

Corporate Services Committee

Report

18th Meeting of the Corporate Services Committee
October 9, 2018

PRESENT: Councillors J. Helmer (Chair), J. Morgan, P. Hubert, M. van Holst, J. Zaifman
ABSENT: Mayor M. Brown
ALSO PRESENT: Councillor H. Usher, M. Hayward, A. Barbon, G. Belch, B. Card, I. Collins, P. Foto, D. Mounteer, J. Stanford, A. Thompson, B. Warner, B. Westlake-Power and R. Wilcox.

The meeting is called to order at 12:31 PM.

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

2. Consent

Moved by: P. Hubert
Seconded by: J. Zaifman

That items 2.2, 2.3, 2.5 and 2.6 BE APPROVED.

Yeas: (5): J. Helmer, J. Morgan, P. Hubert, M. van Holst, and J. Zaifman

Absent: (0): Mayor M. Brown

Motion Passed (5 to 0)

2.2 New Entryway Signage for City-Owned Industrial Parks - Award RFP-18-42

Moved by: P. Hubert
Seconded by: J. Zaifman

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, the following actions be taken with respect to the Request for Proposal for the new entryway signage for Innovation Park (RFP 18-42):

- a) the proposal submitted by Excellent Signs and Displays Inc., 2736 Dingman Drive, London, Ontario N6N 1G4, at its bid price of \$104,500.00 excluding HST, for services to design, supply, and install of four (4) entryway signs for Innovation Park Phases I-IV (the "Project") BE ACCEPTED; it being noted that the proposal submitted by Excellent Signs and Displays Inc. was one of two proposals received and the only proposal that met the City's specifications and evaluation requirements as per RFP18-42;
- b) the Civic Administration BE AUTHORIZED to undertake all administrative acts which is necessary in connection with this matter; and
- c) the financing BE APPROVED as set out in the Source of Financing Report attached hereto as Appendix "A".

Motion Passed

2.3 Declare Surplus - City-Owned Property - 332 Wharncliffe Road North

Moved by: P. Hubert

Seconded by: J. Zaifman

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, the following actions be taken with respect to the City owned property municipally known as 332 Wharncliffe Road North, further described as Part Lots 5, 6 and 7, Plan 434 (W), designated as Part 2, Plan 33R7913, save and except for Part 1, Plan ER1115597, as in PIN 082480234, containing an area of approximately 9,160 square feet:

- a) the above-noted subject property BE DECLARED SURPLUS; and
- b) the subject property ("Surplus Lands") BE DISPOSED OF in accordance with the City's Sale and Other Disposition of Land Policy.

Motion Passed

2.5 Federation of Canadian Municipalities (FCM) Special Advocacy Fund

Moved by: P. Hubert

Seconded by: J. Zaifman

That, on the recommendation of the Director, Community & Economic Innovation, the following actions be taken with respect to the Federation of Canadian Municipalities Special Advocacy Fund:

- a) that the City of London's financial commitment of \$40,002.00 for the 2018/19 Federation of Canadian Municipalities (FCM) Special Advocacy Fund BE ENDORSED; and,
- b) that the staff report providing information on the FCM Special Advocacy Fund BE RECEIVED for information.

Motion Passed

2.6 Report of the Federation of Canadian Municipalities Board of Directors Meeting - Annapolis County, NS - September 11 - 14, 2018

Moved by: P. Hubert

Seconded by: J. Zaifman

That the communication dated October 1, 2018, from Councillor J. Morgan, regarding the Federation of Canadian Municipalities Board of Directors meeting held September 11-14, 2018 in Annapolis County, NS, BE RECEIVED for information.

Motion Passed

2.1 London Health Sciences Centre South Street Campus Decommissioning (Phase B)

Moved by: M. van Holst

Seconded by: J. Zaifman

That, on the recommendation of City Solicitor's Office, the following actions be taken with respect to the City owned South Street Campus lands under lease to LHSC and LHSC owned lands:

- a) the Mayor and City Clerk BE AUTHORIZED to execute the Lease Amending Agreement appended to the staff report dated October 9, 2018 as Schedule "A" to "E", or substantially in the form of Schedule "A" and approved by the City Solicitor's office; and
- b) the balance of the above-noted staff report BE RECEIVED for information.

Yeas: (5): J. Helmer, J. Morgan, P. Hubert, M. van Holst, and J. Zaifman

Absent: (0): Mayor M. Brown

Motion Passed (5 to 0)

2.4 Elected Officials Remuneration - One-Third Non Taxable Allowance

Moved by: P. Hubert
Seconded by: J. Helmer

That the following actions be taken with respect to Elected Officials Remuneration:

- a) the proposed by-law appended to the staff report dated October 9, 2018 as Appendix "A" BE INTRODUCED at the October 16, 2018 meeting of the Municipal Council to eliminate the "one-third tax free" allowance for Elected Officials;
- b) the Mayor's salary at January 1, 2019, BE INCREASED to \$138,025 annually, in order to accommodate for the elimination of the allowance noted in part a), above and maintain the "take home" pay at the current level.

Motion Passed

Voting Record:

Moved by: P. Hubert
Seconded by: J. Helmer

Part a)

That the following actions be taken with respect to Elected Officials Remuneration:

- a) the proposed by-law appended to the staff report dated October 9, 2018 as Appendix "A" BE INTRODUCED at the October 16, 2018 meeting of the Municipal Council to eliminate the "one-third tax free" allowance for Elected Officials;

Yeas: (5): J. Helmer, J. Morgan, P. Hubert, M. van Holst, and J. Zaifman

Absent: (0): Mayor M. Brown

Motion Passed (5 to 0)

Moved by: P. Hubert
Seconded by: J. Helmer

Motion to approve part b)

b) the Mayor's salary at January 1, 2019, BE INCREASED to \$138,025 annually, in order to accommodate for the elimination of the allowance noted in part a), above and maintain the "take home" pay at the current level.

Yeas: (3): J. Helmer, P. Hubert, and M. van Holst

Nays: (2): J. Morgan, and J. Zaifman

Absent: (0): Mayor M. Brown

Motion Passed (3 to 2)

3. Scheduled Items

None.

4. Items for Direction

None.

5. Deferred Matters/Additional Business

None.

6. Confidential (Enclosed for Members only.)

Moved by: P. Hubert
Seconded by: J. Zaifman

That the Corporate Services Committee convene In Closed Session at 1:20 PM, for consideration of the following matters:

6.1 Land Acquisition/Solicitor-Client Privileged Advice

A matter pertaining 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.

6.2 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 disposition 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; information relating to a position, plan, procedure, criteria 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.

6.3 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.

Yeas: (5): J. Helmer, J. Morgan, P. Hubert, M. van Holst, and J. Zaifman

Absent: (0): Mayor M. Brown

Motion Passed (5 to 0)

The Corporate Services Committee convened in closed session from 1:20 PM to 1:30 PM.

7. Adjournment

The meeting adjourned at 1:31 PM.

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 9, 2018
FROM:	GEOFFREY P. BELCH CORPORATION COUNSEL
SUBJECT	LONDON HEALTH SCIENCES CENTRE SOUTH STREET CAMPUS DECOMMISSIONING(Phase B)

RECOMMENDATION

That, on the recommendation of City Solicitor's Office, the following action be taken with respect to the City owned South Street Campus lands under lease to LHSC and LHSC owned lands:

1. The Mayor and City Clerk **BE AUTHORIZED** to execute the Lease Amending Agreement attached as Schedule "A" to "E", or in a form substantially in the form of Schedule "A" and approved by the City Solicitor's office.
2. The financing for Phase B decommissioning **BE APPROVED** in accordance with the "Sources of Financing Report" attached hereto as Schedule "F".
3. The balance of this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

Confidential Board of Control report dated December 10, 1997
Confidential Board of Control report dated December 3, 1998
Confidential Board of Control report dated June 16, 1999
Confidential Board of Control report dated September 30, 2009
Confidential Board of Control report dated November 4, 2009
Confidential Board of Control report dated October 20, 2010
Confidential Finance & Administration Committee report dated December 15, 2010
Confidential Finance & Administration Committee report dated May 4th, 2011
Confidential Finance & Administration Committee dated July 20th, 2011
Confidential Finance & Administration Committee dated December 12th, 2011
Confidential Corporate Services Report dated April 9th, 2013
Confidential Corporate Services Report dated September 24th, 2013
Confidential Corporate Services Report dated June 17th, 2014
Confidential Corporate Services Report dated August 26th, 2014
Confidential Strategic Priorities and Policy Report dated March 2nd, 2015
Confidential Corporate Services Report dated June 2, 2015

BACKGROUND

This report deals with current status of the Phase B decommissioning of the LHSC – South Street Campus. The site is bounded by South Street, Colborne Street, Hill Street and Waterloo Street. Approximately 2/3 of the site is owned by the City and remaining lands located along Waterloo Street is currently owned by LHSC.

A previous confidential report, dated June 2, 2015, advised Council of the outcome of negotiations with LHSC to permit LHSC to proceed with the decommissioning of the Phase B portion of the LHSC - South Street campus. Staff were directed to return to the Corporate Services Committee with an amending lease agreement for the project in a form acceptable to the City Solicitor's Office.

The purpose of this report is to provide secure direction for the Mayor and Clerk to sign the agreement, attached as Schedule "A", or a form of this agreement, provided it is satisfactory to the City Solicitor's office. The second purpose of this report is to update Council on the schedule and timing of LHSC South Street Phase B Demolition.

Issue#1: The Lease Amending Agreement between LHSC and the City

The original 1973 lease between the City and LHSC was amended by a lease amending agreement, dated June 27, 2013. This agreement provided for the Decommissioning and demolition of buildings south of South Street as well as the purchase of certain lands owned by LHSC. This Phase of the project was completed by 2016.

Further negotiations were required to handle the second phase of the project, known as the Phase B decommissioning. Included with this work is the purchase of LHSC land, known as Building 50 and approximately 1.83 acres of land located along Waterloo Street. This building will be retained for adaptive re-use in the future along with the south portion of War Memorial Children's Hospital.

A further amendment was required to the 2013 amending lease agreement between the City and LHSC. A copy of the proposed agreement which is currently with LHSC and awaiting signature is attached as Schedule "A" to "E". The Phase B decommissioning was planned for 2017 but did not proceed. The project was re-tendered in 2018. City staff were recently advised that all necessary approvals are in place to proceed to award the tender for the South Street Hospital - Phase "B" demolition.

A meeting was held on September 11, 2018 between the LHSC and the City's Corporation Counsel to discuss the Amended Lease Agreement. Several minor amendments were made by the City and the agreement is now with LHSC for signature by the President and Board Chair. The City's Finance Division confirmed that the \$2.380 million which is the City's contribution towards the Phase B decommissioning and purchase of LHSC lands on the site is available based on approvals by Council in 2015.

Issue#2: Preliminary Abatement & Demolition Schedule

According to the Preliminary Abatement & Demolition Schedule, the Phase B Demolition should take 413 days, whereby the start date is November 1, 2018 and an end date of approximately end of June 2019.

Conclusion

The Civic Administration is seeking direction from Council for the Mayor and the City Clerk to execute the Amending Lease Agreement, substantially in the form attached as Schedule "A" to "E".

PREPARED AND RECOMMENDED BY:
GEOFFREY P. BELCH CORPORATION COUNSEL, LL.B, M.B.A.

