Agenda Including Addeds
Corporate Services Committee

20th Meeting of the Corporate Services Committee

October 22, 2019, 12:30 PM

Council Chambers

Members

Councillors J. Morgan (Chair), J. Helmer, P. Van Meerbergen, A. Kayabaga, S. Hillier, Mayor E. Holder

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A matter pertaining to litigation currently in the Ontario Court of Justice for the Province of Ontario affecting the municipality, and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending acquisition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by, or on behalf of, the municipality.

6.3 (ADDED) Land Acquisition/Solicitor-Client Privileged Advice/Position, Plan, Procedure, Criteria or Instructions to be Applied to any Negotiations

A matter pertaining to the proposed or pending acquisition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

7. Adjournment

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON TUESDAY, OCTOBER 22, 2019
FROM:	BARRY CARD MANAGING DIRECTOR CORPORATE SERVICES AND CITY SOLICITOR AND JASON WILLS MANAGER III, RISK MANAGEMENT DIVISION
SUBJECT	REQUEST FOR PROPOSAL 19-01 INSURANCE AND RISK MANAGEMENT SERVICES

RECOMMENDATION

That, on the recommendation of the Manager III, Risk Management Division and Managing Director, Corporate Services & City Solicitor and with concurrence by the City Treasurer, Chief Financial Officer, the following actions **BE TAKEN,**

1. The proposal submitted by Frank Cowan Company Limited, 75 Main Street North Princeton, ON N0J 1V0, at a total annual premium of $2,235,546 plus Tax, **BE ACCEPTED** in accordance with the Procurement of Goods and Services Policy section 12.2 (b);

2. That Civic Administration **BE AUTHORIZED** to undertake all the administrative acts which are necessary in connection with this contract.

3. The approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order relating to RFP19-01 in accordance with the Procurement of Goods and Services Policy section 20.1 (a).

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Risk Management Report 2018

BACKGROUND

Purpose:

As per the Procurement of Goods and Services Policy, section 12, a Request for Proposal (RFP) 19-01 was prepared seeking competitive bids to purchase insurance and risk management services set out with particulars in Appendix ‘A’ (attached). These policies are being purchased on behalf of an eight (8) member group consisting of The Corporation of the City of London, London Convention Centre Corporation, Covent Garden Market Limited, London Public Library Board, London Police Services Board, Housing Development Corporation, London and Eldon House Corporation, London Regional Art and Historical Museums o/a Museum London.

Purchasing Process:

The RFP was issued in May 2019 and three submissions were received from reputable insurance providers for Ontario municipalities, including:

- AON Reed Stenhouse Inc.
- Frank Cowan Company Limited
- Marsh Canada Limited

The submissions were reviewed by a team consisting of Geoff Belch–City Solicitor Legal Services, Linzi Lavery - Specialist I Risk Management, Jason Wills, Manager III Risk Management and facilitated by Sarah Denomy - Procurement Officer, Purchasing and Supply.

As identified in the RFP, proponents were scored on the following scale:

Evaluation Criteria	Weighting
Coverage and Completeness of Submission	30
Experience, Financial Stability and References	15
Services Offered	25
Municipal Experience	10
Price (Annual cost from Premiums)	20
Total	**100 Points**

Through a comprehensive review of coverage, limits and deductibles, it has been verified that coverage will remain in-line with our current policies or be enhanced.

The most comprehensive and competitive submission in accordance with our terms and conditions resulting in the highest score in our evaluation criteria is the Frank Cowan Company proposal.

Frank Cowan Company is a leader in providing specialized insurance programs, including risk management and claims services to municipalities (192 Canadian municipalities are current clients), healthcare, education, community, children's and social service organizations across Canada. Proven industry knowledge, gained through eight decades of partnering with insurance companies and independent brokers, gives Frank Cowan Company the ability to effectively manage the necessary risk, advisory and claims services for both standard and complex issues.

Frank Cowan Company is a Managing General Agent (MGA) with the authority to write and service business on behalf of strategic partners who share our commitment and dedication to protecting specialized organizations. The MGA model is different than a traditional broker/insurer arrangement in that an MGA provides specialized expertise in a specific, niche area of business. The Municipal insurance market has been a long standing specialty for Frank Cowan.

Please see Appendix A: for a list of policies, price and available services provided by the Frank Cowan Company.

Financial Impact:

This RFP resulted in competitive pricing by three reputable insurance providers. In selecting the Frank Cowan Company, a 13% ($363,919) reduction in premiums will be realized. The 2020 insurance renewal will be budgeted appropriately in the 2020 – 2023 Multi Year Budget.

The term of the contract will be for a period of three (3) years with an option for renewal. The City at its absolute sole discretion has the option to renew the contract for two (2) additional one (1) year periods.

Summary:

The current practice is to explore the insurance market every four to five years. The present market is tightening. The main factors include risks associated municipal claims as well as global insurers dealing with substantial catastrophic losses incurred in 2017 and 2018. In review of the conditions, many municipalities are reporting above average rate increases for their renewals. The present environment is being reported at an average increases of 8-25%.

Based on the above factors and our selection criteria, it is the recommendation of staff to have the Frank Cowan Company provide the municipal insurance coverage for The Corporation of The City of London on January 1, 2020, at a premium cost of $2,235,546.00 plus Tax.

This report was prepared by Jason Wills, Manager, Risk Management with the assistance of Sarah Denomy.

PREPARED AND RECOMMENDED BY:	REVIEWED AND CONCURRED BY:
JASON WILLS , FCIP, CRM **MANAGER III, RISK MANAGEMENT**	**IAN COLLINS, CPA, CMA** **DIRECTOR, FINANCIAL SERVICES**
REVIEWED AND CONCURRED BY:	**RECOMMENDED BY:**
ANNA LISA BARBON, CPA, CGA **MANAGING DIRECTOR,** **CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER**	**BARRY P. CARD** **MANAGING DIRECTOR, CORPORATE SERVICES & CITY SOLICITOR**

cc: S. Denomy, Procurement, Finance and Corporate Services

Attached – Appendix A: Annual Cost of Premiums / Risk Management Services

Appendix A
Annual Cost from Premiums

	Proposed Program Term ($)
Casualty	
General Liability	694,933
Errors and Omissions Liability	34,191
Non-Owned Automobile Liability	756
Environmental Liability	142,198
Crime	18,227
Conflict of Interest	1,560
Legal Expense	5,383
Cyber	31,563
Unmanned Aerial Vehicle	10,050
Directors' and Officers' Liability	2,500
Group Travel Accident	1,000
Property	
Property incl. Fine Arts	698,844
Equipment Breakdown	42,823
Automobile	
Owned Automobiles	406,382
Garage Automobile	3,359
Excess	
Follow Form	61,715
Follow Form – 2nd Layer	80,062
Total Annual Premium (Excluding Taxes Payable)	**$ 2,235,546**

Services Offered

Risk Management Services

In addition to day to day risk advice, Frank Cowan Company is pleased to present the Corporation of the City of London with a multi-year plan designed to have a positive effect on your overall risk performance.

Risk Management Services	Cost	2020-2021 Policy Term	2021-2022 Policy Term	2022-2023 Policy Term
Asset Valuations and Risk Inspections	No additional cost	As outlined below		
Cyber Assessment	Additional fees may apply	Available upon request throughout all Policy Terms		
Road Risk Assessment	No additional cost			Available upon request
MMS Compliance	No additional cost	Available upon request		
Contract Reviews	No additional cost	Available throughout all Policy Terms		
Driver Training	No additional cost		Available upon request	
Educational Training	No additional cost	2 sessions - topics to be chosen by the City	2 sessions - topics to be chosen by the City	2 sessions - topics to be chosen by the City
Policy and Procedural Reviews	No additional cost	Available upon request throughout all Policy Terms		
Risk Management Centre of Excellence	No additional cost	Available throughout all Policy Terms		
Weather Monitoring Portal	No additional cost	Available throughout all Policy Terms		
Fleet Management Evaluation	No additional cost		Available upon request	
Claims History Analysis	No additional cost	Available upon request throughout all Policy Terms		
Frank Cowan Company Institute of Municipal Risk Management	Additional fees apply	Available upon request throughout all Policy Terms		

Frank Cowan Company was the first insurer to recognize the benefits of providing municipalities with complimentary risk management services. A solid risk management program is an important factor when considering your overall insurance program provider. You want services delivered by professionals that actively reduce the frequency and severity of loss because these factors impact your claims experience.

PROPERTY INSPECTIONS AND ASSET VALUATIONS

Our team of Risk Inspectors work to determine the construction details, update the use and occupancy classification, and produce a photographic inventory of municipally owned assets. From our inspections we are able to provide our clients with calculated reconstruction costs for insurance purposes. This enables us to ensure that all assets have adequate insurance to value. Our proposed reconstruction cost values are based on costs to repair, replace or reconstruct, as closely as possible, damaged property with new materials of like kind and quality and for similar occupancy.

Frank Cowan Company's loss control inspectors are either Professional Engineers, Certified Engineering Technologists or have backgrounds in loss control. They have a strong understanding of the various provincial and national model codes as well as other relevant standards.

As members of our loss control team, they have all received specialized training in Heritage/Historic buildings, green buildings, LEED criteria, BACnet, bleachers and grandstands, wind turbines, geothermal and solar power. In addition, each inspector is a Registered Playground Practitioner and can provide expertise with respect to CSA standard Z614 (Children's Playspaces and Equipment).

Our inspectors provide information regarding earthquake exposure zones and classifications with respect to fire protection status (FUS) for your locations. Due to the varied backgrounds and experience of our inspection team, they can provide a unique perspective to the different situations that can occur in your municipality. They have access to the various building and fire codes and are familiar with the accessibility requirements applicable in context of our policy wording for replacement/reconstruction to the latest legislation.

This service is available at no additional cost.

RISK HAZARD ASSESSMENTS

Our inspectors will also analyze your facilities and provide risk recommendations to help reduce the incidence, frequency and severity of claim and liability issues.

Our liability inspection services also extend to trails; playgrounds; toboggan hills and any sport playing fields or parks as well as any open spaces.

Our loss control services include the risk inspections to identify potential risks that could result in injury, property loss or litigation, and to suggest corrective measures, which may control or reduce the possibility of these situations from occurring. The reported hazards are prioritized and timelines for compliance are provided.

This service is available at no additional cost.

CYBER ASSESSMENTS

Frank Cowan Company has partnered with Watsec Cyber Risk Management to provide cyber assessments to our clients. We have the following available:

Cyber Privacy Audit:

- Provision of a Cyber Privacy Questionnaire to be completed by applicant;
- Review of the responses provided by applicant;
- Verification of completeness of the supporting evidence provided by applicant;
- An Audit Report for MFIPPA describing degree of the level of auditing rigor applied, summarized results, and list of deficiencies if present;
- Additional audits against other legislation such as PIPEDA, FIPPA, PHIPA, etc. are also available

System security assessment:

- Pre-assessment Interviews with business system asset owners;
- An External Network Vulnerability Assessment (Up to 10 active public IP addresses);
- An Internal Network Vulnerability Assessment (Up to 250 internal devices);
- Review of three critical security policies (Privacy, Acceptable Use, & Incident Response);
- Executive Summary Report with a clear, prioritized list of network and procedural exposures;
- Secure access to Watsec's client portal for your reports and results.

Additional fees may apply for this service.

ROAD REVIEWS

Road Risk Assessment

Non-repair of road liability claims are costly to defend, result in high court awards and greatly impact a municipality's cost of risk.

In order to help municipalities, minimize their exposure to non-repair of road claims, Frank Cowan Company has an experienced Roads Specialist to provide our municipal clients with road risk assessments. These assessments can include any of the following:

- Adequacy of documentation
- Compliance to the Ontario Traffic Manual
- Adequacy of current policies and procedures
- A review of select road segments with a focus on:
  - Adequacy of the road for alternative uses such as bicycle facilities and Off-Road Vehicles
  - Adequacy of pavement markings, warnings and regulatory signs
  - Identification of hazards within the roadside

Our sidewalk consulting services can help reduce the frequency of falls on your sidewalks.

Alternatively, the City may choose another area of concern.

A report will be presented to the City of London and a collaborative discussion will follow complete with recommendations for improvements if warranted.

This service will be provided by Brian Anderson, Frank Cowan Company's Road Specialist.

This service is available at no additional cost.

Minimum Maintenance Standards (MMS) Compliance

Minimum Maintenance Standards (MMS) were developed under the authority of Section 44(4) of the Municipal Act as the Provincial response to municipalities' requests for relief from onerous court decisions. A recent MMS Amendment was signed into law on May 3, 2018. To use this statutory defence in court, a municipality must be able to show through documentation that it met the minimum standards, as defined in Regulation 239/02. Documentation and record-keeping are critical.

Our MMS Compliance review focuses on reviewing the municipality's policies/procedures/documentation and comparing these to the required standards set under the MMS as well as the best practices developed by the Ontario Good Roads Association.

A report will be presented to the City and a collaborative discussion will follow complete with recommendations if warranted.

This MMS Compliance Review will be provided by Brian Anderson, Road Specialist.

This service is available at no additional cost.

CONTRACT REVIEWS AND CONSULATIONS

One major purpose of a contract is to ensure that the assumed risks are identified and managed. The contract cannot make the risk disappear, but it should determine who is responsible for its management and financing. Insurance is the most widely accepted means of financing contractual risks. But, in order for insurance to be an effective financing vehicle, the risks must be identified and then supported by the correct insurance coverages to minimize your financial exposure.

We provide you with a contractual risk assessment and recommendations to help you determine the most appropriate liability transfers and the subsequent required insurance coverages. This service also includes a review of the insurance requirements in Tender and RFP documents and supporting Certificates of Insurance.

To further support our municipal clients, Frank Cowan Company has developed an exclusive and extensive insurance requirement contract guideline workbook. This guideline addresses a number of common contracts that municipalities enter into, for example Summer Road Construction; Winter Road, Parking Lots and Sidewalk Maintenance; Construction of New Facilities; Culvert and Overpass Construction; Underground Infrastructure Repair and Replacement; and provides the suggested insurance wordings. All your staff have to do is “cut and paste.”

This complimentary service is among our most popular because a third-party contract review has the ability to make a substantial difference.

This service will be provided by Jennifer Sandison, Paralegal.

This service is available at no additional cost.

ONGOING TRAINING AND SEMNIARS

Driver Training

Frank Cowan Company has launched a new Driver Training service. We can provide your staff – from fleets to individual drivers – with comprehensive driver training. We have seminars, tools and guidelines to assist with everything from pre-employment checklists and driver management policies to defensive and cooperative driving education.

This service will be provided by Paul Cote who is a Driver Trainer.

This service is available at no additional cost.

Educational Training

We can develop customized sessions on specific risk issues for your municipality. These customized sessions can be tied to a claims review; documentation review; policy & procedure review or any risk issue facing your municipality.

We can also provide training through webinars on any topic of your choosing. The webinars will be developed and delivered by specialists in the topic of your choosing. We will also record these webinars and make them available to you, so your managers can use them at any time to train new staff or as a refresher for existing staff. Our plan for the City of London includes 2 seminars in the 2020-2021 policy year with the topics chosen by the City. This service will be provided by the subject matter expert.

This service is available at no additional cost.

We offer the following seminars:

FUNDAMENTAL RISK MANAGEMENT

Risk Management 101

Risk is inherent in the operating environment of every municipality. It is impossible to eliminate risk, but it is possible to manage it. The principles of risk management have been around for many years. Their implementation is crucial in today’s changing world. Escalating claim costs, joint and several liability and new provincial regulations are some of the reasons why ignoring the importance of sound risk management can have serious consequences for any organization. This seminar will outline the steps or risk analysis, relevant legislation and real-life examples of claim situations. It will give the participant important tools for effective risk management that they can take and use in the course of their work.

Risk Assessments

What was supposed to be a fun treat at a party turned into a nightmare when the bouncy castle that was rented for the day went flying into the air, kids inside, and landed on a roof some distance away. The castle was not anchored properly and was picked up by high winds. In this case, negligence was responsible for an accident that caused injury to children. The incident could have been prevented had the organization undergone a risk assessment prior to renting the bouncy castle. This seminar builds on the basic foundation of risk management and looks further into risk assessments. With new activities being introduced, whether it's longboarding, parkour or adult gym equipment in parks, it is imperative that municipalities keep up with new emerging risks. Risk assessments can help an organization determine the risk involved in an activity and how to minimize exposure.

