

Agenda

Corporate Services Committee

15th Report of the Corporate Services Committee

August 14, 2018, 12:30 PM

Council Chambers

Members

Councillors J. Helmer (Chair), J. Morgan, P. Hubert, M. van Holst, J. Zaifman, Mayor M. Brown

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 - 6.1 Land Disposition/Solicitor-Client Privileged Advice

A matter pertaining to instructions and directions to officers and employees of the Corporation pertaining to a proposed disposition of land; advice that is subject to solicitor-client privilege, including communications necessary for that purpose; reports or advice or recommendations of officers and employees of the Corporation pertaining to a proposed disposition of land; commercial and financial information supplied in confidence pertaining to the proposed disposition the disclosure of which could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of the Corporation, result in similar information no longer being supplied to the Corporation where it is in the public interest that similar information continue to be so supplied, and result in undue loss or gain to any person, group, committee or financial institution or agency; commercial, information relating to the proposed disposition that belongs to the Corporation that has monetary value or potential monetary value; information concerning the proposed acquisition whose disclosure could reasonably be expected to prejudice

the economic interests of the Corporation or its competitive position; information concerning the proposed disposition whose disclosure could reasonably be expected to be injurious to the financial interests of the Corporation; and instructions to be applied to any negotiations carried on or to be carried on by or on behalf of the Corporation concerning the proposed disposition.

6.2 Land Acquisition/Solicitor-Client Privileged Advice

A matter pertaining to instructions and directions to officers and employees of the Corporation pertaining to a proposed acquisition of land; advice that is subject to solicitor-client privilege, including communications necessary for that purpose; reports or advice or recommendations of officers and employees of the Corporation pertaining to a proposed acquisition of land; commercial and financial information supplied in confidence pertaining to the proposed acquisition the disclosure of which could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of the Corporation, result in similar information no longer being supplied to the Corporation where it is in the public interest that similar information continue to be so supplied, and result in undue loss or gain to any person, group, committee or financial institution or agency; commercial, information relating to the proposed acquisition that belongs to the Corporation that has monetary value or potential monetary value; information concerning the proposed acquisition whose disclosure could reasonably be expected to prejudice the economic interests of the Corporation or its competitive position; information concerning the proposed acquisition whose disclosure could reasonably be expected to be injurious to the financial interests of the Corporation; and instructions to be applied to any negotiations carried on or to be carried on by or on behalf of the Corporation concerning the proposed acquisition.

6.3 Land Acquisition/Solicitor-Client Privileged Advice

A matter to be considered for the purpose of instructions and directions to officers and employees of the Corporation pertaining to a proposed acquisition of land; advice that is subject to solicitor-client privilege, including communications necessary for that purpose; reports or advice or recommendations of officers and employees of the Corporation pertaining to a proposed acquisition of land; commercial and financial information supplied in confidence pertaining to the proposed acquisition the disclosure of which could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of the Corporation, result in similar information no longer being supplied to the Corporation where it is in the public interest that similar information continue to be so supplied, and result in undue loss or gain to any person, group, committee or financial institution or agency; commercial, information relating to the proposed acquisition that belongs to the Corporation that has monetary value or potential monetary value; information concerning the proposed acquisition whose disclosure could reasonably be expected to prejudice the economic interests of the Corporation or its competitive position; information concerning the proposed acquisition whose disclosure could reasonably be expected to be injurious to the financial interests of the Corporation; and instructions to be applied to any negotiations carried on or to be carried on by or on behalf of the Corporation concerning the proposed acquisition.

6.4 Labour Relations/Employee Negotiations/Solicitor-Client Privileged Advice

A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations in regard to one of the Corporation's unions and advice which is subject to solicitor client privilege and communications necessary for that purpose and for the purpose of providing directions to officers and employees of the Corporation.

6.5 Labour Relations/Employee Negotiations/Litigation/Potential Litigation/Solicitor-Client Privileged Advice/Personal Matters/Identifiable Individual

A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations in regards to the Corporation's associations and unions, and litigation or potential litigation affecting the municipality, and advice which is subject to solicitor client privilege, including communications necessary for that purpose; and a matter pertaining personal matters about an identifiable individual; litigation or potential litigation affecting the municipality; advice that is subject to solicitor-client privilege, including communications, reports, advice or recommendations of officers and employees of the Corporation necessary for that purpose and directions to officers and employees of the Corporation pertaining to by-law enforcement matters with respect to the City's Vehicle for Hire By-law L.-130-71.