Encls. –“A” - Amending Lease Document

“A1”- Description of property “392 South Street”

“B” - Description of property “370 South Street”

“C” - Drawing of lands owned by LHSC

“D” - Letter to the City from LHSC dated May 12, 2015

“E” - Letter to LHSC from the City dated June 16, 2015

“F” - Source of Financing

c.c. Martin Hayward, City Manager
John Fleming - Managing Director, Planning and City Planner
Kelly Scherr, Managing Director Environmental & Engineering Services and City Engineer
Barry Card - Managing Director of Legal and Corporate Services

SCHEDULE " A "

This Lease Amending Agreement made as of day of September, 2018

B E T W E E N:

THE CORPORATION OF THE CITY OF LONDON ("City")

and

LONDON HEALTH SCIENCES CENTRE ("LHSC")

AND WHEREAS the City has agreed to purchase certain lands north of South Street and along Waterloo Street, described in the Schedule "A" annexed hereto owned by LHSC (the "LHSC Lands");

WHEREAS the City is the registered owner of the lands described in the Schedule "B" (the "City Lands") upon which there is situate a number of remaining hospital buildings comprising London Health Sciences Centre, including the War Memorial Children's Hospital, a former Nurse's Residence, a former Day Care Centre and other related and ancillary buildings;

AND WHEREAS the City leased the City Lands and other land under a 99 year lease, dated December 18, 1973, to the Victoria Hospital Corporation (the "1973 Lease") which was amended by agreement dated June 27, 2013;

AND WHEREAS "LHSC" is the successor in law to the Victoria Hospital Corporation and is an Ontario Corporation that came into existence on October 6, 1995;

AND WHEREAS LHSC carried out the decommissioning and demolition of the of a number of hospital buildings on the south side of South Street in 2014 and has returned those lands to the City;

AND WHEREAS LHSC has agreed to undertake the decommissioning and demolition of the balance of the site north of South Street and bounded by Waterloo, Hill and Colborne Streets, including removal of hazardous materials and building demolition commencing in 2017 and to return the City Lands which are subject to the 1973 Lease to the City in a condition suitable for redevelopment;

AND WHEREAS the City and the LHSC have agreed to amend the 1973 Lease, as amended on June 27, 2013, in accordance with the terms and conditions hereinafter set forth;

NOW THEREFORE for good and valuable consideration and the sum of FIVE (\$5.00) DOLLARS of lawful money of Canada now paid by the City to LHSC, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1 – DEFINITIONS

In this Lease Amending Agreement the following terms shall have the meaning ascribed to them:

- (a) "Buildings" means all buildings, tunnels, foundations, improvements, works, fixtures (including any chattel which may be considered a fixture), leasehold improvements presently situate in and upon the City Lands or that may at any time hereafter during the term of this amended lease be constructed in and upon or brought upon the said lands or any part or parts thereof.
- (b) "City Lands" means the land at 370 South Street bounded by South Street, Colborne Street and Hill Street and owned by the City as more particularly described on the Schedule "A" annexed hereto.
- (c) "Decommissioning" means all activities relating to the closing of the remaining South Street hospital campus, including vacating the property and removal of designated substances including asbestos containing materials and other hazardous substances.
- (d) "Demolition" means the cutting and capping of utilities, the removal of all buildings, tunnels, foundations, subgrade structures, paved surfaces, improvements, works, fixtures (including any

chattels which may be considered a fixture), hospital infrastructure, leasehold improvements and equipment presently situate in and upon the City Lands and LHSC Lands and under the road allowances abutting the City Lands.

- (e) "Designated Substances" or "hazardous materials" means asbestos containing materials, lead containing materials, mercury containing materials, silica materials, PCB's, ethylene oxide, mould, radioactive materials, and perchloric acid.
- (f) "Environmental laws" means applicable environmental laws for the Province of Ontario;
- (g) "LDE" means Veresen Energy Infrastructure Inc., cob as London District Energy which supplies steam heat to the buildings on the Phase B Lands;
- (h) "LHSC Lands" means the land at 392 South Street owned by LHSC which form part of the South Street campus bounded by South Street, Waterloo Street and Hill Street and as more particularly described on the Schedule "A" annexed hereto;
- (i) "Phase B Lands" shall include Buildings 51, 52, 53, 55 (City Lands) and 50, 56 and 57 (LHSC Lands) and shall mean the lands as more particularly shown on the diagram attached as Schedule "C" hereto;

ARTICLE 2 – LEASE, TERM AND RENT

2.01 Continuation of 1973 Lease, as amended

Except as amended hereby, the 1973 Lease between the parties, as amended on June 27, 2013, shall remain in full force and effect until the Decommissioning of the Phase B Lands is complete, at which time the 1973 Lease, as amended, shall cease to have any legal force or effect.

Effective as of October 1, 2018, the existing amended Lease is further amended as follows:

2.02 Lease of City owned portion of the Phase B Lands

Until July 31, 2019, or such date as the parties may agree in writing that the Decommissioning and Demolition of the Phase B Lands shall be complete, LHSC shall continue to lease the City Lands, which form part of the Phase B Lands, from the City.

On August 1, 2019, or such date as the parties may agree in writing that the Decommissioning and Demolition of the Phase B Lands shall be complete, LHSC shall surrender and give up to the City vacant possession of City Lands, and the 1973 Lease, as amended, shall cease to apply to such lands and they shall revert to the City.

2.03 Rent

LHSC has previously paid to the City the sum of NINETY-NINE DOLLARS (\$99.00) representing prepaid rent for the original term of the 1973 Lease. The City and LHSC agree that the foregoing sum represents payment in full of any rent due for the term of the 1973 Lease as amended by this Agreement without increase or reimbursement.

ARTICLE 3 – DEMOLITION OF BALANCE OF THE SOUTH STREET CAMPUS

3.01 Removal of Phase B Buildings and Structures:

Notwithstanding any provision in the 1973 Lease, the City and LHSC continue to agree that there shall be a phased Decommissioning and Demolition of the Phase B Lands by LHSC, including removal of hazardous substances and demolition of all remaining buildings and structures, except as provided herein at paragraph 3.02, and removal of all chattels by LHSC, which are and shall continue to be the absolute and separate property of LHSC and for the purpose of giving full effect to the provisions hereof the City does hereby release and transfer the buildings unto the LHSC absolutely.

The parties continue to acknowledge that the obligations of LHSC to fund the Decommissioning and Demolition of the City Lands are predicated on the agreement of the Ministry of Health and Long-

Term Care to provide the necessary funding which has been based upon estimates of such costs. In the event that the tender process results in a material increase in the costs of Decommissioning and Demolition over the estimates for which the Ministry funding is based, the parties agree to reassess the scope of the Demolition work for which LHSC is responsible.

3.02 Buildings and Structures to be retained following Phase B Decommissioning

Notwithstanding paragraph 3.01, the 1922 wing of War Memorial Children's Hospital facing South Street, "WMCH – South Portion of Building 52", and the "Health Service Building - Building 50", shall remain intact on the site during the Phase B Decommissioning and Demolition and be retained by the City, subject to the City purchasing the Health Services Building and land from LHSC, following the completion of the demolition contract. The City's intention is to preserve these two buildings on the Site following the Phase B Lands Demolition.

3.03 Demolition of Phase B Buildings and Structures

Subject to paragraph 3.02 LHSC will undertake the phased Demolition of Phase B Lands for Site.

The parties agree that a letter from LHSC, dated May 12, 2015, attached as Schedule "D", and the City's responding letter dated June 16, 2015, attached as Schedule "E", set out the parties' joint intention regarding the City's share of funding of the Phase B Lands of the Decommissioning and Demolition and the agreed purchase price of the Health Sciences Building and LHSC lands.

A tender document posted in early 2018 to Bidingo, HMMS02485B, on behalf of LHSC in respect of Phase B Lands has been circulated to and the subject of comment by the City. In the event that the foregoing tender document is revised and re-issued, the parties agree that a draft copy will be provided to the City for comment. The parties agree that the tender document, as revised, provides the detailed specifications for the Phase B Site. The parties agree that LHSC shall have full authority to proceed with the Decommissioning and Demolition project in 2018 to issue and manage the tender award generally in accordance with the tender document, which is subject to MOH review, comment and approval.

3.04 The parties agree that the overall goal of Phase B Lands Decommissioning and Demolition is that all remaining hospital infrastructure, The Nurse's Residence (Buildings 51 and 55), the northerly portion of the War Memorial Children's Hospital Building (1945 addition to Building 52), Old Thames Valley Children's Centre (Building 53), Education Centre (Building 55), Hospital Library (Building 56) and Vivarium Services (Building 57) shall be removed and the Phase "B" Lands portion of the South Street Campus property be returned or sold to the City in a condition reasonably suitable for development with all building, structures, tunnels and foundations broken up and removed for off-site disposal, subject to the contractor's option to crush and reused suitable aggregate building material for backfilling consistent with MOECC policy of beneficial reuse of reusable aggregates.

3.05 A secondary goal of Phase B Lands of the Decommissioning and Demolition is that the WWCH (south portion of Building 52) and Health Services Building (Building 50), shall be retained and returned and/or purchased by the City in a condition reasonably suitable to be renovated, restored or reused.

3.06 The City will purchase the Health Services Building (Building 50) and the LHSC Lands after the removal of hazardous substances provided the general contractor has fully completed the Decommissioning and Demolition contract that applies to Building 50, as noted in Schedule "D".

3.07 The parties agree that hazardous materials, asbestos containing materials, Designated Substances and all chattels shall be removed from the WMCH (south portion of Building 52) and the Health Service Building (Building 50) as part of the demolition contract during Phase B Lands Decommissioning.

3.08 LHSC has agreed to selectively demolish the elevator shaft serving the 1945 addition to Building 52 and construct an engineered wall to close the opening off from the elements at a point between WMCH (south portion of Building 52) and the adjacent 1945 addition to Building 52 once it is demolished.

3.09 LHSC further agrees to pay the full cost of closing such other openings as exist between the retained buildings, Building 50 and Building 52, and the Nurse's Residence, (Building 51).

3.10 LHSC will arrange for appropriate oversight of protecting the foundations of the adjacent

retained buildings during the demolition and removal of the Nurse's Residence and the associated foundations and interconnecting tunnels.

3.11 The parties agree that following the removal of hazardous materials and the completion of the demolition contract, the cost of maintaining and preserving the WMCH (south portion of Building 52) and the Health Services Building (Building 50), including security, supply of water, heat and electricity shall rest solely with the City.

3.12 Schedule for Decommissioning and Demolition of Phase B Lands

LHSC shall tender the Demolition and demolish buildings and all fixtures and other contents upon the said lands as follows:

- (a) Subject to paragraph 3.02, all Buildings located on the Phase B Lands shall be abated and demolished to grade and removed by LHSC and all below grade structures (foundations) will be removed on or before July 31, 2019;
- (b) All hazardous substances, including radioactive materials(if any), biomedical waste, X-Ray Equipment, hot lab, medical lab, asbestos containing materials and designated substances, shall be removed for off-site disposal from all buildings located on Phase B Lands, as part of the Decommissioning and Demolition of buildings on the Phase B Lands;
- (c) Subject to 3.02, the Buildings located on Phase B Lands owned by the LHSC, other than the Health Services Building (Building 50), shall be demolished as part of the foregoing tender issued by LHSC in 2018 and 2019;
- (d) All subsurface utilities will be decommissioned and removed from the Site; and
- (e) The Site will be backfilled and graded to promote positive drainage and hydro-seeded.

3.13 LHSC or its general demolition contractor may subcontract all or part of the design and Decommissioning and Demolition. Notwithstanding any such subcontracting, LHSC and its general demolition contractor shall remain responsible for compliance by its contractors or sub-contractors in accordance with this Agreement.

ARTICLE 4 – PAYMENT OF DECOMMISSIONING EXPENDITURES

4.01 LHSC shall enter into a contract with a pre-qualified demolition contractor following tender for Phase B Lands of the Decommissioning and Demolition using LHSC's policies for the tender and purchase of demolition services.

