

Agenda

Corporate Services Committee

1st Meeting of the Corporate Services Committee

November 28, 2022

12:00 PM

Council Chambers - Please check the City website for additional meeting detail information. Meetings can be viewed via live-streaming on YouTube and the City Website.

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Metis and Inuit people today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Members

Councillors S. Lewis (Chair), H. McAlister, S. Stevenson, S. Trosow, D. Ferreira, Mayor J. Morgan

The City of London is committed to making every effort to provide alternate formats and communication supports for meetings upon request. To make a request specific to this meeting, please contact CSC@london.ca or 519-661-2489 ext. 2425.

Pages

1. Call to Order

1.1. Disclosures of Pecuniary Interest

1.2. Election of Vice Chair

2. Consent

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2.2. Amendments to the Travel and Business Expenses Council Policy 7

2.3. 2021 Annual Reporting of Lease Financing Agreements 24

2.4. Expropriation of Lands - Wellington Gateway Project Phase 1 29

2.5. Declare Surplus - City-Owned Property - Part of Emerson Avenue at Baseline Road East 41

2.6. Declare Surplus - City-Owned Property - Part of 181 Hamilton Road 47

2.7. Declare Surplus - City-Owned Property - Part of 108 Clarke Road 51

2.8. Human Resources Information System (HRIS) Implementation Partner Successful Proponent – RFP 2022-080 55

3. Scheduled Items

4. Items for Direction

4.1. Not to be heard before 12:05 PM - Tribunal - Development Charge Appeal 59

5. Deferred Matters/Additional Business

6. Confidential (Enclosed for Members only.)

6.1. Labour Relations/Employee Negotiations

A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations in regard to one of the Corporation's unions including communications necessary for that purpose and for the purpose of providing instructions and direction to officers and employees of the Corporation.

6.2. Land Disposition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending disposition 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. Land Acquisition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, 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.

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6.5. Land Acquisition/Disposition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending lease of City-owned land by a third party, 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

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Subject: Authorization for Temporary Borrowing

Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting on December 13, 2022, to authorize the temporary borrowing of certain sums to meet current expenditures of The Corporation of the City of London for the year 2023.

Executive Summary

The purpose of the proposed by-law is to authorize the City Treasurer or Deputy Treasurer to temporarily borrow funds, not exceeding \$102 million, to meet current expenditures, if required for 2023. This by-law is brought forward on an annual basis and authorization is granted as a precautionary measure for the City’s temporary credit facility and for continued usage of corporate procurement cards.

Linkage to the Corporate Strategic Plan

Council’s 2019 to 2023 Strategic Plan for the City of London identifies “Leading in Public Service” as one of five strategic areas of focus. Authorization for temporary borrowing supports this strategic area of focus by contributing to the strategy “Continue to ensure the strength and sustainability of London’s finances”. This strategy, among others, helps to ensure that the City’s finances are transparent and well planned and that they balance equity and affordability over the long term. This Authorization for Temporary Borrowing report ensures that the proper mechanisms are in place to manage cash flows and to help maintain the City’s stable operations.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, November 22, 2021, Agenda Item 2.2, Authorization for Temporary Borrowing

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=87570>

2.0 Discussion and Considerations

Section 407 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, allows a municipality to authorize temporary borrowing, at any time during the fiscal year, the amounts considered necessary to meet expenses of the municipality for the year until taxes are collected and other revenues are received.

The City’s best option for temporary borrowing is internally from the City’s Reserve Funds, rather than obtaining external financing. A fair rate of interest is earned by the Reserve Funds and charged to the General Fund during the borrowing period. If cash from Reserve Funds is not available for temporary borrowing, the City will seek external options, such as drawing on an operating line of credit held at the City’s bank. The City has never drawn on its

line of credit but has borrowed from Reserve Funds in the past, which was last done in January 2012.

Civic Administration actively monitors liquidity in order to ensure an adequate cash position is maintained to meet obligations as they come due throughout the year.

It is not anticipated that the City's line of credit will need to be utilized in 2023. However, the proposed temporary borrowing by-law is being brought forward at this time as a precautionary measure in the event of any unanticipated near-term cash requirements or interruptions in operating cash flows and to ensure this by-law is in effect on the first day of 2023.

Furthermore, the temporary borrowing by-law supports the continued use of the City of London's procurement card program. Procurement cards are considered a borrowing facility and require approval annually under this by-law.

3.0 Financial Impact/Considerations

The temporary borrowing of funds through the line of credit, if required, would result in additional interest charges in the 2023 budget. Procurement cards assist and support the purchase of allowable goods and services and approved balances are paid regularly, not resulting in interest charges.

Conclusion

The authorization for temporary borrowing ensures that the proper mechanisms are in place to manage cash flows and promotes stable operations, even during any unanticipated or unforeseen events. The need for temporary borrowing through the City's line of credit is not currently anticipated to be required in 2023.

Prepared by: Folakemi Ajibola, CTP, Manager, Financial Modelling, Forecasting and Systems Control (Treasury)

Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

APPENDIX “A”

Bill No.

2022

By-law No.

A by-law to authorize the City Treasurer or Deputy Treasurer of The Corporation of the City of London to borrow certain sums to meet current expenditures of the Corporation for the year 2023.

WHEREAS the Municipal Council of The Corporation of the City of London deems it necessary to borrow monies to meet the current expenditures of the Corporation for the year 2023 pending the collection of current revenues;

AND WHEREAS under section 407 of the *Municipal Act, 2001, S.O. 2001, c.25*, as amended, the Corporation is authorized to borrow for current purposes from January 1st to September 30th in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year; and from October 1st to December 31st in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year;

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

1. The City Treasurer or Deputy Treasurer of The Corporation of the City of London (hereinafter referred to as the “Corporation”) are hereby authorized to borrow from time to time from the Bank of Nova Scotia, or other person or persons, by way of promissory notes and/or the City’s operating credit line and at such rate or rates of interest as they may approve, such sum or sums which together with the total of all other temporary borrowings hereunder that have not been repaid shall not exceed \$102,000,000 at any one time, to meet, until the taxes are collected, the current expenditures of the Corporation for the year 2023; provided that notwithstanding the sums authorized to be borrowed hereunder, the amount that may be borrowed hereunder at any one time, together with the total of any similar borrowings that have not been repaid, shall not, except with the approval of the Local Planning Appeal Tribunal, exceed from January 1st to September 30th in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year; and from October 1st to December 31st in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, all as provided for in section 407 of the *Municipal Act, 2001, S.O. 2001, c.25*, as amended.
2. All promissory notes of the Corporation shall be sealed with the seal of the Corporation and signed by the Mayor, the Deputy Mayor or the Acting Mayor, and by the City Treasurer or the Deputy Treasurer; provided however, that the signature of the Mayor, the Deputy Mayor or the Acting Mayor, may be written or stamped, printed, lithographed, engraved or otherwise mechanically reproduced.
3. Promissory notes signed in accordance with this by-law and sealed with the seal of the Corporation, for the amounts from time to time borrowed under the authority hereof, and interest thereon, may be given to the Bank of Nova Scotia, its representative, or other person or persons from time to time as security for such loans.
4. The City Treasurer is authorized and directed to apply in payment of the money borrowed as aforesaid, together with the interest thereon, all the monies now or hereafter collected or received on account or realized in respect of taxes levied for 2023 and any preceding year, and all the monies collected or received from other sources excluding the sale of debentures, which may be lawfully applied for such purposes.

5. The Mayor, the Deputy Mayor or the Acting Mayor, and the City Treasurer or the Deputy Treasurer of the Corporation are authorized to execute on behalf of the Corporation, under its Corporate Seal, and delivered to the Bank of Nova Scotia, or its representative or other persons, an agreement that all or any sums borrowed for any or all of the purposes mentioned in section 407 of the *Municipal Act, 2001, S.O. 2001, c.25*, as amended, shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Corporation for 2023 and for any preceding year as and when such revenues are received; provided that such charge does not defeat or effect and is subject to any prior charge then subsisting in favor of any other lender.

6. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on December 13, 2022.

Josh Morgan

Mayor

Michael Schulthess

City Clerk

First Reading – December 13, 2022

Second Reading – December 13, 2022

Third Reading – December 13, 2022

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee
From: Anna Lisa Barbon, Deputy City Manager, Finance Supports
Subject: Amendments to the Travel & Business Expenses Council Policy
Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the attached proposed by-law (Appendix "A") BE INTRODUCED at the Municipal Council meeting to be held on December 13, 2022 to amend By-law No. CPOL.-227-479 being "A by-law to revoke and repeal Council policy related to Travel & Business Expenses and replace it with a new Council policy entitled Travel & Business Expenses" to repeal and replace Schedule "A" to the by-law.

Executive Summary

The purpose of this report is to provide amendments to the Travel & Business Expenses policy in relation to the Mayor's Expense Review Officer, the Per Diem allowance, and other minor housekeeping adjustments.

Linkage to the Corporate Strategic Plan

The following report supports the 2019 – 2023 Strategic Plan through the strategic focus area of Leading in Public Service to promote accountability, transparency, and openness.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Item # 9 – Strategic Priorities and Policy Committee – September 18, 2017 – 5th Report of the Governance Working Group

Item # 2 - Governance Working Group – September 7, 2017 – Council Policy Manual Review of Chapters 22, 23, 24, 25, 26, 27, 28

Item #4 - Corporate Services Committee – December 1, 2015 - Amendment to Council Policy 28(1) Travel and Business Expenses

Item #8 – Corporate Services Committee – December 10, 2013 - Amendment to Council Policy 28(1) Travel and Business Expenses.

Item #5 - Finance and Administrative Services Committee – March 26, 2012 – Changes to Council Policies 28(1) and 28(2) Travel and Convention and Council Members' Expense Account.

Item #8 - Finance and Administrative Services Committee – February 6, 2012 – Changes to Council Policies 28(1) and 28(2) Travel and Convention and Council Members' Expense Account.

Item #7 - Finance and Administrative Services Committee – December 12, 2011 – Changes to Council Policies 28(1) and 28(2) Travel and Convention and Council Members' Expense Account.

1.2 Background Information

To ensure that the Council Policies remain current, Municipal Council adopted a “Policy for the Establishment and Maintenance of Council Policies” in 2017 to provide for the development, amendment or repealing of Council Policies where required by legislation or deemed to be appropriate.

It is the responsibility of Service Area Leads to maintain the currency of the Council policies that fall within their service area’s jurisdiction. At this time, through a recent review of the “Travel and Expense Policy”, given the commencement of a new Council term, and an environmental scan of other public sector organizations, Finance Supports is recommending some adjustments to the Travel and Expense Policy.

2.0 Discussion and Considerations

2.1 Specific Changes

The changes to the Travel and Expenses Policy, incorporated in the attached by-law, are as follows:

1. An administrative change which transfers the Expense Review Officer^a responsibility for the Mayor from the Deputy City Manager, Finance Supports to the City Clerk. The responsibilities of an Expense Review Officer are detailed within Travel and Business Expense Policy (Section 4.1 of the by-law). This change would ensure the consistent treatment and administration of expenses for Elected Officials.
2. Given recent inflationary pressures, noting the last time per diem rates were updated was 2011, Civic Administration undertook an environmental scan of the Travel and Expense Policies of various Municipal, University, School, and Hospital (MUSH) Sectors, as well as Federal and Provincial Government directives. Based on this review, which included per diem rate comparisons and other areas such as expense report deadlines, Civic Administration is recommending that the following amendments be made:
 - a) Sections 4.5) General, subsections 4.5.9 and 4.6.2.; Travel Advances 4.6.2 (d),(e) – these subsections were changed to allow sixty (60) days instead of forty-five (45) days to submit completed expense reports. This is to allow additional time to obtain toll-road and other delayed receipts.
 - b) Subsections 4.6.4) Travel Allowance 4.6.4 a) iii and iv Per Diem Allowance. Staff, in confidence, received the per diem rates of sixteen (16) MUSH sector agencies as well as the posted rates on the Travel Directives by the Canadian Revenue Agency (CRA), and the National Joint Council. The median per diem across all eighteen (18) references is currently seventy-five dollars (\$75), which is the amount being recommended, which would be broken down as follows:

Breakfast	\$15
Lunch	\$25
Dinner	\$35
Incidentals	N/A
Total	\$75

All amounts are paid in Canadian funds.

Further, during the scan, it was identified that not all per diems included a rate for incidentals. Based on that, to streamline administration, and to offset the increase in the meal rates, the incidental amount has been removed. With the incidental removed, the City per diem will be in line with the median of the various reference areas.

^a **Expense Review Officer (ERO)** - shall mean the person responsible for administering the Travel and Expense policy, having budgetary control over the general ledger account to be expensed, and having authority over the Officials/Staff incurring the expenditure.

For comparison, Current Per Diem Amounts (within Canada):

Table 1: Current Per Diem Amounts (within Canada)

Comparator	Breakfast	Lunch	Dinner	Incidentals	Total
London (current)	\$10	\$20	\$30	\$10	\$70
Canada Revenue Agency	\$21.10	\$21.35	\$52.40	\$17.50	\$112.35
Municipality (Low)	Not Provided	Not Provided	Not Provided	Not Provided	\$55.00
Municipality (High)	Not Provided	Not Provided	Not Provided	Not Provided	\$125.00
Municipality (Median)	\$15.00	\$25.00	\$35.00		\$75.00
Higher Education (Average)	\$17.90	20.52	40.83		\$79.25

Note: The per diem rate is only applied for out-of-town meetings. Further, where meals are provided, the per diem rate would be reduced accordingly.

3. Incorporated in the Travel and Expense Policy is guidance from the City’s Risk Management Division. Minor language changes have been identified to “Section 4.8 Appendix A – Risk Management Policy” and “Section 4.9 Appendix B - Excerpt from the Risk Management Manual” as these sections have had language changes to update and align with the insurance coverage of personal vehicles used for City business, along with aligning with the City’s Risk Management updated guidelines on “Insuring Rented Vehicles” procedures and guidelines.
4. Other minor housekeeping revisions to ensure consistency with the other recommended section changes such as:
 - a) Section 2) Definitions
 - 2.7 Incidental/Personal Expenses – this definition has been removed due to the proposed change to the per diem rate. The subsequent definitions were renumbered.
 - 2.10 Per Diem – this definition was renumbered from 2.10 to 2.9 due to deletion of Incidental/Personal Expenses and was changed to be consistent with changes to section 4.6.4 Travel Allowances
 - b) Subsection 4.6.4 Travel Allowances – this section was changed to remove the incidental amount of ten dollars (\$10) as the increase in the meal amounts identified above are to be inclusive of the incidental amount plus a small increase. 4.6.4 a)v) was moved to 4.6.4 d)i) as it related to Accommodations. 4.6.4 a)vi) was deleted as it was tied to the incidental amount. This removal will ease administration.