7. Adjournment

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON AUGUST 14, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	APPOINTMENTS TO THE JOINT VENTURE MANAGEMENT COMMITTEE FOR THE 4-PAD ARENA COMPLEX

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the August 28, 2018 meeting of the Municipal Council to approve the appointment of the City's representatives to the Joint Venture Management Committee for the 4-Pad Arena Complex.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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December 15, 2015 – Appointments to the Joint Venture Management Committee For the 4-Pad Arena Complex

June 5, 2012 – Fair City Joint Venture Agreement Amendments, Investment and Economic Prosperity Committee

July 21, 2010 – Appointments to the Joint Venture Management Committee for 4-Pad Arena Complex, Board of Control

BACKGROUND

The Western Fair Association (WFA) and The Corporation of the City of London (City) entered into a Joint Venture Agreement to provide for the construction and operation of a 4-pad arena complex, located on WFA lands situated on the south side of Florence Street. The Agreement established a Joint Venture Management Committee comprised of City of London and WFA appointees.

The City of London appointments to the Joint Venture Management Committee, include the following: the Director, Financial Services (Representative), City Treasurer/Chief Financial Officer (Alternative Representative), Managing Director, Parks and Recreation (Representative) and Division Manager, Aquatics, Arenas, and Parks Operations (Alternative Representative).

The attached proposed by-law (Appendix "A") is being brought forward to amend the wording for the position titles for the City of London representatives appointed to the Joint Venture Management Committee to reflect the revised position titles.

PREPARED BY:	RECOMMENDED BY:
IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES	ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

- c. S. Stafford, Managing Director, Parks & Recreation
- L. Loubert, Division Manager, Aquatics, Arenas, and Parks Operations

Bill No.
2018

By-law No.

A by-law to amend By-law No. A.-6567-226 entitled, "A By-law to approve the appointment of City of London representatives to the Joint Venture Management Committee for the 4-Pad Arena Complex located on Western Fair Association (WFA) lands".

WHEREAS the Municipal Council of The Corporation of the City of London wishes to appoint its representatives to the Joint Venture Management Committee for the 4-Pad Arena Complex located on Western Fair Association lands;

AND WHEREAS the Western Fair Association has approved the City of London's nominees to the Joint Venture Management Committee, in accordance with section 3.3 of the Joint Venture Agreement;

AND WHEREAS section 5(3) of the *Municipal Act, 2001*, as amended, provides that a municipal power shall be exercised by by-law;

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

1. By-law No. A.-6567-226 entitled, "A By-law to approve the appointment of City of London representatives to the Joint Venture Management Committee for the 4-Pad Arena Complex located on Western Fair Association (WFA) lands" is amended as follows:
 - a) by amending Section 1. by deleting the words "Division Manager, Parks and Community Sports" and replacing them with the words "Division Manager, Aquatics, Arenas & Parks Operations";
2. This by-law comes into force on the day it is passed.

PASSED in Open Council on August 28, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON AUGUST 14, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2017 ANNUAL REPORTING OF LEASE FINANCING AGREEMENTS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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2016 Annual Reporting of Lease Financing Agreements –
(September 12, 2017 meeting of Corporate Services Committee – Agenda Item 4)
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=33633>

SS16-11 Single Source Corporate Technology Assets –
(April 12, 2016 meeting of Corporate Services Committee – Agenda Item 2)
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=23930>

Lease Financing Policy –
(June 17, 2014 meeting of Corporate Services Committee – Agenda Item 3)
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=13686>

BACKGROUND

In accordance with Ontario Regulation 653/05 of the *Municipal Act, 2001* and Council Policy - Lease Financing Policy, the Treasurer is required to report to Council annually on the total of outstanding Lease Financing Agreements in a fiscal year.

The Lease Financing Policy governs the administration of Lease Financing Agreements entered into by the City and incorporates all of the requirements of the Ontario Regulation 653/05.

A Lease Financing Agreement is defined in the policy as “a financial agreement for the purposes of obtaining long term financing of a capital undertaking of the municipality”.

The purpose of the Lease Financing Policy is to provide guidance to Civic Administration and Council when contemplating entering into agreements for use of capital property and equipment. At times, lease financing agreements may be preferred over purchase or debt financing, depending on factors such as:

- the number of years the facility or equipment is required for;
- the annual rental payments; and,
- the bargain purchase option at the end of the term, if any.

