housing (MMAH) that provides clarity on this matter.

Key clarifications received within the letter include:

- Municipalities are responsible for ensuring that they have adequate resources to enable infrastructure necessary to support their growth.
- The DCA does not explicitly require municipalities to top-up DC reserve funds for lost DC revenues in situations where full or partial DC exemptions are provided.
- The decision to top-up DC reserve funds for lost DC revenues is a local decision based on what a municipal Council considers most appropriate under a set of given circumstances.

Based on the MMAH clarifications provided, Civic Administration will undertake the following practices when managing lost DC revenues due to statutory DC exemptions:

- Realized statutory DC exemptions will not be 'topped up' through budgeted property taxes and utility rates that impact the City's various levy requirements.
- Continue to advocate for a reliable and predictable form of other levels of government funding to support growth costs across the City, especially growth related to statutory DC exemptions.

² Link to letter received from MMAH - <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=116970>

- The DC Background Study (the “DC Study”) contains many assumptions pertaining to projected residential and non-residential growth, DC levies, and associated growth capital works, noting that the DC Study is completed at a point-in-time. As such, efforts across the Corporation will assess realized growth, DC levies, DC reserve funds sustainability, and revised growth capital needs to identify and recommend adjustments to the DC Study. Recommended adjustments will be brought forward for Council approval through the following existing processes:
 - The Growth Management Implementation Strategy (GMIS) will be used to adjust the timing of select growth capital works to align with the pace of development (GMIS growth capital works are timed to ensure that additional buildable lots can proceed as planned); and
 - The Capital Budget Monitoring and Budget processes will be used to adjust the timing of non-GMIS growth capital works when needed (similar to a just-in-time delivery system) and funds are released when not required.
- Should the City Treasurer determine that these measures are not sufficient to ensuring that adequate resources are in place to support growth infrastructure demand, then additional non-DC funding sources, such as property taxes and utility rates, may be sought.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget – Reserve Fund Contribution – DC Statutory Exemptions Water Reserve Fund	\$300	\$400	\$500	\$500	\$1,700
Adjustment	N/A	N/A	-\$500	-\$500	-\$1,000
Adjusted Net Budget	\$300	\$400	\$0	\$0	\$700

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

Corporate Greenhouse Gas Emissions: This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

Community Greenhouse Gas Emissions: This business case is not expected to have any impact on greenhouse gas emissions in the community.

Climate Change: This business case is not expected to have an impact on climate change.

Socio-economic Equity:

This business case creates a permanent reduction to the City's annual utility rate requirement. Because utility rate savings lower monthly utility costs, they help to improve the financial health and well-being of the residential and non-residential populations of London.

Governance:

This amendment is the result of Provincial clarification regarding a Development Charges Act legislative requirement. As mentioned previously in this business case, Civic Administration will undertake various practices to manage lost DC revenues due to statutory DC Exemptions including advocacy efforts with other levels of government and adjustments to the DC Study. Should the City Treasurer determine that these measures are not sufficient to ensuring that adequate resources are in place to support growth infrastructure demand, then additional non-DC funding sources, such as property taxes and utility rates, may be sought.

Appendix J – Wastewater and Treatment Budget Business Cases (Included in the Mayor's Tabled Budget for Council's Consideration)

Budget Business Case #WWT-1 - Budget Amendments for Wastewater Growth Projects

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London's Infrastructure and systems are built, maintained and operated to meet the long-term needs of the community.
Primary Strategy:	Build, maintain and operate assets with consideration for energy efficiency, environmental sustainability and climate resilience.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): Life-to-Date, 2026, 2027, 2029
Description:	<p>Budget amendments for Wastewater Treatment Operations Growth Projects</p> <p>Part A: ES2205 - Byron Pumping Station Upgrades</p> <p>Part B: ES5431 - Adelaide Expansion Studies</p> <p>Part C: ES5169 - Oxford Wastewater Treatment Plant Expansion</p> <p>Part D: ES5132 - East Park Pumping Station Upgrade</p> <p>Part E: ES3021 - Land (Expropriation Negotiations)</p> <p>Part F: ES543619 - Storm Sewer Built Area Works (2019-2023)</p>
Service(s):	Wastewater Treatment Operations
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Rate Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Payer Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Rate Payer Impact	N/A	N/A	\$0	\$0	\$0 (Average)

Subject to rounding.