BUILDING ON RISK MANAGEMENT 101

We encourage municipalities and their staffs to build on the core competency risk management skills learned in Risk Management 101 and develop their risk skills in their areas of interest. We take the risk management basics and apply the techniques to various municipal disciplines. The participants will learn of risks associated with the topic and various risk management strategies specific to that area. Claim examples will be given, and pictures used to enhance the learning experience. These can be taken on their own or added to a 101 session. Subject areas include, but are not limited to the following:

- Arenas
- Parks and Recreation
- Municipal Trails
- Liquor Liability
- Premises Risks

ROADS & SIDEWALKS

Risk Management Considerations for Municipal Roads in Ontario

The result of the Giuliani decision has had serious ramifications for municipalities in Ontario. It was one of the first times that the Minimum Maintenance Standards (MMS) had been substantially considered by the courts, and unfortunately the disappointing decision weakened a MMS based defence. The team at Frank Cowan Company has worked with various stakeholders to seek amendments to the MMS. As of February 2013, new amendments to the MMS have been approved. With many municipalities looking to review their policies and procedures or renew road maintenance agreements, we are pleased to present a new seminar designed to help answer the question of what to do post Giuliani. Working with the Ontario Good Roads Association to help navigate through the current legal environment, this seminar will look at strategies to create your road maintenance policies and other documents.

Risk Management Considerations for Municipal Sidewalks in Ontario

This seminar will walk participants through section 44 of the Municipal Act and its effect on Municipal Sidewalk maintenance and repair. It will go through the winter and summer policies to have in place as well as considering defences and judgment trends. The Minimum Maintenance Standards will be highlighted, and practical risk management tips will be reviewed.

RISK ISSUES FOR EVERY ORGANIZATION

Abuse

While not a new topic, the issue of abuse is the number one concern among organizations that work with vulnerable populations. It is important for these entities to reduce their risk of abuse and understand their insurance coverages.

Volunteers
Volunteers are an essential resource to municipalities but also a source of risk. This seminar will discuss methods of mitigating that risk and how they can be implemented through various municipal departments. Participants will be walked through the process of creating volunteer plans, policies and procedures.

Social Media
With the rise in the use of social media for business and personal pursuits comes the rise in risks associated with it. This seminar will address the emerging issues surrounding social media and your municipality and how to mitigate exposure. Recent case law in the area will be discussed.

Privacy Breaches & Cyber Risk
Cyber breaches are becoming common place and news stories continue to feature incidents of private information being stolen or lost. It is imperative that municipalities learn to assess their cyber exposure and protect the information they hold. This seminar will discuss the latest trends in cyber breaches and the likely culprits. It will look at internal and external risk controls to help mitigate loss and the steps to take when a breach has occurred.

BEYOND THE BASICS: CONTRACTS & WAIVERS

Contracts
Contracts tend to be an area people like to avoid – the language can be confusing and the clauses difficult to understand. The insurance requirements of some contracts reflect a lack of understanding of the nature and scope of insurance. In many cases the clauses do not make sense and can be contrary to your interests. This seminar addresses these concerns and demystifies the language of contracts, focusing on the insurance sections. In particular, we address:

- Indemnification/ hold harmless clauses
- Insurance covenants that should be included in all contracts
- Structuring insurance requirements

Certificates of Insurance
Often contracts will require a certificate of insurance, but many people do not understand the significance of this document. This seminar will provide participants with an understanding of the importance of certificates of insurance and why this information is necessary. The session will answer important questions such as:

- How long should I keep a certificate of insurance?
- What should I look for in a certificate of insurance?
- When do I need to involve legal counsel?

Attendees will also receive a checklist that can be used as a tool to assess certificates of insurance to ensure they are issued as requested.

Waivers of Liability
This topical seminar will look at case law illustrating the continuing battle of contractual waivers, especially waivers used in sporting and recreational activities. Organizations draft waivers and plaintiffs seek to negate them. When an entity tries to limit or extinguish its liability to potential claimants, a court will undertake an analysis in order to decide whether or not the release is enforceable. The seminar will give valuable tips to consider when drafting and administering a waiver.

CLAIMS & LITIGATION

Documentation

Documentation is a key element of good risk management. In the world of litigation, it is not what you did; it is what you can prove that you did. Cases are document intensive as the main body of evidence in any proceeding is based on the documents and records kept. Documentation is used as evidence to prove that the standard of care was met, or that contracts existed. This seminar will go through important considerations such as:

- The importance of documents and how they used in a claim
- Creating your documents
- Staff training and audits

Incident Reporting

Incident reporting can be a topic on its own or combined with documentation. Incident reporting is an important part of risk management and claims handling. It helps ensure prompt reporting and investigation of incidents. This seminar will highlight some key aspects of Incident reporting, including:

- Standardized report forms
- Accident reporting procedures
- The "Do's & Don'ts" of incident report filing

Developing a Claims Protocol

Claims are an unfortunate reality for municipalities. This seminar will focus on claims reporting guidelines. It will go through the different policy types (claims made vs occurrence-based policies), counselor involvement, as well as some the most frequently asked questions about the claims process. The session will also address the issues of damage escalation and joint and several liability. It will conclude talking about ways to mitigate the risk and cost of claims and the litigation process.

POLICY AND PROCEDURAL AUDITS

We can help the City audit systems and processes to reduce potential losses within your organization. Our reviews focus on identifying any gaps or inconsistencies between written policies and procedures, operational procedures and current legislation. The review also includes a claims analysis to identify trends, patterns and adherence or its lack of to the written operational policies and procedures. A report is presented to you with recommendations if warranted.

This service will be provided to the City by Melanie Marsh, Risk Analyst.

This service is available at no additional cost.

ONLINE REFERENCE LIBRARY OF RISK MANAGEMENT RESOURCES

The Frank Cowan Company Risk Management Centre of Excellence is an online resource that provides clients with information and tools needed to manage various risk issues. The Risk Management Centre of Excellence was created to help our clients become more proactive regarding risk mitigation.

Legislative amendments and new service demands from your community can quickly change your risk profile. When this happens, you need to make smart decisions around your existing risk management strategy. Frank Cowan Company partners with local, provincial and national professional associations in addition to numerous Provincial Ministries to share knowledge and resources. Our articles are written by professionals from a cross section of disciplines with a focus on comprehensive information that you will find useful and easy to understand.

This tool is available 24 hours a day, 7 days a week to all staff and can be accessed from any electronic or mobile device. There are currently over 300 articles on the Centre of Excellence.

We have included sample Centre of Excellence articles for your review.

This service is available at no additional cost.

WEATHER MONITORING PORTAL

On January 25, 2013, Ontario Regulation 239/02 was amended. The amended regulation now includes a Weather monitoring standard. The standard is written as follows:

Weather monitoring
3.1 (1) From October 1 to April 30, the minimum standard is to monitor the weather, both current and forecast to occur in the next 24 hours, once every shift or three times per calendar day, whichever is more frequent, at intervals determined by the municipality.

(2) From May 1 to September 30, the minimum standard is to monitor the weather, both current and forecast to occur in the next 24 hours, once per calendar day.

To help our municipalities meet this standard, Frank Cowan Company partnered with Operasoft to build a weather monitoring station. A solution was developed to assist municipalities in better planning, managing, automating and documenting their public works related activities.

The weather monitoring portal is a web service which includes the following:

- Displays 24/7 localized forecast weather data from credible sources such as Environment Canada
- Automatically logs which users have verified weather within the system
- Provides email alerts if weather has not been checked within one hour of the shift start
- Provides electronic documentation of the measures taken during a winter event

Our weather monitoring portal can be accessed by any municipal employee. We will provide training if the Municipality wishes to use this service.

This service is available at no additional cost.

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON TUESDAY, OCTOBER 22, 2019
FROM:	**BARRY CARD MANAGING DIRECTOR CORPORATE SERVICES AND CITY SOLICITOR AND JASON WILLS MANAGER III, RISK MANAGEMENT DIVISION**
SUBJECT	**ANNUAL REPORT RISK MANAGEMENT SERVICES**

RECOMMENDATION

That, on the recommendation of the Managing Director Corporate Services and City Solicitor and the Manager III, Risk Management Division, this report **BE RECEIVED** for information.

BACKGROUND

The purpose of this report is to provide an overview of the Risk Management Division's commitment to continuous improvement through activities that eliminate, mitigate and control risk. The Civic Administration adopted the principals of risk management for the Corporation on June 7, 1982 in order to protect the health, safety and welfare of the public, City Council, employees and its' property, assets, reputation and other resources from the risks arising from all City operations.

The Civic Administration is committed to risk management strategies as a part of every service area, with a focus on improving communication, mitigating risk and being prepared for unwelcomed events. This includes service areas such as:

- ❖ Health and Safety
- ❖ Construction Administration
- ❖ Emergency Management
- ❖ Road Design & Maintenance
- ❖ Building
- ❖ Finance
- ❖ Information and Technology Services

Each service area has a role to assist the Corporation in meeting objectives, while guarding against loss of property, finances or harm to persons and reputation.

The Risk Management Division's role is to provide insurance and risk management services to the Corporation and City Boards.

The list of Boards include:

- London Convention Centre Corporation o/a RBC Place
- Covent Garden Market Corporation
- London Public Library Board
- London Police Services Board
- London and Eldon House Corporation
- Museum London
- Housing Development Corporation, London

The Division focuses on three main deliverables:

- Risk Management Services
- Claims Management
- Risk Financing

ACTIVITIES AND CURRENT TRENDS

Risk Management Services

- The Division provides advice to all service areas involved in capital projects and operational activities.
- Oversees effective risk transfer through review of contracts, leases, tenders and RFP's.
- Provides risk analysis and claim trends to enable accurate loss forecasting and budgeting.

Current activities include:

- Conducting physical site inspections to identify potential areas of risk and to recommend preventative measures;
- Risk assessments of proposed operations or activities during their planning stage;
- Delivery of risk management education using outside experts and/or knowledgeable staff on relevant risk strategies;
- Internal advice on risk management best practices and experiences;
- Management of Certificates of Insurance; (COI)

Risk Services	2018	2019 as of Sept 20th
Issued COI on behalf of the City	716	266
COI Review & renewals	5918	4536
Contract reviews	241	243
Loss prevention advice	36	31

Insurance Policy renewals	40	40
Education Sessions	10	7

Claims Management

Claims are managed internally. This enables investigations to be completed efficiently while avoiding the expense associated with independent adjusting firms. Additionally, Division Specialists have a thorough knowledge of City services, strong rapport with staff, resulting in the delivery of timely claims management.

Specialists work in conjunction with Internal Legal Counsel and Third Party Adjusters/Insurers to administer and resolve claims.

Claim frequency varies year to year. Over the past 10 years the City has averaged 918 claims annually.

POLICY YEAR	NUMBER OF CLAIM	NET PAID	OPEN CLAIMS
2009	1035	$2,610,971	0
2010	930	$3,525,213	3
2011	1185	$2,995,152	2
2012	747	$1,585,103	10
2013	846	$2,826,200	12
2014	927	$3,465,870	15
2015	932	$2,342,697	13
2016	803	$1,229,972	18
2017	746	$1,327,127	17
2018	1035	$1,271,414	51
GRAND TOTAL	**9186**	**$23,179,719**	**141**

*The table shows expenses by the City for costs incurred within our insurance deductible

Municipal liability claims typically resolve in 3-6 years. Inferring data from the period **2009-2015** (mature claims) the annual average cost totals **$2,764,458**.

Claim costs by Policy type:

POLICY TYPE	NET PAID	% OF GRAND TOTAL	NUMBER OF CLAIMS
AUTOMOBILE	$5,889,170	25%	3061
LIABILITY	$14,312,908	62%	5582
PROPERTY	$2,977,641	13%	543
GRAND TOTAL	**$23,179,719**		**9186**

Leading causes of Liability claims.

CAUSES OF LOSS 2009-2018	NET PAID	NUMBER OF CLAIMS
ROAD MAINTENANCE	$ 2,274,608	1010
SLIP & FALL - OUTSIDE	$ 2,029,652	295
TRIP & FALL - OUTSIDE	$ 1,722,223	333
BUILDING PERMIT	$ 979,876	53
TREE LIMB	$ 840,030	311

Claim categories, such as slip and fall and road maintenance claims, are largely weather related. The severity of winter and/or freeze-thaw cycles greatly influences the likelihood of weather related claims.

One of the most significant factors in municipal liability claims is their “long tail” nature. This meaning an incident may occur in a given policy year, however, the claim may not be presented until many years later and take several years to settle.

Over the past few years, there has been a rise in the number of factors impacting municipal claims – factors that have potential to drive up claims include:

Property losses are more frequent and severe. Climate change has resulted in a substantial increase in property losses and catastrophic losses. Regardless of whether this has impacted a municipality directly, the substantial escalation in the cost of claims has increased both property insurance and reinsurance rates worldwide.

The changing legal landscape. There is a continuing trend that indicates we as a society, have become more litigious and demonstrate less personal accountability. This results in higher frequency and severity of claims. In response, Judges have awarded more contributory negligence to municipalities versus plaintiffs.

Joint and several liability (the 1% rule) This is a significant concern for municipalities in Ontario. The Association of Municipalities of Ontario (AMO) has created a number of working groups over the years with the goal of reforming this law. As the severity of awards increases, so too does the exposure to those who have deep pockets. The Province of Ontario has recently initiated a consultation process regarding the joint and several principle. Our hope is that the current lobbying will eventually lead to relief for the municipal sector. This could lead to lower insurance premiums, deductibles and fewer litigation matters.

Damage awards are substantial. Today, larger awards are more frequent. Court awards for severe bodily injury claims have increased dramatically in the last ten years. Claims that may have settled for $5million, ten years ago are now settling for $12M - $18M. These awards are primarily driven by the costs of providing future care for catastrophically injured plaintiffs. Municipalities have a significant exposure to this type and size of damage award and are currently feeling the impact through the cost of insurance.

As the current challenges in municipal claims are doubtful to ever be eliminated entirely, continuous improvement and best practices are the primary approach to dealing with them.

RECOVERY CLAIMS: Claims involving damage to City property where recovery of City expenses is collected from the at-fault third party or their insurer. The majority of these claims involve damage to traffic signals, signs and trees. Revenue is returned to the division who originally incurred the expense.

Year	Number of claims	Recovery	
2017	166	$356,964	
2018	147	$309,600	
2019	93	$226,385	As of September 1st

Risk Financing

The insurance portfolio managed by the Division currently includes 40 policies.

Insurance Group	Policy count
The Corporation and Boards	17
London & Middlesex Community Housing	9
Regional Waterboards	14

In May 2019 the Division issued an RFP for Insurance and Risk Management Services for the Corporation and Boards within our insurance group. Please refer to the RFP companion report.

Cyber Insurance: Insurance requirements and coverage's evolve as trends and technology change.

Cyber liability claims have risen dramatically in the last few years. More important, it is anticipated that these claims will continue to increase at an exponential rate. In 2018, a number of smaller Ontario municipalities reported cyber-attacks. In September the OPP issued a warning to Ontario municipalities stemming from a rash of attacks. One very high profile attack in the US resulted in potentially costing Atlanta $17 million in damages.

In response to this growing concern, the Division with the assistance of Information & Technology Services is working with the Frank Cowan Company to increase limits and the scope of coverage to enhance our 2020 Cyber policy.

Cost of Risk

The rising cost of claims and associated impact on insurance premiums is an important area of focus as part of an organization's overall risk management strategy.

The **Cost of Risk (CoR)** as shown in Appendix A: is a combination of insurance premiums and cost of claims. The CoR table shows a mainly stable annual cost over the past 10 years. Our cost of risk for policy years 2014 & 2015 is above the median. This is due to slightly higher claims costs and high premiums.

In 2016, OMEX (Ontario Municipal Insurance Exchange) discontinued underwriting operations. As reported in Canadian Underwriter in 2016, OMEX - "**has struggled in recent years to grow in an extremely soft insurance market and a highly competitive business environment. This low pricing environment combined with the impact of joint and several liability on municipal claim settlements has made it difficult to offer sustainable pricing while still addressing the municipalities' concern about retro assessments**."