3.0 Financial Impact/Considerations

With many conferences and events having virtual options, the net increase in per diem amounts paid are not anticipated to have a significant impact on operating budgets and can be accommodated within existing operating budgets.

Conclusion

The amendments brought forward to the Travel and Expense Policy will ease administration, and update per diem rates which were last updated in 2011. The attached by-law (Appendix “A”), including the proposed updated Schedule A, incorporates the recommendations contained in this report.

Prepared by: Ian Collins, CPA, CMA, Director, Financial Services
Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

APPENDIX 'A'

Bill No.
2022

By-law No. CPOL.-

A by-law to amend By-law No. CPOL.-227-479 as amended, being "A by-law to revoke and repeal Council policy related to Travel & Business Expenses and replace it with a new Council policy entitled Travel & Business Expenses" to repeal and replace Schedule A.

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

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

AND WHEREAS the Municipal Council of The Corporation of the City of London wishes to amend By-law No. CPOL.-227-479, as amended, being "A by-law to revoke and repeal Council policy related to Travel & Business Expenses and replace it with a new Council policy entitled Travel & Business Expenses", to update various Policy provisions;

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

1. By-law No. CPOL.-227-479, as amended, being "A by-law to revoke and repeal Council policy related to Travel & Business Expenses and replace it with a new Council policy entitled Travel & Business Expenses" is hereby amended by repealing and replacing Schedule "A" with the attached new Schedule "A".

2. This by-law shall come into force and effect on January 1, 2023.

PASSED in Open Council on

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –

Schedule "A"

Policy Name: Travel and Business Expenses

Legislative History: Enacted September 19, 2017 (By-law No. CPOL.-227-479);
Amended July 24, 2018 (By-law No. CPOL.-227(a)-451)

Last Review Date: December 7, 2021

Service Area Lead: Director, Financial Services

1. Policy Statement

This policy addresses the methods and procedures by which the groups outlined below will be governed when attending to business related to their respective governing bodies, including but not limited to conferences, conventions, seminars, as well as business and business entertainment expenses either within the City limits or beyond; and provides for the associated compensation entitlements.

2. Definitions

2.1 Accommodation - commercial lodging facilities such as hotels, motels, corporate residences or apartments.

2.2 City - shall be used in this policy to mean The Corporation of the City of London

2.3 City Business - attending an event as a representative of the City, to derive a benefit for the City, or to advance the interests of the City.

2.4 Expense Review Officer (ERO) - shall mean the person responsible for administering this policy, having budgetary control over the general ledger account to be expensed, and having authority over the Officials/Staff incurring the expenditure; as defined in Section II below.

2.5 Expense Reports - shall include both manual forms (e.g. Travel Advance / Expense Form) and corporate purchasing card statements, as applicable.

2.6 Governing Body - shall mean the City Council or a local board or commission.

2.7 Local Mileage - defined as travel within the city limits of London, Ontario.

2.8 Officials - shall mean a Member of the City Council or an elected or appointed member of the governing body of a local board or commission or an advisory committee of the City Council.

2.9 Per Diem - an allowance to cover out-of-pocket expenses exclusive of accommodation or transportation. This allowance is intended to include meals, taxes, and gratuities related to travel.

2.10 Receipt - original document showing the name of the vendor, as well as the date, amount and description of the expenditure paid by the Officials/Staff.

2.11 Staff - shall mean an employee of the City of London or a staff member of a local board or commission.

2.12 Travel - is defined as going beyond the city limits of London, Ontario.

3. Applicability

This policy applies to:

- Members of City Council
- Employees of the City of London
- Elected/Appointed Officials

Other members and administrators shall be governed by whatever policies are set from time to time by their respective governing bodies, provided that the said policies do not exceed those contained within this policy.

It is understood that authority for the expenditure of funds for any and all expenses covered by this policy extends only to the extent of the financial limitations imposed by the annual (current) budgets of the respective governing bodies.

It is understood where an active contract and/or collective bargaining agreement is in place that addresses items contained within this policy that the terms of the contract/collective bargaining agreement will be followed.

Any question involving the meaning or application of this policy is to be submitted to the City Treasurer or designate for clarification.

Where this policy contradicts an existing policy or corporate practice, the issue will be forwarded to the City Treasurer or designate for a final binding decision. The issue and decision will be documented to be placed into further revisions of this policy.

4. The Policy

4.1 Expense Review Officer

The following are designated "Expense Review Officers" (ERO) for the jurisdictions referred to and shall be responsible for administering this policy within their particular areas of jurisdiction, addressing any justifiable exceptions; and for auditing and processing all expense reports in accordance with this policy, while maintaining the right to request additional explanations, documentation or justification of any or all of the expense reports:

Jurisdiction	ERO
Mayor	City Clerk or designate
Members of City Council	City Clerk or designate
Appointed Members of Advisory Committees	City Clerk or designate
City Manager	Mayor
Senior administrative official of each of the local boards or commissions	The chair of the respective local board or commission
Deputy City Managers	City Manager or designate
City of London Employees	Deputy City Managers or designates

4.2 Appeal Committee

The City Council and each local board or commission shall appoint an Appeal Committee for the purpose of dealing with disputes. The Appeal Committee shall be comprised of the senior administrative official, and the ERO of the governing body. Decisions of the Appeal Committee shall be final.

If the individual with a dispute is the senior administrative official; the City Treasurer will serve as part of the Appeal Committee.

4.3 Release of Expense Information

All expense information is considered to be public information and shall be made available, upon request, by the ERO. Annually, prior to March 31, the City Treasurer or designate will submit to the City Council, a list of expenses incurred during the previous calendar year for the members of City Council, all City of London staff at level SME-02 or above, elected and appointed officials and members of the Senior Administration of the following local boards and commissions: London Transit Commission, London Convention Centre Corporation; London Public Library Board and the London Police Services Board.

4.4 Responsibilities

Officials / Staff Role

The Officials/Staff are responsible for adhering to the provisions of this policy, in addition to the completion of the expense report and submitting it for approval. Supporting documentation, as outlined in this policy, must be attached to the expense report. To avoid duplicate payments and to facilitate appropriate reviews; copies of credit card/interact slips, and credit card statements are not acceptable as receipts; however, may be required to provide proof of purchase.

ERO Role

The ERO is responsible for reviewing and authorizing the expense report. Under no circumstances may an ERO authorize expenses incurred on their own behalf.

The ERO's signature indicates that:

- The expense is a legitimate business expense; and funds are available within the approved budget;
- The purchasing method does not violate the purchasing policy;
- Appropriate supporting documentation, as outlined in this policy, is attached; and,
- The expense has been charged to the correct cost centre and expense code.

The ERO is responsible for pre-approving individual travel and business expenses expected to be reimbursed at an amount greater than \$3,000 and to approve local mileage claims in excess of \$1,000 (City Council members are not entitled to claim local mileage).

Finance Role

Approved expense reports are to be forwarded to Financial Services / Accounts Payable for processing on a timely basis. Finance and/or Audit may conduct reviews at any time, without notice, to assess compliance with this policy. Failure to comply may result in corrective and/or disciplinary action up to and including dismissal.

4.5 General

4.5.1 Travel, business and local mileage expenditures are to be based on sound judgment and proper regard for economy.

4.5.2 Where travel and business expense payments are made using a corporate purchasing card; all provisions within this policy and the corporate purchasing card policy must be followed.

4.5.3 Travel, business and local mileage expenditures are subject to examination by City administration and/or the City's external auditors and must be completed with care, accuracy and supported by the appropriate forms, invoices and/or receipts.

4.5.4 Where an individual travel expense is expected to be reimbursed at an amount greater than \$3,000; a Travel Expense Authorization Form must be completed and approved by the ERO in advance of the date of travel. The Travel Expense Authorization Form must be attached to the expense report for submission to Finance.

4.5.5 When more than one traveller is attending the same event, all attendees must where practical/possible:

- i) Coordinate travel arrangements
- ii) Take advantage of group rates
- iii) Individually submit a separate expense report for reimbursement

4.5.6 When personal and business travel is combined, only documented expenses directly related to the business portion are reimbursable. Travel and related expenses will not be reimbursed for spouse and/or other guests.

4.5.7 When attending a course, conference, or seminar an outline/itinerary must be provided.

4.5.8 Where travel is delayed or cancelled due to circumstances beyond the traveller's control, effort must be made to notify the ERO immediately; the individual should attempt to secure complimentary lodging and/or meals where available. Any additional expense resulting from the delay or cancellation may require justification and be subject to review.

4.5.9 Expense reports must be submitted within sixty days from return to work from travel or the date from which the business expense was incurred. Consideration for year-end timelines should be taken into account at the end of the year.

4.5.10 The City will not reimburse for any personal items lost.

4.5.11 Where a staff member's primary place of business is in a Municipality other than the City of London; for the purposes of this policy:

- i) Local travel/local mileage will be within the limits of the Municipality where their work is conducted (for example: if the staff member conducts business in Toronto then local travel and mileage will be within the city limits of Toronto)
- ii) Per diem - an overnight stay in association with a one-day meeting or business event out-of-town is justified depending on the start and end times of the meeting and that the distance required to be travelled exceeds 150 kilometres from their primary place of business

All other items in this policy are applicable as outlined.

4.6 Travel

4.6.1 AUTHORIZED TRAVEL

- a) Officials are entitled to receive reimbursement for expenses while attending the following:
 - i) Annual conferences of municipal associations of which the governing body is a member;
 - ii) Board or executive committee meetings, committee meetings, associated meetings with federal or provincial ministries, workshops and seminars, provided the official is a director, committee or task force member within the sponsoring organization;
 - iii) Annual conferences or board meetings of any organization on which an official sits as a director/committee member representing the governing body and where the governing body is entitled to voting delegate status because of its membership;
 - iv) Out-of-town business as a representative of the City or of a local board or commission, provided that prior approval has been received from the governing body; and,
 - v) One conference in addition to those mentioned in (i) and (iii) above in any given year, provided that the said conference has a direct relationship to municipal concerns or interests, and subject to the approval of the governing body and the availability of funds in the budget.

- b) Staff are entitled to receive reimbursement for expenses while attending the following:
 - i) Annual conferences of municipal associations of which the governing body is a member;
 - ii) Board or executive committee meetings, committee meetings, associated meetings with federal or provincial ministries, workshops and seminars, provided the staff member is a director, committee or task force member within the sponsoring organization;
 - iii) Annual conferences or board meetings of any organization on which a staff member sits as a director/committee member representing the governing body or is part of a professional association or membership;
 - iv) Out-of-town business as a representative of the City or of a local board or commission provided that prior approval has been obtained;
 - v) Out-of-town business to meet with peers to discuss best practices; and,
 - vi) Out-of-town training courses provided that such training is of benefit to the staff member's position or necessary to retain licensing/designations and that prior approval has been obtained.

4.6.2. TRAVEL ADVANCES

- a) Travel advance requests must be made to the appropriate ERO at least one week prior to departure for domestic travel and two weeks prior to international travel (where the advance is required to be in US funds).
- b) The amount advanced will be calculated by the ERO, based on the estimated expenses associated with each individual circumstance.
- c) No advance will be provided for amounts less than \$200.00. Per Diem amounts will be advanced in Canadian Funds only.
- d) Travel Advances resulting in \$0.00 balances (advance = actual travel costs), or amounts owed back to the City, must be reconciled. For amounts owed back to the City, payment (reimbursement) must be made within sixty days from the date of return from travel. The cashier's receipt must be attached to the final expense report.
- e) Any Officials/Staff that has an outstanding travel claim that is not submitted to Finance within sixty days of the date of return from travel will not be allowed any further advances for travel until the outstanding advance has been settled.

4.6.3 REGISTRATION FEES

Registration fees for attendance at a convention, conference, seminar, workshop or annual meeting will be reimbursed in full by the governing body upon submission of an invoice from the appropriate organization and an official receipt indicating payment.

4.6.4 TRAVEL ALLOWANCES

- a) Per Diem Allowance
 - i) The per diem rate shall be as established by the governing body from time to time, provided that, in the case of a local board or commission, it shall not exceed that established by the City Council for elected and appointed officials.

The per diem rate will be paid in Canadian funds. An Officials/Staff who receives a per diem allowance may not claim additional personal expenses. To simplify reporting, receipts are not required for per diem expenses.

A corporate purchasing card should not be used to purchase expenses covered under the per diem allowance.

ii) The per diem allowance is intended to cover the following normal daily expenses:

- meals and snacks
- gratuities
- non-alcoholic beverages

iii) The per diem rate of \$75 will be applied to a twenty-four-hour travel period. At the discretion of the ERO, a partial per diem may be paid to cover costs associated with partial travel day. (Proration will be based on actual departure/arrival times as outlined in section 4.6.4. (a)(iv) below). Where meals have been provided, the per diem rate will be reduced by the amount reflected below:

Breakfast	\$15.00
Lunch	\$25.00
Dinner	\$35.00

iv) Where a partial day per diem is applicable the following proration will be applied:

Breakfast	\$15.00 - If an employee is required to depart before 6:00 a.m.
Lunch	\$25.00 - If an employee is required to depart before 12:00 noon.
Dinner	\$35.00 - If an employee is required to return home after 6:00 p.m.

No other expenses will be reimbursed; receipts are not required for per diem expenses.

b) Transportation

i) Officials and Staff may choose their own method of transportation on the understanding that the most direct route, the most economical and most practical method must be used. The loss of productive time must be minimized.

ii) Air

Economy class airfare is normally to be used; however, business class may be authorized by the ERO if:

- less expensive seats are not available, or
- the departure time is not acceptable, or
- the individual is travelling on a continuous flight in excess of five hours

The cost of an additional night(s) accommodation may be reimbursed if it is required in order to take advantage of a discount airfare, provided that the cost of the extra accommodation is not greater than the savings realized from the discounted airfare.

iii) Rail

With prior approval from their ERO, Officials and Staff may be reimbursed for business class rail transportation, provided that they actually travel business class, and provided that the trip extends over a normal meal period (breakfast, lunch or dinner). Otherwise, only economy rail transportation costs will be

reimbursed. The per diem will be reduced by the amounts noted in section 4.6.4. (a)(iv).

iv) Private vehicles

Private vehicles may be used by Officials and Staff for out-of-town transportation when it is the most economical and practical method of travel. The mileage rate, approved by the governing body from time to time, will be reimbursed provided that, in the case of a local board or commission, the said rate shall not exceed the mileage rate established from time to time by the City Council for elected and appointed officials.

- Expenses relating to personal vehicles such as maintenance, repairs, insurance premiums (standard or extra), accident deductibles or tickets, etc. will not be reimbursed.
- 407 ETR charges are a reimbursable expense (receipt/proof of payment is required)
- Please refer to section 4.8. Appendix A regarding insurance requirements for use of personal vehicles on City business.

v) City vehicles

Use of a City vehicle where available is encouraged. Fuel will be reimbursed with supporting receipts.

vi) Rental vehicles

Rental vehicles may be used by Officials and Staff where it is demonstrated that this method of transportation is more economical and practical than the use of taxis, limousines, etc. The most economical size of vehicle must be used, depending on the requirements of the occasion and the number of passengers.