Budget Business Case Summaries

This business case outlines timing revisions and budget adjustments for multiple growth Wastewater and Treatment capital projects. These timing changes aim to realign the timing of these projects with the anticipated pace of development in the City. These timing changes will help to relieve pressure on the City Service Reserve Fund as well as Rate Supported Sources of Financing.

Parts A – Byron Pumping Station Upgrades

ES2205 – Byron Pumping Station Upgrades: The Byron Pumping Station is considered to have sufficient capacity for the near-term phases of housing growth, and the ability to add a sixth pump should allow for growth accommodation to the 2028 Development Charges Background Study (DCBS). Accordingly, the budget for an expansion of that station can be reduced by \$3.1 million.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – ES2205 – Byron Pumping Station Upgrades	\$3,681	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment	-\$3,100	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$581	\$0	\$0	\$0	\$0	\$0	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ¹	\$3,100	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$581	\$0	\$0	\$0	\$0	\$0	\$0

Subject to rounding.

Notes:

1)The non-rate supported source of financing is the City Services Wastewater Reserve Fund.

Parts B – Adelaide Expansion Studies

ES5431 – Adelaide Expansion Studies: Adelaide WWTP is currently undergoing construction of flood protection measures and the restoration of Section 1. By restoring Section 1, 6.8 million litres per day of additional capacity becomes available. This is expected to be sufficient to carry that plant through the next DCBS period. As a result, the need for a study to expand that plant is reduced and that project can be deferred.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – ES5431 – Adelaide Expansion Studies	\$0	\$0	\$0	\$576	\$0	\$576	\$0
Adjustment	\$0	\$0	\$0	-\$576	\$0	-\$576	\$0
Adjusted Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$0	\$0	\$0	\$109	\$0	\$109	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ²	\$0	\$0	\$0	\$467	\$0	\$467	\$0
Adjusted Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Subject to rounding.

Notes:

1) The reserve fund source of financing is the Sewage Works Renewal Reserve Fund.

2) The non-rate supported source of financing is the City Services Wastewater Reserve Fund.

Part C – Wastewater Treatment Plant Expansion

ES5169 – Oxford Wastewater Treatment Plant Expansion: Oxford WWTP is already nearing its available treatment capacity, while growth in its sewershed is expected to continue at a high rate over the coming years. This area is also expected to be impacted by potential modifications to the urban growth boundary. As a result, efforts to recover treatment capacity at that plant are required to begin as soon as possible. This will advance the ability to service growth from the current timing of post-2032. In addition, the previously budgeted \$11 million is not expected to be sufficient for the full upgrade. Completing the detailed design earlier will enable the required budget to be established with more certainty, enabling more accurate budget allocations. As such, a budget amendment is recommended to increase the 2026 budget in ES5169 by approximately \$3.6 million to accommodate the detailed design costs at Oxford WWTP. Additionally, since projects ES2205 and ES5431 are being deferred to the next Development Charges Background Study, the budget increase in ES5169 can be supplemented by the recommended growth funds being released from ES2205 and ES5431. It should be noted that the life-to-date budget in ES5169 is required for the installation of replacement membranes and is not available to fund the detailed design costs.

An expansion of Oxford WWTP was already planned to commence in 2032. A portion of that strategy included leveraging a planned membrane equipment renewal and expanding treatment capacity through that update to the newest technology. However, a review of related treatment processes revealed that the ability to expand capacity is not as significant as was previously hoped. By reconstructing works at Oxford WWTP, the City can lay the groundwork for future expansions by purpose-building tanks and processes to suit a future phased capacity expansion.

In general, by deferring planned projects at Byron Pumping Station and Adelaide Wastewater Treatment Plant, urgent capacity expansion at Oxford Wastewater Treatment Plant can be advanced to avoid any significant limitations on growth in northwest London.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – ES5169 – Oxford Wastewater Treatment Plant Expansion	\$0	\$2,000	\$0	\$0	\$0	\$2,000	\$11,000
Adjustment	\$0	\$0	\$0	\$3,567	\$0	\$3,567	\$0
Adjusted Budget	\$0	\$2,000	\$0	\$3,567	\$0	\$5,567	\$11,000

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ¹	\$0	\$0	\$0	-\$3,567	\$0	-\$3,567	\$0
Adjusted Budget	\$0	\$2,000	\$0	\$3,567	\$0	\$5,567	\$11,000

Subject to rounding.

Notes: 1) The non-rate supported source of financing is the City Services Wastewater Reserve Fund.