While the City enjoyed favourable premiums with OMEX for many years, the final years [2014 & 2015] were higher than average, which was mainly due to retro assessments that addressed early policy year(s) shortfalls. Those higher premium years are evident in our CoR.

CONCLUSION

Civic Administration fosters and maintains a strong risk culture to promote risk awareness and discipline across all its activities. The Administration's risk strategies that serve to influence appropriate risk-taking behavior include the following:

- Leadership in providing clear vision and direction
- Consideration of risk-relevant information in decision-making
- Embedding of risk management skills and competencies

These strategies are the foundation for efficient and effective risk management. The Division reinforces these strategies by promoting risk transparency and fostering open discussion in the Administration at all levels on the risk-taking process and their decision making.

The Division is committed to working with all service areas in an effort to guard against risk and control the Cost of Risk. Together we have taken steps to reduce the Cost of Risk, protect the public, staff, property and reputation.

PREPARED BY:	RECOMMENDED BY:
JASON WILLS – MANAGER III RISK MANAGEMENT	**BARRY CARD MANAGING DIRECTOR, CORPORATE SERVICES & CITY SOLICITOR**

Attached – Appendix A – Cost of Risk 2009-2018

APPENDIX A

Cost of Risk 2009-2018

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Insurance	$1,394,094.00	$1,799,663.00	$2,177,890.00	$2,276,062.00	$2,531,135.00	$3,114,442.00	$3,926,262.00	$2,720,993.00	$2,736,815.00	$2,544,803.00
Claims	$2,610,971.00	$3,525,213.00	$2,995,152.00	$1,585,103.00	$2,826,200.00	$3,465,870.00	$2,342,697.00	$1,229,972.00	$1,327,127.00	$1,271,414.00
Admin	$378,775.00	$390,399.00	$393,854.00	$407,600.00	$394,505.00	$387,339.00	$403,867.00	$411,914.00	$425,305.00	$423,115.00
Open Claims	0	3	2	10	12	15	13	18	17	51

Data captured Sept 27 2019

Annual Average over 10 years	
Insurance	$2,522,215.90
Claims	$2,317,971.90
Admin	$401,667.30
Cost of Risk	**$5,241,855.10**
Households	180,000
Annual cost per household	
	$29.12

2019	
Insurance	$2,381,610.40
Claims	$197,362.00
Admin	$445,000.00
Open claims	188

*2019 IS NOT INCLUDED IN ANNUAL AVERAGE TOTALS

TO:	**CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 22, 2019**
FROM:	**ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER**
SUBJECT:	**VACANT/EXCESS LAND SUBCLASS TAX REDUCTIONS AND OTHER TAX POLICY ISSUES**

RECOMMENDATION

That, on the recommendation of the Managing Director Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to vacant/excess land subclass tax reductions in the commercial and industrial property classes and other tax policies noted in this report:

a) That City Council **PASS A RESOLUTION** to request that the Minister of Finance file the necessary regulation to eliminate the 30% municipal tax reductions on vacant commercial and industrial land and excess land in the City of London, beginning with the 2020 calendar year, so that City policy for these subclass reductions for municipal taxes will be the same as the Provincial policy subclass reductions for education taxes that will be applicable in the year 2020.

b) That the City Clerk **BE DIRECTED** to send a copy of the resolution referenced in (a) to the Minister of Finance.

c) That the City **MAINTAIN** the farmland tax ratio for 2020 at the 2019 level and review the future Tax Policy for setting the farmland tax ratio after studying the effect of the Province wide reassessment scheduled for the 2021 taxation year.

d) That the City Clerk **BE DIRECTED** to notify the Agricultural Advisory Committee of the proposed Tax Policy change described in (c) above.

e) That the contents of this report related to setting up an optional class for parking lots and vacant land **BE RECEIVED** for information.

f) That the City Tax Office **SEND A NOTICE** to property owners with vacant and excess land in 2019 after the Province has filed the required regulation to inform these property owners of the change in tax treatment in 2020.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Corporate Services Committee, March 28, 2017 Item # 2.3 Vacant Unit Rebate and Vacant/Excess Land Subclass Tax Reduction

Corporate Service Committee, November 21, 2017 Item # 2.4 Vacant Unit Rebate and Vacant Excess Land Subclass Reduction

Planning and Environment Committee, December 4, 2017 Item # 4.27(b), Parking Strategy for Downtown London

Corporate Services Committee, April 30, 2019, Item # 2.1, Year 2019 Tax Policy

BACKGROUND

Legislation Changes

In December 2016, sections 313 and 364 of the *Municipal Act, 2001* were amended to provide more flexibility to municipalities to amend or eliminate subclass tax rate reductions for vacant land and vacancy rebates for portions of vacant buildings. These legislation changes were worded in such a way that any action to eliminate the rebates/reductions will require a further specific regulation by the Minister of Finance. These legislation changes only apply to land in the commercial and industrial property classes. Section 313 sets out the rules for subclass tax rate reductions for vacant and excess land. Section 364 sets out the rules for rebates to vacant buildings.

In January 2017, the Ministry of Finance issued a checklist of actions, which includes a recommendation to "engage" and "communicate" with the local business community, municipalities should take prior to changing or eliminating the vacancy rebates or vacant/excess land tax reductions previously mandated by the *Municipal Act, 2001*. A copy of the checklist is attached as Appendix "A". The Province required a resolution passed by Council indicating approval of any changes to the existing vacancy rebate program and subclass reductions in the commercial and industrial property classes. If Council wished to make any changes affecting the payment of rebates in 2017, a Council resolution was required to be submitted to the Minister of Finance prior to July 1st, 2017.

Council Actions in 2017

In March 2017 Council adopted a policy in principle to phase out the vacancy rebate program and subclass reductions for vacant and excess land in the commercial and industrial property classes, and directed the Civic Administration to obtain comments on the proposed policy from the London Economic Development Corporation (LEDC), the boards of management of Business Improvement Areas (BIA) in the City and London Chamber of Commerce in order to obtain comments on behalf of their clients and members in the commercial and industrial sectors. The feedback from these various organizations was summarized and reported back to Council in a report to the Corporate Service Committee meeting of November 21st 2017. Civic administration also sent out a notice in May 2017 of the proposed possible tax policy change to all property owners who had received a vacancy rebate or received a subclass tax reduction in 2016 for vacant or excess land in the commercial or industrial property classes. A copy of the notice is attached as Appendix "B".

The Corporate Services Committee report, dated November 21st 2017, included a copy of the written feedback received from the organizations referenced above, see attached Appendix "C". Obviously most individual property owners were not in favour of changes to the tax system, as that would have the effect of increasing their share of the property tax burden. This was clearly expressed at a meeting held at the London Chamber of Commerce to seek input from property owners. Some BIA organizations, however, did have a different perspective in that they seemed to express an interest in policies that might encourage commercial development and discourage speculation in undeveloped or underutilized land. Business groups expressed concerns about change from past practice, fairness to the commercial sector, and effects on general economic development of the changes proposed.

In 2017, Council did approve the phase out and elimination of the vacancy rebate program which provided tax rebates for vacant portions of buildings. For 2018, the vacancy rebate program was reduced from 30% to 15% and in 2019 the program was eliminated. In 2017, however, Council deferred a decision on the subclass reduction for vacant and excess land until more information was available as to what other municipalities and the Province intended to do with respect to this tax policy issue. In 2017 and 2018 many municipalities did eliminate the vacancy rebate program for buildings but not many eliminated the subclass in reduction for vacant and excess land.

Province of Ontario and Other Municipal Actions on Subclass Reductions

On April 19th 2019 the Province issued a letter notifying all municipal treasurers that the Province was proceeding on its own to eliminate the subclass reduction for vacant and excess land in reference to the education tax portion of the property tax bill and indicated it would discontinue any education tax participation in municipal vacancy rebate programs for buildings beginning in 2020. The Province indicated the subclass reduction for 2019 would be 15% instead of 30% and in 2020 there would be no subclass property tax reduction in education taxes for vacant and excess land. This announcement came at a point in time when most municipalities had already finalized, or were very close to finalizing, tax policy decisions for 2019.

As a result of the timing by the Province most municipalities did not have the ability to reopen or modify tax policy recommendations made to Council for 2019. Based on the action of the Province in 2019, however, it is anticipated that many municipalities in the future will be adopting the same policy as the Province for commercial and industrial subclass reductions. This is to ensure that, going forward, tax policy for the municipal portion of the property tax bill will be the same as the provincial tax policy for the education portion of the property tax bill.

We have contacted the Ministry of Finance to obtain a list of municipalities that have eliminated, or have indicated an intention to eliminate, the subclass tax reduction for vacant and excess land in the commercial and industrial property classes. The list includes the following municipalities:

1. City of Greater Sudbury
2. Elgin County
3. Renfrew County
4. Perth County
5. Durham Region
6. Waterloo Region
7. Haldimand County
8. City of Kenora
9. Region of Niagara
10. Wellington County
11. Fort Frances
12. Lennox and Addington

Financial Impact on Property Taxpayers

The subclass tax rate reduction for vacant and excess land does not involve any City expenditure but it does reduce the portion of the tax levy allocated to vacant and excess land in the commercial and industrial classes. Elimination of the reduction would reallocate $1.4 million additional municipal taxes to vacant and excess commercial and industrial land in the City and away from all other property classes. Municipal taxation of vacant and excess land currently totals about $3.3 million prior to any elimination. The immediate elimination would result in an approximate 43% increase in municipal taxation on vacant land and excess land at improved commercial and industrial sites. The total municipal tax levy for the City of London for 2019 is approximately $606.5 million.

To give some context to the dollar amounts involved on individual properties, the average total property taxes including education on vacant commercial land in 2019 is $13,400. The average total tax for industrial land is $6,100. Median tax amounts for commercial and industrial vacant land are $6,900 and $3,300 respectively. The education portion of the property tax bill for vacant and excess commercial and industrial land in 2019 was approximately 41% (municipal 59%). A tax increase amount of 43% on the municipal portion of these two median amounts would therefore be approximately $1,751 (6,900 x 59% x 43%) and $ 837 (3,300 x 59% x 43%) respectively. There are 183 vacant commercial land parcels and 205 vacant industrial land parcels in the City of London for the 2019 year.

Excess land is land included in a parcel that is in excess of the municipal requirement for the existing development elsewhere on the parcel. Excess land is normally a small portion of the total assessed value of the property. In the commercial class the average excess land portion of the total assessed value is about 10.2%. In the industrial class the average excess land portion is approximately 8.5%. As a result a 43% increase in the taxes on the excess land portion of the assessed value translates into a much smaller increase of the total taxes associated with the property. On average it would amount to about approximately 4.4% in the case of excess commercial land and approximately 3.4% in the case of industrial property. There are 201 commercial properties with excess land and 59 industrial properties with excess land in the City of London.

If the vacant and excess land subclass reductions had been eliminated in 2019, the effect on tax increases, including education taxes on other property classes, is illustrated in the following table:

Property Class	2019 average tax increase % including education approved by Council	2019 tax increase % if subclass reductions had been eliminated	Effect of eliminating subclass reductions
Residential	1.2%	1.0%	-0.2%
Multi-residential	1.6%	1.4%	-0.2%
Commercial buildings	4.5%	4.4%	-0.1%
Industrial buildings	0.9%	0.7%	-0.2%
Farm	3.9%	3.7%	-0.2%

Arguments for Eliminating the 30% Subclass Reduction for Excess and Vacant Land in the Commercial and Industrial Property Classes

The arguments for elimination are as follows:

1. Vacant and excess land valuations by MPAC already reflect the fact that there are no improvements on the land and it can, therefore, be argued logically that there is no need to also adjust the tax rate to a lower level for these properties.

2. Vacancy rebates may be providing some financial incentive to property owners who may be acquiring land for longer term speculation rather than immediate productive use. The elimination of vacancy rebates may provide an incentive to more actively pursue productive use of vacant property by commercial and industrial property owners.

3. In 2019 the current Provincial Government made the decision to eliminate all subclass reductions for education property taxes on excess and vacant land in the commercial and industrial property classes beginning in 2020. (The Province eliminated 50% of the education subclass reduction in 2019 and will totally eliminate the reduction in 2020. In 2019 education taxes are approximately 41% of the total property taxes on vacant and excess land in the commercial and industrial property classes).

Arguments for not eliminating the 30% tax subclass Reduction Program

The arguments against elimination of the program are as follows:

1. The primary argument by property owners who own vacant land and excess land would be that their share of the tax burden should not be increased from what it was historically prior to the 1998 tax reform.

2 Sudden large percentage tax increases are unfair to property owners

The Arguments for and against the elimination of the vacancy rebate and reduction program are summarized below:

For Elimination	Against Elimination
• Valuations already reflect no improvements on land.	• Share of the tax burden should not be increased above historical level.
• Incentive for longer term speculation is decreased and incentive to pursue productive use is increased.	• Sudden large percentage increases are unfair to property owners.
• Province is eliminating the subclass reduction on education property taxes completely in 2020.	

Comments on Arguments For and Against Program Changes

The arguments against the subclass rate reduction appear to be based primarily on maintaining the allocation of taxes as they existed prior to 1998 and concerns about large sudden changes in taxation. Eliminating the subclass reduction does increase the tax level by approximately 43%. It should be noted that communication was issued to property owners in 2017 indicating that Council had adopted a policy in principle to eliminate the subclass reduction.

The primary arguments for elimination of subclass reductions in 2020 would appear to be that the Province is eliminating the subclass reduction for education property taxes and it would seem logical for municipalities to make the tax structure for municipal taxes the same as the Provincial approach. In addition there does not seem to have been any logical justification for the subclass reduction after the elimination of the business occupancy tax in 1998 because the property valuation prepared by MPAC already discounts the land valuation for the fact that there is no building on the land. Finally the elimination of the subclass reduction may reduce the incentive for land being held idle for speculation purposes and create an incentive to pursue development.

Considerations for the Timing of Implementing Changes

If Council approves eliminating the subclass rate reduction, it may want to give consideration to the issue of timing. As referenced above the immediate elimination of the subclass rate reduction would result in approximately 43% increase in municipal taxes on vacant commercial land. The effect on excess land would be far less significant since the excess land component of a parcel, in general, is a small portion of the total value.

As indicated previously when the communication was sent out notifying the potentially affected property owners about the proposed changes, the primary focus of the feedback seemed to be concern about the elimination of the vacancy rebate program for buildings rather than the vacant/excess land subclass reductions. The actions by the Province to eliminate the vacant land/excess land subclass reduction for education property tax rates completely in 2020, however, would seem to argue in favour of municipalities making the same adjustment to municipal tax rates for the 2020 taxation year.

If Council wished to change the tax rate reduction for vacant/excess land subclasses effective for the 2020 calendar year vacancy applications, a Council resolution should be submitted to the Minister of Finance before January 1, 2020.

The recommendation in this report is to completely eliminate the vacant land/excess land subclass reduction in the commercial and industrial property classes for the year 2020, and future years, and submit a resolution to that effect to the Minister of Finance requesting that he file the necessary regulation. This recommendation would mirror what the Province is doing in 2020 to eliminate subclass reductions for education taxes completely in that year.

If Council wanted to consider an option to slow down the implementation of the approach recommended in this report, Council could consider reducing the elimination of the subclass reduction to 15% in 2020 and complete elimination in 2021. In this scenario the timing of the complete elimination of the subclass reduction would be one (1) year after the elimination of the education subclass tax reduction by the Province.

Other Tax Policy Issues

At the Corporate Services Committee meeting on April 30th 2019, when the 2019 Tax Policy was reviewed by the committee, two (2) issues were raised for further consideration at a later date. One of them is related to the issue of the elimination of subclass reductions in the commercial and industrial property classes. The other is related to the taxation of farmland in the City.

Creating a separate optional property Class for Parking Lots

At the Corporate Services Committee meeting on April 30th 2019 it was suggested that the City look into the possibility of creating a separate class for parking lots with a higher rate than the rest of the commercial property class. One of the problems with this suggestion is that assessment legislation does not permit the creation of a property class consisting solely of parking lots. Under *Ontario Regulation 282/98* as amended, it is only possible to create an optional property class consisting of both parking lots and vacant commercial land. As a result this property class would capture all the commercial vacant land as well as all the parking lots in the City.