4.02 Subject to the terms of this Agreement, LHSC shall pay the general contractor and all related expenses to carry out the Decommissioning and Demolition of the Phase B Lands. London shall provide partial reimbursement for these expenses, as noted in paragraph 4.03.

4.03 The Decommissioning and Demolition project shall be funded as follows:

Phase B Lands Decommissioning and Demolition

Notwithstanding Article 4.03(a)(ii) of the Lease Amending Agreement, dated July 27, 2013, the City shall contribute the balance of its commitment, in the total amount of \$2,380,000, toward the Phase B Lands Demolition and Decommissioning, including the cost to purchase the LHSC Lands (Building 50), as follows:

- (a) The amount of \$1,700,000 shall be paid in monthly installments based on the progress of the demolition work as certified by the engineering consultant retained by LHSC to act as the contract administrator for the purpose of the demolition contract.
- (b) The balance in the amount of \$680,000 shall be paid on purchase of the Health Services Building (Building 50) and associated land by the City and such amount shall be included in the overall City funding of Phase B Lands Decommissioning project.

Notwithstanding any provision in the 1973 Lease, LHSC agrees to contribute the balance of the cost required for Decommissioning and Demolition of the City Lands subject to

paragraph 3.01, including the removal of existing buildings, contents, debris and concrete foundation and return the City Lands to clean, level graded and seeded condition.

Payment by the City to LHSC for Eligible Expenditures

4.04 Eligible expenditures are those expenditures for Phase B Lands Decommissioning and Demolition work for the City Lands making up the South Street campus". Eligible Expenditures must be incurred between October 1, 2018 and July 31, 2019, or such other dates as the parties may agree in writing.

4.05 Subject to the terms of this Agreement, the City shall reimburse LHSC for Eligible Expenditures incurred for the Decommissioning and Demolition project.

4.06 All Eligible Expenditures must be incurred using LHSC's tendering and demolition policies for the purchase of materials and services.

4.07 LHSC shall invoice the City for Eligible Expenditures incurred during the immediately preceding month, together with supporting documentation including contractor's or suppliers' invoices to LHSC.

4.08 The parties may, by agreement in writing, change the time frame for reporting and paying Eligible Expenditures.

4.09 The City, and such third parties as the City shall designate, shall have access on reasonable notice to the City Lands during the Decommissioning and Demolition. Access shall at all times be subject to operational requirements of LHSC and its contractors and sub-contractors, including such safety and security precautions as LHSC or its contractors or sub-contractors, acting reasonably, shall deem appropriate

ARTICLE 5 – UTILITIES AND HEATING

5.01 LHSC shall also be responsible to arrange for and pay the cost to terminate the existing gas, hydro, water, telecom, LDE steam heat, storm and sanitary sewer lines serving the buildings on the Phase B Lands to a point that complies with the best practices of each utility provider to afford a future purchaser of the Phase B Lands a convenient connection point.

ARTICLE 6 – THE CITY'S PURCHASE OF LHSC LANDS

6.01 Purchase of Land owned by LHSC

As noted in Section 4.03(b), in consideration of the covenants contained herein, LHSC agrees to sell and the City agrees to purchase Building 50 and the associated land owned by LHSC located on Waterloo Street, between South Street and Hill Street having an area of 1.83 acres at a total purchase price \$680,000, payable at the conclusion of the Phase B Lands Decommission of Building 50 and any Demolition of the remaining buildings on the LHSC lands. Contemporaneous with the execution of this Agreement the parties agree to enter into the City's standard Agreement of Purchase of Sale and to complete the transaction on the basis of such agreement.

ARTICLE 7 – DISPUTE RESOLUTION

7.01 In the event of controversy or dispute between the Parties arising out of or in connection with this Agreement or regarding the interpretation of the provisions thereof, the Party alleging a controversy or dispute (the "Disputing Party") must notify the other Party (the "Recipient Party") in writing of such dispute or controversy ("Dispute Notice") and specify the particulars of such dispute or controversy in the Dispute Notice.

7.02 Upon receipt of a Dispute Notice by the Recipient Party, the Recipient Party and the Disputing Party must mutually consult in good faith in an attempt to settle amicably and in the spirit of cooperation any such controversy or dispute.

7.03 If, on the date which is fourteen (14) days after the Recipient Party's receipt of the Dispute Notice, the Disputing Party and the Recipient Party have not amicably settled the matter(s) set out in the Dispute Notice then the matter (s) shall be referred to a single arbitrator whose decision shall be final and binding. If the Parties cannot agree on the arbitrator, either party may apply under Section 10 of the Ontario Arbitrations Act for the Superior Court of Justice to select an Arbitrator.

ARTICLE 8 – GENERAL

8.01 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and of Canada applicable thereto.

8.02 Each Party must at all times be in compliance with all federal, provincial, territorial, municipal and other applicable laws, regulations, by-laws, rules, decrees and ordinances governing the parties and the Project, including without limitation, environmental legislation and any mitigation measures imposed by the Minister.

8.03 The parties acknowledge that the provisions of this Agreement are intended to comply with the parties' obligations under the letters of understanding marked as Schedules "D" and "E" and that they will conduct themselves in good faith to give effect to that intention.

8.04 This Agreement and the 1973 Lease, as amended by Agreement dated June 27, 2013, constitutes the entire and sole Agreement between the Parties with respect to the issues and items covered by this Agreement, and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in this Agreement. There are no terms, covenants, representations, statements or conditions binding on the Parties with respect to said issues and items other than those contained in this Agreement.

8.05 The Parties acknowledge that LHSC is subject to the *Freedom of Information and Protection of Privacy Act* (Ontario) and the City is subject to the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) and the Parties agree to cooperate with one another from time to time with respect to compliance with the statues and any regulations passed thereunder.

8.06 This Agreement shall enure to the benefit of and binding upon the parties hereto, the successors and assigns of the City and the permitted successors and permitted assigns of LHSC.

8.07 This Agreement and any other writing delivered in connection herewith may be executed in any number of counterparts and any Party may execute any counterpart, each of which when executed and delivered will be deemed to be an original and all of such counterparts of this Agreement or such other writing taken together will be deemed to be on and the same instruction.

8.08 This Agreement shall be read together with the 1973 Lease, as amended by Agreement dated June 27, 2013, and the parties confirm that, except as modified herein, all the covenants and conditions in the 1973 Lease remain unchanged, unmodified and in full force and effect.

8.09 No amendment or waiver of any provision of this Agreement or the 1973 Lease, as amended by Agreement dated June 27, 2013, shall be valid or binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement or the 1973 Lease, as amended by Agreement dated June 27, 2013, shall constitute a waiver of any other provision hereof or thereof, nor shall any waiver of any provision of this Agreement or the 1973 Lease, as amended by Agreement dated June 27, 2013, constitute a continuing waiver unless otherwise expressly provided.

THE CORPORATION OF THE CITY OF LONDON

Per: _____
Mayor

Per: _____
City Clerk

LONDON HEALTH SCIENCES CENTRE

Per: _____
President/CEO

Per: _____
Board Chair or alternate

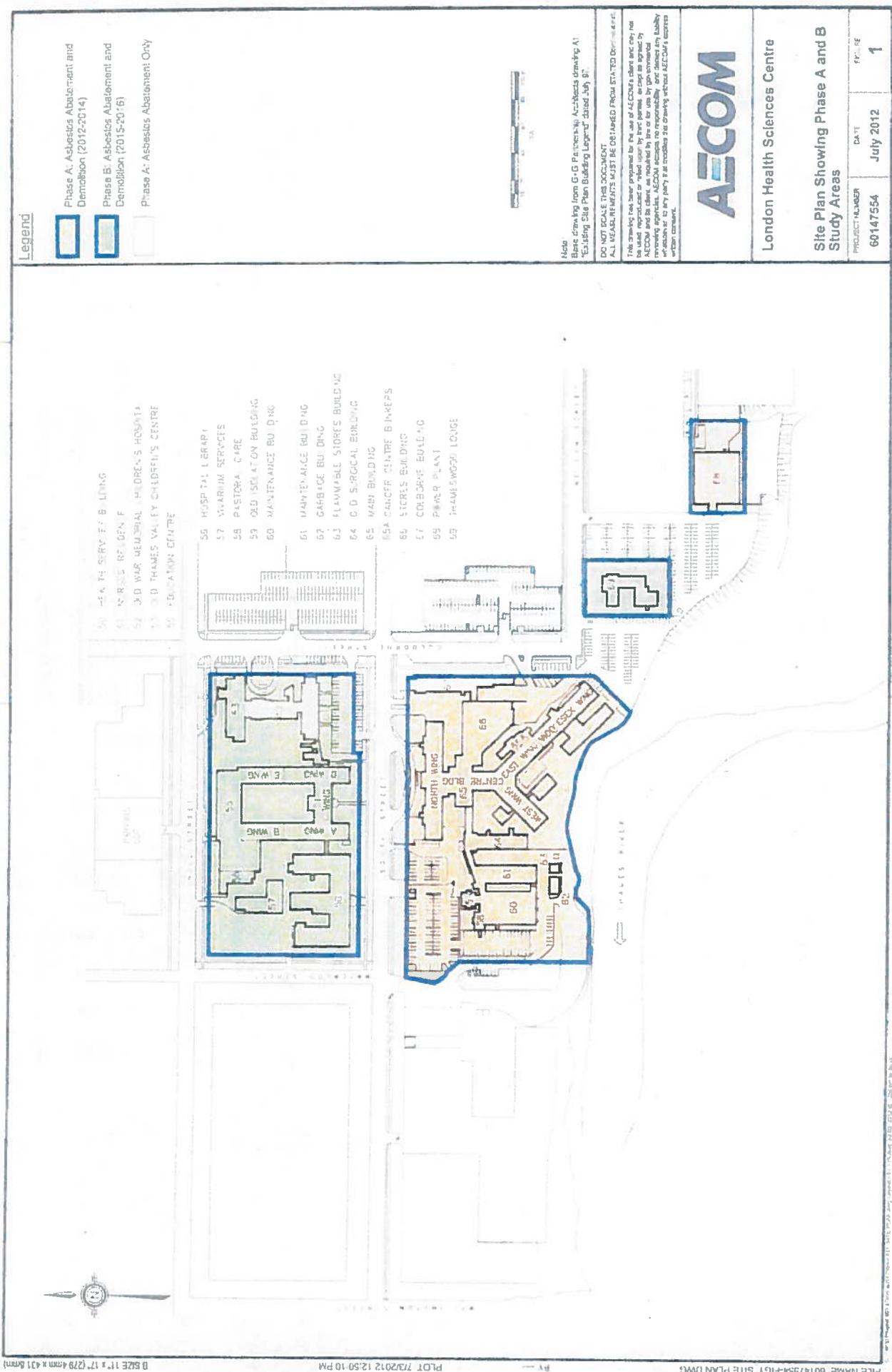
SCHEDULE "A"

SCHEDULE " A1 "

<u>Municipal Address</u>	392 South Street, London, Ontario
<u>Location</u>	Fronting on South and Hill Streets
<u>Measurement</u>	1.83 acres
<u>Legal Description</u>	Part of Lots 7 and 8 South side of Hill Street East on Crown Plan 30, and Part of Lots 7 and 8 North side of South Street East on Crown Plan 30, and Lots 21, 22, 23, 24, 25, 36, 37, 38, 39 and 40 on Registered Plan 172 (E) in the City of London and County of Middlesex designated as Part 2 on Plan 33R-17942 being all of PIN 08329-0196.

SCHEDULE "B"

<u>Municipal Address</u>	370 South Street, London, Ontario
<u>Location</u>	Fronting on South and Hill Streets
<u>Measurement</u>	3.22 acres
<u>Legal Description</u>	All of Lot 6 and Part of Lots 7 and 8, South side of Hill Street East (Crown Plan 30), All of Lot 6 and Part of Lots 7 and 8, North Side of South Street East (Crown Plan 30), designated as Part 1 on Plan 33R-17942, City of London, County of Middlesex, being all of PIN 08329-0197.