Part D – East Park Pumping Station Upgrade

A review of the East Park Pumping Station upgrade project determined a budget deferral of \$3 million from the life-to-date budget to year 2027 can be made to realign budget with realistic project timelines. This project will recommence in 2026 with detailed design, however, the construction budget will not be required until 2027. As such, this budget deferral will address financial sustainability pressures on the Development Charges reserve fund.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2034 Total
Previously Approved Budget – ES5132 – East Park Pumping Station Upgrade	\$4,056	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment	-\$3,000	\$0	\$0	\$0	\$3,000	\$3,000	\$0
Adjusted Budget	\$1,056	\$0	\$0	\$0	\$3,000	\$3,000	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2034 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$118	\$0	\$0	\$0	-\$118	-\$118	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ²	\$2,882	\$0	\$0	\$0	-\$2,882	-\$2,882	\$0
Adjusted Budget	\$1,056	\$0	\$0	\$0	\$3,000	\$3,000	\$0

Subject to rounding.

Notes:

1) The reserve fund source of financing is the Sewer Industrial Oversizing Reserve Fund.

2) The non-rate supported source of financing is the City Services Wastewater Reserve Fund.

Part E – Land (Expropriation Negotiations)

Part E: The Dingman Creek Environmental Assessment (EA) is scheduled to be completed by the end of 2025. The EA will identify future flood mitigation works. The design of these works are anticipated to commence in 2026. This account will fund future land needs for mitigation works. Therefore, the earliest that the budget will be spent is 2027. As such, the life-to-date budget in ES3021 can be deferred to year 2027 to address financial sustainability pressures on the Development Charges reserve fund.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2034 Total
Previously Approved Budget – ES3021 – Land (Expropriation Negotiations)	\$900	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment	-\$322	\$0	\$0	\$0	\$322	\$322	\$0
Adjusted Budget	\$578	\$0	\$0	\$0	\$322	\$322	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2034 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ¹	\$322	\$0	\$0	\$0	-\$322	-\$322	\$0
Adjusted Budget	\$578	\$0	\$0	\$0	\$322	\$322	\$0

Subject to rounding.

Notes:

1) The non-rate supported source of financing is the City Services Stormwater Reserve Fund.

Part F – Storm Sewer Built Area Works (2019-2023)

A review of the Storm Sewer Built Area Works (BAW) capital program determined a partial release of \$3.2 million from the life-to-date budget is recommended. This favourable variance is a result of the Storm BAW funding allocation being originally set up following the Storm Core Area Servicing Study (CASS) at a time when the Richmond Street Rapid Transit corridor and tunnel was anticipated. This would have required trunk storm sewer/Carling Creek sewer rerouting, however, these works are no longer required. The review of this capital program also determined \$5 million can be deferred to year 2027 as part of the Carling Creek watershed work required downtown. In year 2026, \$1 million is planned for design to be carried out and will remain in the life-to-date budget, and the remaining \$5 million will be used for construction in year 2027 for two stormwater storage facility projects. These life-to-date budget adjustments address financial sustainability pressures on the Development Charges reserve fund.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – ES543619 – Storm Sewer Built Area Works	\$26,760	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment	-\$8,191	\$0	\$0	\$0	\$5,000	\$5,000	\$0
Adjusted Budget	\$18,569	\$0	\$0	\$0	\$5,000	\$5,000	\$0

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$3,645	\$0	\$0	\$0	-\$2,225	-\$2,225	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported ²	\$4,546	\$0	\$0	\$0	-\$2,775	-\$2,775	\$0
Adjusted Budget	\$18,569	\$0	\$0	\$0	\$5,000	\$5,000	\$0

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Sewage Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is the City Services Stormwater Reserve Fund.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources. This business case is not expected to have any impact on greenhouse gas emissions in the community. This business case is expected to improve or increase community adaptation and resilience in the community.

In general, Part C of this business case provides environmental benefits by ensuring that the Oxford WWTP continues to treat flows and meet regulatory obligations for effluent quality. Constructing new treatment capacity provides responsible growth accommodation while minimizing the impact of growth on the health of the Thames River and increases the resilience of the facility to climate induced wet weather events. While there is expected to be minimal impact to corporate or community greenhouse gas emissions, it will take the opportunity to utilize current technologies to improve energy efficiency overall.

Socio-economic Equity:

It is not anticipated that approving these amendments will negatively impact equity-deserving and other vulnerable groups.