In addition the experience of other municipalities appears to be not advisable to create a higher tax rate for parking lots since the approach could have the effect of decreasing the amount of parking in commercial areas below an appropriate level. It would appear that other municipalities that have created optional property classes for parking lots and vacant commercial land have done so to promote the creation of parking lots in commercial areas. Appendix “D“, attached, lists all the municipalities in the 2018 BMA Municipal Study that have adopted optional commercial classes. In all cases the municipality adopted a parking lot and vacant land property class lower than or equal to the other commercial tax rates – in most cases lower than the other commercial rates. Presumably this was to encourage the development of parking lots in commercial areas.

The Planning and Environment Committee received a report on a long term strategy for Downtown Parking on December 4, 2017. One of the key conclusions of the report was that “the parking supply typically provided by developers for commercial development is below the typical demand” and “future construction projects…will result in the loss of on-street parking within the downtown.” It would seem the best approach to target a parking issue particular to a certain area, such as downtown, would be financial incentives through a community improvement plan or development agreements, rather than the adoption of a tax policy that cannot be isolated to parking lots and would have application throughout the entire City.

If the City were to create a new optional class for Parking Lots and Vacant Commercial Land, Council would be required under section 13 of Ontario Regulation 282/98 (*Assessment Act*) to pass a by-law. Under section 3.4 of the *Assessment Act,* the by-law would be required to be sent to the Minister of Finance within 14 days of passage. The Minister of Finance would then issue regulations under section 3.1 of the *Assessment Act* and section 308(11) of the *Municipal Act, 2001* to “allow the creation of an optional class” and to set an average transition ratio for the commercial class in the City of London.

Tax Ratio setting for Farmland

Since 1998 when major tax reform occurred throughout the entire Province, the City adopted a policy to equalize the municipal tax increases each year in the residential and farm property classes by adjusting the tax ratio for farmland. The effect of this policy has been to lower the tax ratio for farmland significantly below 0.25000. This has occurred because the value of farmland has increased at a significantly greater rate since 1998 than the value of residential property in the City. By legislation the tax ratio is set each year at 0.25 or such lower amount as determined by Council (section 308.1(3) of *Municipal Act, 2001*). In 2019 the tax ratio for farmland in the City of London is 0.10282.

All the Cities in the 2018 BMA municipal study that have a farmland tax ratio less than 0.25 are listed on Appendix “E”. London has the lowest ratio on the list. On Appendix “F”, the 2018 farm tax rates for municipalities in the County of Middlesex are listed. As can be seen from that list London has the lowest farm tax rate in Middlesex County.

It should be noted, that in accordance with subsection 19(5) of the *Assessment Act,* lands used in farming are valued in a different way from other property classes. For lands used in farming the valuation may consider the current value of the lands for farm purposes only and the valuation shall not give consideration of value based on the sale of the land for any purpose other than farming. As a result, land within the City of London limits with development options beyond farming would not have this potential considered in the valuation for tax purposes.

Based on a review of the tax level for farmland in the City of London it is recommended that the City consider discontinuing the policy of equalizing tax increases in the residential and farm property classes and notify the Agricultural Advisory Committee of this possibility. Because the farm land assessment is such a small part of the total assessment of the City, this change will not have significant financial impact on the City.

If the farm ratio were suddenly increased to 0.25 in 2019 the change would have increased total farm taxation in the City by $258,000 or 115.4%. The following table shows the effect on all the major property classes if the farm tax ratio had been 0.250000 instead of 0.102820:

Property Class	2019 tax increase % including education taxes approved by Council	2019 tax increase % if farm ratio were changed to 0.250000	Effect of increasing tax ratio to 0.250000
Farm	3.9%	115.4%	+111.5%
Residential	1.2%	1.1%	-0.1%
Multi-residential	1.6%	1.5%	-0.1%
Commercial Buildings	4.5%	4.4%	-0.1%
Industrial Buildings	0.9%	0.8%	-0.1%

Future Tax Policy

Based on the actions taken as a result of this report, Civic Administration will bring forward a future tax policy report at a later date prior to the setting of the 2020 Tax Policy. Currently, the City is participating in a working group setup by the Ontario Regional and Single Tier Treasurers reviewing the tax treatment of the multi-residential property class in the context of legislative changes.

SUMMARY

In summary, it is recommended that City Council approve and submit a resolution to the Minister of Finance to eliminate the 30% subclass tax reduction in municipal taxes for vacant/excess land in the commercial and industrial property classes. As the Province is eliminating the reduction for education taxes in 2020, the recommended action by Council will mirror what the Province is doing and will eliminate the reduction for municipal taxes in the same year.

In reference to other tax policy issues discussed at the Corporate Service Committee meeting of April 30th 2019, it is recommended that Council take no action to create a separate property class for parking lots and vacant commercial land and in 2020 Council not decrease the tax ratio for farmland below the level established in 2019.

SUBMITTED BY:	**CONCURRED BY:**
JIM LOGAN, CPA, CA **DIVISION MANAGER, TAXATION & REVENUE**	**IAN COLLINS, CPA, CMA** **DIRECTOR, FINANCIAL SERVICES**

RECOMMENDED BY:
ANNA LISA BARBON, CPA, CGA **MANAGING DIRECTOR,** **CORPORATE SERVICES & CITY TREASURER,** **CHIEF FINANCIAL OFFICER**

Attachments: Appendix “A”
Appendix “B”
Appendix “C”
Appendix “D”
Appendix “E”
Appendix “F”

Appendix "A"

Ontario

Ministry of Finance

VACANCY REBATE AND REDUCTION PROGRAM CHANGES CHECKLIST

January 2017

BUSINESS COMMUNITY ENGAGEMENT

- ✓ Have you engaged the local business community?
- ✓ Can you provide details on how and when you have engaged the local business community?
- ✓ Have you considered the potential impacts the proposed changes may have on local businesses?
- ✓ Have you communicated potential impacts of proposed changes to the business community?
- ✓ Has Council been made aware of the potential impacts on the business community?

PROGRAM DETAILS

- ✓ Have you outlined details of program changes in your submission?
- ✓ For municipalities in a two-tiered system, have you discussed proposed changes with lower-tier municipalities?
- ✓ Have you considered how you will implement or administer any potential changes to the vacancy programs?
- ✓ Have you considered these changes as part of a multi-year strategy?
- ✓ Has Council passed a resolution indicating approval of these changes?

FURTHER INFORMATION

If you have any questions about implementation of changes to the vacant rebate and reduction programs, please contact the Ministry of Finance at info.propertytax@ontario.ca.

Appendix "B"

May 1, 2017

[redacted]

RE: [redacted]

NOTICE TO PROPERTY OWNERS REGARDING PROPOSED CHANGES TO THE VACANCY REBATE PROGRAM AND TAXATION OF VACANT AND EXCESS LAND

This is to notify you that City Council has adopted in principle a policy to phase out in future years the current vacancy rebate program and eliminate the subclass tax reduction for vacant land and excess land for properties in the commercial and industrial classes. The report and council resolution related to the adoption in principle of this policy is available on the City's web site at www.london.ca (enter "vacancy rebates" in the search box).

According to our records you own land that received a vacancy rebate in 2016 or was subject to vacant land/ excess land subclass tax reduction in 2016. City Council directed that property owners in this situation be notified of the consultation process under way and the purpose of this letter is to notify you of the proposed changes and the consultation process underway.

As described in the report available on the City's web site the consultation process suggested is for the London Economic Development Corporation, the boards of management of Business Improvement Areas in the City and the London Chamber of Commerce to provide comments back to City Council on behalf of their clients and members on the proposed changes. The deadline for any comments to City Council and the completion of the consultation process as indicated in the report is August 31, 2017.

J. Logan

Jim Logan
Division Manager-Taxation and Revenue

APPENDIX "C"

2017 Old East Village BIA Vacancy Tax Rebate Report

September 11, 2017
Submitted by: Jen Pastorius, BIA Manager

BIA Staff and Board Members surveyed the Old East Village Business Improvement Area (BIA) which is located on Dundas Street between Adelaide and Lyle Streets. There are 65 addresses within this boundary.

The survey – attached at the end of this report – was completed by business operators, business owners, property owners or those who identified as a combination of the three. Surveys were completed for 41 of the 65 addresses, which results in 63% of the BIA addresses providing comment to the review of the Vacancy Tax Rebate Report.

A total of 30 surveys were completed – with some property owners speaking to multiple properties within the BIA block.

Total Votes compiled from the 30 Surveys:

- 14 votes for immediately eliminating the Vacancy Tax Rebate
- 14 votes for phasing out the Vacancy Tax Rebate by 2020
- 2 votes for not eliminating the Vacancy Tax rebate.

Responses by property owners (13 property owners completed the survey)

5 property owners who identified as previously using the rebate:

- 3 property owners have used it in the past 3 years: Of these,
  - two stated the rebate should not be eliminated at all
  - one stated it should be removed immediately
- 2 property owners used the rebate prior to the past 3 years: Both thought it should be eliminated:
  - one stated the rebate should be eliminated immediately
  - the other wanted it phased out by 2020

8 property owners who identified as never having used the rebate:

- 4 stated the rebate should be eliminated immediately
- 4 stated the rebate should be phased out by 2020.

Business Owners and Operators

24 people who were surveyed identified themselves as business owners and 13 as business operators. As stated above, those surveyed were asked to mark all that apply, therefore, a single address may have had property owner, business owner and business operator or a combination of the three listed.

15 business owners and 7 business operators identified strictly as only owners or operators. This is a group who does not own their properties but their business and livelihood are affected by vacant properties that surround them. The perspective of the small business owner/operator on the Vacancy Tax Rebate is therefore as relevant to the review as the perspective of property owners.

One of the measures identified in the Planners Action Team report, which informed the Old East Village Community Improvement Plan, was an ongoing reduction in the area vacancy rate. During the early years of the revitalization of the area, the vacancy rate was near 70%. In the years since, the vacancy has dropped due to a number of reasons but what was most impactful was conglomerated properties parcelling off for sale, underutilized or vacant properties. The BIA revitalization model has been successful in encouraging small scale businesses with the intent to owner occupy to purchase in the area. With this change in building ownership, the corridor's vacancy rate has dropped to approximately 30%.

It is clear from the survey results that the majority of property owners, business owners and business operators are not in favour of maintaining the Tax Vacancy Rebate past 2020. This has been an ongoing concern of the Old East Village BIA and businesses for many years. One of the earliest OEVBIA initiatives was to bring the Vacancy Tax Grant and its effects on urban regeneration to City Council to request a review. It was definitively defeated at that time; however despite the policy remaining in place and understanding it was an impediment to successful revitalization, the BIA continued the work with our businesses and the City of London through programs such as Planning's Incentives for Façades, Upgrade to Building Code, Heritage Investment and Development Charges to move the regeneration of the Old East Village forward.

The Tax Vacancy Rebate surveys were administered in person by the BIA Manager and the Board Treasurer. In collecting the surveys, BIA constituents articulated that the rebate as an incentive to keep spaces empty and not to encourage occupancy. They shared the challenges that resulted from vacant buildings near or beside their businesses and properties. Business owners and operators state that as vacancies around their businesses diminished, their revenues and customer base increased. Property owners stated that as the vacancy rate has diminished, they have been able to secure more stable tenants with longer leases at market value rents. The Old East Village tax base since the early days of revitalization has increased by 42% which is a direct result of building occupancy and improvements.

Additional Questions

The Old East Village BIA Board of Directors recommended that the survey include suggestions for how the recovered tax revenue may be spent if the Tax Vacancy Rebate is eliminated. It was understood that there has been no formal recommendation for fund allocation at this time. Each participant was able to choose two of the following five options, however some only chose one. The choices and results are as follows:

1. **Limited Time Targeted Use Community Improvement Plan Incentives** – 22 respondents chose this option. **This option would request a portion of the recovered tax revenue to provide additional grants for the CIP incentive programs for a limited time period. The intent is to spark investment that otherwise may not have been realized.
2. **Limited Time Targeted Use Occupancy Incentives** – 10 respondents chose this option. **This option would request a portion of the recovered tax revenue to provide occupancy incentives for properties located in CIP areas that are currently vacant.
3. **Overall City Tax Reduction** – 6 respondents chose this option
4. **Contribution to City Reserve Fund** – 2 respondents chose this option
5. **Other** – No respondents chose this option.

In conclusion, the feedback from the Old East Village property owners, business owners and business operators is decisive. According to those surveyed, the Tax Vacancy Rebate is not necessary nor is it helpful to develop a healthy commercial corridor and Main Street. The vast majority (85%) of OEV property owners surveyed stated that they have never used the incentives and that they should be eliminated, and of the 30 surveys completed 93% agreed that the Tax Vacancy Grant should be eliminated either immediately or by 2020.

The Old East Village BIA is pleased to provide this research and we are willing to assist further in this process if requested. The outcome of this review will have a significant effect on London's small business owners and entrepreneurs so the BIA would like to thank the Corporate Services Committee for the opportunity to participate and to provide the feedback of Old East Village property owners, business owners and operators.

APPENDIX "C"

Tax Vacancy Rebate Survey

On March 28th, 2017 the Managing Director of Corporate Services and City Treasurer, Chief Financial Officer and Acting City Manager recommended that a policy be adopted in principle to phase out the current vacancy rebate program and eliminate the subclass tax reductions on vacant commercial and industrial land and add excess land EITHER immediately beginning with the calendar year 2018 or over a two year period beginning in the year 2018 with complete elimination before the 2020 calendar year. (*1)

The timing of the elimination will be determined after consultation with the business community which includes the London Economic Development Corp, City of London BIA's and the London Chamber of Commerce. (*2)

Currently the City of London expenses approximately $1.8 million per year on its vacancy rebate program. The subclass tax rate reduction for vacant and excess land does not involve and City expenditure but it does reduce the portion of the tax levy allocated to vacant and excess land in the commercial and industrial classes. Elimination of the reduction would reallocate $1.2 million additional municipal taxes to vacant and excess commercial and industrial land in the City. (*3)

Therefore, the total revenue recovery as a result of the vacancy unit tax rebates and vacant/excess land subclass tax reductions in commercial and industrial lands would be $3 million.

Survey Questions:

Please identify all that apply:
___ I am business owner in the Old East Village BIA
___ I am a property owner in the Old East Village BIA
___ I am business operator in the Old East Village BIA

If you are a property owner, have you utilized the rebate or reductions?
___ Yes, in the past 3 years
___ Yes, prior to the past 3 years
___ Never
___ Choose not to disclose

1) Should the vacancy unit tax rebates and vacant/excess land subclass tax reductions in commercial and industrial lands be eliminated immediately beginning in the 2018 calendar year or be phased out over a two year period beginning in the year 2018 with complete elimination before the 2020 calendar year?

___ Be **eliminated immediately beginning in the 2018 calendar year.**
___ Be **phased out over a two year period** beginning in 2018 with complete elimination before the 2020 calendar.
___ The vacancy unit tax rebates and vacant/excess land subclass tax reductions in commercial and industrial lands **should not be eliminated.**

2) If the Tax Rebates and Reductions are eliminated how do you think the recovered $3 million in revenue would be best utilized? Choose your top 2.

___ Limited Time Targeted Use Enhanced Community Improvement Plan Incentives
___ Limited Time Targeted Use Occupancy Incentives
___ Overall City Tax Reduction
___ Contribution to Reserve Fund
___ Other -

*1, 2, 3 are directly taken from the March 28th Corporate Services Meeting report. The report can be found at www.london.ca under Corporate Services Committee Meetings.

This survey is being conducted by the Old East Village BIA at the request of City of London Council. Please contact BIA Manager Jen Pastorius with any further questions.

APPENDIX "C"

DOWNTOWN
LONDON

September 21, 2017.

City of London
300 Dufferin Avenue
London, ON. N6A 5P6.

Attention: Chair and Members, Corporate Services Committee

Re: Vacant Unit Rebate

Dear Chair and Members:

Downtown London is the organization that focuses on recruitment and retention of investment and businesses in London's downtown. We are both the London Downtown Business Association (LDBA) and MainStreet London, a downtown revitalization organization, and our expanded boundary encompasses over 1,160 properties and businesses whose taxable assessment is well over $1 Billion. In reply to your April 4, 2017 resolution we are writing today to share our findings and recommendations on the Vacant Unit Tax Rebate.