Legend

- Phase A: Asbestos Abatement and Demolition (2012-2014)
- Phase B: Asbestos Abatement and Demolition (2015-2016)
- Phase A: Asbestos Abatement Only



Note
 Base drawing from G+G Placemaking Architects drawing A1
 "Existing Site Plan Building Legend" dated July 07.
 DO NOT SCALE THIS DOCUMENT
 ALL DIMENSIONS MUST BE OBTAINED FROM EXISTING DOCUMENTS
 This drawing has been prepared for the use of AECOM's client and may not be used, reproduced or relied upon by any person, except as agreed by AECOM and its client. AECOM shall not be liable for any errors, omissions, or inaccuracies in this drawing, whether or not such errors, omissions, or inaccuracies are caused by information provided by the client or any party. It is the responsibility of the client to verify the accuracy of the information provided to AECOM and to ensure that the information is correct and complete.



London Health Sciences Centre
 Site Plan Showing Phase A and B Study Areas

PROJECT NUMBER	DATE	FILE
60147554	July 2012	1



May 12, 2015

Geoffrey P. Belch
Corporation Counsel
The City of London
City Solicitor's Office Room 1014

Dear Geoffrey

In reply to your letter from March 24, 2015, I am pleased to inform you that LHSC leaders have reviewed your requests, and we are prepared to move forward with plans to demolish and retain buildings at the South Street Hospital as follows:

- Colborne Building, to be retained
- War Memorial Children's Hospital, 1922 portion to be abated and retained
- War Memorial Children's Hospital, 1945 and later portions to be demolished
- Health Services Building (HSB) to be abated and retained
- Nurse's Residence to be demolished

LHSC is willing to proceed with negotiations for the Phase B demolitions with the same spirit and methodology as principles used for the Phase A demolition in 2013. The major difference from 2013 to now is the appraised value of the South Street lands; in 2013, they were valued at \$250,000 per acre; today it is valued at \$373,000 per acre. This valuation is the average result of three independent land appraisals requested by Ministry of Health in late 2014. We are awaiting response and approval of these appraisals from the Ministry.

The adjustment of the land value and the City's decision to retain the HSB and the earlier portions of the Children's Hospital have required an amendment to the agreement made on June 27, 2013 between LHSC and the City of London.

As per Phase A demolition principles, the City of London contribution to the costs has been calculated as follows, using an appraised land value of \$373,000 per acre:

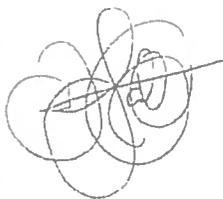
Item	Acreage	Cost
Cost to acquire HSB and Children's Hospital, based on land value only	3.23 acres	\$1.2 million
Heritage costs for retention and re-use of HSB and Children's Hospital		\$500,000
Sale of LHSC owned land	1.83 acres	\$680,000
Total City of London contribution		\$2.3 million

The heritage costs actually total between \$1.2 million and \$1.5 million. LHSC is requesting the City of London offset only a portion of these costs. The decision to retain the HSB and Children's Hospital has implications for abatement, re-routing of steam lines, utility costs and foundation protection during the demolition of the Nurse's Residence.

The above approach is in keeping with the spirit of the Phase A negotiations that provides fair value to both LHSC and the City of London for the demolition of the main South Street Campus Hospital. It helps both parties achieve the ultimate goal of returning lands to the City of London to help meet their obligations for retention, abatement, future use and development. LHSC achieves its goal of consolidating services at Victoria and University Campuses to provide better, efficient services for the community at large and finalize the redevelopment and restructuring work that began in 1997.

We also have agreed that control and responsibility of the Health Services Building and remaining Children's Hospital building will be turned over to the City of London as soon as abatement is completed, while demolition of the other buildings may still be ongoing. Please reply with confirmation of these understandings. We request you review these items with Council and respond to us by the week of May 22, 2015.

Best Regards,



Dipesh Patel
Vice President, Facilities Management
London Health Sciences Centre

cc. Susan Nickle, Director, Legal Services and Risk
Shawn Gihuly, Vice President, Financial Services
Derek Lall, Director, Facilities Management



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

London
CANADA

June 16th, 2015

Dipesh Patel
Vice President
Facilities Management
London Health Sciences Centre
Room F2-107 M.U. Building
800 Commissioners Road East, P.O. Box 5010
London ON N6A 5W9

By E-mail

Dear Dipesh

RE: LHSC – South Street Decommissioning

I am replying to your letter of May 12th, 2015.

I confirm that the City agrees to increase its contribution to \$2.3 Million to accomplish Phase B decommissioning.

In exchange for the foregoing amount, the City will purchase the LHSC owned land identified in your letter as the "HSB" property at 370 South Street, after hazardous substances have been abated from Building 50. Building 57 would be removed as part of the Phase B decommissioning.

Secondly, the City's contribution includes an amount capped at \$500,000.00 representing heritage costs for retention or reuse of the HSB and the 1922 wing of the War Memorial Children's Hospital. We understand this cost will include re-routing of steam lines so that both buildings can be heated using LDE supplied steam after the decommissioning is complete. It will also include the cost to maintain heat in these buildings through the abatement of hazardous substances in the buildings. This amount will include the cost to close the buildings once they are separated from other buildings to be demolished and will include additional consultant costs to carry out this work. Finally, as noted in your letter consideration will be given to foundation protection during the demolition of the Nurses Residence.

Finally, we note that the foregoing amount includes a contribution of \$1,200,000.00 towards the Phase B decommissioning. We are assuming at this point that this would be on a similar basis as occurred in Phase A.

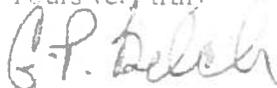
Council have asked that I draft a short agreement amending the existing lease amending agreement made June 27th, 2013 to reflect these changes to the existing Amending Agreement. I will prepare

this for the review by you and your legal team. It would be of assistance if you would arrange a meeting this summer with Tim Dickson so that details of the work can be incorporated in Terms of Reference for Phase B, as occurred for Phase A.

Our planning staff has asked to arrange to go through the buildings to document the heritage and other features of interest. We are asking that if any items of particular interest are identified that the City be allowed to salvage and preserve such items at City expense.

If you have any questions, please do not hesitate to contact me.

Yours very truly



Geoffrey P. Belch
Corporation Counsel
GPB/bc

**SCHEDULE "F"
SOURCE OF FINANCING**

Approval to Establish a Budget

#15095
May 25, 2015
(Establish Budget)

**RE: South Street Campus Lands Redevelopment
Decommissioning of South Street Campus Lands - Phase B
London Health Sciences - \$2,380,000
New Capital Budget Project No. GG1730PHB**

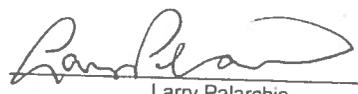
FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

Finance Department confirms that the total cost of this project cannot be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Corporation Counsel, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>This Submission</u>	<u>Revised Budget</u>
Demolition - Phase B South Street Campus 1) 2)	\$0	\$1,200,000	\$1,200,000
Purchase - Old Medical School 1) 3)	\$0	\$680,000	\$680,000
Abatement - War Memorial Children's Hospital 1) 4)	\$0	\$500,000	\$500,000
NET ESTIMATED EXPENDITURES	<u>\$0</u>	<u>\$2,380,000</u>	<u>\$2,380,000</u>
<u>SOURCE OF FINANCING</u>			
Drawdown from Economic Development Reserve Fund 5)	\$0	\$2,380,000	\$2,380,000
TOTAL FINANCING	<u>\$0</u>	<u>\$2,380,000</u>	<u>\$2,380,000</u>

- 1) Decommissioning of the South Street Campus Lands - Phase B will take place in 2016 and 2017.
- 2) Includes demolition of all of the Phase B South Street campus buildings 50, 51, 52 (1945 addition only), 53, 55, 56 and 57 on the site bounded by Waterloo Street, Hill Street, Colborne Street, and South Street, noting that the Phase B decommissioning will exclude the 1922 South Wing of the War Memorial Children's Hospital (Building 1) and the Old Medical School property, (Building 50).
- 3) Includes the purchase of the Old Medical School property (Building 50) being approximately 1.83 acres in an "as is" condition, save and except LHSC will carry out a full abatement of designated substances including asbestos.
- 4) Includes full abatement by LHSC of designated substances including asbestos with respect to the 1922 South Wing of the War Memorial Children's Hospital (Building 52), it being noted that the 1945 North Wing will be demolished. Following abatement, the properties will be turned over to the City for sale and re-use as heritage buildings.
- 5) This project is to be financed temporarily from the Economic Development Reserve Fund on the understanding that this reserve fund will be fully repaid. It is anticipated that the sale of the South Street Campus lands will cover the cost for demolition, purchase and abatement funded through this temporary financing. The projected balance in the Economic Development Reserve Fund at the end of 2016 after this drawdown is \$13.5 million.

ad



 Larry Palarchio
 Director, Financial Planning & Policy

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 9 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	NEW ENTRYWAY SIGNAGE FOR CITY-OWNED INDUSTRIAL PARKS AWARD OF RFP18-42

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, with respect to the Request for Proposal (RFP) for the new entryway signage for Innovation Park (RFP 18-42), the following actions be taken:

- a) the RFP proposal submitted by Excellent Signs and Displays Inc., 2736 Dingman Drive, London, Ontario N6N 1G4, at its bid price of \$104,500.00 excluding HST, for services to design, supply, and install of four (4) entryway signs for Innovation Park Phases I-IV (the "Project") **BE ACCEPTED**; it being noted that the proposal submitted by Excellent Signs and Displays Inc. was one of two proposals received and the only proposal that met the City's specifications and evaluation requirements as per RFP18-42; and
- b) the Civic Administration **BE AUTHORIZED** to undertake all administrative acts which is necessary in connection with the Project.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

July 17, 2018 – Public Report to CSC - New Entryway Signage For City- Owned Industrial Parks.

BACKGROUND

Context

Introduction

Enhanced marketing and branding for the City's industrial park lands is important to attract new businesses to the City. Various marketing initiatives have been introduced, including marketing packages/brochures through the Province's Site Certification Program, marketing on our City's website, and the creation of new feature sheets shared with prospective clients and the real estate brokerage community. Locational recognition of City-owned industrial parks is lacking, specifically newer parks such as Innovation Park.

The Industrial Land Development Strategy (ILDS) implementation team sees value and importance in the installation of permanent entryway signage at major entrance locations to Innovation Park and future City-owned industrial parks. Identity signage helps to enhance the brand and reinforce these key industrial park destinations.

PROCUREMENT PROCESS

Request for Proposal (RFP):

As directed by Council on July 24, 2018 (Resolution 2.7/14/CSC), a Request for Proposal 18-42 (the “RFP”) was released on August 8, 2018 through Purchasing and Supply, Finance and Corporate Services. It was posted on bids&tenders.com with a closing date of August 30, 2018 and sought services to design, supply and install four (4) entryway signs for Innovation Park which will identify the City owned Industrial Park.