Governance:

Over and above the City's commitment to environmental protection generally, wastewater treatment is a provincially regulated function mandated for all Ontario municipalities. Part C is essential for maintaining the City's capacity for treating wastewater generated in the Oxford WWTP sewershed, comprising the majority of west London. There is little flexibility in the treatment strategy at the plant since existing tanks have been optimized for membrane filtration. Therefore, new construction will be required to expand the currently available treatment capacity.

The recommended budget amendments in this business case align with the City's Capital Budget and Financing Policy. There are no significant risks to the deferrals or recommended budget releases as they're meant to realign with realistic project timelines.

Budget Business Case #WWT-2 - Greenway Section 1 Renewal – Advance Budget for Detailed Design

Primary Strategic Area of Focus:	Climate Action and Sustainable Growth
Primary Outcome:	London's infrastructure and systems are built, maintained and operated to meet the long-term needs of the community
Primary Strategy:	Invest in publicly-owned assets to maintain existing levels of service and to implement planned levels of service
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	No, Applicable Year(s): 2026
Description:	Advance Detailed Design Budget for Greenway Wastewater Treatment Plant Section 1 Renewal
Service(s):	Wastewater Treatment Operations
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Rate Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Payer Impact	N/A	N/A	\$0	\$0	\$0
Estimated Annual Rate Change %	N/A	N/A	0.00%	0.00%	0.00%(Average)
Estimated Incremental Rate Payer Impact	N/A	N/A	\$0	\$0	\$0(Average)

Subject to rounding.

Budget Business Case Summary

The restoration of Section 1 at Greenway was requested as part of the 2024-2027 Multi-Year Budget process. At that time, it was expected that upgrades would be required some time after 2029. However, growth in the Greenway sewershed has led to significantly higher flow increases year over year than those contemplated in 2023. As a result, detailed design needs to be advanced earlier than originally planned in order to be able to start construction in 2029. If a need to advance the construction budget is identified during detailed design, that request will be evaluated as part of the 2028-2031 Multi-Year Budget deliberations.

Capital Budget Expenditure Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Previously Approved Budget – ES5012 – Greenway Wastewater Treatment Plant New Section 1	\$0	\$750	\$0	\$0	\$0	\$750	\$80,000
Adjustment	\$0	\$0	\$0	\$5,000	\$0	\$5,000	-\$5,000
Adjusted Budget	\$0	\$750	\$0	\$5,000	\$0	\$5,750	\$75,000

Capital Budget Source of Financing Updated Table (\$ Thousands)	Life-to-Date	2024	2025	2026	2027	2024 to 2027 Total	2028 to 2033 Total
Capital Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund ¹	\$0	\$0	\$0	-\$5,000	\$0	-\$5,000	\$5,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Rate Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Budget	\$0	\$750	\$0	\$5,000	\$0	\$5,750	\$75,000

Subject to rounding.

Notes:

1) The reserve fund source of financing is the Sewage Works Renewal Reserve Fund.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources, and this business case is not expected to have any impact on greenhouse gas emissions in the community.

However, this business case is expected to improve or increase community adaptation and resilience in the community. An increase in frequency of severe weather with climate change will lead to increased high flow events in the wastewater collection system. Growth in sewersheds increases the risk of overflow events by consuming the available treatment capacity, leaving less buffer to handle wet weather flows. Accommodating growth responsibly includes maintaining that buffer. Enabling growth in a developed urban core also reduces the amount of greenfield land that is utilized for development, and the capacity considered under this project can provide wastewater servicing for 5,000 housing units or more.

Socio-economic Equity:

This project provides positive impacts across all socio-economic categories by contributing to the City's efforts to construct more housing across the entire affordability spectrum. Intensification growth in developed urban areas is seen as an effective and responsible model for growth servicing, so by providing the treatment capacity necessary for growth in the downtown core, this project directly contributes to efforts to combat the housing crisis.

Governance:

Governance goals will be met by allowing the Wastewater Treatment Operations Division to maximize the use of existing infrastructure to meet regulatory obligations and accommodate growth to address the housing crisis, resulting in an efficient and responsible use of public funds to contribute to environmental and social goals.

Budget Adjustment Details

Detailed design of a major part of Greenway Wastewater Treatment Plant can require multiple years due to the complexity of both the treatment section itself as well as the challenges of integrating it into the operation of other parts of the plant. Section 1 is responsible for 30 million litres per day (MLD) of Greenway's rated capacity of 170 MLD (17.6%). It also forms part of a longer-term plan to eventually remove Section 2 from service, so design of the renewal must also accommodate and facilitate those future upgrades.