Upon receipt of the City's report we formed a task force, examined the pros and cons of cancelling/phasing out the Vacant Unit Rebate and concluded that the rebate served no real purpose in achieving our occupancy goals and reducing vacancy.

We researched and consulted with other municipalities and how they have dealt with the VUR.

We decided to survey our membership and did not delineate between building and business owners. The open rate of the survey was 50% but only 54 of 980 responded. Of the 54 responses, 60% are in favour of cancelling the rebate.

123 King Street, London ON N6A 1C3 | 519.432.8389 | www.downtownlondon.ca

APPENDIX "C"

What we know:

- Some recipients have regarded the rebate as a "right" and forms part of the property revenue/expense.
- There has been no demonstrable evidence that it does in fact act as an attraction rebate to encourage recipients to have their property rented.
- Most of the rebate recipients have properties that are not up to code and thus are not in a rentable state.
- When a property becomes vacant and is in a rentable state – it gets rented.

Our recommendations going forward:

- That should the City choose to discontinue the VUR that it is **phased out over a period of 2 years ending in 2020.**
- **That the City directs the equivalent funding (from the Downtown buildings owners) to a "reserve fund" for a period of 5 years.** This could be a substantial fund that could incent occupancy and restoration of heritage buildings, especially along Dundas Place, improve and animate laneways as described in the OMF (Our Move Forward – the downtown plan.)
- In combination with the enhanced incentive program that was approved in April effective Jan 1, 2018, this could be a very effective incentive to promote occupancy and not reward vacancy that has been the effect of the vacancy rebate since 1998.

"Downtown London is in the occupancy business and it is developing a recruitment program, complete with our proprietary incentives – About Face Façade Improvement Grant Program and our interest-free Tenant Improvement Loan. These programs, leveraged with the City's expanded programs, are a very attractive offering to promote occupancy."

What will ending the vacancy rebate discourage?

- Landlords buying and holding – waiting for the rare occasion when a perfect tenant will occupy an entire building for a long-term lease.
- Leaving significant heritage properties to decay and become derelict – some have no heat or hydro and are rotting.

What will ending the vacancy rebate encourage?

- Active occupancy of properties in the downtown core at large and specifically on Dundas Place that requires a mix of targeted uses to ensure that the investment pays off by being vibrant, interesting and well cared for.
- Active use of pop up businesses will be more likely. With no tax implications, landlords can allow pop ups to actively occupy the spaces.

- The notion of non-traditional short-term leases/ graduated leasing and other ways to encourage and incent small businesses and entrepreneurs to start up in the heart of our city without a five-year locked in lease over their heads.

We have always maintained that we cannot achieve the desired amount of heritage restoration without funds devoted to it. This is an ideal opportunity to create this fund.

We believe that the heritage advocates will get behind this program since it will provide meaningful funding to encourage restoration as opposed to demolition.

Developers will likely get behind this recommendation and incorporate heritage buildings into their development as opposed to automatically demolishing them.

Recommendation:

That the City of London cancel the VUR and direct the amount that would have been refunded to downtown property owners into a reserve fund to promote occupancy and restoration of downtown Heritage properties. (Policy and criteria to be determined.)

That this fund be created over a five-year period, with an annual review to measure the success of the incentive.

Please note that we would not endorse the cancellation or phasing out of the Vacant Unit Tax Rebate if the funds are being directed to general coffers.

Sincerely,

DOWNTOWN LONDON

Gerald Gallacher Chair - LDBA	Janette MacDonald CEO and General Manager	Don McCallum Chair - MainStreet.

cc. Martin Hayward, City Manager
Anna Lisa Barbon, City Treasurer
Mayor Matt Brown
Councillor Tanya Park

APPENDIX "C"

ARGYLE
BUSINESS IMPROVEMENT ASSOCIATION

City of London
300 Dufferin Avenue
London, ON N6A 5P6

October 11/2017

Attention: Chair and Members, Corporate Services Committee
Re: Vacant Unit Rebate

Dear Chair and Members:

The Argyle BIA's mandate is to promote and beautify the area on Dundas Street between Highbury and Wavell for over 200 businesses we also strive to recruit and retain businesses in our area. We are writing today to share our findings and recommendations on the Vacant Unit Rebate.

Upon receipt of the City's report we decided to survey our membership; 7 out of 205 responded with 57% of the respondents not in favour of cancelling the rebate.

What we know:
- There has been no evidence that it does in fact act as an attraction rebate to encourage recipients to have their property rented.

Our recommendations going forward:
- That should the City choose to discontinue the Vacant Unit Rebate and that it is phased out over a period of 2 years ending in 2020.
- That the City direct the amount that would have been refunded to property owners to a "reserve fund" for a period of 5 years with an annual review to measure the success of the incentive (funding to promote occupancy of the Argyle BIA, continued expansion and beautification).

What will ending the vacancy rebate discourage?
- Landlords buying and holding – waiting for the rare occasion when a perfect tenant will occupy an entire building for a long-term lease.

What will ending the vacancy rebate encourage?
- Active occupancy of properties in the Argyle BIA that requires a mix of targeted uses to ensure that the investment pays off by being vibrant, interesting and well cared for.

Sincerely,
Argyle BIA

Manager, Heidi Currie

Chair – ~~Matt McHardy~~

cc. Martin Hayward-City Manager
Anna Lisa Barbon-City Treasurer
Mayor Matt Brown
Councillor Bill Armstrong

1815 Dundas Street, London ON, N5W 3E6 Tel: 519-601-8002 www.argylebia.com

PARK FREE. EAT WELL. SHOP LOCAL.

APPENDIX "C"

London Chamber of Commerce

Jim Logan, CPA, CA
Division Manager – Taxation and Revenue
Taxation – Finance and Corporate Services
City of London
300 Dufferin Ave, P.O. Box 5035,
London, ON N6A 4L9

Re: Proposed changes to the:

VACANT UNIT REBATES IN THE COMMERCIAL AND INDUSTRIAL PROPERTY CLASSES SUBCLASS TAX RATE REDUCTIONS FOR VACANT AND EXCESS LAND IN COMMERCIAL INDUSTRIAL PROPERTY CLASSES

Dear Mr. Logan

Thank you again for your time in delivering your presentation to those stakeholders assembled at the London Chamber of Commerce on September 7th. As a reminder, your presentation was in response to our original letter to City Manager Martin Hayward dated May 26th 2017 and my subsequent meeting with you. We appreciate the opportunity to share our collective concerns and recommendations and also appreciate the extension of the August 31st deadline for stakeholder input.

In attendance at the Chamber organized meeting of September 7th were representatives of Cadillac Fairview (Masonville Mall), the London Chamber of Commerce, Farhi Holdings, the London Home Builders Association, Bentall Kennedy (White Oaks Mall, Westmount Shopping Centre), ICORR Properties, Altus Group and Princeton Properties. Additional inputs were received electronically from Bluestone Properties and RioCan (over 1million gross leasable area of commercial space in London).

The meeting was prompted by several concerns fielded by my office around a proposed City of London Council Policy which reads:

A policy BE ADOPTED IN PRINCIPLE to phase out the current vacancy rebate program and eliminate the subclass tax reductions on vacant commercial and industrial land and excess land either immediately, or over a two-year period beginning in the year 2018 with complete elimination before the 2020 calendar year; it being noted that any timing will be determined after consultation with the business community as described in (b) below; and

Part B

The City Clerk BE DIRECTED to send this report to the London Economic Development Corporation, the boards of management of Business Improvement Areas in the City and the London Chamber of Commerce in order to obtain comments on behalf of their clients and members in the commercial and industrial sectors with respect to the elimination or phase-out as described in (A) above and for the City to make contact with property owners that received a vacancy rebate or subclass reduction in 2016 to inform them of the process being undertaken by the City, with such comments to be returned to the City no later than August 31 2017 for review by Council.

101-244 PALL MALL STREET, LONDON, ONTARIO N6A 5P6
PHONE : (519) 432-7551 FAX : (519) 432-8063 WEB : londonchamber.com

APPENDIX "C"

In listening to your presentation, it became clear to the attendees that the motivation behind this proposed Council Policy on the Vacancy Rebate Program (VRP) was twofold. One was cost mitigation (reducing or eliminating the VRP would have an assumed positive impact on the City Budget) and two; that other municipalities in Ontario had similarly floated the idea or had already begun to implement the phasing out of their respective VRPs thus creating a potential imbalance in business competitiveness across Ontario jurisdictions.

As with any Council directive involving the business community, proposals like these not only require comprehensive consultations with affected stakeholders, they require a critically important desire to strike a fair balance. Understanding some of the unintended consequences of such proposals will, we believe, go a long way towards finding that balance.

Background

Back in 1998 the then "*Business Occupancy Tax*", a tax levied directly on all businesses operating in the city, was cancelled and subsequently added to the property taxes assessed against the property and billed directly to the property owner. Under that old system, vacant areas did not pay business occupancy tax.

This move was designed to simplify revenue generation for the city and its subsequent collection. The VRP was born out of a recognition that vacant space created a financial burden on the owner of the real estate. It acted to reduce the additional tax burden placed upon the owner of vacant space as a result of the changes to Provincial property tax legislation. To our knowledge, nothing in our economic environment has changed that would warrant any deviation from the current VRP.

Flawed Assumptions

We understand that there exists a perception that landlords hold onto vacant space longer once they have applied for and received VRP payments. With annual gross revenues averaging between $20 and $25 per square foot, why would any rational property owner purposely leave space empty in order to receive a rebate of only $1.50 to $2.00 per square foot? Clearly there is no reasonable financial analysis that would support such a move.

The City argues that MPAC (Municipal Property Assessment Corporation) already accounts for "vacancy" in its valuations. MPAC's valuation methodology for commercial property has not changed since before the 1997 Provincial tax reform whereby only "normal vacancy" and not actual vacancy is accounted for in all income property valuations. MPAC may reflect chronic vacancy in the valuation but only in exceptional circumstances if the space is vacant for more than three years. What is not captured immediately in their valuation are sudden catastrophic vacancies when huge amounts of square footage are suddenly vacated without warning such was the case when Target departed our community.

Current Circumstances

Commercial properties in the City of London, particularly shopping centres, are facing substantial tax increases as a result of reassessment and the City's tax policy decisions. Shopping centre assessment increases are coming at a time when the industry in Canada is suffering. MPAC has increased values in many cases by 30% at a time when leasing has become increasingly difficult.

Several stakeholders have advised us that many of their properties are currently facing tax increases of up to 43%. For properties with minimal historical vacancy, the additional increase may seem small, perhaps 1-3% - but combined with the assessment increase and tax policy changes the increase is 11-33%. If the VRP were to be eliminated a distressed, struggling property could face additional increases of 10-15%.

The impact on these businesses will only be exacerbated when and if the province goes through with Bill 148 and increases minimum wage by 32% in the next 18 months. This along with other proposed provincial initiatives are deemed to have a chilling effect on many Ontario businesses.

Conflicting Priorities

To its credit, the City of London has also taken an aggressive stance on the rejuvenation of the downtown core with the adoption of the ***Bus Rapid Transit Plan***, which is designed to move more people more easily to our commercial centres and learning institutions.

In tandem with the London Plan, the City's own Strategic Plan and the Community Economic Road Map whose goals include: *supporting a city for entrepreneurs; creating a supportive business environment; and developing an exceptional downtown and vibrant urban environment* - the BRT may indeed be just the tonic needed to accomplish all of that. With that in mind, the elimination of the VRP would seem to run counter to those ambitions.

On the Industrial side of the argument, the removal of the rebate program could have negative consequences for investment and job growth as many, if not most, of London's industrial players construct buildings and acquire land years ahead of anticipated future growth. Many of these industries base their business models on 10-20 year growth projections so to not have buildings and land set aside for that growth could potentially mean no growth at all.

In many cases, production spaces are built 5-10 years before they will be fully utilized as it would be far too expensive to attempt to build only at the moment they are required. You will find numerous examples of this long-standing industrial strategy up and down the 401 corridor and specifically along the VMP.

This concept is one that is clearly understood by economic development professionals across the country including our own LEDC. Having said that, if London were to remove the Vacant Land Rebate Program we could find ourselves behind the competitive eight ball compared to competing jurisdictions.

Recommendations:

1. ***Maintain the Vacancy Rebate Program for both commercial spaces and vacant land as it is presently structured*** until and unless the Province of Ontario elects to pass legislation that is applied fairly and universally across the entire province.

   All of the stakeholders involved in these consultations agree that maintaining the VRP would be their number one priority. Cost mitigation from a budget perspective can be achieved in other ways. The City of London has never been afraid to chart its own course with respect to how it conducts its own business. While some municipalities have elected to or will elect to eliminate the VRP, not all have chosen the same direction.

2. Should the City of London fail to maintain the VRP in its present form, then adopt a policy that will see ***the elimination of the VRP for commercial spaces for units chronically vacant exceeding a 3-5 year period.*** *This should then allow sufficient time for a landlord to get a plan in place that would either reconfigure existing rent structures or for sourcing new tenants.* ***This revised policy to come into force not before 2019.***

3. ***Leave the current VRP on Unused or Excess Industrial Lands and Buildings in its current format*** for reasons alluded to in the preamble and for the advancement of economic development in this important space.

4. Abuses to the eligibility criteria for the VRP should result in the ***elimination of the VRP for only those operators charged with those abuses.***

Respectfully submitted by:

Gerry Macartney, CEO

London Chamber of Commerce

On behalf of: Cadillac Fairview (Masonville Mall), the London Home Builders Association, Bentall Kennedy (White Oaks Mall, Westmount Shopping Centre), ICORR Properties, Farhi Holdings, Altus Group, Princeton Properties, and RioCan Management Inc.

Copies: The Mayor and Council, Martin Hayward City Manager, the Board of Directors of the London Chamber of Commerce, the LEDC

APPENDIX “D”

Municipalities with Optional Commercial Classes

(from BMA Municipal Study 2018)

Municipality	Commercial – Residual Tax Ratio	Commercial – Office Building Tax Ratio	Commercial – Parking Lot and Vacant Land	Commercial – Shopping Centre
Chatham-Kent	1.9504	1.5718	1.9504	2.2512
Kenora	2.1309	2.5751	1.7396	3.0275
Lambton	1.6271	1.5358	1.0912	2.0835
Ottawa	1.8726	2.3238	1.2640	1.5070
Sarnia	1.6271	1.5358	1.0912	2.0835
Sault Ste. Marie	2.1939	3.0500	1.6625	2.3290
Stormont, Dundas and Glengarry	1.6430	1.4565	1.4565	1.4565
Sudbury District	1.8686	1.8686	1.8686	2.6020
Windsor	2.0187	2.0187	1.0167	2.0187

APPENDIX “E”

Farmland Tax Ratios where Reductions have been Implemented

(from BMA Municipal Study 2018)

Municipality	Farmland Tax Ratio
Brant County	0.2400
Caledon	0.1689
Chatham-Kent	0.2200
Durham	0.2000
Greater Sudbury	0.2000
Halton	0.2000
Hamilton	0.1767
Kingston	0.2250
Lambton	0.2260
London	0.1180
North Bay	0.1500
Ottawa	0.2000
Oxford	0.2350

APPENDIX "F"
2018 FARMLAND TAX RATES IN MIDDLESEX COUNTY

Municipality	Lower tier tax rate	Upper Tier Tax Rate	Single Tier Tax Rate	Total Municipal Tax Rate	Education Tax Rate	Total Tax Rate
Adelaide-Metcalfe	0.172850%	0.096813%		0.269663%	0.042500%	0.312163%
Lucan Biddulph	0.154760%	0.096813%		0.251573%	0.042500%	0.294073%
Middlesex Centre	0.145225%	0.096813%		0.242038%	0.042500%	0.284538%
North Middlesex	0.204112%	0.096813%		0.300925%	0.042500%	0.343425%
Southwest Middlesex	0.197355%	0.096813%		0.294168%	0.042500%	0.336668%
Strathroy-Caradoc	0.161983%	0.096813%		0.258796%	0.042500%	0.301296%
Thames Centre	0.114368%	0.096813%		0.211181%	0.042500%	0.253681%
City of London			0.139372%	0.139372%	0.042500%	0.181872%

TO:	**CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 22, 2019**
FROM:	**ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER**
SUBJECT:	**BY-LAW TO DELEGATE PROPERTY TAX APPEALS AND DIVISIONS WITH RESPECT TO THE ADJUSTMENT OF TAXES AND PAYMENT IN LIEU OF TAXES**

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed attached by-law (Appendix “A”) being “A by-law to delegate property tax appeals and divisions made under sections 356, 357 (except for section 357(1)(d.1)), 357.1, 358, 359 and 359.1 of the *Municipal Act, 2001 S.O. 2001,c.25*, as amended, to the City Treasurer or delegate in accordance with section 23.1 of the *Municipal Act, 2001 S.O. 2001,c.25*, as amended” **BE INTRODUCED** at the Municipal Council meeting to be held on October 29, 2019.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

BACKGROUND

Section 23.1 of the *Municipal Act, 2001 S.O. 2001, c.25,* as amended, permits a municipality to delegate its powers and duties under the *Act* to a person or body subject to certain restrictions set out in sections 23.2 and 23.3. Section 23.2 permits a municipality to delegate legislative and quasi-judicial powers under the *Municipal Act, 2001 S.O. 2001, c.25,* to an individual or a combination of individuals who are appointed by Council. The duties of Council under sections 356, 357, 357.1, 358, 359 and 359.1 have been interpreted by various municipalities as legislative or quasi-judicial powers that can be delegated under subsection 23.1 to municipal staff. Examples of this delegation has been done at the City of Ottawa and the City of Hamilton.