The rental contract must be registered under the name "Corporation of the City of London – Applicant Name."

Officials/Staff who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. Please refer to the section 4.9. Appendix B (excerpt from the Risk Management Manual) for further details regarding insurance coverage.

vii) Taxis/Limos

Officials and Staff may be reimbursed for the actual costs of taxicabs, airport limousines, buses or equivalents for transportation between the individual's home or workplace and the designated transportation terminal as well as between the transportation terminal and the hotel or other destination point. Reimbursement will also be made for actual and reasonable costs incurred for such vehicles on approved City business whether within the City of London or at an approved location.

c) Local/Out of Town Mileage

i) Local Mileage

Local mileage expenses cover all individuals that this policy applies to with the exception of: a) Members of Council who have local mileage expenses provided for in the Council Members' Expense Account Policy b) Any Official or Staff (other than those in #1 above) who receive a monthly vehicle allowance.

The mileage rate, approved by the governing body, will be reimbursed for local travel. Officials and Staff must complete the Car Allowance Statement (Form

#0086 on City Connect/Cit-eforms) and submit the form to Accounts Payable at the minimum of a quarterly basis. The Car Allowance Statements will be delivered to payroll weekly for reimbursement on the next available payroll direct deposit.

ii) Out of Town mileage

The mileage rate, approved by the governing body, will be reimbursed for out-of-town travel. Officials and Staff must complete the Accounts Payable Voucher – Travel Advance/Expense Report (Form #0627) and submit the form to Accounts Payable

- When more than one Officials/Staff is travelling in the same motor vehicle, only the owner of the said vehicle is entitled to reimbursement for mileage expenses as provided by this policy.

Officials/Staff, excluding Council Members, that are provided with a vehicle allowance are only entitled to an out-of-town mileage reimbursement when the travel exceeds 200 kilometres.

Council Members that are provided with a monthly transportation allowance, as provided for in the Council Members' Expense Account Policy, are entitled to an out-of-town mileage reimbursement for the full distance travelled when the distanced travelled exceeds 150 kilometres.

d) Accommodation

i) An overnight stay in association with a one-day meeting or business event out-of-town is justified depending on the scheduled start and end times of the meeting and that the distance required to be travelled exceeds 150 kilometres.

ii) The name of "The City of London" or of the appropriate governing body must appear on all hotel (room) registrations and in each case available government or corporate rates should be requested. Individuals may be reimbursed for either single or double room base rates (including applicable taxes) depending on individual circumstances.

iii) With approval from the appropriate ERO, hospitality accommodation, such as suites, parlours, etc. may be obtained when necessary for entertainment or hosting purposes.

If an Officials/Staff chooses to stay overnight with friends or relatives while on business related to the governing body instead of at a hotel, accommodation expenses will not be reimbursed, however the per diem allowance will still apply as required.

iv) In the event of travel cancellation, the Officials/Staff may be held responsible and not be reimbursed for 'no show' charges resulting from failure to cancel a hotel reservation.

e) Telephone Calls

Officials and Staff will be reimbursed for all telephone calls (local or long distance) that are directly related to City business.

f) Spousal Expenses

Officials and Staff shall be responsible for all additional expenses incurred as a result of a spouse or companion travelling with them, save and except the cost of accommodation as referred to in section 4.6.4. (d) above.

g) Parking Expenses

i) Officials and Staff will be reimbursed for the cost of parking their motor vehicle at a transportation terminal while they are out-of-town on business, subject to the submission of appropriate receipts and provided that the cost of the parking does not exceed the cost of ground transportation from their home or place of business to the transportation terminal. Loss or damage to the vehicle, while parked, shall not be the responsibility of the governing body.

ii) Officials and Staff will be reimbursed for the cost of parking their motor vehicle overnight while they are out-of-town on business, subject to the submission of appropriate receipts. Loss or damage to the vehicle, while parked, shall not be the responsibility of the governing body.

4.6.5. TRAVEL EXPENSE REPORTS

- a) Officials and Staff are responsible for filing their respective travel expense reports with their respective ERO within sixty days of their return to office from an out-of-town event or from the date of the business expense incurred as covered by this policy.
- b) Original individual detailed receipts must be filed with the expense report for all travel expenses not covered by the per diem allowance and for all hotel (room) accommodations. To avoid duplicate payments, copies, credit card slips, statements and/or Interac payment slips are not acceptable as receipts, however, may be required to provide proof of payment.
- c) Any funds owed to the governing body as a result of cash advances or claims for expenses of a personal nature not reimbursed by this policy, etc. shall be submitted to the City. A receipt should be attached to the travel expense report. Any funds owing to the City beyond a sixty-day period from the date of return from an out-of-town event may be deducted from the individual's next pay cheque.

4.6.6. FOREIGN EXCHANGE

All claims shall be reimbursed in Canadian Funds.

The exchange rate used in calculation of the reimbursement will be the Bank of Canada rate during the travel period except in the following circumstances:

- If the Officials/Staff provide evidence of the rate obtained at the time of travel, such as bank/currency exchange office or ATM receipts; or,
- In cases where a credit card has been used, the rate used on the credit card purchase(s) will be used for those purchases only. A copy of the credit card statement must be submitted.

4.7 Business Expenditures

4.7.1 Corporate Purchasing Cards

Where payments are made using a corporate purchasing card for items covered under this section of the policy; all provisions within this policy and the corporate purchasing card policy must be followed.

4.7.2 Hosting (City and/or Non-City employees in attendance)

- a) On occasions when it becomes necessary for an Officials/Staff to host or entertain individuals relating to the advancement of the affairs of the City, such hosting or entertaining shall not be extended solely to an individual(s) who is employed by the City or solely to the spouse or companion of the Officials or Staff member, unless

the individual, spouse or companion is attending in an official or business related capacity. In such cases, all expenses must be accompanied by receipts plus a written explanation setting out the following:

- the purpose for the hosting and the particular circumstances;
- the names and the positions held of the person(s) hosted;
- the location at which the hosting took place.

- b) Hospitality such as beverages, meals, tours or other entertainment is only to be provided to Officials/Staff that have been identified by prior approval to act as hosts to guests of the City.
- c) Reasonable expenses associated with the hosting of business contacts, such as business lunches or dinners, may be reimbursed when the expense is considered to be necessary for the advancement of the interests of the City (Officials or Staff members alone are not considered "business contacts"). The request for reimbursement must include the purpose of the hosting, and the name(s) of the individual(s) hosted.

With pre-approval from the ERO, alcoholic beverages purchased during these business events may be reimbursed. It is the responsibility of the ERO to determine whether the expense should be reimbursed, given the particular circumstances. Officials/Staff must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.

- d) When two or more Officials or Staff members are present for a business/hosting event, the highest-ranking person present must pay for the expenditure and prepare the respective expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest-ranking person present.

4.7.3 Meals In-town (Only Officials/Staff in Attendance)

- a) It may be necessary for Officials or Staff to conduct City business over a meal, or an Officials or Staff may incur meal expenses in conjunction with attending a function on City business. It is the responsibility of the ERO to determine whether the meal expense should be reimbursed, given the particular circumstances. Receipts must be detailed and include a description of the purpose of the meal and a list of all persons in attendance.

Alcohol will not be reimbursed.

- b) When two or more Officials or Staff are present for a meal in-town, the highest-ranking person present must pay for the expenditure and prepare the respective expense report. If this is not feasible, the resultant expense report must still be approved by the ERO of the highest-ranking person present.

4.7.4 Business Expenditures (Non-City Staff in Attendance)

Expenses associated with events such as committee meetings, award banquets, a political speech/address or other business-related events where the purchase of a ticket or meal is required; will be reimbursed when such expense is considered to have a direct relationship to municipal concerns or interests. Additional reasonable expenses related to these types of events may be reimbursed. Official receipts must be provided.

4.7.5 Working Meetings/Life Events (Only Officials/Staff Present)

- a) Non-alcoholic beverages and snacks may be offered to Officials or Staff required to work through "breaks" (otherwise called "coffee breaks"). Such hospitality should be restricted to occasions where the dispersal of participants during a break period is not desirable (e.g., training workshops). Managerial discretion and due regard for economy should be used in identifying such occasions.

- b) Non-alcoholic refreshments, meals, or both may be offered to Officials or Staff required to work through meal hours. Such hospitality should be restricted to occasions where the dispersal of participants during the meal hour is not desirable. Managerial discretion and due regard for economy should be used in identifying such occasions.
- c) Expenses will be reimbursed for employee events such as: team building events, general staff appreciation or celebrations, recognition of project milestones, or recognition of the extra efforts of employees. It is the responsibility of the ERO to exercise good judgment to ensure that the expense is warranted and reasonable, and that the type of event or award is appropriate for the purpose. Officials and Staff must be mindful of the fact that entertainment expenses in particular must be able to withstand public scrutiny.
- d) Expenses associated with functions for departing staff may NOT be charged to a Service Area's budget. All expenses related to this type of function are the responsibility of those hosting the function.
- e) Cash awards are considered taxable benefits under income tax regulations.
- f) It is NOT permissible to use City funds to purchase flowers or gifts in recognition of any individual or group of individuals unless required within the business context in such circumstances as:
 - i) In the event of the death of an employee, an employee's spouse or an employee's child, Human Resources may purchase flowers on behalf of the City. Where a donation is requested in lieu of flowers, Human Resources may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "Municipal Council and Staff of The Corporation of the City of London".
 - ii) In the event of the death of a current Member of Council, a current Member of Council's spouse or a current Member of Council's child, the City Clerk may purchase flowers on behalf of the City. Where a donation is requested in lieu of flowers, the City Clerk may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "Municipal Council and Staff of The Corporation of the City of London".
 - iii) In the event of the death of a current local Member of Parliament or current local Member of the Legislative Assembly of Ontario, the City Clerk may purchase flowers on behalf of the City. Where a donation is requested in lieu of flowers, the City Clerk may make a contribution up to a maximum of \$100.00. Any flowers or donations shall be clearly marked as having come from the "Municipal Council and Staff of The Corporation of the City of London".
 - iv) Gifts for employees in keeping with the Council and Corporate Policies and Procedures related to the Employee Service Recognition Program.

4.7.6 Attending Public Functions

When Officials/Staff are officially requested to attend functions at public expense at which there are guests who are not Officials/Staff, the number of Officials/Staff must not exceed the number needed to conduct City business.

Expenses incurred at or for political fundraising events where the Officials/Staff have been requested to attend are not reimbursable.

4.8 Appendix A - Risk Management Policy - Insurance coverage for personal vehicles used for City business

Purpose

From time to time, it is necessary for City staff to use a personal vehicle on City business. This policy establishes the requirements of City employees, who receive travel expense reimbursement, are aware of expectations and insurance requirements when using a personal vehicle while on City business.

Policy

4.8.1. Automobile Liability Insurance Coverage

The Ontario Insurance Act directs that passengers injured during an automobile accident shall file their claim with their own insurance company. If they do not hold a policy, they can file a claim against the policy of their spouse or parent(s) or guardian(s). When a passenger has no access to any other insurance policy, they can make a claim against the insurance policy covering the vehicle that they were a passenger in.

- a) The City purchases “Non-Owned Automobile Liability” insurance. This provides coverage for legal liability arising out of automobile accidents while an employee is using their vehicle for City business. (It does not provide insurance for vehicles operated by employees under contract for snow ploughing.)

Non-Owned Auto protects the City against claims arising out of the use by employees of their own personal vehicles. It does not protect the owner of the vehicle who must by law carry owner's insurance. If the owner's policy does not cover part or all of a claim when a vehicle is operated on behalf of the City, this 'non-owned' policy provides insurance to the City.

4.8.2 Employees who use their vehicles on City business must maintain a minimum of \$1,000,000.00 automobile liability and statutory accident benefits insurance coverage as required under the Ontario Insurance Act.

- a) Injury/Incident Reporting Procedures

Employees will report all automobile accidents that occur while on City business to their Director/Manager as soon as possible.

- b) The Director/Manager will inform People Services/Human Resources of injuries involving City employees and Risk Management of injuries to non-employees. The Director/Manager will also complete the appropriate WSIB and Automobile Accident report forms as appropriate.

4.9 Appendix B - Rental Vehicle Risk Management

4.9.1. INSURANCE ON RENTED VEHICLES GUIDELINES

When vehicles are rented for business purposes, they *must be rented in employer's name* in order that the blanket auto insurance policy provides coverage. This is because the *renter's own insurance policy* responds first to claims by injured claimants.

Employees who rent vehicles in their own name become contractually responsible for meeting the terms of the contract, including any loss or damage of the vehicle. For example, when an accident arises out of the use or operation of a leased or rented vehicle the priority of those responsible for costs is:

- a) The renter's own automobile insurance policy,
- b) Next is the policy of the driver of the vehicle, (for example, if you rented a vehicle but let a friend drive it), and
- c) The policy of the vehicle owner (the rental company).

4.9.2 PHYSICAL DAMAGE TO RENTED VEHICLES

The Collision Damage Waiver (CDW) on short-term vehicle rental contracts should be declined as the City has adequate insurance for the risk. Rental car agencies normally charge in between \$10.00 and \$20.00 per day in addition to the daily rental charge. In the case of the City and insured Boards, it is not necessary to purchase insurance for physical damage to the vehicles rented when the vehicles rented are valued at less than \$100,000.00.

4.9.3 RESTRICTIONS ON USE

Rental agreements all contain restrictions on certain uses and drivers that, if violated, may affect insurance coverage, and make the renter fully responsible for the loss. Renters should pay particular attention to the following typical rental agency restrictions:

- no driver under age 21
- no driver under the influence of alcohol or drugs
- no use inconsistent with normal business travel (see detailed list in rental agreement)

4.9.4 PERSONAL USE OF RENTAL AUTOS

These guidelines and procedures apply only to vehicles rented for use on the business of the City or insured Board.

4.9.5 REPORTING REQUIREMENTS

All accidents must be reported promptly to the rental agency, to the local police and to Risk Management. See Automobile Accident Report - Form No. 1005.

Last modified: November 16, 2022

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee
From: Anna Lisa Barbon, Deputy City Manager, Finance Supports
Subject: 2021 Annual Reporting of Lease Financing Agreements
Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, this report **BE RECEIVED** for information.

Executive Summary

The Lease Financing Policy governs the administration of Lease Financing Agreements entered into by the City and incorporates all of the requirements of the Ontario Regulation 653/05. The report shows that for the year ending December 31, 2021, despite Covid-19 Pandemic, Capital Lease Financing Agreements have remained at nil while seeing a decrease in total long-term debt. Operating Lease Financing Agreement future commitments have decreased, which is mainly attributable to consolidation of staff at lesser locations.