RFP Evaluation Process

The RFP evaluation criteria was based on a Best Value award. The Best Value award ensures that the City selects the Successful Proponent which best understands the assignment, is most competent and experienced. Proponents were asked to submit a design proposal that best aligns with vision and purpose of this assignment and RFP. Each submission was evaluated based on the criteria shown in the table below. A minimum combined average score of Seventy (70) was required in order to advance to the second stage where the Financial Submission would be evaluated:

EVALUATION CRITERIA	WEIGHTING
Company profile	5
Understanding of project/completeness of the proposal	10
Experience/ability of the proponent/previous projects	20
Design elements and materials	25
Graphic design/signage plans	25
Work plan/timeline schedule	10
Warranty	5
Total	100 points

Results of RFP & Winning Submission:

A total of eight (8) sign companies have reviewed the RFP and only two (2) companies submitted a proposal to the City for the RFP. The proposals were reviewed by the internal evaluation committee made from Realty Services, a representative from the London Economic Development Corporation (LEDC), members of the ILDS implementation team, and a member from the Planning Department.

Based on the submissions provided by the two companies, only one firm, Excellent Signs & Displays Inc., provided a submission which scored greater than (70) points which met the Best Value award criteria. The conceptual designs provided by Excellent Signs & Displays Inc. are attached in Schedule “A” and Schedule “B”. A Location Map of the entranceway signs is attached as Schedule “C”.

As a result, Excellent Signs advanced to the second stage of RFP for the Financial Evaluation. As part of their submission, the total cost for design, fabrication, and installation of the four signs (including electrical hook up) totaled \$ 104,500.00.* In regard to the City’s costs to complete this project, The City’s Innovation Park Capital Budget Account (ID1168) would be utilized as a source of financing.

**Note: pricing may be subject to change if the City requires additional changes to the proposal submitted by Excellent Signs (for example: slightly larger sign face etc.)*

Conclusion

The Proposal by Excellent Signs exceeded the Best Value evaluation criteria showing the understanding that the City-owned industrial entryway signage serves an important role that reaches beyond the need for basic navigation, identification, and information. The overall design elements of the proposal shows and highlights the significant investments made by the City to our industrial parks. The design will improve the overall look and appearance for our Parks to existing businesses, visitors, and prospective new companies looking at London. The design will enhance the “brand” and reinforce these key industrial park destinations. Lastly, it provides a cohesive signage appearance for the industrial park. It is supported by London Economic Development Corporation the ILDS team.

The Civic Administration is requesting approval to proceed with the winning proposal from Excellent Signs for the new entryway signage at Innovation Park.

Acknowledgement

Jerzy Smolarek and Lauren Sooley, Urban Designers, Planning Division, worked closely with the ILDS implementation team to create the initial design concepts for the entryway signage project.

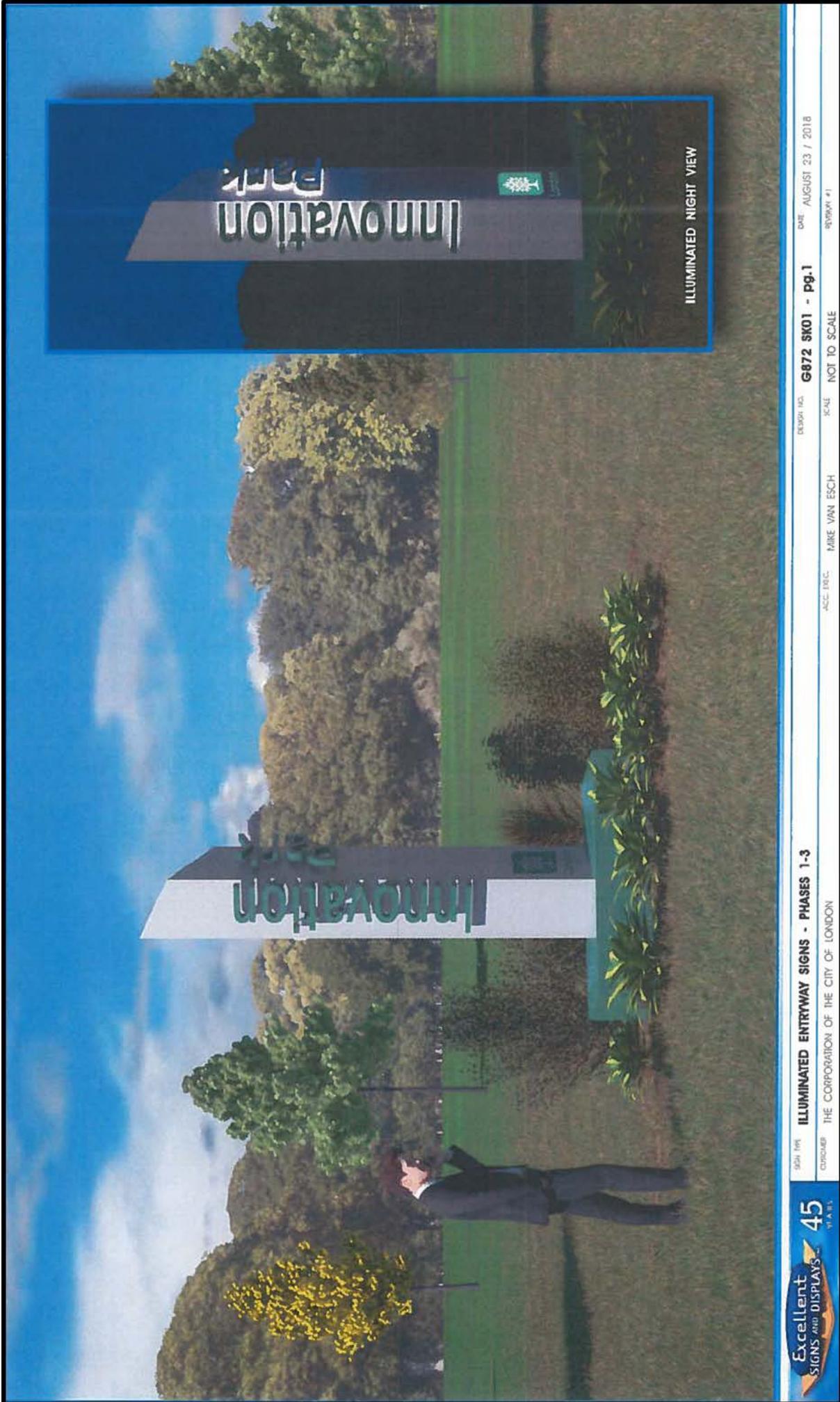
PREPARED BY:	SUBMITTED BY :
ADAM OSTROWSKI MANAGER I, REALTY SERVICES	BILL WARNER MANAGER OF REALTY SERVICES
RECOMMENDED BY:	
ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICE AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

September 24, 2018

cc: Mark Henderson, Director of Business Liaison
Kapil Lakhotia, CEO, LEDC
David G. Mounteer, Solicitor II

SCHEDULE "A"

ENTRYWAY SIGNAGE FOR INNOVATION PARK, PHASES I – III



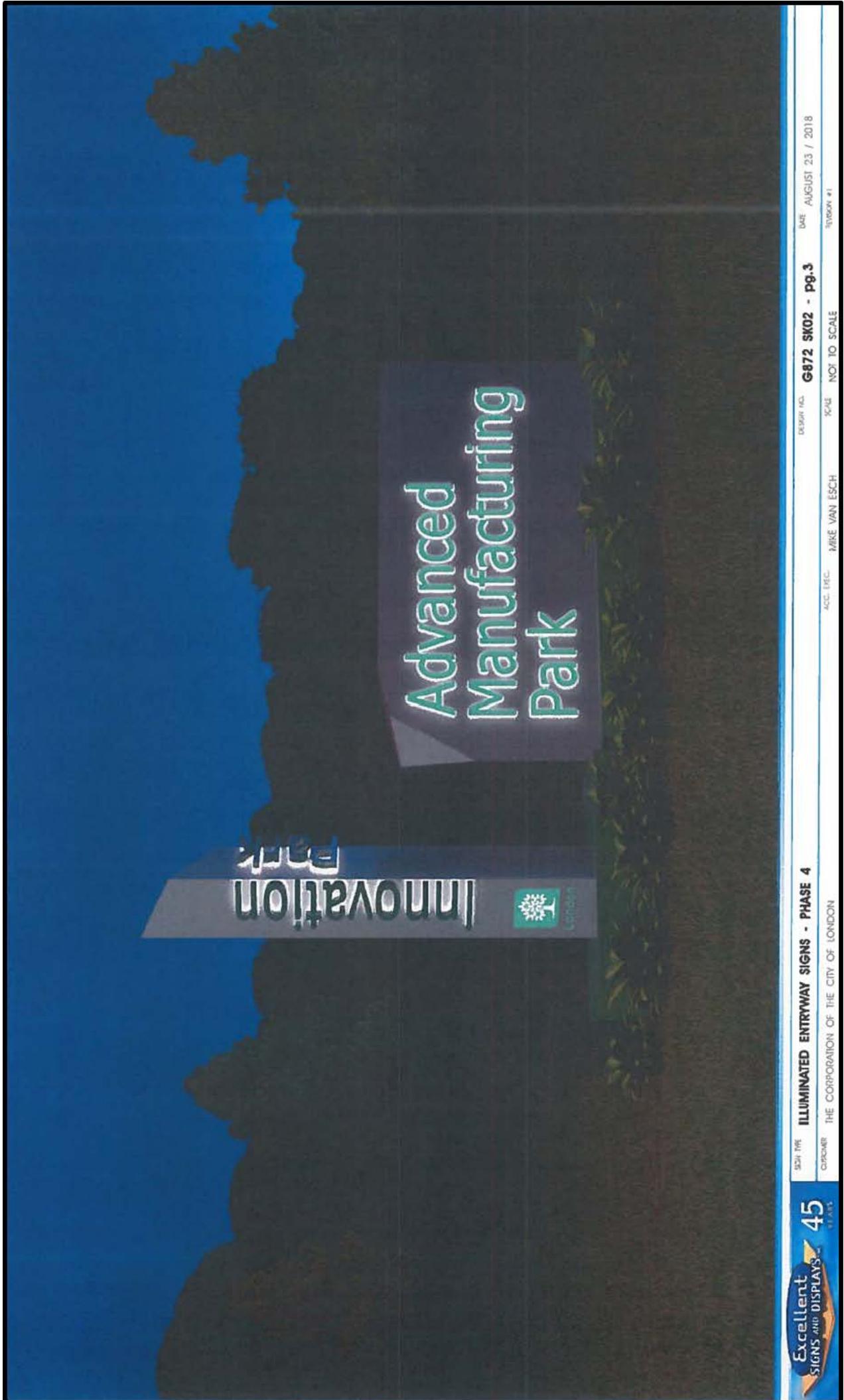
SCHEDULE "B"