A general description of the sections recommended for delegation are shown below:

Section of the *Municipal Act*	**Description**
356	Division of property taxes where land is divided.
357	Cancellation, reduction of taxes for change events, property class changes, building demolition or damage, gross or manifest errors, and repairs and renovations.
357.1	Adjustments described in section 357 that apply to payments in lieu of taxes from senior levels of government.
358	Overcharges in previous two (2) years because of gross or manifest errors on the roll.
359	Undercharges in the current or previous year because of a gross or manifest error in the assessment.
359.1	Correction of error in calculating cap or claw back adjustments in the current year.

It is recommended that all the powers and duties of Council with respect to all of the above sections, except for section 357(1)(d.1), be delegated to the City Treasurer or delegate. Section 357(1)(d.1) has already been delegated by Council to the Assessment Review Board, which is the section to appeal property taxes for sickness or extreme poverty.

Delegating the above powers and duties to staff will provide time for Council and Standing Committees to deal with other matters. The recommended delegation will also significantly expedite the processing of property tax appeals and divisions since timing will not be dependent on the specific dates set out for Standing Committee and Council meetings.

The issues related to the above recommended delegation are questions of fact rather than questions of judgment. In the past there have been very few, if any, matters of dispute that required a discussion with Council, with respect to any of the above sections. Under the current legislation all the above sections, except for section 358, provide for appeal to the Assessment Review Board if the appellant does not agree with the decision rendered by the Municipality. Section 358 requires confirmation of the error by the Municipal Property Assessment Corporation (MPAC) before the appeal can be heard. With any delegation, the property owner would still have all the same appeal rights to the Assessment Review Board as they exist under the current process.

FINANCIAL IMPACT

There should be no financial impact as a result of this process change.

SUMMARY

In summary, it is recommended that, in accordance with section 23.1 of the *Municipal Act, 2001 S.O. 2001,c.25*, as amended, Council enact the attached by-law (Appendix "A") to delegate property tax appeals and divisions as described to the City Treasurer or delegate.

PREPARED BY:	**CONCURRED BY:**
JIM LOGAN, CPA, CA **DIVISION MANAGER – TAXATION & REVENUE**	**IAN COLLINS, CPA, CMA** **DIRECTOR, FINANCIAL SERVICES**

RECOMMENDED BY:
ANNA LISA BARBON, CPA, CGA, **MANAGING DIRECTOR,** **CORPORATE SERVICES AND CITY TREASURER,** **CHIEF FINANCIAL OFFICER**

Attachment.

APPENDIX “A”

Bill No.
2019

By-Law No.

A by-law to delegate property tax appeals and divisions made under sections 356, 357 (except for section 357(1)(d.1)), 357.1, 358, 359 and 359.1 of the Municipal Act, 2001 S.O. 2001, c.25, as amended, to the City Treasurer or delegate.

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

AND WHEREAS sections 8, 9 and 10 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, authorize the City of London to pass by-laws necessary or desirable for municipal purposes and, in particular, paragraph 3 of subsection 10(2) authorizes by-laws respecting the financial management of the municipality;

AND WHEREAS section 23. 1 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, authorizes the Municipal Council of The Corporation of the City of London to delegate its authority;

AND WHEREAS subsection 23.2(2) of the Municipal Act, 2001, S.O. 2001, c.25, as amended, authorizes the Municipal Council of The Corporation of the City of London to delegate quasi-judicial powers under the Municipal Act, 2001 to an individual who is an officer, employee, or agent of the City;

AND WHEREAS the Municipal Council of The Corporation of the City of London deems it appropriate to pass a by-law to delegate property tax appeals and divisions under section 356, 357 (except for section 357(1)(d.1)), 357.1, 358, 359, and 359.1 of the Municipal Act, 2001 S.O 2001, C.25;

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

1. The City Treasurer, or delegate, of The Corporation of the City of London are severally delegated the authority to hold meetings, give notice and make decisions under section 356, section 357 (except for paragraph 357(1)(d.1)), section 357.1, section 358, section 359, and section 359.1 of the Municipal Act, 2001 subject to such direction as may be given by Council or the appropriate Standing Committee of the City of London from time to time.

2. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 29, 2019

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading – October 29, 2019
Second Reading – October 29, 2019
Third Reading – October 29, 2019

TO:	**CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 22, 2019**
FROM:	**ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER**
SUBJECT:	**APPOINTMENTS TO THE JOINT VENTURE MANAGEMENT COMMITTEE FOR 4-PAD ARENA COMPLEX**

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, with respect to the Western Fair Association's appointments to the Joint Venture Management Committee for the 4-Pad Arena Complex, the Western Fair Association's (WFA) Chief Executive Officer, Director of Corporate Services, and the Director of Raceway & Grandstand, along with their Chief Operating Officer as an alternate representative BE APPROVED as WFA's nominees to the Joint Venture Management Committee.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

August 14, 2018 – Appointments to the Joint Venture Management Committee for the 4-Pad Arena Complex, Corporate Services Committee.

December 15, 2015 – Appointments to the Joint Venture Management Committee for the 4-Pad Arena Complex.

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

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

BACKGROUND

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

The City of London appointments to the Joint Venture Management Committee include two (2) voting members comprised of the following: Director, Financial Services (Representative); City Treasurer/Chief Financial Officer (Alternative Representative); Managing Director, Parks and Recreation (Representative); and Division Manager, Aquatics, Arenas, and Parks Operations (Alternative Representative).

The Fair-City Joint Venture financial reporting year end was June 30, 2019. Based on the year-end audited financial statements of the joint venture, the WFA's equity interest now exceeds 60% as a result of the gradual repayment of debt owed to the City. Once the 60% equity interest is achieved, this triggers, at their option, the ability for the WFA to appoint one additional member to the Joint Venture Management Committee with full voting rights.

Since the 60% equity interest was achieved, the WFA has updated their appointments to the Joint Venture Management Committee to include three (3) voting members, comprised of the following representatives: Chief Executive Officer (Reg Ash); Director of Corporate Services (Tara Santagapita); Director of Raceway & Grandstand (Rob Lumsden); and alternate representative Chief Operating Officer (Mike Woods). This notice was provided to the City Clerk as attached in Appendix "A".

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

Attached: Appendix "A"

CC: Catharine Saunders, City Clerk
Scott Stafford, Managing Director, Parks and Recreation
Lynn Loubert, Division Manager, Aquatics and Arenas

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September 24, 2019

Cathy Saunders, City Clerk
City of London
P.O Box 5035
London ON N6A 4L9

RE: Fair/City Joint Venture Management Committee

Dear Cathy,

This is to inform you that the Western Fair Association Board of Governors on September 11, 2019 approved the following motion based on the fact that the Association's percentage of equity in FY20 is now 64.285%.

"To appoint Reg Ash, Tara Santagapita and Rob Lumsden as the Association's representatives with Mike Woods as alternate for the Joint Venture Management Committee."

Please reference item 3.2 of the September 1, 2000, Joint-Venture Agreement: Western Fair 4-Pad Arena Complex agreement.

3.2 Composition of Management Committee.

The Management Committee shall initially be comprised of four individuals, one-half of whom shall be appointed by WFA and one-half of whom shall be appointed by the City. Upon the WFA achieving an equity interest of 60% in the Joint Venture, WFA may, at its option, appoint one additional member to the Management Committee with full voting privileges.

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

Regards,

Reg Ash, CEO

File No. P-2497

TO:	**CHAIR AND MEMBERS** **CORPORATE SERVICES COMMITTEE** **MEETING ON OCTOBER 22, 2019**
FROM:	**KELLY SCHERR** **MANAGING DIRECTOR** **ENVIRONMENTAL AND ENGINEERING SERVICES** **AND CITY ENGINEER**
SUBJECT:	**EXPROPRIATION OF LAND** **ADELAIDE STREET CP RAIL GRADE SEPARATION PROJECT**

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, with the concurrence of the Director, Roads and Transportation, on the advice of the Manager of Realty Services, approval **BE GIVEN** to the expropriation of land as may be required for the Adelaide Street CP Rail Grade Separation Project, and that the following actions **BE TAKEN** in connection therewith:

a) application be made by The Corporation of the City of London as Expropriating Authority to the Council of The Corporation of the City of London as approving authority for the approval to expropriate the land required for Adelaide Street CP Rail Grade Separation Project;

b) The Corporation of the City of London serve and publish notice of the above application in accordance with the terms of the *Expropriations Act;*

c) The Corporation of the City of London forward to the Chief Inquiry Officer any requests for a hearing that may be received and report such to the Council of The Corporation of the City of London for its information; and

d) the attached Bylaw (Schedule "B") **BE INTRODUCED** at the Council meeting on October 29, 2019 to authorize the foregoing and direct the Civic Administration to carry out all necessary administrative actions.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Environment and Transportation Committee – November 28, 2005 – Priority Setting Factors for Future Rail / Road Grade Separations
- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan
- Civic Works Committee – October 28, 2013 – Adelaide Street North / Canadian Pacific Railway Grade Separation Report
- Strategic Priorities and Policy Committee – June 23, 2014 – Approval of 2014 Development Charges By-Law and DC Background Study
- Civic Works Committee – January 5, 2016 – Environmental Assessment Appointment of Consulting Engineer
- Civic Works Committee – December 12, 2016 – Environmental Assessment Update
- Civic Works Committee – September 26, 2017 – Transport Canada Grade Crossing Regulations and Railway Funding Application
- Civic Works Committee – May 28, 2018 – Railway Rationalization

- Civic Works Committee – August 13, 2018 – Adelaide Street North / Canadian Pacific Railway Grade Separation Environmental Study Report

BACKGROUND

The subject properties are required to support the Adelaide Street CP Rail Grade Separation Project.

The CPR crossing is located on Adelaide Street North between McMahen Street / Pall Mall Street and Central Avenue. The broader EA study area extends from Oxford Street East (in the north) to Queens Avenue (in the south).

The Adelaide Street North / CPR Grade Separation project was identified in the 2014 Transportation Development Charges Background Study with a recommendation for construction in 2031. Due to the area's strategic location, the Smart Moves 2030 Transportation Master Plan (TMP) also identifies the need for traffic capacity optimization and transit priority on this corridor. The project timing was subsequently adjusted in the 2018 capital budget update for near-term implementation. The amendment considered the fastest possible project implementation with construction beginning as early as 2021, subject to EA clearance, property acquisition and railway concurrence.

Construction of this project is predominantly planned to take place in 2021/2022 with commencement of utility relocations required in 2020 to facilitate the improvements. The project recently received approval for the Adelaide Street CP Rail Separation Project Class EA and remains subject to property acquisitions.

There are 23 property requirements, five of which are full buyouts, two permanent easements, with the balance requiring partial acquisition. Negotiations commenced in the Fall of 2018 with the current outstanding requirements standing at 21. Of the 21 outstanding properties, two signed agreements have been achieved and await completion in October 2019. Negotiations are ongoing with all remaining owners.

The composition of the ownership interests in this area and more specifically along the corridor is of an adept and sophisticated nature. Many of the owners own multiple properties both commercial and multi-tenant residential. There are several businesses that will be impacted and relocated.

The Expropriation process has been initiated at the request of the Roads and Transportation Division which is endeavouring to ensure property clearance is achieved in order to support the Tendering Process. As a result, it is necessary to start the appropriate expropriation procedures for the outstanding properties in order for the project to proceed and meet the prescribed timelines. Realty Services will continue to review negotiations with the property owners in an effort to achieve acceptable outcomes to all parties involved.

<u>Anticipated Construction Timeline</u>

Property requirements are to be secured for Early 2020, utility relocation with road construction to follow thereafter.

Location maps of the property requirements are <u>attached</u> as Schedule "A" for the Committee's information.

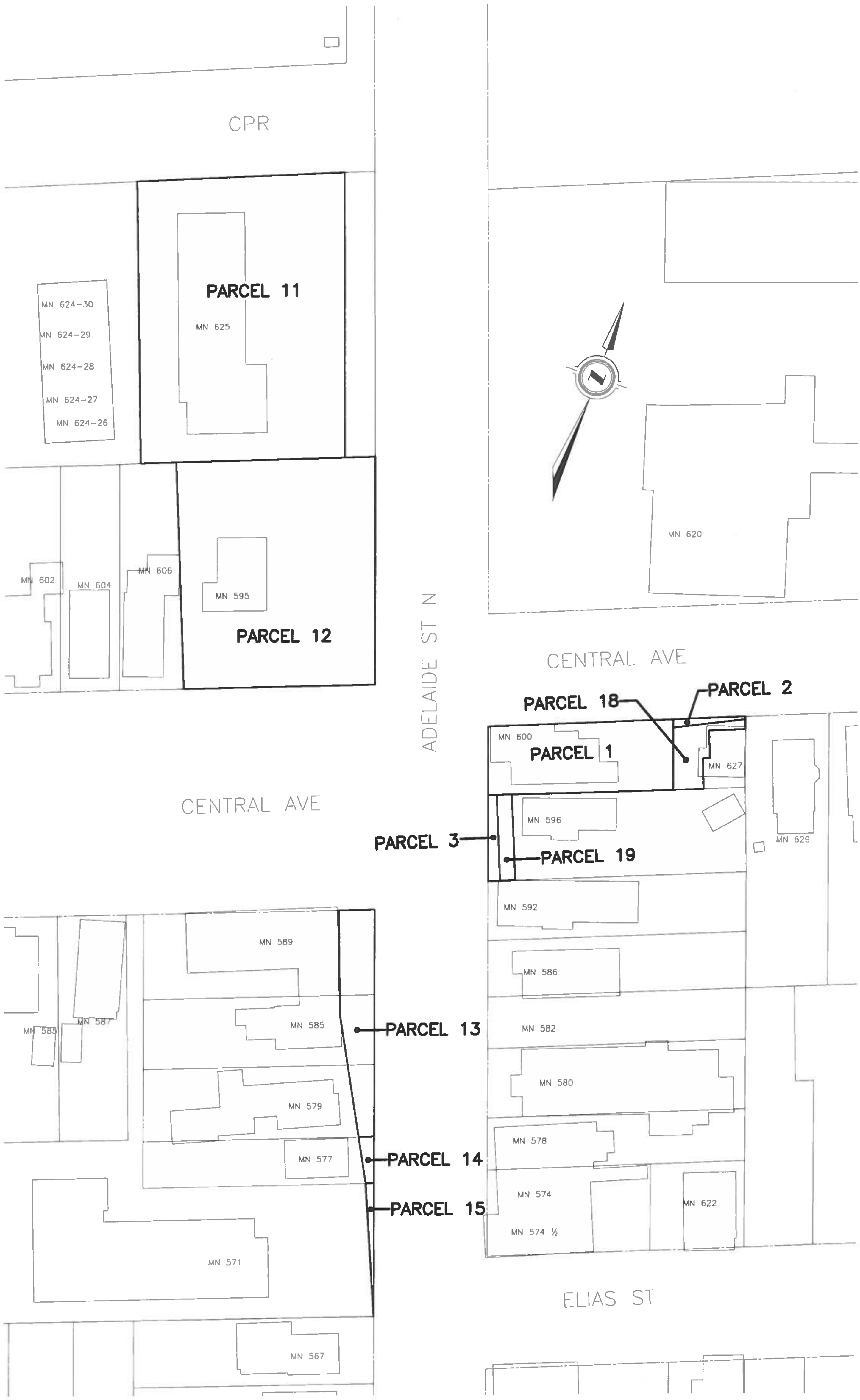
PREPARED BY:	REVIEWED AND CONCURRED BY:
BILL WARNER **MANAGER OF REALTY SERVICES**	**DOUG MACRAE, P. ENG.** **DIRECTOR** **ROADS AND TRANSPORTATION**