The policy also provides guidance on the need to provide an annual report to Council. The report should contain:

- A description of the estimated proportion of Lease Financing Agreements to the total long-term debt of the City (Table 1);
- A description of the change, if any, in the estimated proportion since the previous year (Table 2);
- A statement by the Treasurer that the Lease Financing Agreements were made in accordance with the policy; and,
- Any other pertinent information (Table 3 and Table 4).

Annual Report for the year ending December 31, 2017

Table 1 provides the details of the total outstanding capital lease financing agreements for 2016 and 2017 fiscal year ends for the City, as at December 31, exclusive of boards and commissions. The table shows that the capital lease financing balance has decreased over the past year from \$882,000 at the end of 2016 to \$227,000 at the end of 2017. The major contributing factor is our change in procurement strategy regarding corporate technology assets (i.e. desk tops).

Table 1				
Capital Lease Financing Agreements as a % of Long-term Debt				
(000's)				
	2017		2016	
Capital Lease Financing Agreements as at December 31st				
Equipment	\$	227	\$	882
Total Long-term Debt	\$	299,299	\$	312,038
Total Capital Lease Financing Agreements as a % of Total Debt		0.08%		0.28%

Table 2 explains the change over the previous year. Lease repayments in 2017 totalled \$655,000 related to computer leases. There were no new capital lease contracts entered into in 2017.

Table 2			
Analysis of Annual Change in Capital Lease Financing Agreements			
(000's)			
Capital Lease Financing Agreements as at December 31, 2016	\$	882	
Lease contracts entered into in 2017		-	
Lease repayments in 2017		(655)	
Capital Lease Financing Agreements as at December 31, 2017	\$	227	

It is the opinion of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer that all capital financing leases outstanding at December 31, 2017 for the City were made in accordance with the Lease Financing Policy.

In addition to the capital lease financing agreements listed above, the City has also entered into numerous operating lease financing agreements for use of capital property and equipment. Table 3 provides the details of the total outstanding operating lease financing agreements for 2016 and 2017 fiscal year ends for the City, as at December 31, exclusive of boards and commissions. The table shows that the operating lease financing balance has increased over the past year from \$29,455,000 at the end of 2016 to \$33,255,000 at the end of 2017. This is mainly attributable to existing real estate lease renewals.

Table 3			
Operating Lease Financing Agreements			
(000's)			
	2017		2016
Operating Lease Financing Agreements as at December 31st			
Real estate	\$	27,598	\$ 21,691
Equipment		5,657	7,764
Total Operating Lease Financing Agreements	\$	33,255	\$ 29,455

The City is committed to future annual payments on both Capital and Operating lease financing agreements. The total outstanding balance of all lease financing agreements as at December 31, 2017 is \$33,482,000 (2016 - \$30,337,000). The total includes both material and non-material leases with material leases representing approximately 62% of the total at the end of 2017 (2016 – 71%).

Table 4 identifies the minimum future annual payments on all lease financing agreements, which are as follows:

Table 4					
Minimum Future Principal Payments of Total Lease Financing Agreements					
(000's)					
	Operating Leases		Capital Leases	Total	
	Real Estate	Equipment	Equipment		
2017	\$ 4,149	\$ 3,047	\$ 217	\$	7,413
2018	4,018	2,610	10		6,638
2019	3,993	-	-		3,993
2020	3,783	-	-		3,783
2021	2,193	-	-		2,193
Beyond (2022 - 2032)	9,462	-	-		9,462
Total Lease Financing Agreements as at December 31, 2017	\$ 27,598	\$ 5,657	\$ 227	\$	33,482

This report is prepared annually, subsequent to the finalization of the annual audited Financial Statements for the year.

Financial Impact

From a budgetary perspective, lease charges have been allocated on an annual basis in the current operating budget to the appropriate service, as an amount would need to be levied each year, similar to debt charges. The multi-year budget has accounted for the decrease experienced in 2017.

From an accounting perspective, a distinction is made between a capital lease and an operating lease.

- Operating leases are usually found in property or equipment rentals where there is no intent to acquire the item. Lease charges are charged against operating business units over the term of the lease and expensed in the year incurred.

These types of leases are not considered long-term debt on the Statement of Financial Position but are disclosed in the financial statements within Note 18 as commitments of the City.