With a goal of functional restoration of Section 1 by 2030, the multi-year design process needs to start soon. This timeline contemplates initiating the Request for Proposals as soon as possible in 2026.

The 2023 to 2027 Strategic Plan identifies a target outcome that London is an affordable and supportive community for individuals and families. This project also supports the strategies under expected result 2.1b, of that outcome, to ensure there is an adequate supply of lands for new homes and services.

This project contributes directly to that goal by providing treatment capacity to service increased population in the downtown core and other areas in north and south London.

Budget Business Case #WWT-3 - Upper Thames River Conservation Authority (UTRCA) One-time Operating Budget Reduction

Primary Strategic Area of Focus: Climate Action and Sustainable Growth

Primary Outcome: London has a strong and healthy environment.

Primary Strategy: Protect the natural environment and avoid natural hazards when building new infrastructure or development.

Budget Amendment Type: Cost or Revenue Driver

Ongoing Funding: No, Applicable Year(s): 2026

Description: Proposed one-time budget reduction by UTRCA

Service(s): Upper Thames River Conservation Authority (UTRCA)

Lead: Tracy Annett, General Manager

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Rate Impact	N/A	N/A	-\$25	\$0	-\$25
Estimated Annual Rate Payer Impact	N/A	N/A	-\$0.14	\$0	-\$0.14
Estimated Annual Rate Change %	N/A	N/A	-0.02%	0.02%	0.00%(Average)
Estimated Incremental Rate Payer Impact	N/A	N/A	-\$0.14	\$0.14	\$0.00 (Average)

Subject to rounding.

Budget Business Case Summary

This business case is being brought forward to reduce UTRCA's total 2026 operating budget allocation as a result of savings identified through UTRCA's preliminary budget review for 2026. This budget is used to deliver programs and services to protect and manage impacts on water and other natural resources in partnership with the City of London. It should be noted that the UTRCA board does not approve their 2026 Budget until February, and this one-time budget reduction will reduce the City of London's 2026 wastewater rates and 2026 tax levy (see business case P-9). Additionally, this reduction will not have an impact on levels of service provided to the City of London.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget – UTRCA Budget Funded by Wastewater and Treatment Budget	\$3,422	\$3,866	\$4,133	\$4,263	\$15,684
Adjustment	N/A	N/A	-\$25	\$0	-\$25
Adjusted Net Budget	\$3,422	\$3,866	\$4,108	\$4,263	\$15,659

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

This Business Case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

This Business Case is not expected to have any impact on greenhouse gas emissions in the community.

This Business Case is not expected to have any impact on community adaptation and resilience emissions in the community.

Socio-economic Equity:

This business case creates a one-time reduction to the City's annual utility rate requirement. Because utility rate savings lower monthly utility costs, they help to improve the financial health and well-being of the residential and non-residential populations of London.

Governance:

There is no risk to this budget reduction as it's related to budget savings identified by UTRCA and will not impact levels of service.

Budget Business Case #WWT-4 - Funding of Development Charges Act Statutory Exemptions – Reduction

Primary Strategic Area of Focus:	Well-Run City
Primary Outcome:	Londoners experience good stewardship, exceptional and valued service.
Primary Strategy:	Develop and monitor the Multi-Year Budget to align financial resources with Council's Strategic Plan.
Budget Business Case Type:	Cost or Revenue Driver
Ongoing Funding:	Yes – Reduction to ongoing funding
Description:	Ministry of Municipal Affairs and Housing clarification of municipal obligations under the Development Charges Act
Service(s):	Wastewater and Treatment – General Administration
Lead:	Kelly Sherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2024	2025	2026	2027	2024 to 2027 Total
Annual Rate Impact	N/A	N/A	-\$3,100	-\$3,100	-\$6,200
Estimated Annual Rate Payer Impact	N/A	N/A	-\$16.94	-\$16.70	-\$33.64
Estimated Annual Rate Change %	N/A	N/A	-2.27%	0.15%	-0.53%(Average)
Estimated Incremental Rate Payer Impact	N/A	N/A	-\$16.94	\$0.24	-\$4.18 (Average)

Subject to rounding.