Linkage to the Corporate Strategic Plan

Council's 2019-2023 Strategic Plan for the City of London identifies 'Leading in Public Services' as a strategic area of focus where this report contributes to the expected result that "maintains London's finances in a transparent and well-planned manner to balance equity and affordability over the long term".

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

2020 Annual Reporting of Lease Financing Agreements
(August 30, 2021, meeting of Corporate Services Committee – Agenda Item 2.2)
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=83351>

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

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

1.2 Policy Background and Highlights

In 2014, Municipal Council approved the Council Policy “Lease Financing Policy” to provide a statement of lease financing policies and goals as required by Ontario Regulation 653/05 of the *Municipal Act, 2001*.

Policy Outline

The policy provides guidance to staff when contemplating lease agreements for the provision of municipal equipment and facilities. The policy:

- governs all Lease Financing Agreements entered into by the City, exclusive of boards and commissions;
- defines material and non-material Lease Financing Agreements;
- states the goals and objectives of the policy;
- discusses the financial and other risks of this form of financing;
- defines the Lease Financing Agreement approval process;
- requires an annual report to Council.

Delegation of Council’s Authority and Authorization

The policy delegates Council’s authority and authorization to the Deputy City Manager, Finance Supports (City Treasurer) or designate for certain categories of Lease Financing Agreements that, in the delegate’s opinion, would not result in a material impact for the City. In the policy, these categories are defined as:

- 4(c) Non-Material leases that do not or may not require the City to make payments after the expiry of the term for which the Council authorizing the agreement was elected; and
- 4(d) Non-Material leases that require or may require the City to make payments after the expiry of the term for which the Council authorizing the agreement was elected and that have a combined material impact less than 20% of the City’s annual debt and financial obligation limit.

These categories of Lease Financing Agreements are not required to comply with the approval process as laid out in section 6 of the policy. All Lease Financing Agreements, regardless of category, will however, be reported to Council as part of the annual report on Lease Financing Agreements.

Annual Report of Outstanding Lease Financing Agreements

The annual report is completed and represented to Council, subsequent to the finalization of the annual audited Financial Statements each year. This annual reporting is based on the unconsolidated City entity, excluding boards and commissions (although these entities are consolidated for financial statement purposes).

1.3 Annual Reporting Requirements

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

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

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

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

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

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

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

2.0 Discussion and Considerations

2.1 Annual Report for the year ending December 31, 2021

Table 1 provides the details of the total outstanding capital lease financing agreements for 2021 and 2020 fiscal year ends for the City, as at December 31, exclusive of boards and commissions (consolidated entities for financial statement purposes). The table shows that the capital lease financing balance has no change over the past year, with the balance being nil at the end of 2021 and 2020. The major contributing factor to this nil balance is our change in procurement strategy regarding corporate technology assets (i.e., desktops, laptops). In 2016, Information Technology Services along with Procurement and Supply undertook a Lease vs. Purchase Option Analysis to investigate and determine the best approach and methodology for the continuous sourcing of corporate technology assets. Since then, the City has been leveraging the purchase option through the Province of Ontario Master Agreement for desktop management services and products.

Table 1		
Capital Lease Financing Agreements as a % of Long-term Debt		
	2021	2020
Capital Lease Financing Agreements as at December 31st		
Equipment	\$ -	\$ -
Total Long-term Debt	\$ 240,198	\$ 271,513
Total Capital Lease Financing Agreements as a % of Total Debt	0.000%	0.000%

Table 2 explains the change over the previous year. As identified in Table 1 above, as there were no capital lease agreements at the end of 2021, nor any entered into in 2021, lease repayments in 2021 totalled nil related to capital leases.

Table 2	
Analysis of Annual Change in Capital Lease Financing Agreements	
(000's)	
Capital Lease Financing Agreements as at December 31, 2020	\$ -
Lease contracts entered into in 2021	-
Lease repayments in 2021	-
Capital Lease Financing Agreements as at December 31, 2021	\$ -

It is the opinion of the Deputy City Manager, Finance Supports (City Treasurer) that all capital financing leases outstanding at December 31, 2021, for the City were made in accordance with the Lease Financing Policy.

In addition to the capital lease financing agreements listed above, the City has also entered into numerous operating lease financing agreements for use of capital property and equipment. Table 3 provides the details of the total outstanding operating lease financing agreements for 2021 and 2020 fiscal year ends for the City, as at December 31, exclusive of boards and commissions. The table shows that the operating lease financing balance has decreased over the past year from \$34,645,236 at the end of 2020 to \$29,323,610 at the end of 2021. This is mainly attributable to consolidation of staff at lesser locations.

Table 3		
Operating Lease Financing Agreements		
(000's)		
	2021	2020
Operating Lease Financing Agreements as at December 31st		
Real estate	\$ 22,429	\$ 24,461
Equipment	6,895	10,184
Total Operating Lease Financing Agreements	\$ 29,324	\$ 34,645

The City is committed to future annual payments on both Capital and Operating lease financing agreements. The total outstanding balance of all lease financing agreements as at December 31, 2021 is \$29,323,610 (2020 - \$34,645,236). The total includes both material and non-material leases with material leases representing approximately 76% of the total at the end of 2021 (2020 – 83%).

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

Table 4				
Minimum Future Principal Payments of Total Lease Financing Agreements ¹				
(000's)				
	Operating Leases		Capital Leases	Total
	Real Estate	Equipment	Equipment	
2022	\$ 4,463	\$ 3,338	\$ -	\$ 7,801
2023	4,481	3,384	-	7,866
2024	4,066	173	-	4,239
2025	3,728	-	-	3,728
2026	3,518	-	-	3,518
Beyond (2027 - 2029)	2,173	-	-	2,173
Total Lease Financing Agreements as at December 31, 2021	\$ 22,429	\$ 6,895	\$ -	\$ 29,324

¹ Payments may fluctuate upward or downward, from year to year, due to factors such as renewal periods beginning or ending during the year and incremental inflationary costs.

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

3.0 Financial Impact/Considerations

From a budgetary perspective, lease charges have been allocated on an annual basis in the current operating budget to the appropriate service, as an amount that would need to be levied each year, similar to debt charges. The multi-year budget has accounted for any fluctuation experienced in 2021.

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

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

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

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

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

Conclusion

In accordance with the Lease Financing Policy, this report represents the annual reporting under the policy for the year ending December 31, 2021.

There are no capital financing leases outstanding at December 31, 2021 for the City. In addition to the reporting on capital financing leases, this report includes information related to operating financing lease agreements and the City's future commitments under those arrangements.

The next expected reporting under this policy will be in Q3 of 2023, subsequent to the finalization of the 2022 year-end audit reporting.

Prepared by:	Sharon Swance, CPA, CGA, Manager, Accounting Services, Financial Services
Submitted by:	Ian Collins, CPA, CMA, Director, Financial Services
Recommended by:	Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager
Environment and Infrastructure

Subject: Expropriation of Lands - Wellington Gateway Project Phase 1

Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, with the concurrence of the Director, Construction and Infrastructure Services, and on the advice of the Director, Realty Services, approval **BE GIVEN** to the expropriation of land as may be required for the Wellington Gateway 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 the Wellington Gateway 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 December 13th, 2022 to authorize the foregoing and direct the Civic Administration to carry out all necessary administrative actions.

Executive Summary

The purpose of this report is to seek Municipal Council approval for the expropriation of lands required by The Corporation of the City of London for the Wellington Gateway Phase 1 project.

Multiple property needs have been identified to accommodate the project design and legal possession is required prior to advancing utility work and awarding the construction contract.

Two properties remain outstanding. Realty Services will continue to negotiate with the outstanding property owners in parallel the expropriation process.

Linkage to the Corporate Strategic Plan

The following report supports the Strategic Plan through the strategic focus area of Building a Sustainable City by building new transportation infrastructure as London grows. The improvements to this corridor will enhance safe and provide convenient mobility choices for transit, automobiles, pedestrians and cyclists.

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan;
- Civic Works Committee – July 21, 2014 – Rapid Transit Corridors Environmental Assessment Study Appointment of Consulting Engineer;
- Strategic Priorities and Policy Committee – July 24, 2017 – Rapid Transit Master Plan and Business Case;
- Strategic Priorities and Policy Committee – April 23, 2018 – Bus Rapid Transit Environmental Assessment Initiative;
- Civic Works Committee – March 14, 2019 – History of London’s Rapid Transit Initiative; and
- Strategic Priorities and Policy Committee – March 25, 2019 – Investing in Canada Infrastructure Program, Public Transit Stream, Transportation Projects for Submission;
- Strategic Priorities and Policy Committee – October 28, 2019 – Investing in Canada Infrastructure Program, Public Transit Infrastructure Stream, Approved Projects;
- Civic Works Committee – January 7, 2020 – Downtown Loop and Municipal Infrastructure Improvements Appointment of Consulting Engineer
- Civic Works Committee – August 11, 2020 – East London Link Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer
- Civic Works Committee – August 11, 2020 – Wellington Gateway Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer

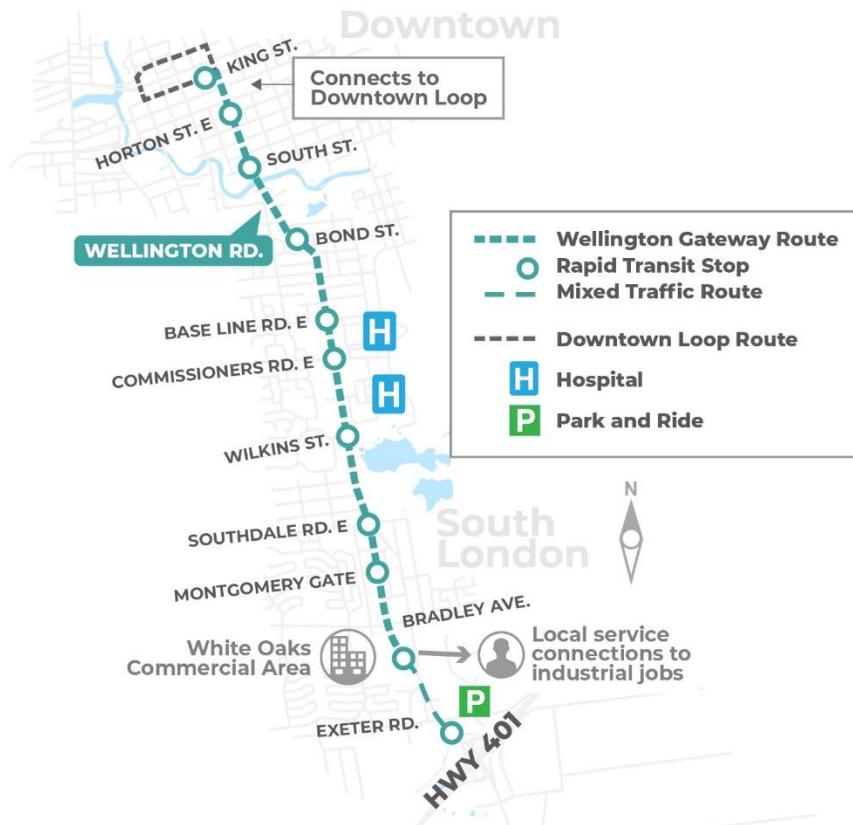
2.0 Discussion and Considerations

2.1 Background

The Wellington Gateway Project will revitalize approximately six kilometres of key arterial road between Downtown and Highway 401. The project will widen Wellington Road to add continuous transit-only lanes. The goal is to improve traffic capacity and increase transit frequency and reliability while also addressing necessary underground work, including replacing aging sewers and underground infrastructure.

The project has received Provincial approval of the Environmental Assessment (EA) which identified requirements for property acquisitions.

The full limits of the Wellington Gateway project are shown below.



Due to the growing use of these roads and developments in the area, combined with operational needs to improve safety and support for all travel modes, the Wellington Gateway Project was identified as a priority to deliver a critical component of London’s rapid transit system, a central component of London’s land use and transportation policy while also addressing necessary underground work, including replacing aging sewers and underground infrastructure.

2.2 Anticipated Construction Timeline

The Wellington Gateway is planned for construction from 2023 and 2027 with a phased approach. The first phase of construction will rebuild Wellington Street from York Street to just north of Clarks Bridge over the Thames River. See project limits map below.



Construction of Phase 1 is scheduled to begin in 2023, subject to property acquisition and other approvals. Some utility relocations and tree removals will be completed prior to capital construction.

Negotiations with all property owners have been ongoing since Fall of 2021 and there are two properties outstanding. As legal possession of all property requirements will be needed to commence utility work and award a construction contract, the expropriation of all outstanding property is necessary.

Realty Services continues to negotiate with the outstanding property owners in parallel with the Council approval to proceed with the expropriation process to meet the project construction timelines.

Location Maps and legal descriptions of outstanding property requirements are included as Schedule A.

3.0 Financial Implications and Considerations

3.1 Compensation for Land Acquisition

Impacted property owner's compensation is protected through the expropriation legislation and Council Property Acquisition Policy. If negotiated property compensation settlements can not be achieved on an amicable basis, the compensation may be arbitrated through the Ontario Land Tribunal.

There is budget available for Wellington Gateway land acquisition costs.

Conclusion

Construction of Wellington Gateway Phase 1 is scheduled for 2023, subject to property acquisition and other approvals. Property acquisitions need to be secured prior to commencing advance utility work and awarding the construction contract.

Commencement of the expropriation process is recommended at this time to ensure project timelines are achieved.

Realty Services will continue to negotiate with the outstanding property owners in parallel with the expropriation process.