ENTRYWAY SIGNAGE OPTIONS FOR INNOVATION PARK, PHASE IV



SCHEDULE "B" Cont'd

ILLUMINATED NIGHT VIEW INNOVATION PARK, PHASE IV



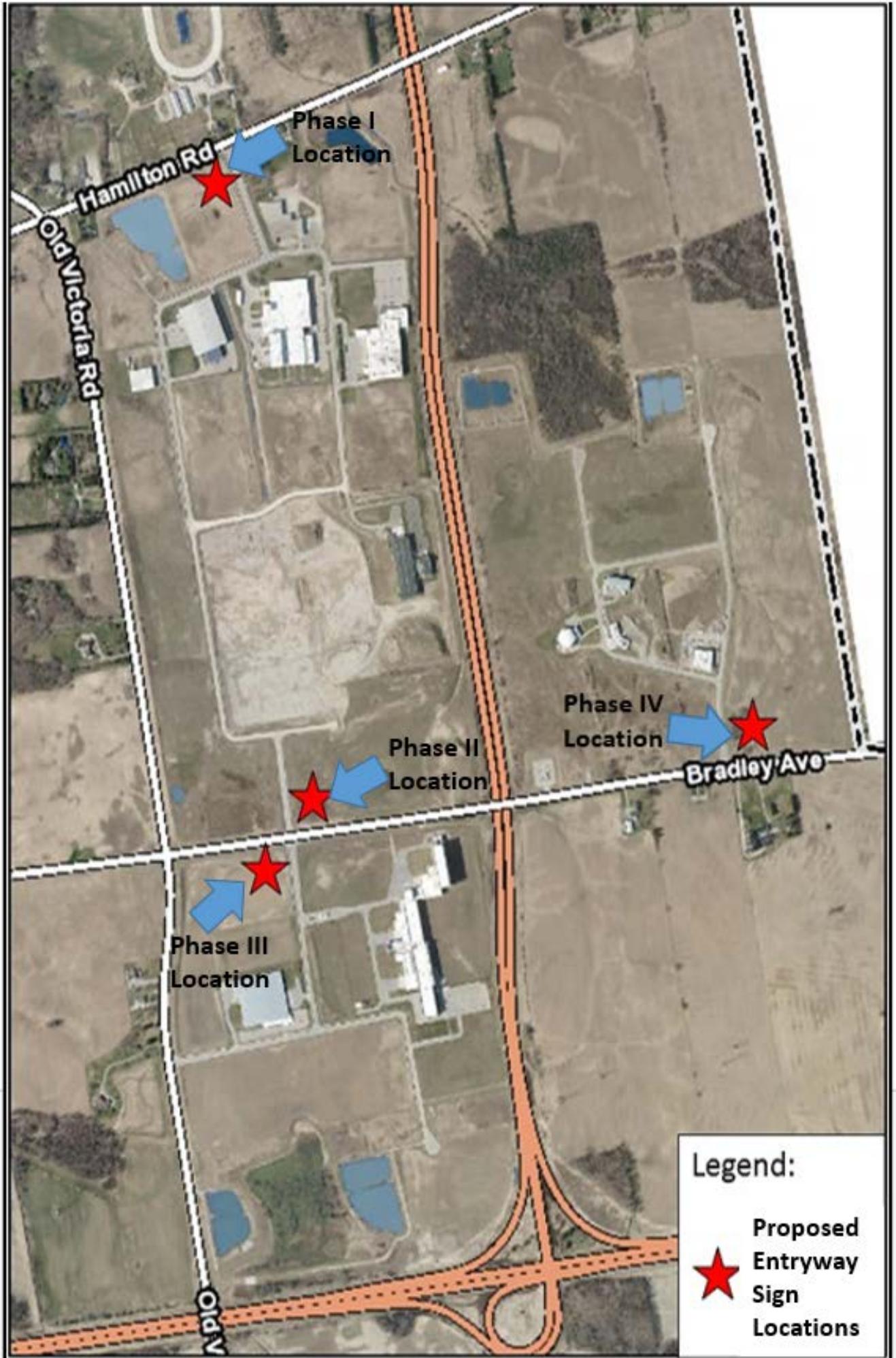
SHOW THE
CUSTOMER
ILLUMINATED ENTRYWAY SIGNS - PHASE 4
THE CORPORATION OF THE CITY OF LONDON

ACC. IFC: MIKE VAN ESCH
SCALE: NOT TO SCALE

DESIGN NO. **G872 SK02 - pg.3**
DATE: AUGUST 23 / 2018
VERSION #1

SCHEDULE "C"

INNOVATION PARK ENTRYWAY SIGN LOCATION MAP



APPENDIX 'A'

#18169

Chair and Members
Corporate Services Committee

October 9, 2018
(Award Contract)

RE: RFP18-42 New Entryway Signage for City-Owned Industrial Parks
(Subledger ID180002)
Capital Project ID1168 - Innovation Park
Excellent Signs and Displays Inc. - \$104,500.00 (excluding H.S.T.)

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
Engineering	\$2,753,745	\$3,220,916	\$3,220,916		\$0
Construction	16,190,892	15,366,831	14,579,620	106,339	680,872
Relocate Utilities	5,300,000	5,300,000	4,622,686		677,314
Street Lights		219	219		0
City Related Expenses	1,205,000	2,113,023	2,113,023		0
Other Expenses		130,264	130,264		0
NET ESTIMATED EXPENDITURES	<u>\$25,449,637</u>	<u>\$26,131,253</u>	<u>\$24,666,728</u>	<u>\$106,339</u> 1)	<u>\$1,358,186</u>
SOURCE OF FINANCING:					
Debenture By-Law No. W.-1960-144 (Serviced through Industrial Land R.F.)	\$2,442,916	\$2,442,916	\$978,391	\$106,339	\$1,358,186
Drawdown from Industrial Land R.F.	4,240,000	4,240,000	4,240,000		0
Drawdown from Industrial Oversizing R.F.	3,806,637	3,806,637	3,806,637		0
Provincial Grants	9,325,000	9,325,000	9,325,000		0
Superbuild Funding	1,273,084	1,273,084	1,273,084		0
Drawdown from London Connect R.F.	3,491,000	3,491,000	3,491,000		0
Other Contributions	871,000	1,552,616	1,552,616		0
TOTAL FINANCING	<u>\$25,449,637</u>	<u>\$26,131,253</u>	<u>\$24,666,728</u>	<u>\$106,339</u>	<u>\$1,358,186</u>

Financial Note:

1) Contract Price
Add: HST @13%
Total Contract Price Including Taxes
Less: HST Rebate
Net Contract Price

\$104,500
13,585
118,085
11,746
\$106,339

lp


Jason Davies
Manager of Financial Planning & Policy

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 9, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	DECLARE SURPLUS CITY OWNED PROPERTY - 332 WHARNCLIFFE ROAD NORTH

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, with respect to the City owned property municipally known as 332 Wharncliffe Road North, further described as Part Lots 5, 6 and 7, Plan 434 (W), designated as Part 2, Plan 33R7913, save and except for Part 1, Plan ER1115597, as in PIN 082480234, containing an area of approximately 9,160 square feet, the following actions **BE TAKEN**:

- a) the subject property **BE DECLARED SURPLUS**, and
- b) the subject property ("Surplus Lands") **BE DISPOSED OF** in accordance with the City's Sale and Other Disposition of Land Policy.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

None.

BACKGROUND

The subject property was purchased in support of the Western Road Widening Project. The original intent of purchasing the property was to mitigate damages associated with the acquisition that were specific to the property and to resell the remainder. The project is progressing and the land required in support of the project has been secured.

In preparation of the future sale of the property, the Civic Administration is seeking to declare the remaining lands and existing commercial building including tenancies surplus as per the City's Sale and Other Disposition of Land Policy.

Property Description

Zoning	Convenience Commercial CC2
Official Plan	Multi Family Medium Density Residential MFMDR
Site Area	9,160.09 square feet
Frontage	124.54 feet
Building Description	2 tenant commercial plaza ~243 square metres (2,620 square feet)

Conclusion

The subject property is surplus to the needs of the City and therefore is to be declared surplus and sold in accordance with the City's Sale and Other Disposition of Land Policy.

A location map is attached for the Committee's information.

PREPARED BY:	SUBMITTED BY :
BRYAN BAAR MANAGER, REALTY OPERATIONS	BILL WARNER MANAGER OF REALTY SERVICES
RECOMMENDED BY:	
ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

September 21, 2018
Attach.

File No. P-2450 (19)

cc: Gary Irwin, Division Manager and Chief Surveyor, Geomatics.
David G. Munteer, Solicitor II

Location Map



= Subject Property



TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 9, 2018
FROM:	CATHARINE SAUNDERS CITY CLERK AND ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	ELECTED OFFICIALS REMUNERATION – ONE THIRD NON TAXABLE ALLOWANCE

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and the City Clerk, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the October 16th, 2018 meeting of the Municipal Council to eliminate the “one-third tax free” allowance for Elected Officials.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

Board of Control, November 10, 2010, Item # 21, Remuneration for Members of Council and its Local Boards – Continuation of the One-Third Tax Free Allowance

Strategic Priorities and Policy Committee, October 26, 2015, Item # 3 , Remuneration for Members of Council Budgetary Implications of Opting Out of the One-Third Tax Exemption

Strategic Priorities and Policy Committee, August 21, 2017, Item # 3, Final Report of the Council Compensation Review Task Force

BACKGROUND

Section 255 of the former Municipal Act, R.S.O. 1990 provided that one-third of the remuneration to an elected member of council would not be subject to Income Tax. At that time, it was reasoned that one-third of an elected member of council’s remuneration was to cover expenses incident to the discharge of their duties. Although this provision was repealed by changes to Municipal Act, 2001, section 283 (7) allowed for municipalities to continue this practice as long as a by-law was in place prior to Municipal Act, 2001 coming into effect and as long as this by-law was reviewed at least once each Council term thereafter. However, in the event that Council repealed its by-law with respect to its one-third tax exemption, the one-third exemption could not be put back in to place. Furthermore, section 283 (6) of Municipal Act, 2001 goes on to state that should a council repeal this by-law, the repealing by-law shall be effective January 1 of the year after the year in which the by-law is passed.

In 2016, a Council Compensation Review Task Force was established by Council to review, conduct research, and provide recommendations related to Council compensation, which included the one-third tax free allowance. Furthermore, it was identified at that time that the Federal Government was looking at removing the tax exemption for non-accountable expense allowances to certain municipal office-holders (often referred to as the “one-third tax free” allowance).

In 2017, with the work of the Council Compensation Review Task Force well underway, Federal Budget 2017 contained a legislative change to eliminate the “one-third tax free” allowance for elected officials effective January 1, 2019. This legislation received Royal Assent on June 22, 2017 (Bill C 44). At the August 21, 2017 meeting of the Strategic Priorities and Policy Committee,

the Council Compensation Review Task Force presented their Final Report of their review along with recommendations. At its meeting held on August 22, 2017, one of the actions that Municipal Council resolved to be taken with respect to Council compensation was:

- e) notwithstanding that there will be a minor budgetary impact by doing so, the City Clerk BE DIRECTED to bring forward the necessary by-law to eliminate the “1/3 tax free” allowance for Council Members, effective the next Council term.

Based on subsection 283 (6) of the Municipal Act, 2001, an elected member of council would become fully taxable January 1, 2019, as the one-third tax exemption would be eliminated.

Impact of the Elimination of the One-Third Tax Exemption

Ward Councillor

Based on the adopted recommendations of the 2016 Council Compensation Review Task Force, the annual compensation for a Ward Councillor was set at the median full time employment income for Londoners as identified in the 2016 Census which was not available till the fall of 2017. The Task Force identified that based upon the 2011 National Household Survey data, about 35% of Londoners ages 15 years and over worked full-year, full-time with employment income in 2010 and a median employment income of \$47,805 and an average employment income of \$57,112. Based on 2016 Census data, the median employment income in 2015 for full-year full-time workers was \$51,181. As a result, this would set the Ward Councillor annual remuneration at \$51,181 effective for the upcoming term of Council

Table 1 below provides a comparison of what the approximate net “take home” pay in the current term of Council is versus what the approximate net “take home” pay will be in the upcoming term.

Table 1: Council Term Comparison – Ward Councillor

	Current Term: 1/3 rd Tax Exempt	Beginning January 1, 2019: Fully Taxable
Annual Remuneration	\$ 34,033	\$ 51,181
Approximate Net (Take Home) Pay	\$ 29,188	\$ 36,626

Notes: (1) 2018 rates were used for all stipends, benefits and deductions (CPP, Tax, and OMERS only), voluntary deductions are excluded.

(2) Excludes vehicle allowance.