RECOMMENDED BY:
KELLY SCHERR, P.Eng., MBA, FEC **MANAGING DIRECTOR,** **ENVIRONMENTAL AND ENGINEERING** **SERVICES AND CITY ENGINEER**

October 8, 2019 File No. P-2497
Attach.

cc: Gary Irwin, Division Manager and Chief Surveyor
David G. Mounteer, Assistant City Solicitor

SCHEDULE "A"


CPR
PARCEL 11
MN 625
MN 624-30
MN 624-29
MN 624-28
MN 624-27
MN 624-26
MN 602
MN 604
MN 606
MN 595
PARCEL 12
ADELAIDE ST N
MN 620
CENTRAL AVE
PARCEL 18
PARCEL 2
MN 600
PARCEL 1
MN 627
CENTRAL AVE
MN 596
PARCEL 3
PARCEL 19
MN 629
MN 592
MN 589
MN 586
MN 585
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PARCEL 13
MN 582
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PARCEL 15
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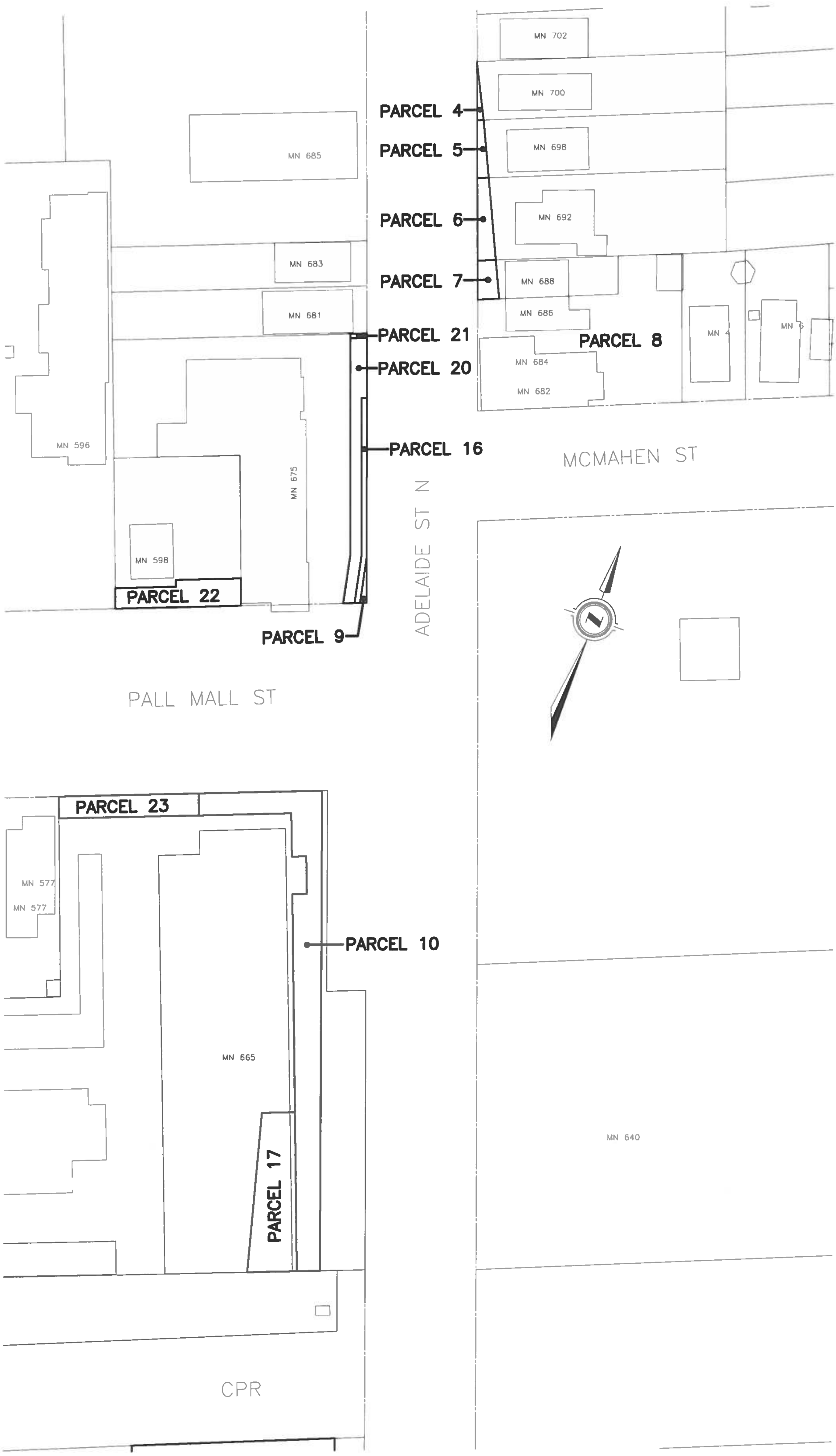
MN 571
ELIAS ST
MN 567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PARCEL 5
MN 685
MN 698
PARCEL 6
MN 692
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PARCEL 7
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MN 681
MN 686
PARCEL 21
PARCEL 8
PARCEL 20
MN 684
MN 682
MN 596
PARCEL 16
MCMAHEN ST
MN 675
ADELAIDE ST N
MN 598
PARCEL 22
PARCEL 9
PALL MALL ST
PARCEL 23
MN 577
MN 577
PARCEL 10
MN 665
MN 640
PARCEL 17
CPR

SCHEDULE “B”

Bill No.
2016

By-law No. L.S.P.-

A By-law to authorize and approve an application to expropriate land in the City of London, in the County of Middlesex, for the Adelaide Street CP Rail Grade Separation Project.

WHEREAS The Corporation of the City of London has made application to the Council of The Corporation of the City of London for approval to expropriate lands for the Adelaide Street CP Rail Grade Separation Project;

THEREFORE The Corporation of the City of London, as the expropriating authority, enacts as follows:

1. An application be made by The Corporation of the City of London as Expropriating Authority, to the Council of The Corporation of the City of London as approving authority, for approval to expropriate lands for the Adelaide Street CP Rail Grade Separation Project which land is more particularly described in attached Appendix “A” of this by-law.

2. The Corporation of the City of London as Expropriating Authority serve and publish notice of the application referred to in section 1 of this by-law in the form attached hereto as Appendix "B", being the "Notice of Application for Approval to Expropriate Lands," in accordance with the requirements of the *Expropriations Act*.

3. The Corporation of the City of London as Expropriating Authority forward to the Chief Enquiry Officer, any requests for a hearing that may be received in connection with the notice of this expropriation and report such to the Council of The Corporation of the City of London for its information.

4. The Civic Administration be hereby authorized to carry out all necessary administrative actions in respect of the said expropriation.

5. This by-law comes into force on the day it is passed.

PASSED in Open Council on

Ed Holder, Mayor

Catharine Saunders, City Clerk

First Reading
Second Reading
Third Reading

APPENDIX "A"

To By-law L.S.P.-________

DESCRIPTION OF LANDS TO BE EXPROPRIATED FOR ADELAID STREET CP RAIL GRADE SEPARATION PROJECT

The following lands are required in fee simple:

Fee Simple:

Parcel 1: Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20554 being all of PIN 08280-0004(LT)

Parcel 2: Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20554 being part of PIN 08280-0005(LT)

Parcel 3: Part of Lot 2, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 4 on Plan 33R-20554 being part of PIN 08280-0003(LT)

Parcel 4: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20555 being part of PIN 08279-0058(LT)

Parcel 5: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20555 being part of PIN 08279-0059(LT)

Parcel 6: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 3 on Plan 33R-20555 being part of PIN 08279-0060(LT)

Parcel 7: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 4 on Plan 33R-20555 being part of PIN 08279-0061(LT)

Parcel 8: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex being all of PIN 08279-0062(LT)

Parcel 9: Part of Lot 4, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 5 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 10: Part of Lots 9 and 10, West of Adelaide Street and Part of Pall Mall Street (Closed by By-Law S-1091-287, Registered as Inst. No. LC133181) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20556 being part of PIN 08277-0124(LT)

Parcel 11: Part of Lots 7 and 8, West of Adelaide Street in the City of London, County of Middlesex designated as Part 4 on Plan 33R-20556 being all of PIN 08277-0134(LT)

Parcel 12: Part of Lot 6, West of Adelaide Street in the City of London, County of Middlesex designated as Part 5 on Plan 33R-20556 being all of PIN 08277-0019(LT)

Parcel 13: Part of Lots 1, 2 and 3, Registered Plan No. 194(E) in the City of London, County of Middlesex designated as Part 6 on Plan 33R-20556 being part of PIN 08277-0035(LT)

Parcel 14: Part of Lot 4, West of Adelaide Street in the City of London, County of Middlesex designated as Part 7 on Plan 33R-20556 being part of PIN 08277-0036(LT)

Parcel 15: Part of Lot 4, West of Adelaide Street in the City of London, County of Middlesex designated as Part 8 on Plan 33R-20556 being part of PIN 08277-0034(LT)

Permanent Interest (Easement):

Parcel 16: Part of Lots 4 and 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 6 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 17: Part of Lot 9, West of Adelaide Street in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20556 being part of PIN 08277-0124(LT)

Limited Interest (Easement):

Parcel 18: Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 3 on Plan 33R-20554 being part of PIN 08280-0005(LT)

Parcel 19: Part of Lot 2, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 5 on Plan 33R-20554 being part of PIN 08280-0003(LT)

Parcel 20: Part of Lots 4 and 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 7 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 21: Part of Lot 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 8 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 22: Part of Lot 4, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 9 on Plan 33R-20555 being part of PIN 08278-0235(LT)

Parcel 23: Part of Pall Mall Street (Closed by By-Law S-1091-287, Registered as Inst. No. LC133181) in the City of London, County of Middlesex designated as Part 3 on Plan 33R-20556 being part of PIN 08277-0124(LT)

APPENDIX "B"

To By-law L.S.P.-_______

EXPROPRIATIONS ACT, R.S.O. 1990, CHAPTER E.26

NOTICE OF APPLICATION FOR APPROVAL TO EXPROPRIATE LAND
Expropriations Act

IN THE MATTER OF an application by The Corporation of the City of London for approval to expropriate lands being Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20554 being all of PIN 08280-0004(LT); Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20554 being part of PIN 08280-0005(LT); Part of Lot 2, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 3 on Plan 33R-20554 being part of PIN 08280-0003(LT); Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20555 being part of PIN 08279-0058(LT); Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20555 being part of PIN 08279-0059(LT); Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 3 on 33R-20555 being part of PIN 08279-0060(LT); Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 4 on 33R-20555 being part of PIN 08279-0061(LT); Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex being all of PIN 08279-0062(LT); Part of Lot 4, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 5 on 33R-20555 being part of PIN 08278-0234(LT); Part of Lots 9 and 10, West of Adelaide Street and Part of Pall Mall Street (Closed by By-Law S-1091-287, Registered as Inst. No. LC133181) in the City of London, County of Middlesex designated as Part 1 on 33R-20556 being part of PIN 08277-0124(LT); Part of Lots 7 and 8, West of Adelaide Street in the City of London, County of Middlesex designated as Part 4 on 33R-20556 being all of PIN 08277-0134(LT); Part of Lot 6, West of Adelaide Street in the City of London, County of Middlesex designated as Part 5 on 33R-20556 being all of PIN 08277-0019(LT); Part of Lots 1, 2 and 3, Registered Plan No. 194(E) in the City of London, County of Middlesex designated as Part 6 on 33R-20556 being part of PIN 08277-0035(LT); Part of Lot 4, West of Adelaide Street in the City of London, County of Middlesex designated as Part 7 on 33R-20556 being part of PIN 08277-0036(LT); Part of Lot 4, West of Adelaide Street in the City of London, County of Middlesex designated as Part 8 on 33R-20556 being part of PIN 08277-0034(LT); Part of Lots 4 and 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 6 on 33R-20555 being part of PIN 08278-0234(LT); Part of Lot 9, West of Adelaide Street in the City of London, County of Middlesex designated as Part 2 on 33R-20556 being part of PIN 08277-0124(LT); Part of Lot 2, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 5 on 33R-20554 being part of PIN 08280-0003(LT); Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 3 on 33R-20554 being part of PIN 08280-0005(LT); Part of Lots 4 and 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 7 on 33R-20555 being part of PIN 08278-0234(LT); Part of Lot 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 8 on 33R-20555 being part of PIN 08278-0234(LT); Part of Lot 4, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 9 on 33R-20555 being part of PIN 08278-0235(LT); Part of Pall Mall Street (Closed by By-Law S-1091-287, Registered as Inst. No. LC133181) in the City of London, County of Middlesex designated as Part 3 on 33R-20556 being part of PIN 08277-0124(LT)
for the purpose of the Adelaide Street CP Rail Grade Separation Project.

NOTICE IS HEREBY GIVEN that application has been made for approval to expropriate the following lands described as follows:

Fee Simple:

Parcel 1: Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20554 being all of PIN 08280-0004(LT)

Parcel 2: Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20554 being part of PIN 08280-0005(LT)

Parcel 3: Part of Lot 2, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 4 on Plan 33R-20554 being part of PIN 08280-0003(LT)

Parcel 4: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20555 being part of PIN 08279-0058(LT)

Parcel 5: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20555 being part of PIN 08279-0059(LT)

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Parcel 7: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex designated as Part 4 on Plan 33R-20555 being part of PIN 08279-0061(LT)

Parcel 8: Part of Lot 4, Registered Plan No. 166(3rd) in the City of London, County of Middlesex being all of PIN 08279-0062(LT)

Parcel 9: Part of Lot 4, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 5 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 10: Part of Lots 9 and 10, West of Adelaide Street and Part of Pall Mall Street (Closed by By-Law S-1091-287, Registered as Inst. No. LC133181) in the City of London, County of Middlesex designated as Part 1 on Plan 33R-20556 being part of PIN 08277-0124(LT)

Parcel 11: Part of Lots 7 and 8, West of Adelaide Street in the City of London, County of Middlesex designated as Part 4 on Plan 33R-20556 being all of PIN 08277-0134(LT)

Parcel 12: Part of Lot 6, West of Adelaide Street in the City of London, County of Middlesex designated as Part 5 on Plan 33R-20556 being all of PIN 08277-0019(LT)

Parcel 13: Part of Lots 1, 2 and 3, Registered Plan No. 194(E) in the City of London, County of Middlesex designated as Part 6 on Plan 33R-20556 being part of PIN 08277-0035(LT)

Parcel 14: Part of Lot 4, West of Adelaide Street in the City of London, County of Middlesex designated as Part 7 on Plan 33R-20556 being part of PIN 08277-0036(LT)

Parcel 15: Part of Lot 4, West of Adelaide Street in the City of London, County of Middlesex designated as Part 8 on Plan 33R-20556 being part of PIN 08277-0034(LT)

Permanent Interest (Easement):
Parcel 16: Part of Lots 4 and 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 6 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 17: Part of Lot 9, West of Adelaide Street in the City of London, County of Middlesex designated as Part 2 on Plan 33R-20556 being part of PIN 08277-0124(LT)

Limited Interest (Easement):
Parcel 18: Part of Lot 3, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 3 on Plan 33R-20554 being part of PIN 08280-0005(LT)

Parcel 19: Part of Lot 2, East Side of Adelaide Street, Registered Plan No. 386(3rd) in the City of London, County of Middlesex designated as Part 5 on Plan 33R-20554 being part of PIN 08280-0003(LT)

Parcel 20: Part of Lots 4 and 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 7 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 21: Part of Lot 5, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 8 on Plan 33R-20555 being part of PIN 08278-0234(LT)

Parcel 22: Part of Lot 4, Registered Plan No. 54(E) in the City of London, County of Middlesex designated as Part 9 on Plan 33R-20555 being part of PIN 08278-0235(LT)

Parcel 23: Part of Pall Mall Street (Closed by By-Law S-1091-287, Registered as Inst. No. LC133181) in the City of London, County of Middlesex designated as Part 3 on Plan 33R-20556 being part of PIN 08277-0124(LT)

Any owner of land in respect of which notice is given who desires an inquiry into whether the taking of such land is fair, sound and reasonably necessary in the achievement of the objectives of the expropriating authority shall so notify the approving authority in writing,

a) in the case of a registered owner, served personally or by registered mail within thirty days after the registered owner is served with the notice, or, when the registered owner is served by publication, within thirty days after the first publication of the notice;

b) in the case of an owner who is not a registered owner, within thirty days after the first publication of the notice.