Prepared by: Ron Sanderson, AACI, Manager II, Realty Services

Submitted by: Bill Warner, AACI, Director, Realty Services

Concurred by: Jennie Dann, P. Eng., Director, Construction and Infrastructure Services

Recommended by: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager, Environment and Infrastructure

November 7, 2022

Schedule A

Fee Simple:

Parcel 1:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 4 on Plan 33R-21309 being part of PIN 08330-0003(LT)

Parcel 2:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 3 on Plan 33R-21309 being part of PIN 08330-0002(LT)

Limited Interest (Easement):

Parcel 3:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 5 on Plan 33R-21309 being part of PIN 08330-0003(LT)

Parcel 4:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 2 on Plan 33R-21309 being part of PIN 08330-0002(LT)

Parcel 5:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 1 on Plan 33R-21309 being part of PIN 08330-0001(LT)

Schedule B - By-law

Bill No.
2021

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 Wellington Gateway 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 Wellington Gateway 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 Wellington Gateway 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

Josh Morgan, Mayor

Michael Schulthess, City Clerk

First Reading
Second Reading
Third Reading

APPENDIX "A"

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

DESCRIPTION OF LANDS TO BE EXPROPRIATED FOR THE WELLINGTON GATEWAY PROJECT

Fee Simple:

Parcel 1:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 4 on Plan 33R-21309 being part of PIN 08330-0003(LT)

Parcel 2:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 3 on Plan 33R-21309 being part of PIN 08330-0002(LT)

Limited Interest (Easement):

Parcel 3:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 5 on Plan 33R-21309 being part of PIN 08330-0003(LT)

Parcel 4:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 2 on Plan 33R-21309 being part of PIN 08330-0002(LT)

Parcel 5:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 1 on Plan 33R-21309 being part of PIN 08330-0001(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 Part of Lot 1, Southeast South Street, As in 656872 & 657885; London, being Part of PIN 08330-0003; Part of Lot 1, Southeast South Street, As in 732712; London, being Part of PIN 08330-0002; AND Part of Lot 1, Southeast South Street, As in 620497; London, being Part of PIN 08330-0001 for the purpose of the Wellington Gateway 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 1, South of South Street East in the City of London, County of Middlesex designated as Part 4 on Plan 33R-21309 being part of PIN 08330-0003(LT)

Parcel 2:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 3 on Plan 33R-21309 being part of PIN 08330-0002(LT)

Limited Interest (Easement):

Parcel 3:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 5 on Plan 33R-21309 being part of PIN 08330-0003(LT)

Parcel 4:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 2 on Plan 33R-21309 being part of PIN 08330-0002(LT)

Parcel 5:

Part of Lot 1, South of South Street East in the City of London, County of Middlesex designated as Part 1 on Plan 33R-21309 being part of PIN 08330-0001(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

MICHAEL SCHULTHESS
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 , 2022.

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Declare Surplus - City Owned Property
Part of Emerson Avenue at Baseline Road East

Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, on the advice of the Director, Realty Services, with respect to City owned property described as a portion of the cul-de-sac at the south end of Emerson Avenue at Baseline Road East, described as the cul-de-sac fronting on 229, 230, 233 and 238 Emerson Avenue, Plan 914 London / Westminster, more particularly described as Parts 1 and 2, Plan 33R-21319, in the City of London (the "Subject Property"), the following actions **BE TAKEN**:

- a) the subject property **BE DECLARED SURPLUS**; and,
- b) the subject property **BE TRANSFERRED** to the abutting property owner, London Youth for Christ, in accordance with the City's Sale and Other Disposition of Land Policy.

Executive Summary

This report recommends that a portion of the City owned cul-de-sac located at the south end of Emerson Avenue at Baseline Road East be declared surplus and disposed of in accordance with the City's Sale and Other Disposition of Land Policy.

The abutting owner London Youth for Christ (YFC) is proposing to build a youth sports centre on land it owns abutting the subject property. The subject property would assist YFC in carrying out its plans.

The subject property is a cul-de-sac and is no longer required for a municipal purpose.

The subject property has observed a formal road closing process that has been approved by Council.

Linkage to the Corporate Strategic Plan

Municipal Council's 2019-2023 Strategic Plan identifies "Building a Sustainable City" and "Strengthening our Community" as strategic areas of focus.

Strengthening our Community

- Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city
- London's neighbourhoods have a strong character and sense of place

Building a Sustainable City

- Londoners can move around the city safely and easily in a manner that meets their needs

- Build infrastructure to support future development and protect the environment

The recommendation will support the forementioned strategic areas by declaring the subject property surplus as the first step in ultimately transferring ownership to the abutting owner 1028198 Ontario Limited represented by London Youth for Christ (YFC) in order to support a community building project (indoor sports facility) proposed by the organization.

A property liaison was completed and responses are further detailed in this report.

The land will be disposed of in accordance with the City's Sale and Other Disposition of Land Policy.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Civic Works Committee – September 13, 2022 – Closing Emerson Avenue Cul-de-sac

1.2 Summary

The subject property is a cul-de-sac at the south end of Emerson Avenue at Baseline Road East and is legally described as Emerson Avenue, Plan 914 London / Westminster in the City of London, County of Middlesex.

The property is an irregularly shaped lot, approximately 9,127.79 square feet in size. The land is currently part of the City's right of way and is zoned as RSC3 RSC5(9) - Restricted Service Commercial. A formal road closing application and the associated process has been put forward by the Geomatics Division and approved by Council prior to the subject property being made surplus to municipal needs.

The abutting owner YFC reached out to Realty Services stating an interest in purchasing and closing off the cul-de-sac at the south end of Emerson Avenue. YFC is proposing to build a youth sports centre on lands it owns abutting the subject property.

The land will be transferred to the abutting owner at fair market value in accordance with the City's Sale of Other Disposition of Land Policy.

2.0 Discussion

Realty Services received a formal inquiry from London Youth for Christ in 2009 stating an interest in purchasing and closing the cul-de-sac at the south end of Emerson Avenue as they are proposing to build a youth sports centre on land.

A liaison process initiated by YFC was circulated in 2009 and again in 2021.

In the circulation, the following was determined:

1. The existing municipal sanitary sewer and maintenance hole, storm sewer and maintenance hole located within the proposed lands to be transferred should either be:
 - a. Removed and properly rebuilt within the existing Base Line Road right-of-way (outside the lands to be transferred) to City standards and at no expense to the City;
 - b. Retained in their existing locations with adequate easements registered on title in favour of the City over the existing municipal infrastructure within

the lands to be transferred; and adequate maintenance accesses constructed over the existing municipal infrastructure within the lands to be transferred (from the existing Base Line Road right-of-way to the infrastructure) all to City standards and at no expense to the City. The easement agreement should also have a condition for the owner to provide the City with a means of access should the future owners erect a fence or other barrier between the existing Base Line Road right-of-way and the infrastructure (e.g. a gate); or

- c. Retained in their existing locations with the City retaining a sufficient portion of the proposed land to be transferred to contain the existing municipal infrastructure at least equivalent to the area of standard easements to allow the City to access the infrastructure for operational, maintenance, repair and replacement purposes.
2. The Environmental Services City Map identifies the subject lands to be in the vicinity of or within a former land fill site. On that basis, there may be a potential for this site to contain refuse, contaminants and/or methane gas.
3. That portion of Emerson Avenue that is shown as the subject property will have to be closed by By-law before ownership can be transferred.

The City Sale and Other Disposition of Land policy under Section 4 Methods of Sale allows for the disposition of lands to abutting property owners through direct negotiation.

Any future land transfer will be subject to the above considerations which have been shared in their entirety with the proponent's representative.

Internal discussions have occurred with the Solid Waste Management and Legal Services. The risk associated with potential land remediation requirements is deemed to be acceptably low for this small portion of land. Further, the proponent is further exploring its proposed future use, inclusive of this portion of City owned land, and may be required to carry out associated due diligence during the development process. This may include consideration of environmental investigations and may potentially include a record of site condition.

The subject property is to be sold on an AS IS basis.

The subject property will be sold subject to the retention of an easement for existing infrastructure in the form of a sanitary and storm sewer. Area to be subject to retained easement is Part 1, Plan 33R-21319.

The subject property has been closed by bylaw.

3.0 Benefits to the City

As part of the transfer of the lands to the abutting owner, realization of the proponent's community driven project will be realized in support of its not for profit mandate.

4.0 Financial Impact

There are no significant cost implications to the City to declare this property surplus and transfer ownership to London Youth for Christ in accordance with the City's Sale and Other Disposition of Land Policy. YFC will be responsible for their own costs in terms of due diligence, legal and conveyancing.

Conclusion

The benefits in declaring the subject land surplus include releasing the City from further maintenance costs. The project being led and initiated by a member of the not for profit community will provide benefit to the community at large.

It is therefore recommended that the subject property be declared surplus and transferred to London Youth of Christ in accordance with the City's Sale and Other Disposition of Land Policy

A Location Map of the subject property is shown as Appendix A.

Prepared by: Bryan Baar, Manager II, Realty Services

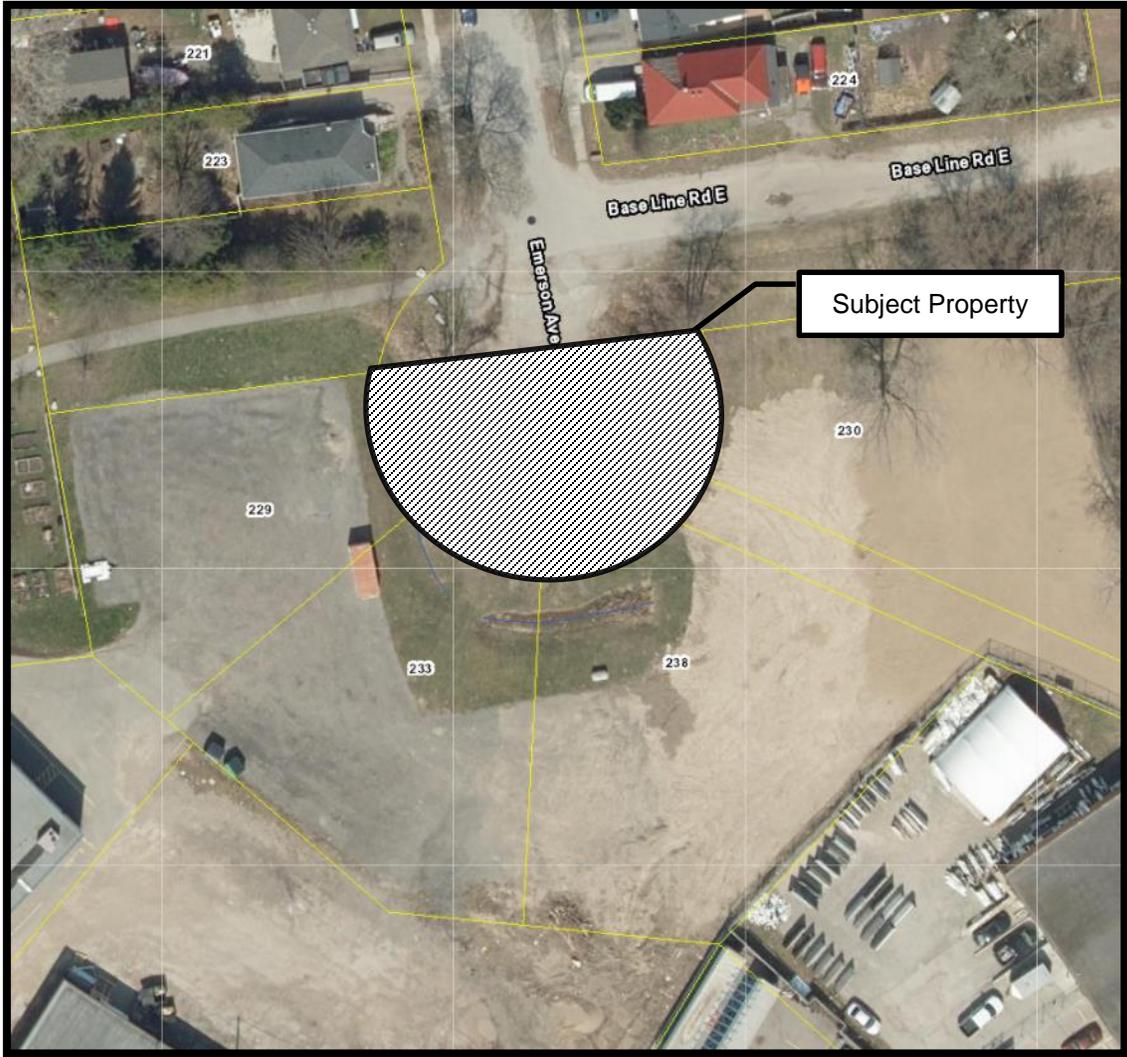
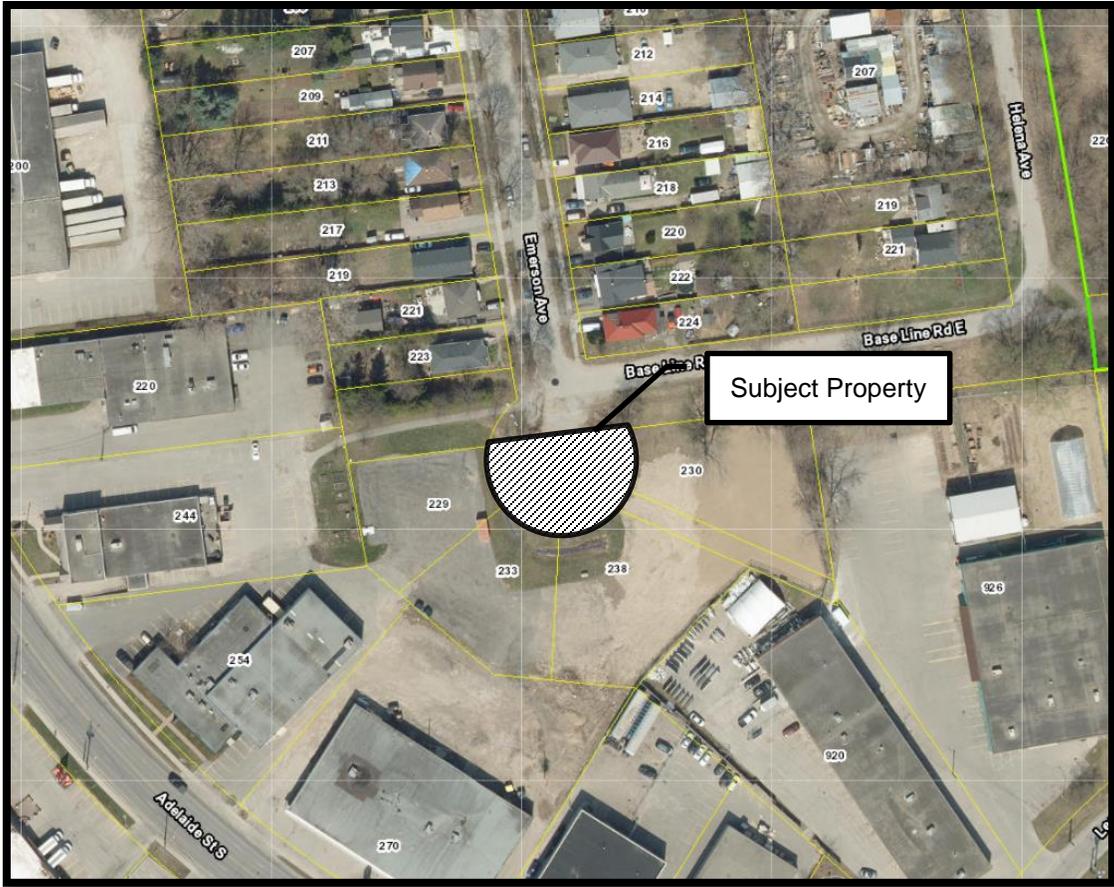
Submitted by: Bill Warner, Director, Realty Services