Budget Business Case Summary

The Development Charges Act (DCA) provides the legislative framework which municipalities must follow to levy development charges (DCs) in Ontario. In addition to establishing the rules for setting DC rates, the DCA also includes several statutory (legislated) DC exemptions. If statutory DC exemptions are not funded through non-DC sources, they result in lost DC revenues and lower than anticipated DC reserve fund balances, which may put the funding of certain growth infrastructure projects at risk and/or place pressures on future DC rates. Typical non-DC funding sources include other levels of government grants and subsidies, property taxes, and utility rates.

Based on consultant and legal advice, the City's historical DCA interpretation was that municipalities were responsible for funding statutory DC exemptions. The City's approach to this has been to first seek and secure other levels of government grants and subsidies with the remainder offset through property taxes and utility rates funding.

As part of the City's continuous improvement efforts with regards to DCs, the Mayor and Civic Administration have worked with provincial partners to establish a clear and consistent interpretation as it relates to a municipality's responsibility to fund statutory DC exemptions from non-DC sources such as property taxes and utility rates. Through these efforts the City received a letter³ from the Deputy Minister of the Ministry of Municipal Affairs and Housing (MMAH) that provides clarity on this matter.

Key clarifications received within the letter include:

- Municipalities are responsible for ensuring that they have adequate resources to enable infrastructure necessary to support their growth.
- The DCA does not explicitly require municipalities to top-up DC reserve funds for lost DC revenues in situations where full or partial DC exemptions are provided.
- The decision to top-up DC reserve funds for lost DC revenues is a local decision based on what a municipal Council considers most appropriate under a set of given circumstances.

Based on the MMAH clarifications provided, Civic Administration will undertake the following practices when managing lost DC revenues due to statutory DC exemptions:

- Realized statutory DC exemptions will not be 'topped up' through budgeted property taxes and utility rates that impact the City's various levy requirements.
- Continue to advocate for a reliable and predictable form of other levels of government funding to support growth costs across the City, especially growth related to statutory DC exemptions.

³ Link to letter received from MMAH - <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=116970>

- The DC Background Study (the “DC Study”) contains many assumptions pertaining to projected residential and non-residential growth, DC levies, and associated growth capital works, noting that the DC Study is completed at a point-in-time. As such, efforts across the Corporation will assess realized growth, DC levies, DC reserve funds sustainability, and revised growth capital needs to identify and recommend adjustments to the DC Study. Recommended adjustments will be brought forward for Council approval through the following existing processes:
 - The Growth Management Implementation Strategy (GMIS) will be used to adjust the timing of select growth capital works to align with the pace of development (GMIS growth capital works are timed to ensure that additional buildable lots can proceed as planned); and
 - The Capital Budget Monitoring and Budget processes will be used to adjust the timing of non-GMIS growth capital works when needed (similar to a just-in-time delivery system) and funds are released when not required.
- Should the City Treasurer determine that these measures are not sufficient to ensuring that adequate resources are in place to support growth infrastructure demand, then additional non-DC funding sources, such as property taxes and utility rates, may be sought.

Financial Impacts

Operating Budget Table (\$ Thousands)	2024	2025	2026	2027	2024 to 2027 Total
Previously Approved Net Budget – Reserve Fund Contribution – DC Statutory Exemptions Wastewater Reserve Fund	\$1,500	\$2,300	\$3,100	\$3,100	\$10,000
Adjustment	N/A	N/A	-\$3,100	-\$3,100	-\$6,200
Adjusted Net Budget	\$1,500	\$2,300	\$0	\$0	\$3,800

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Relevance Profile for this Business Case:

Environmental:

Corporate Greenhouse Gas Emissions: This business case does not include any new greenhouse gas emission sources or increased emissions from existing sources.

Community Greenhouse Gas Emissions: This business case is not expected to have any impact on greenhouse gas emissions in the community.

Climate Change: This business case is not expected to have an impact on climate change.

Socio-economic Equity:

This business case creates a permanent reduction to the City's annual utility rate requirement. Because utility rate savings lower monthly utility costs, they help to improve the financial health and well-being of the residential and non-residential populations of London.

Governance:

This amendment is the result of Provincial clarification regarding a Development Charges Act legislative requirement. As mentioned previously in this business case, Civic Administration will undertake various practices to manage lost DC revenues due to statutory DC Exemptions including lobbying efforts with other levels of government and adjustments to the DC study. Should the City Treasurer determine that these measures are not sufficient to ensuring that adequate resources are in place to support growth infrastructure demand, then additional non-DC funding sources, such as property taxes and utility rates, may be sought.

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