- Capital leases are usually structured so that a majority of the benefits and risks incident to the ownership of the item is transferred to the lessee (City of London). In these cases, the City would record a debt obligation on the City's Statement of Financial Position as well as a capital asset. The capital asset would be amortized over the life of the capital asset. The lease payments would be recorded as a decrease to the debt obligation and only the interest component would be expensed in the year incurred.

These types of leases are considered long-term debt on the Statement of Financial Position and further detailed in the notes to the financial statements within Note 10 as Capital Lease Obligations.

PREPARED BY:	CONCURRED BY:
SHARON SWANCE CPA, CGA MANAGER, ACCOUNTING FINANCIAL SERVICES	IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES
RECOMMENDED BY:	
ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	



300 Dufferin Avenue
P.O. Box 5035
London, ON
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August 1, 2018

Chair and Members
Corporate Services Committee

Re: Federation of Canadian Municipalities – Standing Committees

I am pleased to advise you that I have been invited by the Federation of Canadian Municipalities to serve as a Standing Committee Member.

Therefore, I respectfully request approval of all costs associated with attending FCM's Standing Committee meetings, for the 2018/2019 term. These meeting dates include:

- Board of Directors Meeting - September 11-14, **2018** – Annapolis County, NS
 - Board of Directors Meeting - November 20-23, **2018** – Ottawa, ON
 - Board of Directors Meeting - March 12-15, **2019** – Penticton, BC*
- *Above meeting in 2019 is subject to re-election to municipal office for the 2019-2022 term.

Thank you for your consideration of this matter.

Respectfully submitted,

Virginia Ridley
Councillor Ward 10

DEFERRED MATTERS

**CORPORATE SERVICES COMMITTEE
(as of August 3, 2018)**

FILE No.	SUBJECT	REQUEST DATE/ CLAUSE NO.	REQUESTED/ EXPECTED REPLY DATE	PERSON RESPONSIBLE	STATUS
1.1	That the General Manager of Environmental and Engineering Services and City Engineer BE REQUESTED to review and report back with respect to what steps can be taken to ensure that privately-owned and operated parking lots are effective partners in promoting visitors to the Downtown by ensuring their parking rates and fines achieve a reasonable balance between their business considerations and the ability of visitors to the Downtown to pay those rates and fines, so as to maximize visitors to the Downtown and thereby benefit all stakeholders, including the operators and owners of private parking lots.	2011/03/21 8/8/FAC	3rd Quarter 2018	G. Kotsifas	In progress. Managing Director, Development and Compliance Services and Chief Building Official is taking the lead.
1.2	The City Clerk to liaise with the LYAC and other stakeholders to establish an award that recognizes local youth.	2015/03/10 14/8/CSC	1st Quarter 2019	C. Saunders	In progress.
1.3	Report back one-year after the Integrity Commissioner is in place regarding the advisability of appointing an Ombudsman and Lobbyist Registry for the City of London.	2015/10/06 8a)i)/23/CSC	1st Quarter 2019	Integrity Commissioner	Consultation under way.
1.4	Civic Admin BE REQUESTED to scope out the potential parameters for a comprehensive review of the Advisory Committee structure and report back to the appropriate Standing Committee in order for Municipal Council make an informed decision with respect to next steps.	2015/11/10 8/25/CSC	4th Quarter 2018	C. Saunders	A number of advisory committees have requested adjustments to their terms of reference and consultation is under way with respect to a further comprehensive review.
1.5	Provisions of child minding services for the public at ppm's related to Standing Committees: d) the Civic Administration BE DIRECTED to report back at a future meeting of the Corporate Services Committee with detailed costs, operating protocols and a recommended Purchase of Service Agreement, as well as information pertaining to c), above.	2016/03/23 11/8/CSC	4th Quarter 2018	L. Livingstone	Provider identified. In process of working out details.
1.6	Sale of Major Assets Policy: c) City Treasurer BE DIRECTED to report back annually with respect to the dispositions(s) of surplus lands/assets, including details of the proceeds and allocations of said proceeds.	2017/03/21 4/11/CSC	3rd Quarter 2018	A.L. Barbon	