The approving authority is:

The Council of The Corporation of the City of London
City Hall
300 Dufferin Avenue
P.O. Box 5035
London ON N6A 4L9

The expropriating authority is:

THE CORPORATION OF THE CITY OF LONDON

CATHARINE SAUNDERS
CITY CLERK

Notes:

1. The *Expropriations Act, R.S.O. 1990, c. E.26*, provides that:

   (a) where an inquiry is requested, it shall be conducted by an Inquiry Officer appointed by the Attorney General;

   (b) the Inquiry Officer,

      i) shall give every party to the inquiry an opportunity to present evidence and argument and to examine and cross-examine witnesses, either personally or by his counsel or agent, and

      ii) may recommend to the approving authority that a party to the inquiry be paid a fixed amount for his costs of the inquiry not to exceed $200 and the approving authority may in its discretion order the expropriating authority to pay such costs forthwith.

2. "Owner" and "Registered Owner" are defined in the *Act* as follows:

   “Owner” includes a mortgagee, tenant, execution creditor, a person entitled to a limited estate or interest in land, a guardian of property, and a guardian, executor, administrator or trustee in whom land is vested;

   “Registered Owner” means an owner of land whose interest in the land is defined and whose name is specified in an instrument in the proper land registry or sheriff’s office, and includes a person shown as a tenant of land on the last revised assessment roll;

3. The Expropriating Authority, each owner who notifies the approving authority that he desires a hearing in respect of the lands intended to be expropriated and any owner added as a party by the inquiry officer are parties to the inquiry.

This notice first published on the day of , 2019.

FEDERATION OF CANADIAN MUNICIPALITIES
FÉDÉRATION CANADIENNE DES MUNICIPALITÉS

Report to council

Meeting of FCM's Board of Directors

September 10-13, 2019
Cities of Waterloo and Kitchener, Ontario

This document summarizes key themes from the most recent meeting of the Board of Directors and Standing Committees of the Federation of Canadian Municipalities (FCM). It is designed to support board and committee members in reporting back to their local/regional councils on their progress with FCM.

Message from FCM's president

Dear board and committee members,

What a week we had together in Kitchener-Waterloo! I feel so honoured to be working with such a dedicated and effective group of local leaders. Together, we are continuing to achieve some truly historic milestones through FCM.

On Wednesday morning, we were sitting together when the Prime Minister officially opened the 2019 federal election campaign. With 24 hours, we responded by releasing FCM's platform of recommendations to all parties: *Building Better Lives*. And with that, we kick-started the next phase of FCM's biggest-ever pre-election push—set in motion by this Board nearly two years ago.

Of course, FCM's cornerstone recommendation is to double the Gas Tax Fund transfer. This is about equipping municipalities to strengthen the core infrastructure that supports our quality of life. This also has me thinking about FCM itself in a fresh way: *FCM is core infrastructure for our emerging local order of government.*

Though advocacy and programming, FCM helps every Canadian municipality build better lives back home. Just as municipalities need the right tools to strengthen those roads and bridges, FCM needs the right tools to continue delivering outstanding results in Ottawa. And at this meeting, we finalized key steps to strengthen FCM's long-term foundation—unanimously adopting our first member-dues realignment in 10 years.

As the unified voice of local government, FCM's strength is rooted in nearly 2,000 local and regional councils across the country. This Report to Council is a tool to help you keep your colleagues updated on our progress. Its key messages can also support you in reaching out to municipalities who are not yet FCM members—to strengthen our united voice for the road ahead.

Sincerely,

Bill Karsten
Councillor, Halifax Regional Municipality
FCM President

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Kitchener City Hall

Federal Election 2019: Building better lives

Nearly two years ago, FCM's Board of Directors identified the 2019 federal election as a vital opportunity to empower local governments—and called for the most intensive pre-election advocacy push in FCM's history. In Kitchener-Waterloo, our first gathering of the Committee of the Whole featured a comprehensive update led by Carole Saab, Executive Director of FCM's Policy and Public Affairs unit.

Download FCM's Election 2019 platform
BuildingBetterLives.ca

Highlights of progress to date:

- **National polling:** FCM commissioned a nationwide Abacus Data poll on Canadians' priorities—providing key validation as we take our recommendations to federal parties. It also confirmed that municipalities are, by far, the most trusted order of government.
- **Direct outreach:** From meetings with national leaders to regular contact with their platform architects, FCM representatives have continued to take our message and priorities directly to every national party. Our influence has never been stronger.
- **Issue sprints:** In July, FCM began rolling out mini-campaigns on key issues—from the Gas Tax Fund to public transit to rural Canada. These "sprints" helped us engage the parties through the summer—while generating 900 media hits and getting FCM members using our new digital tools to engage federal candidates.
- **Platform launch:** On September 12, we launched our full platform of recommendations—*Building Better Lives*—calling on all parties to empower the governments closest to Canadians. It's a roadmap to results people care about: better core infrastructure, modern transit, affordable housing, new protection from climate extremes, and new tools for rural, northern and remote communities.
- BuildingBetterLives.ca: FCM's Election 2019 microsite features our platform, our Policy Tracker recording parties' municipal commitments, and digital advocacy tools to help members and other Canadians get our message out far and wide.

From here to election day, we'll progressively ramp up our **digital footprint,** especially through social media—with more high-value "shareables" and video-based storytelling, plus a targeted paid advertising campaign. We're continuing **direct outreach** to political parties and key stakeholders. And we'll continue growing our presence in the **national media.** (Our platform launch alone earned 440 hits with a potential reach of 190 million.)

But our most powerful tool in this election is *FCM members.* Engaged local leaders are best placed to take our message directly to federal candidates—and this helps us shape the national election narrative. New digital tools at BuildingBetterLives.ca are designed to help. FCM will continue to reach members multiple times weekly with emailed calls to action. And members of this Board will have a major impact by continuing to lead the way.

Resolutions

FCM member municipalities submit resolutions for the board's consideration on subjects of national municipal interest. Our resolutions process recognizes diverse voices while providing a focus for building a united municipal voice to drive concrete action. Resolutions adopted in Kitchener-Waterloo include the following:

- **Increasing Access to Safe Supply Programs to Treat Substance Use Disorder:** FCM will call on the federal government to support doctors, health authorities, provinces and professional colleges to safely provide regulated opioids and other substances through a free pharmacare program—and to declare a national public health emergency, permitting municipalities to implement innovative pilot programs that prioritize diversion to safe supply. *(City of Vancouver, BC.)*

- **Eligibility for Municipal Complexes:** FCM will call on the federal government to include new, expanded or renewed municipal complexes / buildings as eligible projects in the Investing in Canada Plan's "community, culture and recreation infrastructure" stream. *(Municipality of Shelburne, NS.)*

- **Supporting Municipalities in Addressing Homelessness:** FCM will lobby the federal government lobby the federal government to support municipalities with the management of tent cities or similar encampments to ensure safe spaces for people experiencing homelessness and for the community at large. *(City of Courtenay, BC.)*

- **Money Laundering Counter-Measures in Casinos:** FCM will urge the federal government to take steps to address money laundering in casinos, and to undertake an evaluation of cashless gaming systems, where account-based card technologies are used to verify player identity and track gambling transactions on all gaming devices. *(City of Delta, BC.)*

- **Production of Cannabis for Medical Purposes:** FCM will urge Health Canada to improve the process and requirements for obtaining registration certificates for the production of medical cannabis for personal use. *(Ville de Sainte-Anne-des-Plaines, QC.)*

- **Bill C-68: Section 2.2 of the *Fisheries Act*:** FCM will call on the federal government to re-consider changes to the Act that broaden the definition of protected fish habitat. (*Bonnechere, South-West Oxford, Horton, Hornepayne, O'Connor, Madawaska Valley, and West Nipising, ON.)*

- **Assessment of Mortgage Guideline B-20:** FCM will call on the federal government to review the regional impacts of this new federal guideline on local real estate markets—and if warranted by the assessment, implement changes to allow regional-based mortgage financing stress tests, to mitigate unintended impacts on jobs, economic activity and first-time homebuyers. *(City of Calgary, AB.)*

Committees & forums

FCM's Board of Directors oversees various committees and forums that provide direction and insight on a wide range of issues and priorities. Many discussions in Kitchener-Waterloo focused on FCM's election campaign and an approach to targeted engagement with the new government on committee priorities. Other highlights include:

- Election Readiness Working Group: Discussed FCM's national polling, ongoing party outreach, and new engagement tools and tactics. Explored the tremendous value of members engaging directly with local candidates and media—and ERWG will continue leading by example. Guided FCM staff to develop tools to support local councils in adopting resolutions supporting FCM's platform.
- Environmental Issues and Sustainable Development: Approved a new policy position on a labelling standard for "flushable" consumer products. Received updates on the F/P/T plastic waste reduction strategy and the implementation of federal environmental legislation. Received an update on the Green Municipal Fund including new GMF funding announced in Budget 2019.
- Increasing Women's Participation in Municipal Government: Reviewed the main outcomes in the draft action plan developed by FCM's Toward Parity in Municipal Politics initiative. Discussed actions to promote our Women in Local Government scholarship-and-award programs. Reviewed how FCM's international programs are promoting women's participation in government.
- International Relations: With guests, discussed initiatives in Canada to localize the Sustainable Development Goals (SDGs). Urged staff to develop recommendations on further supporting members' involvement in the SDGs. Received updates on FCM's international programs, initiatives and engagement in global networks.
- Municipal Finance and Intergovernmental Arrangements: Discussed current activities of the Legal Defense Fund including FCM's intervention in the Bill 5 case between the City of Toronto and the Province of Ontario; emerging issues including ransomware and cybersecurity.
- Municipal Infrastructure and Transportation Policy: Discussed improving federal infrastructure programs, including eligibility for municipal administrative buildings, higher stacking limits, and flexibility to fund transit rehabilitation projects. Directed staff to explore options for targeted federal support for transit operating costs. Received an update on the Municipal Asset Management Program, including new funding in Budget 2019. Also discussed the upcoming *Telecommunications Act* review.
- Northern and Remote Forum: Developed a strategy for engaging in the implementation of the recently-announced Arctic and Northern Policy Framework. Received updates on northern housing, broadband and the Nutrition North Canada program.
- Rural Forum: Received a briefing on the federal connectivity strategy, including upcoming consultations on the new Universal Broadband Fund, and FCM's continued advocacy on rural broadband. Discussed how best to apply a rural lens to the design of federal programs, and FCM's strategy for advancing the rural lens with the next government.
- Social-Economic Development: Continued discussion on housing affordability, homelessness, and reconciliation. Received updates on the design of the new GMF Sustainable Affordable Housing Innovation program, and recent highlights from the Community Economic Development Initiative (CEDI) program.
- Community Safety and Crime Prevention: Discussed disaster mitigation, adaptation and recovery (including the role of property buyouts), crime prevention in rural communities, and FCM advocacy on cannabis legalization.

Strengthening FCM's financial foundation

FCM continues to secure historic progress for local governments—from a $180-billion federal infrastructure plan, to Canada's first-ever national housing strategy, to a doubling of the Gas Tax Fund for 2019, to a nearly $1-billion expansion of the Green Municipal Fund's support for local energy-efficiency initiatives. Like our members, and on their behalf, FCM makes the most of every tool available to deliver results that matter.

To ensure that we continue to build on these gains for municipalities, it's time to ensure FCM has the sustainable foundation and tools it needs to get the job done. With direction from this Board beginning March 2017, FCM has engaged in a **Resource Development Project (RDP)** designed to set the organization on a sustainable, better-resourced path that aligns with current responsibilities, future needs and member expectations.

The RDP has focused on reducing expenditures and increasing revenues, including through a realignment of member fees. **And in Kitchener-Waterloo, the Board unanimously adopted a revised FCM fee structure—the first revision in ten years. When municipalities renew their memberships this winter, their invoices will show a one-time increase—up from $0.15 to $0.19 per capita for the year—with a 3.5 percent annual escalator going forward to keep pace.** This fee structure will ensure that key FCM functions have the robust foundation they need to continue driving historic results. Those include our exceptional government relations and policy analysis—along with critical tools such as the Legal Defense Fund and Special Advocacy Fund, which will no longer require separate contributions.

From economic growth to climate change, Canada now looks to FCM members to deliver local solutions to some of our biggest national challenges. Together, we have achieved unprecedented influence among decision-makers—from policymakers to cabinet ministers, from opposition leaders to the Prime Minister.

As our wins have grown, so too has the need for resources to *deliver* on those wins, and to *build* on them. A strong municipal-federal partnership demands a strong municipal voice in Ottawa. And this Board is setting its sights high. With a strong financial foundation, FCM will seize every opportunity to elevate the local order of government—the governments closest to Canadians' real hopes and challenges.

Key points for local councils

- **FCM's Board of Directors met September 10-13 in Kitchener-Waterloo, Ontario.** FCM unites nearly 2,000 municipalities at the national level, representing more than 90% of all Canadians. FCM's elected Board and its various committee provide strong direction to the organization.

- **We met as Federal Election 2019 got officially underway.** Within 24 hours, we launched our FCM platform of recommendations for all parties—earning 400+ hits in print and broadcast media outlets across the country.

- **FCM's election platform calls on parties to build better lives for Canadians,** by empowering the governments closest to their daily lives. It's a roadmap to results people want to see—from better roads, bridges and transit to new protection from climate extremes.

- **We reviewed the momentum FCM is building around this election.** Direct outreach to all parties continues. Members are using FCM's new digital tools to reach local candidates. A series of summer "sprints" brought major national profile to election priorities. FCM's BuildingBetterLives.ca microsite presents our platform and tracks the commitments parties are making to municipalities.

- **Member action remains our key to success in Election 2019.** When many FCM members take our united message to their own local candidates—from all parties—that shapes the broader election narrative. The Board will continue to lead the way in engaging members to act.

- **We took steps at this meeting to strengthen FCM's financial foundation.** By realigning member dues for the first time in 10 years, the Board is ensuring that FCM can continue delivering historic progress for members and our local order of government.

- **We passed several resolutions to press the federal government on key issues.** This ranges from action that would boost access to pharmaceuticals to safely treat substance use disorder…to making municipal administrative building projects eligible for funding under the Investing in Canada Infrastructure Program.

- **FCM's committees and forums** focused on the election campaign and an approach to targeted engagement with the new government on committee priorities. But they also made progress and guided FCM staff on a wide range of policy, advocacy and programming priorities.

DEFERRED MATTERS

CORPORATE SERVICES COMMITTEE
(as of October 11, 2019)

FILE NO.	SUBJECT	REQUEST DATE/ CLAUSE NO.	REQUESTED/ EXPECTED REPLY DATE	PERSON RESPONSIBLE	STATUS
1.1	City of London involvement in partnerships with other cities: a) the Civic Admin BE REQUESTED to report back at a future meeting of the Corporate Services Committee with examples of cities that have entered into partnerships with other cities, including how they have structured those partnerships, in order to assist the Municipal Council in determining if and how it wishes to engage in Sister City or other City partnerships;	2018/03/06 7/5/CSC	1st Quarter 2020	M. Hayward	
2.2	That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to the City of London Housing Service Review: f) the Civic Administration BE DIRECTED to report back to Corporate Services Committee on the feasibility of using the same approach taken for affordable housing to reduce the effective tax rate for London Middlesex Community Housing (LMCH) buildings to be equivalent to the residential tax rate, including any amendments that may be necessary to the Municipal Housing Facilities By-law to do so;	2019/09/17 4.1/18/SPPC		A. L. Barbon / S. Datars Bere	