Recommended by: Anna Lisa Barbon, Deputy City Manager, Finance Support

cc: Gary Irwin, Division Manager and Chief Surveyor, Geomatics
Sachit Tataavarti, Solicitor

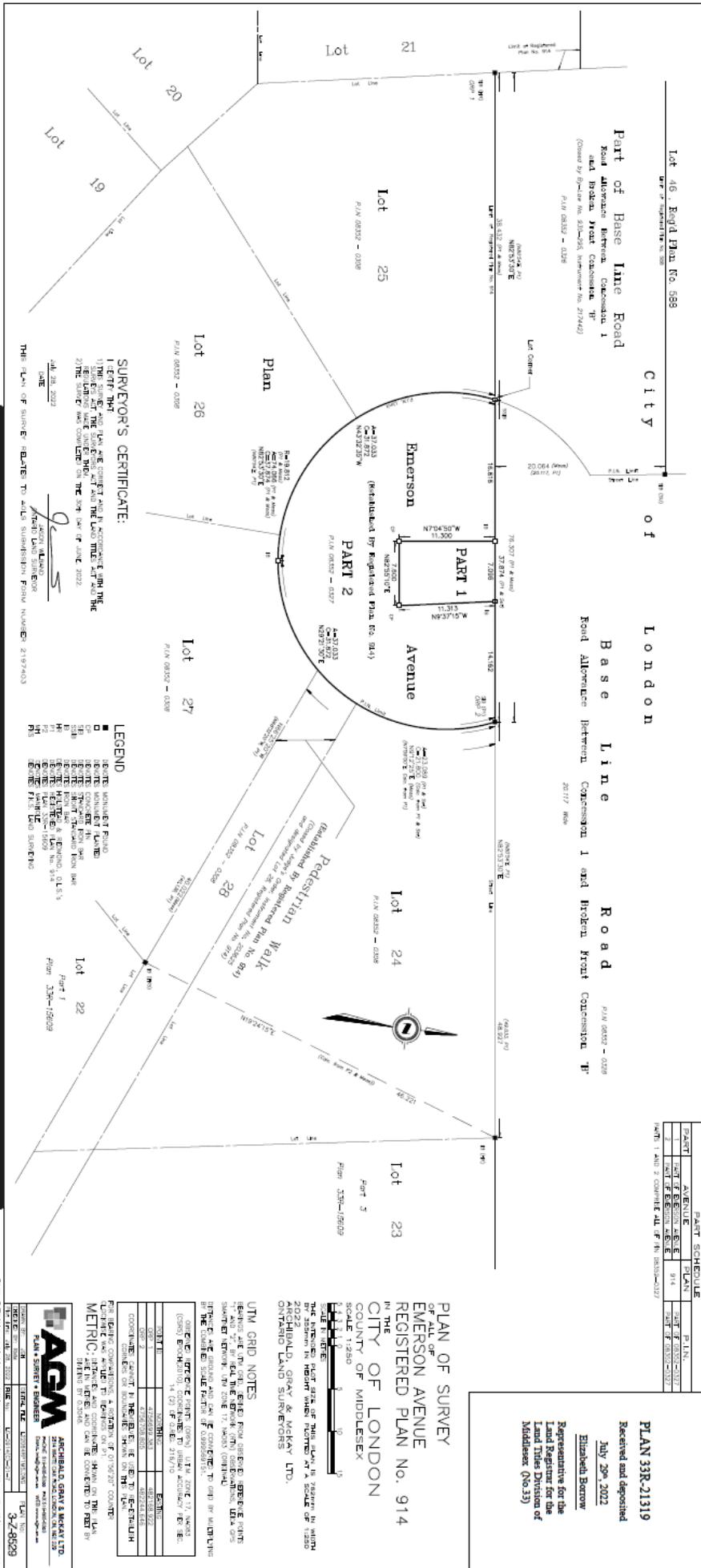
File No. P-2288
October 31, 2022

Appendix A - Location Map – Area to be Declared Surplus



Appendix A – Location Map - Parts 1 and 2, Plan 33R-21319

Parts 1 and 2 Plan 33R-21319



Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Declare Surplus - City Owned Property
Part of 181 Hamilton Road

Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, on the advice of the Director, Realty Services, with respect to City owned property legally described as Part Lot 28, S Hamilton Road, N/E Grey Street, Plan 176 (E), in the City of London, County of Middlesex, being part of PIN # 08313-0062, municipally known as 181 Hamilton Road adjacent 580 Grey Street, the following actions be taken:

- a) the subject property **BE DECLARED SURPLUS**; and,
- b) the subject property (“Surplus Lands”) **BE TRANSFERRED** to the abutting property owner in accordance with the City’s Sale and Other Disposition of Land Policy.

Executive Summary

This report recommends that a portion of the City owned land along Hamilton Road, adjacent to 580 Grey Street, be declared surplus and disposed of in accordance with the City’s Sale and Other Disposition of Land Policy.

The abutting owner of 580 Grey Street, the Thames Valley District School Board, currently licences the subject property from the City for use as outdoor amenity space. The subject property would assist the owner in completing expansion plans for the Aberdeen Public School renovation, which includes new Accessibility for Ontario Disabilities Act (AODA) elevators and parking lot.

The subject property is a portion of a regular interior land parcel located on the south side of Hamilton Road west side of Adelaide Street (Appendix A) and is no longer required for a municipal purpose.

Linkage to the Corporate Strategic Plan

Municipal Council’s 2019-2023 Strategic Plan identifies “Building a Sustainable City” and “Growing our Economy” as strategic areas of focus.

Strengthening our Community

- Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city
- London’s neighbourhoods have a strong character and sense of place

Building a Sustainable City

- Londoners can move around the city safely and easily in a manner that meets their needs
- Build infrastructure to support future development and protect the environment

The recommendation in this report will support the aforementioned strategic areas by declaring the subject property surplus as the first step in ultimately transferring ownership to the abutting owner of 580 Grey Street.

A property inquiry liaison report was completed and responses are further detailed in this report. The land will be disposed of in accordance with the City's Sale and Other Disposition of Land Policy.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

None

1.2 Summary

The subject property is located at 181 Hamilton Road and is an irregular shaped parcel, approximately 0.1 acres in size. The land is currently part of the City's right of way and is zoned as BDC – Business District Commercial zone. The subject parcel is located at the Northeast corner of the School property and is surplus to the municipal needs of the City. A strip of the lands owned by the City will be retained for road widening and a pedestrian sidewalk connection.

The abutting owner Thames Valley District School Board contacted Realty Services stating an interest in purchasing the subject parcel to assist in completing expansion plans for the Aberdeen Public School renovation which includes new AODA elevators and parking lot.

The lands will be transferred to the abutting owner at fair market value in accordance with the City's Sale of Other Disposition of Land Policy.

2.0 Discussion

The City's Sale and Other Disposition of Land policy under Section 4 Methods of Sale allows for the disposition of lands to abutting property owners through direct negotiation.

The area of the lands to be declared surplus is minor in nature and 0.1 acres in size.

3.0 Benefits to the City

The sale will be in accordance with fair market value principles translating into sales proceeds to the benefit of the municipality. Transferring the lands will eliminate potential liability and ongoing maintenance with the lands.

4.0 Financial Impact

There are no significant cost implications to the City to declare the property surplus and transfer ownership to the Thames Valley District School Board in accordance with the City's Sale and Other Disposition of Land Policy. The Purchaser will be responsible for their own costs in terms of due diligence, reference plan, legal and conveyancing.

Conclusion

The subject land subsequent to a liaison process are surplus to the needs of the municipality net of lands to be retained.

The benefits in declaring the subject land surplus include releasing the City from liability and maintenance and generating potential revenue as part of the transfer.

It is therefore recommended that the subject property be declared surplus and transferred to the Thames Valley District School Board in accordance with the City's Sale of Other Disposition of Land Policy

A Location Map of the subject property is shown as Appendix A.

Prepared by: Bryan Baar, Manager II, Realty Services

Submitted by: Bill Warner, Director of Realty Services

Recommended by: Anna Lisa Barbon, Deputy City Manager, Finance Supports

cc: Gary Irwin, Division Manager and Chief Surveyor, Geomatics
Sachit Tataavarti, Solicitor

File No. P-2527
October 31, 2022

Appendix A - Location Map – Area to be Declared Surplus

The subject land is outlined in red



Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Declare Surplus - City Owned Property
Part of 108 Clarke Road

Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, on the advice of the Director, Realty Services, with respect to City owned property legally described as Part Lot 17, Plan 761 designated as Parts 1, 2, 5 and 6, Plan 33R-11453, S/T Ease over Parts 1 and 2, Plan 33R-11453 as in LT361005; London Township and Part Lot 18, Plan 761 designated as Parts 9 and 10, Plan 33R-11453 London Township, known municipally as 108 Clark Road, the following actions be taken:

- a) the subject property **BE DECLARED SURPLUS**; and,
- b) the subject property (“Surplus Lands”) **BE TRANSFERRED** to the abutting property owner in accordance with the City’s Sale and Other Disposition of Land Policy in exchange for lands required for road widening along Clarke Road.

Executive Summary

This report recommends that a portion of the City owned land along Clarke Road be declared surplus and disposed of in accordance with the City’s Sale and Other Disposition of Land Policy.

The abutting owner of 112 Clarke Road (U-Haul Company (Canada) Limited) currently licences the subject property from the City for use as outdoor storage and operations. The subject property would assist the owner in completing expansion plans for their business and it would potentially make their lot more viable. The subject property is a portion of a regular interior land parcel located on the east side of Clarke Road north of Gore Road (Location Map - Appendix A) and is no longer required for a municipal purpose.

Linkage to the Corporate Strategic Plan

Municipal Council’s 2019-2023 Strategic Plan identifies “Building a Sustainable City” and “Growing our Economy” as strategic areas of focus.

Strengthening our Community

- Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city
- London’s neighbourhoods have a strong character and sense of place

Building a Sustainable City

- Londoners can move around the city safely and easily in a manner that meets their needs
- Build infrastructure to support future development and protect the environment

The recommendation in this report will support the aforementioned strategic areas by declaring the subject property surplus as the first step in ultimately transferring ownership to the abutting owner.

A property inquiry liaison report was circulated and no objections were raised. The land will be disposed of in accordance with the City's Sale and Other Disposition of Land Policy.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

None

1.2 Summary

Part of Clarke Road adjacent 112 Clarke Road is located north of Gore Road and is legally described as Part Lot 17, Plan 761 designated as Parts 1, 2, 5 and 6, Plan 33R-11453, S/T Ease over Parts 1 and 2, Plan 33R-11453 as in LT361005; London Township and Part Lot 18, Plan 761 designated as Parts 9 and 10, Plan 33R-11453 London Township, known municipally as 108 Clark Road.

The subject property is a square shaped parcel, approximately 0.52 acres in size. The land is currently part of the City's right of way and is zoned as RSC - restrictive service commercial zone. The subject parcel is located beside 112 Clarke Road and is surplus to the municipal needs of the City. A strip of the lands owned by the City will be retained for road widening.

The abutting owner reached out to Realty Services stating an interest in purchasing the subject parcel as it would assist the owner in completing expansion plans for their business and it would potentially make their lot more viable as their property surrounds the subject property.

The lands will be transferred to the abutting owner at fair market value in accordance with the City's Sale and Other Disposition of Land Policy in exchange for a road widening along the owner's property from 112 Clarke south to the rail line subject to a negotiated outcome which is identified in the Location Map - Appendix A.

2.0 Discussion

Earlier in 2022, Realty Services was contacted by the property owner of 112 Clarke Rd in advance of the 2023 licence renewal to see if they would be able to acquire the subject land from the City rather than renew the licence agreement.

The City's Sale and Other Disposition of Land policy under Section 4 Methods of Sale allows for the disposition of lands to abutting property owners through direct negotiation.

The area of the lands to be declared surplus is minor in nature and is 0.45 acres in size net of lands to be retained by the City.

3.0 Benefits to the City

As part of the transfer of the lands to the abutting owner, future tax revenue may be generated. The sale will be in accordance with fair market value principles. Transferring the lands will eliminate potential liability and ongoing maintenance with the lands, as

well as accomplish the acquisition of municipally desired road widening requirements for nominal consideration.

4.0 Financial Impact

There are no significant cost implications to the City to declare the property surplus and transfer ownership to the owner of 112 Clarke Rd in accordance with the City's Sale and Other Disposition of Land Policy. The area of land to be exchanged is close to a 1:1 ratio. Any remainder will be compensated by using fair market value principles and is subject to valuation of the respective lands contemplated for exchange.

Conclusion

The subject land subsequent to a liaison process are surplus to the needs of the municipality net of lands to be retained.

The benefits in declaring the subject land surplus include releasing the City from liability and maintenance, generating potential future revenue as part of the transfer, and gaining a road widening at nominal cost subject to the negotiated terms of a future agreement.

It is therefore recommended that the subject property be declared surplus and transferred to owner of 112 Clarke Road in accordance with the City's Sale and Other Disposition of Land Policy

A Location Map of the subject property is shown as Appendix A.

Prepared by: Bryan Baar, Manager II, Realty Services

Submitted by: Bill Warner, Director, Realty Services

Recommended by: Anna Lisa Barbon, Deputy City Manager, Finance Supports

cc: Gary Irwin, Division Manager and Chief Surveyor, Geomatics
Sachit Tatavarti, Solicitor

File No. LIC-87
November 1, 2022

Appendix A Location Map – Area to be Declared Surplus

- *The subject land is outlined in red.*
- *Area to be retained by the city outlined in green.*
- *Area to be exchanged outlined in blue.*



Report to

To: Corporate Services Committee
From: Jacqueline Davison, Deputy City Manager, Enterprise Supports
Subject: Human Resources Information System (HRIS) Implementation Partner Successful Proponent – RFP 2022-080
Date: November 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Enterprise Supports, with the concurrence of representatives from Information Technology Services and Finance Supports, the following actions **BE TAKEN** with respect to the SAP SuccessFactors, Human Resources Information Systems (HRIS) Implementation:

- a) The proposal for implementation partnership, submitted by Price Waterhouse Coopers LLP (PWC), 99 Bank Street, Suite 710, Ottawa, Ontario, K1P 1E4 **BE ACCEPTED** in accordance with the Procurement of Goods and Services Policy;
- b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix A;
- c) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this purchase, and;
- d) The approval hereby given **BE CONDITIONAL** upon the City of London (The Corporation) entering a formal contract, agreement or having a purchase order relating to the subject matter of this approval.

Executive Summary

The purpose of this report is to seek approval from City Council, to award the Implementation Partnership for the SuccessFactors HRIS system to PWC, at the proposed cost of \$1,348,000.00 (exclusive H.S.T).

The Corporation, over the past many years, has grown in size and complexity. Similarly, the size and complexity of the Corporation's workforce has grown.