DEFERRED MATTERS

**CORPORATE SERVICES COMMITTEE
(as of August 3, 2018)**

FILE No.	SUBJECT	REQUEST DATE/ CLAUSE NO.	REQUESTED/ EXPECTED REPLY DATE	PERSON RESPONSIBLE	STATUS
1.7	b) The Civic Admin BE DIRECTED to move to an annual review and report on employee absenteeism.	2017/10/03 8/26/CSC	4th Quarter 2018	B. Coxhead	Completed for 2018
1.8	<p>City Manager BE DIRECTED to take necessary actions to initiates a review and report back as to how the Codes of Conduct for Employees could be amended to include the following:</p> <p>a) the provision of an independent third party, appointed by Municipal Council to receive and process complaints launched against the City Manager, Intake Administrator, Managing Director or Chief Human Resources Officer who will report their findings directly to Municipal Council;</p> <p>b) the provision of the ability for the complainant(s) and the individual(s), subject to an investigation, to seek support during and after the completion of the process without being in breach of confidentiality and therefore be found to be in violation of the Code of Conduct for Employees;</p> <p>c) the establishment of a written process as to how, when and under what authority an investigation is launched; and,</p> <p>d) any other amendments deemed to be appropriate.</p>	2017/10/17 8/27/CSC	3rd Quarter 2018	M. Hayward/ B. Coxhead	
1.9	City Manager BE DIRECTED to review and report back with a recommended process and policy to provide residents and employees of the City of London with an avenue to bring forward concerns with respect to potential fraud, waste and misuse of assets and resources of the municipality that will ensure that the concerns are received by an independent third party that would report directly to Municipal Council.	2017/10/17 9/27/CSC	3rd Quarter 2018	M. Hayward	
1.10	<p>Vacant unit tax rebates and vacant/excess land subclass reductions in the commercial and industrial property classes:</p> <p>e) the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer BE DIRECTED to report back on options for utilizing the savings from phasing out the Rebate Program.</p>	2017/11/28 4/31/CSC	4th Quarter 2018	A. L. Barbon	

DEFERRED MATTERS

**CORPORATE SERVICES COMMITTEE
(as of August 3, 2018)**

FILE No.	SUBJECT	REQUEST DATE/ CLAUSE NO.	REQUESTED/ EXPECTED REPLY DATE	PERSON RESPONSIBLE	STATUS
1.11	Council Procedure By-law A-50, as amended: c) the City Clerk BE DIRECTED to report back with the necessary steps that would be required to allow Council Members to participate in meetings in accordance with recent changes to the provisions of the Municipal Act, 2001, as amended.	2017/12/12 7/1/CSC	4th Quarter 2018	C. Saunders/ J. Smout	
1.12	Corporate Human rights and Code of Conduct Inquiries: b) the Managing Director, Corporate Services and Chief Human Resources Officer BE DIRECTED to review and report back annually on Corporate Human Rights and Code of Conduct Inquiries, requests, complaints and training initiatives.	2018/01/30 2/3/CSC	1st Quarter 2019	B. Coxhead	
1.13	That, on the recommendation of the Managing Director, Corporate Services and Chief Human Resources Officer, the Civic Administration BE DIRECTED to report back to the Corporate Services Committee, every six months (Nov to April, May to Oct), with metrics and results associated with workforce diversity/demographics and the implementation of the Workplace Diversity and Inclusion Plan, to align with the reporting period for the demographic information for new hires.	2018/01/30 5/3/CSC	2nd Quarter and 4th Quarter Annually	B. Coxhead	
1.14	City of London policies, procedures and programs: c) the Gender Equity Lens BE REVIEWED and the Civic Administration BE DIRECTED to review and report back with any recommended changes that are required in order to ensure consistency with the Equity and Inclusion Lens.	2018/03/06 4/5/CSC		B. Coxhead	
1.15	City of London involvement in partnerships with other cities: a) the Civic Admin BE REQUESTED to report back at a future meeting of the Corporate Services Committee with examples of cities that have entered into partnerships with other cities, including how they have structured those partnerships, in order to	2018/03/06 7/5/CSC	3rd Quarter 2018	M. Hayward	

DEFERRED MATTERS

**CORPORATE SERVICES COMMITTEE
(as of August 3, 2018)**

FILE No.	SUBJECT	REQUEST DATE/ CLAUSE NO.	REQUESTED/ EXPECTED REPLY DATE	PERSON RESPONSIBLE	STATUS
	assist the Municipal Council in determining if and how it wishes to engage in Sister City or other City partnerships;				