(3) Deductions were calculated using CRA Payroll Deduction On-line calculator (PDOC) based on monthly payments and basic TD1 exemptions

(4) Councillor remuneration of \$51,181 is based on 2016 Census Data of median employment income for full year full time income for London, City, census subdivision. Statistics Canada. 2017. *London, CY [Census subdivision], Ontario and Middlesex, CTY [Census division], Ontario (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.*

It should be noted that for Ward Councillors, for the month of December, the approximate net “take home” pay in December will be higher than what will be realized commencing January 1, 2019 as a result of their annual remuneration being fully taxable. As a result of the increase in annual stipend as recommended by the 2016 Council Compensation Review Task Force, a Ward Councillor’s approximate net “take home” pay in the upcoming term of Council will be greater than the current terms approximate net “take home” pay even with remuneration being fully taxable, as illustrated in Table 1 above.

Mayor

The Mayor was excluded from the Council Compensation Review Task Force, therefore there are no changes to the Mayor’s remuneration however the Mayor’s net “take home” pay is impacted by the elimination of the one-third tax exemption effective January 1, 2019. Table 2 below provides a comparison of the approximate net “take home” pay for the Mayoral position during the current term of Council having the one-third tax exemption versus what the approximate net “take home” pay will be in the upcoming term.

Table 2: Council Term Comparison - Mayor

	Current Term: 1/3 rd Tax Exempt	Beginning January 1, 2019: Fully Taxable
Annual Remuneration	\$ 106,030	\$ 106,030
Approximate Net (Take Home) Pay	\$ 83,678	\$ 68,335

Notes: (1) 2018 rates were used for all stipends, benefits and deductions (CPP, Tax, and OMERS only), voluntary deductions are excluded.

(2) Excludes vehicle allowance.

(3) Deductions were calculated using CRA Payroll Deduction On-line calculator (PDOC) based on monthly payments and basic TD1 exemptions

(4) Mayor remuneration of \$106,030 is based on the existing stipend noting that the 2016 Council Compensation Review Task Force scope did not include providing any recommendations on the Mayoral stipend.

As a result of the annual remuneration being fully taxable January 1, 2019, unlike a Ward Councillor, the approximate net “take home” pay will be less than the current approximate net “take home” pay as illustrated in Table 2 above. For the Mayor’s net “take home” pay to remain equal from 2018 to 2019 as a result of the elimination of the one-third exemption, the annual stipend would have to increase from \$106,030 to approximately \$138,025 effective January 1, 2019.

Financial Impacts

As part of the 2018 Annual Budget Update, the 2019 operating budget already accounts for the budgetary impacts associated with the 2016 Council Compensation Review Task Force recommendations.

Conclusion

Based on the Council’s approval of the 2016 Council Compensation Review Task Force recommendations, along with changes by the Government of Canada (Budget 2017) related to the ‘non-accountable expense allowances to certain municipal office-holders (“one-third tax free” allowance)’ that will come into effect January 1, 2019, the attached by-law is being brought forward to eliminate the “one-third tax free” allowance. Provided in this report are tables to illustrate for comparative purposes the impact of the elimination of the “one-third tax free” allowance on the net “take home” pay of elected officials.

PREPARED BY:	RECOMMENDED BY:
IAN COLLINS DIRECTOR, FINANCIAL SERVICES	CATHARINE SAUNDERS CITY CLERK
RECOMMENDED BY:	
ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

cc. Julie Kovacs, Manager, HR Systems
Sharon Swance, Manager, Accounting

APPENDIX "A"

Bill No.
2018

By-law No.

A By-law to eliminate the "one-third tax free" allowance for Elected Officials

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

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

AND WHEREAS the Municipal Council of The Corporation of the City of London at its meeting on December 20, 2002 passed a resolution declaring Municipal Council's intention pursuant to subsection 255(2) of the *Municipal Act*, R.S.O. 1990 c. M. 45 to continue to have one-third of council remuneration deemed to be expenses incident to the discharge of his or her duties;

AND WHEREAS the Municipal Council of the Corporation of the City of London at its meetings on May 1, 2006, November 15, 2010, and October 27, 2015 further resolved to continue to deem one third of the remuneration paid to members of Council and its local boards expenses incident to the discharge of their duties and therefore tax exempt pursuant to the provisions of subsection 238 of the *Municipal Act, 2001*;

AND WHEREAS subsection 283 (5) of the *Municipal Act, 2001*, S.O. 2001, provides if a resolution of a municipality under subsection 255(2) or (3) of the old Act is not revoked before January 1, 2003, the resolution shall be deemed to be a by-law of the municipality and one-third of the remuneration paid to the elected members of the council and its local boards is deemed as expenses incident to the discharge of their duties as members of the council or local board;

AND WHEREAS subsection 283 (6) of the *Municipal Act, 2001*, S.O. 2001, provides that Council may repeal a by-law under subsection (5);

AND WHEREAS at its meeting held on August 22, 2017, Municipal Council resolved that the "one-third tax free" allowance for Council members be eliminated effective for the next Council term based on recommendations from the 2016 Council Compensation Review Task Force,

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

1. Municipal Council's resolution passed on December 20, 2002 that was deemed to be a by-law of the municipality by subsection 283(5) of the *Municipal Act*, S.O. 2001 is hereby repealed.
2. Municipal Council's resolution passed on December 20, 2002 is hereby revoked.
3. That the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer be authorized to take any and all administrative acts that are necessary to eliminate the one third tax free allowance.
4. This by-law shall come into force and effect on January 1, 2019.

Passed in Open Council on October 16, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING OF OCTOBER 9, 2018
FROM:	ROSANNA WILCOX, DIRECTOR, COMMUNITY & ECONOMIC INNOVATION
SUBJECT:	FEDERATION OF CANADIAN MUNICIPALITIES (FCM) SPECIAL ADVOCACY FUND

RECOMMENDATION

That, on the recommendation of the Director, Community & Economic Innovation, the following actions be taken with respect to the Federation of Canadian Municipalities Special Advocacy Fund:

- a) that the City of London’s financial commitment of \$40,002.00 for the 2018/19 Federation of Canadian Municipalities (FCM) Special Advocacy Fund **BE ENDORSED**; and,
- b) that this report providing information on the FCM Special Advocacy Fund **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- None

BACKGROUND

On May 16, 2018 the City of London received a communication from the Federation of Canadian Municipalities (FCM) National Board of Directors inviting London to participate in, and financially support, an optional Special Advocacy Fund (SAF). The SAF will contribute to the development and implementation of an ambitious campaign, driven by a multi-faceted, national strategy that will integrate polling, detailed municipal platform development, sustained member outreach, as well as an innovative communications and media plan. The primary goal of the SAF will be to ensure municipal priorities are kept front-and-centre heading into the 2019 federal election, as well as in the crucial first months of a new government.

Every FCM member municipality has been asked to contribute to the SAF. In general, FCM’s largest members have been asked to pay a larger contribution, while smaller communities – the bulk of FCM’s membership – will pay a smaller amount. Member municipalities have the option of paying in one lump sum, or over two years.

The City of London’s contribution to the SAF is \$40,002.00, as outlined in [Appendix A](#).

UPDATE

In 2015, the Federation of Canadian Municipalities led a transformative campaign aimed at showcasing the critical role cities and communities play in addressing national challenges. Through a sustained member outreach strategy, the development of a thorough policy platform, and a political engagement approach including all federal parties, FCM was successful in encouraging a “race to the top” on municipal issues in the development of the federal parties’ own policy platforms. The campaign was modelled around the notion that municipalities were developing solutions to some of Canada’s most significant policy challenges and that, fundamentally, “city building is nation building.”

The City of London has taken an active role in communicating the City's priorities during elections at the provincial and federal levels. Contributions to the FCM campaign strategy through the SAF will support the City's outreach and advocacy efforts locally while significantly raising the profile of the shared priorities of cities and communities across the country. By pooling resources from across the country, significant economies of scale are expected to be achieved by contributing to FCM's campaign.

In addition, the contributions from larger cities across the country will help to offset the costs to smaller communities, ensuring that all communities can benefit from FCM's policy and advocacy leadership.

FINANCIAL IMPLICATIONS

The City's contributions to the SAF can be covered through existing budgets and will be funded over 2 years. There are no additional financial impacts on the current multi-year budget.

CONCLUSION

London is a committed member of the Federation of Canadian Municipalities (FCM) and has historically taken an active role in promoting the importance of intergovernmental partnerships on critical municipal priorities. The SAF will support London's local outreach and advocacy efforts, as well as FCM's ongoing work to promote and prioritize the shared priorities of Canada's municipal sector in advance of the 2019 federal election.

PREPARED AND SUBMITTED BY:	RECOMMENDED BY:
ADAM THOMPSON MANAGER, GOVERNMENT AND EXTERNAL RELATIONS	ROSANNA WILCOX DIRECTOR, COMMUNITY & ECONOMIC INNOVATION



FEDERATION
OF CANADIAN
MUNICIPALITIES

FÉDÉRATION
CANADIENNE DES
MUNICIPALITÉS

Special Advocacy Fund

24, rue Clarence Street
Ottawa, Ontario K1N 5P3
T. 613-241-5221
F. 613-241-7440

Hayward, Martin
City of London
PO Box 5035 300 Dufferin Avenue
London, Ontario N6A 4L9
Canada

INVOICE/FACTURE: ORD-17858-H7H7K3

DATE: 05/04/2018

ACCOUNT/COMPTE: 58

HST # / No. de TVH: 11891 3938 RT0001
QST # / No. de TVQ: 1202728231 TQ 0001

ITEM/DESCRIPTION	RATE/TAUX	TAX/TAXE	TOTAL
Contribution year 1 // année 1	\$17,700.00	\$2,301.00	\$20,001.00
Contribution year 2 // année 2	\$17,700.00	\$2,301.00	\$20,001.00
SUBTOTAL/SOUS-TOTAL:			\$35,400.00
HST/TVH:			\$4,602.00
TOTAL:			\$40,002.00

Learn all about FCM's Special Advocacy Fund and your voluntary contribution:

<http://fcm.ca/advocacyfund>

PAYMENT / PAIEMENT

By cheque payable to / Par chèque à l'ordre de

Federation of Canadian Municipalities
Fédération canadienne des municipalités

By Electronic Funds Transfer/
Par transfert de fonds électronique

Royal Bank of Canada (RBC)
90 Sparks St, Ottawa, ON K1P 5T7
Transit Number/Numéro de transit: 00006
Account Number/Numéro de compte: 1006063
accountsreceivable@fcm.ca

Choose your preferred payment option below / Veuillez choisir votre option de paiement:

Acct# 58

Payment Amount / Montant Payé

Option 1 - Full payment / Paiement complet

OR / OU

Option 2 - Partial payment / paiement partiel

Due immediately - Year 1 - contribution /
Échéance immédiate - contribution - année 1

Due April 1st, 2019 - Year 2 - contribution /
Échéance le 1er avril 2019 - contribution - année 2



London
CANADA

300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

Oct 1, 2018

Chair and Members
Corporate Services Committee

RE: Report of the Federation of Canadian Municipalities Board of Directors Meeting – Annapolis County, NS, September 11-14, 2018

OVERVIEW

The Board of Directors of the Federation of Canadian Municipalities (FCM) met this September 11-14 in Annapolis County, Nova Scotia. FCM is the national voice of local government, with nearly 2,000 member municipalities representing more than 90 per cent of Canadians. FCM serves members by advocating for municipal priorities at the federal level, and by delivering capacity-building tools and programs. FCM's priorities are driven by our elected Board of Directors whose 73 members represent cities and communities of all sizes and regions. Our board also empowers and oversees various committees and forums.

This latest meeting took place 13 months before the next federal election, against the backdrop of an important national discussion about how orders of governments work together. Participants resolved to seize this moment to strengthen the role of municipalities to deliver more for the Canadians we all serve.