The Corporation conducted a Request for Proposal ("RFP") in November 2021 and identified SAP Canada Inc as the successful proponent. It has been identified that this solution will allow the Corporation to reduce manual processes that are currently utilized and provide a powerful tool for tracking, reporting, and analyzing People Services related functions.

In order to ensure the effective and efficient implementation of SAP Success Factors the Corporation conducted an additional Request for Proposal ("RFP") to identify an Implementation Partner and identified PWC as the successful proponent. As an identified "Platinum Partner" for SAP SuccessFactors implementation, PWC provides streamlined implementation programs; prebuilt data migrations tools and resources; as well as knowledge, skills and experience. The Corporation requires an implementation partner to ensure the success and timely delivery of SAP SuccessFactors implementation.

Linkage to the Corporate Strategic Plan

Council's Strategic Plan for the City of London identifies several strategic areas of focus including 'Leading in Public Service'. This undertaking supports the following specific strategies outlined in the 2019 - 2023 Strategic Plan:

- Increase the use of technology to improve service delivery: continue to maintain, build, and enhance a high-performing and secure computing environment;
- Attract and retain a talented workforce;
- Maintain a safe and healthy workplace; and,
- Enhance the ability to respond to new and emerging technologies and best practices: deliver and maintain innovative digital solutions to increase efficiency and effectiveness across the Corporation.

Analysis

1.0 Background Information

1.1 Background Reports

- 2022 – 2023 Multi Year Budget City of London – Business Case #11
- Human Resources Information System Software Acquisition - RFP21-09

2.0 Discussion and Considerations

2.1 RFP Response

In response to the RFP, PWC met the requirements of the evaluation committee and presented a proposal that will support the Corporation in moving forward with the migration. With offices located across Canada PWC has assisted similar employers such as, City of Saskatoon and Toronto Hydro with the implementation and upgrades to their SuccessFactors platforms. They also have extensive experience assisting the private sector with SuccessFactors implementations. During 110 years in business, they have focused on consulting, HRIS strategies, migrations, and enterprise content management, along with process automation and innovation for businesses in the Private and Public Sector.

Key elements of their proposal include the following:

- Proven experience in working with municipalities;
- Proven experience in delivering SAP SuccessFactors Implementations;
- Robust infrastructure and application support post-implementation; and
- A sound project management methodology.

In their proposal, PWC demonstrated a thorough understanding of the challenges associated with the implementation of SuccessFactors, and provided strategies to overcome potential challenges, confirming their suitability for this engagement. They also emphasized clear data migration strategies and a focus on consistent user experience to ensure a high level of end-user adoption and acceptance. A key element of their proposal included demonstrating value to the Corporation through regular communication, project governance, high-value data transfer tools and phase evaluation methodologies.

2.2 Procurement Process

After the RFP was posted, there were seven (7) Addenda issued to respond to questions, inquiries, and requests for clarification. When the RFP closed, five (5) compliant submissions were received.

A two (2) envelope RFP process was used – one envelope contained the technical project proposal and the second contained the pricing proposal.

Eight (8) evaluation committee representatives from the People Services, Information Technology Services and Financial Supports evaluated the five (5) submissions based on the technical criteria outlined in the document. At the end of this process, two (2) proponents passed a threshold to review pricing and undergo the interview process. Following which, the proponent with the highest score, demonstrating their ability to fully meet the Corporation's requirements, was PWC. The pricing for their proposal amounts to \$1,348,000.00 (exclusive H.S.T.).

3.0 Financial Impact

The capital expenditure to fund the HRIS migration project was approved in the 2020-2023 Multi-Year Budget and the Source of Financing is attached as Appendix A.

Conclusion

To conclude, the Corporation is prepared to implement the HRIS System SAP SuccessFactors along with an implementation partner. As such, they have undergone the formal RFP process wherein PWC has been identified as the successful proponent. The Corporation has identified, secured and prepared a budget to purchase the services of PWC to begin implementation. The cost of PWC's proposal is within the Corporation's identified range of costs.

Prepared by: Coulter Jasnich – HRIS Specialist, People Services
Lucy Amaral – Senior Specialist, People Services

Submitted by: Michael Goldrup – Director, People Services

Concurred by: Mat Daley, Director of Information Technology Services

Recommended by: Jacqueline Davison – Deputy City Manager, Enterprise Supports

Appendix "A" – Excerpt from Capital Monitoring 2022 Mid-Year Workbook

APPENDIX A: Excerpt from “Capital Monitoring 2022 Mid-Year Workbook”

Line Type	Business Unit	BU Description	Original Budget Year	Budget	Actual	Variance	Project Manager	Service Program Description	Expected Completion	Project Stage	Status	Explanation
Project	GG1050HRIS	HUMAN CAPITAL MANAGEMENT - System	2016	1,998,000.00	36,263.74	1,961,736.26	C. Jasnich	Corporate, Oper & Council Serv	2024	Initiation	On Track	Software purchases. RFP for implementation partner developed and issued. Funding needed until all costs of full implementation are known.

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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September 16, 2022
File No.: 218183.00967/11889

Neil M. Smiley
Direct +1 416 865 5122
nsmiley@fasken.com

By Email

City of London
300 Dufferin Avenue
P.O. Box 5035
London, Ontario
N6A 4L9

Attention: Corporate Services Committee c/o Najah Kishawi-Support Clerk nkishawi@london.ca

Dear Sirs/Madams:

Re: Letter of Complaint/Protest in respect of the Development Charges (City Services) being required by the City of London to be paid in connection with the issuance of Building Permit 21-030285 concerning the development of property owned by UniFirst Canada Ltd. located at 2365 Innovation Drive, City of London (the “Property”)

We act on behalf of Unifirst Canada Ltd. (“**UniFirst**”) in connection with its development of an industrial laundering and cleaning facility at the above-noted Property (the “**Project**”). Under a Customer Invoice dated Friday September 9, 2022, a copy of which is attached as Schedule A (the “**Customer Invoice**”), the City of London has invoiced UniFirst’s contractor, Arco/Murray International Construction Company, ULC, for payments, including Development Charges, that it requires be paid prior to the issuance of a building permit arising from Building Permit Application No 21-030285 for the Project.

UniFirst does not agree with, and this letter shall serve as notice of Unifirst’s complaint and protest (“**Notice of Complaint**”) in respect of the imposition for the Project of a Development Charges Rates applicable to “Commercial Development” as defined under City of London By-law No. C.P. 1551-227 (the “**DC By-Law**”). It is UniFirst’s respectful submission that its use of the Property should attract/invoke the Development Charges Rate for “Industrial Development” as provided for in the DC By-law. Accordingly, in accordance with Section 20 of the Development Charges Act, 1997 and Section 26 of the City of London’s DC By-law, we hereby file, on behalf of UniFirst as “Complainant”, the within Notice of Complaint to the City of London under Part IV of the DC By-law.

1. The Complainant: UniFirst Canada, Ltd.
2. Address of Service for Complainant: 3067 E. Commerce, San Antonio, TX 78220
Attention: Rick Montgomery Email: RMontgomery@unifirst.com
3. Grounds for Complaint: The amount of the development charge was incorrectly determined; and or there was an error in the application of the DC By-law as summarized below:

(i) UniFirst operates as an industrial launderer, whereby it will use the premises primarily for receiving from an industrial depot, bulk soiled uniforms and other industrial wear, which it industrially launders and has delivered for re-use to the industrial user. Other industrial processing occurs such as labelling and dyeing.

(ii) The building use proposed for the Project does NOT conform to the definition of a “Commercial Development” as set out in the DC By-law since it is not one of the listed uses in paragraph (a) of the definition of Commercial Development. The building will in no way be used for “retail purposes including.....articles or things for sale or rental directly to the public...” as provided for in paragraph (b) of the said definition. There are absolutely no sales at retail of any product or service to the public and no transactions of any sort will be occurring in the premises of a nature contemplated by paragraph (a) or (b) of the definition of “Commercial Development”. Moreover, there will be no delivery to the general public from the facility.

(iii) While “laundries” is a listed purpose in paragraph (b) of the definition of “Commercial Development”, it needs to be read in the context of the paragraph it resides in, such that the retail purpose is “for sale or rental directly to the public”. The word “laundries” is intended to mean public-facing laundromats or similar operations serving the public, not industrial laundering facilities. UniFirst processed a Minor Zoning Variance for this Project to make this distinction of its use within its Light Industrial zoning designation.

(iv) Pursuant to the definition in the DC By-law of “Industrial Development”, paragraph (b): (a) UniFirst will receive raw materials and semi-processed goods (garments, mats, etc. manufactured by UniFirst and others) to the Property and process (wash, dye, label, etc.) and package these materials and goods to provide to industry (not the general public); and (b) UniFirst will also store and distribute such goods and materials which includes “operation of a truck terminal, warehouse”. Again, this does not include retail sale of goods to the public.

(v) UniFirst is classified as an “Industrial Launderer” under NAICS Code 812332 and SIC Code 7218. These are industrial classifications, not commercial.

(vi) The Property is zoned for “Industrial” uses not retail/commercial uses and the Building Occupancy classification of Group F, Division 2 is “Medium Hazard Industrial Occupancies” (per Building Code §9.10.2).

(vii) With no retail activity by way of sale or rental to the public intended to take place at the Property, it is discriminatory and prejudicial to impose, for the purposes of development charges payable under the DC-Law, a classification of “Commercial Development” in respect of the Project which will have the effect of increasing the applicable development charges by \$544,671, being the difference between the rate applicable to “Industrial Development” of \$1,352,366 and the rate applicable to “Commercial Development” of \$1,897,037.

Conclusion:

In light of the grounds cited above and such further grounds that may be asserted on the hearing of the complaint before the City of London’s Corporate Services Committee, City Council or on a further appeal, we respectfully submit that: (i) the amount of the Development Charge for the Project was incorrectly determined; and/or (ii) there was an error in the application of the DC By-law as set out in Section 20 of the Development Charges Act, 1997 and Section 27(1) and 27(2) in the DC By-law. The proposed use for an industrial laundering facility, not offering for sale or

rental directly to the public, is not properly characterized as a Commercial Development but more appropriately, should be classified as an Industrial Development for the purposes of calculating the applicable development charge under the DC By-law.

In order to continue with the Project and not cause any further delays, our client requires to urgently procure its building permit. Accordingly, it is contemporaneously paying under protest the amount of \$1,897,037 identified in its Customer Invoice in respect of Development Charges for the Project as it is of the view the applicable development charge amount should be \$1,352,366, being the development charge applicable to "Industrial Development". In dispute under this Notice of Complaint and being protested is the payment of the amount of \$544,671 under the Customer Invoice, which amount Unifirst requests be refunded as part of the determination of its complaint, together with interest as contemplated by Section 25 of the Development Chares Act, 1997.

In accordance with Section 20 of the Development Charges Act, 1997 and Section 30 of the DC By-law, we request that the City and/or its Corporate Services Committee hold a hearing into the within complaint, provide Unifirst (and the undersigned) notice of the hearing and an opportunity to make representations.

Please provide UniFirst and the undersigned with notice of any future proceedings in connection with this complaint.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Neil M. Smiley

NMS/kh

cc. Peter Kokkoros, Director, Building and Chief Building Official Building Division, Planning and Economic Development, City of London – pkokkoro@london.ca
Rick Montgomery, UniFirst Corporation – Rick_Montgomery@unifirst.com
Will Shaffer, EEC Environmental – WShaffer@eccenvironmental.com

SCHEDULE A
CUSTOMER INVOICE



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

Customer Invoice

Friday, September 9, 2022

RE: Permit Application 21-030285 2365 Innovation Drive Dry Cleaning and Laundry Depot Erect

STEVE LANE
ARCO/MURRAY INTERNATIONAL CONSTRUCTION COMPANY, ULC
3110 WOODCREEK DR DOWNERS GROVE IL 60515 USA

The review of your permit is now complete. The table below itemizes applicable fees that must be paid in full before the permit can be issued. Fees included in Sub-total 1 must be paid within five (5) business days from the date of this notice. Failure to do so will result in cancellation of the permit application, in accordance with the provisions of the Building By-law. The development charges amount shown below is subject to adjustment based on the rates in effect the day the permit is being issued (See Note below).

Payment can be made by cheque or online using your financial institution's banking service. Payments by cheque can be mailed or delivered to the City Hall Building Division.

If you are submitting payment using an online banking service, please follow the steps below:

- 1) Check box to indicate payment option selected (Fee Subtotal 1 or Total Fees) and save this document.
- 2) Using your email program, click "Reply to All", attach the saved document and click "Send".

Permit Fee	
Construction Water Fee	\$987.94
Water Meter Fee (Remote)	

Fees Sub-total 1:	\$987.94
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PAID

Development Charges (City Services)	\$1,897,037.50
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Fees Sub-total 2:	\$1,897,037.50
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Total Fees:	\$1,898,025.44
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PAID

Note: Per section 4 of the Development Charges By-law: "...For all development types, unless application is made under a Site Plan or a Zoning By-law Amendment, a Development Charge under section 2 shall be calculated on the date a building permit is issued under the *Building Code Act...*", the fees provided above, unless the application is made under a Site Plan or a Zoning By-law Amendment, must be paid prior to January 1st. Fees paid after January 1st would be reassessed and adjusted based on the Development charge rates in effect after January 1st.

Please disregard this notice if payment has already been made

Miguel Mendoza, Plan Examiner
(519) 661-2489 Ext 5079

The Corporation of the City of London
Building Division, Room 708
300 Dufferin Ave. London ON N6A 4L9
Office: 519-661-4555

www.london.ca

Report to Planning & Environment Committee

To: Chair and Members
Corporate Services Committee
From: Scott Mathers, MPA, P. Eng
Deputy City Manager, Planning and Economic Development
Subject: Development Charge Complaint
2365 Innovation Drive
Date: November 28, 2022

Recommendation

That, on the recommendation of the Director, Building and Chief Building Official, the Development Charges complaint submitted by Mr. Neil M. Smiley of Fasken Martineau DuMoulin LLP, related to development at the property situated at 2365 Innovation Drive, **BE DISMISSED.**

Executive Summary

A building permit application was received on November 3, 2021, for the erection of a new laundry facility. A foundation permit was issued on September 22, 2022. A complaint letter from Mr. Neil M. Smiley of Fasken Martineau DuMoulin LLP with respect to Development Charges paid (hereinafter referred to as the 'Complaint'), was received on September 14, 2022, and is included in Appendix 'A' of this report.

The Development Charges were assessed by staff using the Commercial rate.

The aforementioned letter makes mention of various reasons as to why the requested Development Charges amount should be adjusted to reflect the Industrial Development Charge rate and not Commercial.

Linkage to the Corporate Strategic Plan

Growing our Economy

- London is a leader in Ontario for attracting new jobs and investments.

Leading in Public Service

- The City of London is trusted, open, and accountable in service of our community.
- Improve public accountability and transparency in decision making.