At this meeting, FCM's Board of Directors unanimously resolved that municipalities will oppose any use of the notwithstanding clause of the Charter of Rights and Freedoms to override local democratic rights or decision-making. The motion reaffirms the board's fundamental support for municipalities' ability to govern their own affairs and represent the interests of their residents. Local governments are already working hard to build tomorrow's Canada—livable, competitive and sustainable. To support that work, FCM's advocacy has secured unprecedented new tools, from a 10-year infrastructure plan to Canada's first national housing strategy. With board direction, FCM will continue working with the federal government, with members, and with provincial-territorial associations to ensure local projects move forward in communities of all sizes.

Federal Election 2019 is a vital opportunity to build on these gains. FCM's board has directed staff to develop an intensive advocacy campaign targeting all national parties. Our goal is ambitious: to modernize the municipal-federal relationship, while securing new tools empowering municipalities to deliver more. In Annapolis County, board and committee members laid important groundwork for the campaign to come.

On the near horizon: Municipalities are preparing for cannabis legalization this fall. While FCM successfully pressed Ottawa to share more cannabis excise tax revenues with provinces for municipal needs, members outside Ontario and Quebec still don't know how they will access these funds. FCM will continue pressing to ensure municipalities have the financial tools they need to keep Canadians safe and well-served.

Throughout the week, board members also conducted pressing business through meetings of standing committees, regional caucuses, and provincial and territorial association representatives. Board members adopted updated policy statements, the culmination of a two-year process to improve FCM's internal governance and policy development processes. Led by

our Rural Forum and our Northern and Remote Forum, FCM also leaves this meeting with a refreshed mandate to press for universal broadband Internet access—as an essential service in communities of all sizes.

Respectfully submitted by:



Josh Morgan
Councillor, Ward 7
Member FCM Board of Directors

ROAD TO FEDERAL ELECTION 2019

Experience shows that federal elections can be transformative for municipalities. Ahead of Election 2015, FCM's board drove a year-long advocacy push showcasing municipal solutions to national economic challenges. All national parties responded by making commitments to municipalities in their platforms. Since then, FCM's advocacy has leveraged those commitments to achieve unprecedented gains—from the federal infrastructure plan to the national housing strategy.

Election 2019 is a vital opportunity to build on those gains. This is our moment to spark a mature, modern conversation about how orders of government can work together to build the country Canadians want: livable, competitive and sustainable. This is our moment to seek next-generation fiscal and legislative tools that empower local governments to deliver.

To seize this moment, the board has directed staff to develop FCM's most ambitious pre-election effort yet. This campaign will reach out to all national parties, pulling together policy, advocacy, outreach and media/communications work. Throughout the week, board and committee members provided critical feedback and direction for the next phase of FCM's campaign development strategy.

FCM's Election Readiness Working Group focussed on plans to engage FCM members in taking our united message to candidates nationwide, engaging more councillors in this effort. They discussed concrete tools that could support this work.

Other committees and forums continued developing priorities to guide the platform of ideas that FCM will take to political parties. These range from public safety priorities to new fiscal tools; from enhanced disaster mitigation infrastructure to urban Indigenous programming; and from the next era of transit expansion to a nationwide push for universal broadband Internet access. In the words of our President: *"We need to move forward or risk falling back. There is no standing still."* With board direction, FCM is determined to move forward.

INFRASTRUCTURE: DRIVING TO OUTCOMES

On a path that started with Election 2015, driven by our Board of Directors, FCM has achieved unprecedented federal commitments to municipalities. These include Canada's first-ever national housing strategy, as well as a 10-year, \$180-billion plan to invest in transit, green, social and rural/northern infrastructure.

To date, 11 of 13 provinces and territories have signed "integrated bilateral agreements" with Ottawa outlining how new infrastructure investment will flow. These agreements include groundbreaking commitments that respond to the advocacy of FCM and our provincial-territorial associations (PTAs):

- ▶ **Fuller, fairer cost-sharing:** Ottawa will cover up to 40% of project costs, with provinces covering 33%. (In rural communities, the federal share rises to 50%; and in the smallest communities, to 60%).
- ▶ **Allocation-based transit funding:** \$20-billion for transit expansions will be predictably allocated to municipalities with transit systems, empowering local leaders from project selection through delivery.
- ▶ **More local projects:** Beyond transit, Ottawa and provinces are committing to invest in a "fair balance" of provincial and municipal projects. That's a historic first.
- ▶ **Rural recognition:** In addition to dedicating funds to rural, northern and communities, bilateral agreements recognize that processes should be streamlined to their fiscal and administrative realities.

The coming months are an opportunity to begin using new tools to strengthen communities. This is also an opportunity to showcase municipalities as Canada's builders—ready to deliver, and ready for more. With board support, FCM will continue working with PTAs and with the federal government, to ensure that local projects move forward to produce quality-of-life outcomes for Canadians nationwide.

CANNABIS LEGALIZATION

This meeting unfolded one month ahead of "cannabis legalization day" (October 17). Our communities are where non-medical cannabis will be produced, sold and consumed. That places local governments on the front lines of keeping Canadians safe and well-served. This work has operational and cost implications for as many as 17 municipal departments, and certainly for municipal police.

Shortly after our last board meeting in March, FCM released the [Municipal Guide to Cannabis Legalization](#). Many members are calling this an invaluable tool as they prepare for legalization. It's also a testament to the power of collaboration: This tool was made possible by technical and financial contributions from provincial and territorial associations across Canada, with direction from FCM's Board of Directors.

As municipalities work hard to get ready, full cost recovery remains a major concern. Last December, FCM persuaded the federal government to share half of its share of cannabis excise tax revenues with provinces, specifically for municipal needs. However, as of this board meeting, only Ontario and Quebec have followed through with concrete plans to share funds with municipalities.

FCM's advocacy objective remains full coverage for all new municipal costs—nationwide—whether that's achieved through excise tax revenue sharing or other financial tools.

BROADBAND TOPS RURAL AGENDA

Let history record Annapolis County as ground-zero for FCM's renewed push for universal, reliable broadband Internet access—for communities of all sizes. Broadband is now an essential Canadian service—central to modern business, public services and quality of life. Our Rural Forum and our Northern and Remote Forum dedicated significant attention to moving forward with FCM's National Broadband Strategy.

The federal government has responded to FCM's advocacy by putting real money on the table for broadband. However, to tackle the rural broadband gap in this country, the next step is not another one-off investment program. FCM leaves Annapolis County determined to seek clear federal leadership, definitive targets and long-term predictable funding to achieve universal broadband access.

Since our last board meeting in March, FCM released a new report: [Rural Challenges, National Opportunity](#). It shows how rural communities are making the most of limited tools to drive progress. And it lays out the need to apply a "rural lens" across all federal programs and policies. At this meeting, FCM's Rural Forum resolved to continue leading on this file—while also ensuring that a rural lens is applied to FCM's own policy development and priority-setting, including for Election 2019.

It's time to build on the important gains FCM has achieved for rural Canada. Together, we have doubled federal investment in rural, remote and northern infrastructure for a decade. We have seen the federal cost-share for these projects rise to 50 per cent (and 60 per cent where populations fall under 5,000). And Ottawa's recent bilateral agreements with provinces and territories open new doors to streamlining processes to work better for rural communities. Now we're determined to see these new tools generate real outcomes in our communities: better roads, wastewater upgrades and other infrastructure priorities.

PROTECTING LOCAL AUTONOMY

This meeting took place against the backdrop of an important national discussion about municipalities' relationship with the provincial and federal orders of government. That public debate has been prompted by the Province of Ontario's intention to use the "notwithstanding clause" to override provisions of the Charter of Rights and Freedoms, to pass legislation changing the size of Toronto City Council in the middle of an election.

FCM board members sent a unanimous message that municipalities will oppose any use of the Charter's "notwithstanding clause" that would have the effect of overriding local democratic rights and local decision-making. Our board also reaffirmed its support for municipalities' ability to govern their own affairs and represent the interests of their residents.

In the words of FCM President Vicki-May Hamm:

"As federal political parties prepare for next year's election, it is time for a mature and modern conversation about how to strengthen municipal autonomy. We need political will from every order of government to have a conversation about how we work together within the Constitution. With engaged federal partners, we know it can be done."

COMMITTEE AND FORUM HIGHLIGHTS

FCM's Board of Directors empowers committees and forums that provide crucial direction and insight on a wide range of issues and priorities. September 11-14 highlights from select committees include:

- ▶ **Community Safety and Crime Prevention:** Discussed public safety priorities for election 2019; discussed update on cannabis legalization; reached decision on municipal considerations for roll-out of federal guns and gangs initiative.
- ▶ **Environmental Issues and Sustainable Development:** Developed election platform ideas related to energy efficiency retrofits, climate adaptation and disaster mitigation infrastructure; reached decision on FCM engagement in national plastics waste reduction strategy
- ▶ **Increasing Women’s Participation in Municipal Government:** Discussed 2018-19 priorities, including delivering the Toward Parity in Municipal Politics project, promoting the Regional Champions network, and contributing to FCM’s programming as it relates to Canada’s feminist international assistance policy.
- ▶ **International Relations:** Adopted revised FCM policy statement on international relations; discussed extensive updates on FCM’s programming approach, engagement in international networks, and various new initiatives conducted in partnership with the Government of Canada.
- ▶ **Municipal Finance and Intergovernmental Arrangements:** Developed strategies to seek new tools for local governments and modernized intergovernmental relations through Election 2019; discussed updates on international trade and FCM Legal Defense Fund.
- ▶ **Municipal Infrastructure and Transportation Policy:** Explored infrastructure priorities for Election 2019; adopted new policy positions on autonomous vehicles and inter-city bus transportation; prepared for FCM participation in Telecommunications Act review.
- ▶ **Social-Economic Development:** Developed election platform ideas related to supportive housing, reconciliation and urban Indigenous programming; discussed update on implementation of National Housing Strategy and Reaching Home homelessness program.
- ▶ **Rural Forum:** Approved policy framework for upcoming FCM campaign on broadband access; developed rural platform priorities for Election 2019, including a “rural lens” on federal policymaking and rural economic development; discussed update on rural programming for the 2019 Annual Conference.
- ▶ **Northern and Remote Forum:** Discussed northern considerations for FCM’s national broadband strategy; discussed Election 2019 priorities; engaged in-person with federal officials on implementation of Arctic Policy Framework.

IN A NUTSHELL

- ▶ **FCM’s elected Board of Directors (and its committees and forums) met in rural Annapolis County, Nova Scotia this September 11-14 to discuss priorities for the year ahead.** FCM is the national voice of local government, with nearly 2,000 members representing more than 90 per cent of all Canadians.
- ▶ **Driving to outcomes:** FCM has achieved unprecedented progress, from a historic federal infrastructure plan to a national housing strategy. FCM’s board is committed to ensuring—through advocacy and support—that these new tools concretely empower local governments to strengthen communities.
- ▶ **Rural broadband** was an important focus in Annapolis County. FCM leaves this meeting with fresh resolve to seek the clear federal leadership that’s needed to achieve universal, reliable broadband access—in communities of all sizes.
- ▶ **Protecting local rights:** The board unanimously resolved that municipalities will oppose any use of the “notwithstanding clause” of the Charter of Rights and Freedoms to override local democratic rights or decision-making.

Federal Election 2019:

- ▶ **Election 2019 is a vital opportunity** for FCM and local governments to build on recent gains. This is why the board has given FCM a mandate to mount its most comprehensive and ambitious pre-election advocacy drive ever, targeting all national political parties.
- ▶ **Election 2019 next steps:** Board and committee members discussed and approved recommendations to guide the next steps of FCM’s campaign development strategy. There will be a major focus on helping FCM members advocate on the frontlines with local candidates.
- ▶ **Election 2019 can be transformative.** Board members believe it’s time for a mature, modern conversation about how orders of government work together to serve Canadians. And it’s time for next-generation tools that empower local governments to build tomorrow’s Canada.