Analysis

1.0 Background Information

A complaint letter from Mr. Neil M. Smiley of Fasken Martineau DuMoulin LLP, on behalf of UniFirst Canada Ltd. (the "Complainant"), with respect to Development Charges paid for the erection of a new building was received on September 14, 2022, and is included in Appendix 'A' of this report.

The letter makes mention of various reasons as to why the requested Development Charges amount should be adjusted to reflect the Industrial Development Charge rate and not Commercial. In summary, the following reasons have been listed:

1. UniFirst operates as an Industrial launderer.
2. The building does not conform to the definition of 'Commercial Development'.
3. A Minor Variance was processed to conform to 'Light Industrial' zoning designation.
4. UniFirst provides services to industry and not the general public.

5. UniFirst is classified as an 'Industrial Launderer' under NAICS Code 812332 and SIC Code 7218.
6. The property is zoned for Industrial Uses and the Ontario Building Code classifies the building as 'Industrial'.
7. No retail activities by way of sale or rental to the public at the property.

A site plan depicting the proposed development is provided in Appendix 'B'.

The proposed building has a gross floor area of 5,875 sq.m and the development charges were calculated by staff at the Commercial development charge rate of \$322.19 per sq.m. The total development charge amount due was calculated at \$1,897,037.50.

2.0 Discussion and Considerations

Building Uses per the Development Charges By-law

In determining the appropriate development charge, it is important to determine the building's use. Part I, section 1 of the Development Charges By-law C.P.-1551-227 (the "DC By-law") provides the definitions of various building uses which are then used to determine the appropriate development charge rate for the proposed building. Industrial development is defined as:

"Industrial Development" is a building used for:

- a) *manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components is altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;*
- b) *storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self-storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a Commercial Development;*
- c) *research or development in connection with activities mentioned in (a) above;*
- d) *retail sales of goods produced by activities mentioned in section a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the Industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;*
- e) *office or administrative purposes, if they are carried out:*
 - i) *with respect to the activity mentioned in section (a), and*
 - ii) *in or attached to the building or structure used for activities mentioned in section a) and*
 - iii) *for greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section a);*
- f) *a business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for Industrial uses; or*

g) businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for Industrial uses; and

h) Industrial Use shall have the corresponding meaning;

Part I, section 1 of the DC By-law describes commercial development, in part, as:

“Commercial Development” is a building used for:

*b) Retail purposes including activities of offering foods, wares, merchandise, substances, articles or things for sale or rental directly to the public and includes offices and storage within the same building, which support, are in connection with, related or ancillary to such uses, or activities providing entertainment and recreation. **Retail purposes shall include but not be limited to:** conventional restaurants; fast food restaurants; night clubs, concert halls, theatres, cinemas, movie houses, and other entertainment related businesses; automotive fuel stations with or without service facilities; special automotive shops/vehicle repairs/collision services/car or truck washes; vehicle dealerships; commercial truck service establishments, regional shopping centres; community shopping centres; neighbourhood shopping centres, including more than two stores attached and under one ownership; department/discount stores; banks and similar financial institutions, including credit unions (excluding freestanding bank kiosks), money handling and cheque cashing facilities; warehouse clubs or retail warehouses; food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres (but not a garden centre defined as exempt under section 35 of this By-law), government owned retail facilities, private daycare, private schools, private lodging and retirement homes, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, funeral homes, motels, hotels, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, passenger stations and depots, dry cleaning establishments, **laundries**, establishments for commercial self-service uses, automotive recycling/wrecking yards, kennels. (emphasis added)*

The proposed building is to be used to launder materials that were not manufactured in the building. The definition of “Commercial Development” per the DC By-law includes laundries as part of the definition for commercial development. On this fact alone the “Commercial Development” definition is satisfied, and the commercial development charge rate would be applied.

Calculation of Development Charges: Other Considerations

Even if the laundries were not specifically listed, the definition of Commercial Development provides examples of uses and does not limit the types of uses included in that definition. This is reflected in the commercial development definition:

(b) “Retail purposes shall include but not be limited to:”

The definition does not provide all possible commercial development scenarios, but rather provides examples of uses.

Conversely, the definition for ‘Industrial Development’ is restrictive. This definition lists specific uses and does not provide for a “catch all” to reflect similar uses. It is restricted to only those uses listed.

Staff are of the opinion that the proposed use at 2365 Innovation Drive does not conform to the definition of ‘Industrial Development’ for the following reasons:

1. To be considered as an industrial development, the definition outlines that the physical condition of materials, goods, parts or components are altered to produce a finished or semi-finished tangible product.
2. There are no processes whereby raw materials will be physically altered to produce a finished or semi-finished tangible product.
3. The services provided are done so with respect to cleaning/processing items previously manufactured and as such, align with the use of a laundry as provided in the definition of Commercial development.

The proposed building is to be used to launder materials that were not manufactured in the building. There is no new product being manufactured or produced; therefore the industrial development definition is not satisfied.

The Development Charges By-law's Relationship to Other Legislation

It should be noted that the DC By-law is independent of any other legislation, other than the *Development Charges Act, 1997*, S.O. 1997, c. 27 (the "Act"). Unlike the O. Reg. 332/12 under the *Building Code Act, 1992*, S.O. 1992, c. 23 (the "Building Code") that references other 'applicable law', the DC By-law is not bound by any other by-laws or regulations.

The City of London's Zoning By-law may classify a property whereby industrial uses are permitted. However, under the 'Light Industrial' zone (section 40 of the Zoning By-law), as an example, the following uses are permitted:

3) **LI3** *The following are permitted uses in the LI3 Zone variation: a) Assembly halls; b) Commercial recreation establishments; c) Day care centres; d) Private clubs; e) Private parks.*

4) **LI4** *The following are permitted uses in the LI4 Zone variation: a) Any use permitted in the LI1 Zone variation; b) Automotive uses, restricted; c) Clinics; d) Convenience service establishments; e) Convenience stores; f) Day care centres; g) Financial institutions; h) Medical/dental offices; i) Personal service establishments; j) Restaurants.*

5) **LI5** *The following are permitted uses in the LI5 Zone variation: a) Hotels; b) Motels.*

The fact that the above uses are permitted in the light industrial zone, does not constitute their use to be classified as 'Industrial' under the DC By-law. For example, a restaurant or a daycare centre, as permitted above, are not Industrial uses under the DC By-law.

While it is appreciated that other regulations (not associated with the DC By-law) may classify the proposed building as an Industrial Laundry facility, it is the DC By-law alone that applies to calculating the charge. As previously stated, laundries fall under the Commercial Development definition and the applicable commercial rate was used to calculate the charge.

Development Charges By-law and Grounds for Complaints

Part IV, s.27 of the DC By-law provides the following grounds for a complaint:

7. Grounds of Complaint

An Owner may complain in writing to the Corporate Services Committee (with a copy provided to the Chief Building Official) upon such grounds as are established by and in accordance with the Development Charges Act in respect of the Development Charge imposed by the City:

1. *that the amount of the Development Charge was incorrectly determined;*
2. *whether a credit is available to be used against the Development Charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined; or*
3. *that there was an error in the application of this By-law.*

In reviewing the three grounds above, it is staff's position that the amount of the development charge was correctly determined. Regarding item 1 noted above, the development charge rate used was that in effect at the time the permit was ready to be issued and was calculated in accordance with section 4 of the DC By-law and the Act. Regarding item 2, there was no credit due against the development charges. Staff are also of the opinion that there was no error in the application of the DC By-law itself addressing item 3.

Staff maintain that the development charge amount was properly determined under the DC By-law in force and effect at the time when the building permit was ready to be issued and therefore recommends dismissal of the complaint.

Conclusion

The letter submitted by the Complainant suggests that the development charge amount should be based on the Industrial use as opposed to the Commercial use of the new building to be erected at 2365 Innovation Drive.

The proposed use does not conform to the definition of Industrial development as per the DC By-law.

It is the Chief Building Official's opinion that the Development Charges were correctly determined, and that the Complaint should be dismissed.

The assistance provided by Aynsley Anderson, Solicitor II and Kyle Wilding, Manager Plans Examination, is acknowledged.

Prepared by: Peter Kokkoros, P.Eng
Director, Building and Chief Building Official
Planning and Economic Development

**Submitted &
Recommended by:** Scott Mathers, MPA, P.Eng
Deputy City Manager, Planning and Economic Development

APPENDIX "A"

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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+1 800 268 8424
F +1 416 364 7813
fasken.com

September 16, 2022
File No.: 218183.00967/11889

Neil M. Smiley
Direct +1 416 865 5122
nsmiley@fasken.com

By Email

City of London
300 Dufferin Avenue
P.O. Box 5035
London, Ontario
N6A 4L9

Attention: Corporate Services Committee c/o Najah Kishawi-Support Clerk nkishawi@london.ca

Dear Sirs/Madams:

Re: Letter of Complaint/Protest in respect of the Development Charges (City Services) being required by the City of London to be paid in connection with the issuance of Building Permit 21-030285 concerning the development of property owned by UniFirst Canada Ltd. located at 2365 Innovation Drive, City of London (the "Property")

We act on behalf of Unifirst Canada Ltd. ("UniFirst") in connection with its development of an industrial laundering and cleaning facility at the above-noted Property (the "Project"). Under a Customer Invoice dated Friday September 9, 2022, a copy of which is attached as Schedule A (the "Customer Invoice"), the City of London has invoiced UniFirst's contractor, Arco/Murray International Construction Company, ULC, for payments, including Development Charges, that it requires be paid prior to the issuance of a building permit arising from Building Permit Application No 21-030285 for the Project.

UniFirst does not agree with, and this letter shall serve as notice of Unifirst's complaint and protest ("Notice of Complaint") in respect of the imposition for the Project of a Development Charges Rates applicable to "Commercial Development" as defined under City of London By-law No. C.P. 1551-227 (the "DC By-Law"). It is UniFirst's respectful submission that its use of the Property should attract/invoke the Development Charges Rate for "Industrial Development" as provided for in the DC By-law. Accordingly, in accordance with Section 20 of the Development Charges Act, 1997 and Section 26 of the City of London's DC By-law, we hereby file, on behalf of UniFirst as "Complainant", the within Notice of Complaint to the City of London under Part IV of the DC By-law.

1. The Complainant: UniFirst Canada, Ltd.
2. Address of Service for Complainant: 3067 E. Commerce, San Antonio, TX 78220
Attention: Rick Montgomery Email: RMontgomery@unifirst.com
3. Grounds for Complaint: The amount of the development charge was incorrectly determined; and or there was an error in the application of the DC By-law as summarized below:

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(i) UniFirst operates as an industrial launderer, whereby it will use the premises primarily for receiving from an industrial depot, bulk soiled uniforms and other industrial wear, which it industrially launders and has delivered for re-use to the industrial user. Other industrial processing occurs such as labelling and dyeing.

(ii) The building use proposed for the Project does NOT conform to the definition of a “Commercial Development” as set out in the DC By-law since it is not one of the listed uses in paragraph (a) of the definition of Commercial Development. The building will in no way be used for “retail purposes including....articles or things for sale or rental directly to the public...” as provided for in paragraph (b) of the said definition. There are absolutely no sales at retail of any product or service to the public and no transactions of any sort will be occurring in the premises of a nature contemplated by paragraph (a) or (b) of the definition of “Commercial Development”. Moreover, there will be no delivery to the general public from the facility.

(iii) While “laundries” is a listed purpose in paragraph (b) of the definition of “Commercial Development”, it needs to be read in the context of the paragraph it resides in, such that the retail purpose is “for sale or rental directly to the public”. The word “laundries” is intended to mean public-facing laundromats or similar operations serving the public, not industrial laundering facilities. UniFirst processed a Minor Zoning Variance for this Project to make this distinction of its use within its Light Industrial zoning designation.

(iv) Pursuant to the definition in the DC By-law of “Industrial Development”, paragraph (b): (a) UniFirst will receive raw materials and semi-processed goods (garments, mats, etc. manufactured by UniFirst and others) to the Property and process (wash, dye, label, etc.) and package these materials and goods to provide to industry (not the general public); and (b) UniFirst will also store and distribute such goods and materials which includes “operation of a truck terminal, warehouse”. Again, this does not include retail sale of goods to the public.

(v) UniFirst is classified as an “Industrial Launderer” under NAICS Code 812332 and SIC Code 7218. These are industrial classifications, not commercial.

(vi) The Property is zoned for “Industrial” uses not retail/commercial uses and the Building Occupancy classification of Group F, Division 2 is “Medium Hazard Industrial Occupancies” (per Building Code §9.10.2).

(vii) With no retail activity by way of sale or rental to the public intended to take place at the Property, it is discriminatory and prejudicial to impose, for the purposes of development charges payable under the DC-Law, a classification of “Commercial Development” in respect of the Project which will have the effect of increasing the applicable development charges by \$544,671, being the difference between the rate applicable to “Industrial Development” of \$1,352,366 and the rate applicable to “Commercial Development” of \$1,897,037.

Conclusion:

In light of the grounds cited above and such further grounds that may be asserted on the hearing of the complaint before the City of London’s Corporate Services Committee, City Council or on a further appeal, we respectfully submit that: (i) the amount of the Development Charge for the Project was incorrectly determined; and/or (ii) there was an error in the application of the DC By-law as set out in Section 20 of the Development Charges Act, 1997 and Section 27(1) and 27(2) in the DC By-law. The proposed use for an industrial laundering facility, not offering for sale or

rental directly to the public, is not properly characterized as a Commercial Development but more appropriately, should be classified as an Industrial Development for the purposes of calculating the applicable development charge under the DC By-law.

In order to continue with the Project and not cause any further delays, our client requires to urgently procure its building permit. Accordingly, it is contemporaneously paying under protest the amount of \$1,897,037 identified in its Customer Invoice in respect of Development Charges for the Project as it is of the view the applicable development charge amount should be \$1,352,366, being the development charge applicable to "Industrial Development". In dispute under this Notice of Complaint and being protested is the payment of the amount of \$544,671 under the Customer Invoice, which amount Unifirst requests be refunded as part of the determination of its complaint, together with interest as contemplated by Section 25 of the Development Charges Act, 1997.

In accordance with Section 20 of the Development Charges Act, 1997 and Section 30 of the DC By-law, we request that the City and/or its Corporate Services Committee hold a hearing into the within complaint, provide Unifirst (and the undersigned) notice of the hearing and an opportunity to make representations.

Please provide UniFirst and the undersigned with notice of any future proceedings in connection with this complaint.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Neil M. Smiley

NMS/kh

cc. Peter Kokkoros, Director, Building and Chief Building Official Building Division, Planning and Economic Development, City of London – pkokkoro@london.ca
Rick Montgomery, UniFirst Corporation – Rick_Montgomery@unifirst.com
Will Shaffer, EEC Environmental – WShaffer@eecenvironmental.com

