

16TH REPORT OF THE
STRATEGIC PRIORITIES AND POLICY COMMITTEE

Meeting held on July 28, 2014, commencing at 4:00 PM, in the Council Chambers, Second Floor, London City Hall.

PRESENT: Mayor J. Baechler and Councillors B. Polhill, B. Armstrong, J.B. Swan, S. Orser, W.R. Monteith, N. Branscombe, M. Brown, P. Hubert, P. Van Meerbergen, H.L. Usher, J.P. Bryant and S.E. White and L. Rowe (Secretary).

ABSENT: Councillors D. Brown and D.G. Henderson.

ALSO PRESENT: A. Zuidema, D. Arnold (London Hydro Inc.) J.P. Barber, G. Barrett, J. Braam, M. Butlin, C. Colvin, S. Datars Bere, S. Giustizia, K. Graham, G.T. Hopcroft, T. Landry, J. Lucas, V. McAlea Major, D. Munteer, L. Palarchio, C. Saunders, J. Senese and L. Stevens.

I. CALL TO ORDER

1. Disclosures of Pecuniary Interest

Recommendation: That the following pecuniary interests BE NOTED:

- a) Councillor N. Branscombe disclosed a pecuniary interest in clause 3 of this Report, having to do with an appointment to the Greater London International Airport Authority Board of Directors, by indicating that her spouse sits on that Board of Directors.
- b) Councillor M. Brown discloses a pecuniary interest in clause 8 of this Report, having to do with appointments to the London Public Library Board, by indicating that S. Courtice, one of the requested appointees, is doing some volunteer work for him at this time.

II. CONSENT ITEMS

2. 2011-2014 Report to the Community

Recommendation: That, on the recommendation of the City Manager, the staff report dated July 28, 2014, regarding Council's 2011-2014 Report to the Community, BE RECEIVED for information.

Motion Passed

YEAS: J. Baechler, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, S. Orser, W.R. Monteith, M. Brown, P. Hubert, P. Van Meerbergen, H.L. Usher, S.E. White (12)

3. Appointment to the Greater London International Airport Authority Board of Directors

Recommendation: That the communication dated July 8, 2014, from J. Brown, Chair, Greater London International Airport Authority (GLIAA) Board of Directors, advising that Mr. Bill Graham was appointed as the City's nominee to the GLIAA Board of Directors, BE RECEIVED for information.

Motion Passed

YEAS: J. Baechler, J.P. Bryant, B. Polhill, B. Armstrong, S. Orser, W.R. Monteith, M. Brown, P. Hubert, P. Van Meerbergen, H.L. Usher, S.E. White (11)

RECUSED: N. Branscombe (1)

4. London Hydro Promissory Note to the City of London

Recommendation: That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the \$70 million promissory note payable by London Hydro Inc. to The Corporation of the City of London:

- a) the Civic Administration BE AUTHORIZED to call the \$70 million promissory note on November 30, 2014, prior to the maturity date of October 31, 2015, subject to the mutual agreement of The Corporation of the City of London and London Hydro Inc.; it being noted that action should be taken prior to year end to ensure that the promissory note is not reclassified as a short-term liability on London Hydro Inc. financial statements which may cause financial challenges for London Hydro Inc. because it would change liquidity ratios resulting in covenants being breached and may ultimately negatively impact London Hydro Inc.'s credit rating;
- b) the Civic Administration BE AUTHORIZED to invest the proceeds from the payment of the \$70 million promissory note into a professionally-managed investment portfolio that is in compliance with the City of London Investment Policy and Ontario Regulation 438/97 Eligible Investments and Related Financial Agreements, with the \$70 million principal to be held for The Public Utility Commission of the City of London for the purposes of investigation, remediation, restoration, and any other related costs with respect to the coal tar affected lands held by The Public Utility Commission of the City of London;
- c) London Hydro Inc. (LHI) BE REQUESTED to increase the dividend payable to The Corporation of the City of London to \$5 million annually, subject to LHI Board approval, with the dividend to be used to offset the reduction of interest anticipated to be received on the \$70 million reinvested funds;
- d) the Civic Administration BE DIRECTED to apply the interest earned on the \$70 million principal held by The Public Utility Commission of the City of London's to the general fund to mitigate the impact to the tax levy to ensure that the total annual dividend and interest earned are maintained at \$7.2 million, which is in keeping with current revenue, and any additional interest earned be contributed to the Economic Development Reserve Fund;
- e) London Hydro Inc. BE REQUESTED to pay The Corporation of the City of London a one-time special dividend of \$10 million resulting from the \$70 million promissory note being called prior to the maturity date, subject to LHI Board approval;
- f) the Civic Administration BE DIRECTED to apply the one-time special dividend, should it arise, to the Economic Development Reserve Fund to be used to support initiatives that best accelerate London's economy; and
- g) the Civic Administration BE DIRECTED to report back to the Strategic Priorities and Policy Committee, at its meeting on August 27, 2014, with a form of Agreement between The Corporation of the City of London, London Hydro Inc., and The Public Utility Commission of the City of London, to address and implement the matters set out in a), b) and d), above.

Motion Passed

YEAS: J. Baechler, J.B. Swan, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, S. Orser, W.R. Monteith, M. Brown, P. Hubert, P. Van Meerbergen, H.L. Usher, S.E. White (13)

III. SCHEDULED ITEMS

5. Proposal to Establish a Housing Development Corporation

Recommendation: That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Managing Director of Housing, Social Services, and Dearness Home, the following actions be taken with respect to the establishment of a proposed Housing Development Corporation (HDC):

- a) the Business Case for a Housing Development Corporation, included as Appendix A to the staff report dated July 28, 2014, BE RECEIVED;

- b) the Proposal to Establish a Housing Development Corporation included as Appendix B to the staff report dated July 28, 2014, BE RECEIVED;
- c) the Business Case and the Proposal to Establish a Housing Corporation as noted in a) and b),above, BE REFERRED to a public participation meeting to be held before the Strategic Priorities and Policy Committee (SPPC) at its meeting on August 27, 2014, for the purpose of receiving public comment; and
- d) the City Clerk BE DIRECTED to provide appropriate notice of the public participation meeting noted in c), above;

it being noted that the SPPC heard the attached presentation from the Manager, Housing Services, with respect to this matter.

Motion Passed

YEAS: J. Baechler, J.B. Swan, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, S. Orser, W.R. Monteith, M. Brown, P. Hubert, P. Van Meerbergen, H.L. Usher, S.E. White (13)

IV. ITEMS FOR DIRECTION

- 6. Review of Council Policy 5(1) - Process for the Appointment of an Acting Mayor

Recommendation: That the Governance Working Group BE RECONVENED for the purpose of reviewing Council Policy 5(1) – Process for the Appointment of an Acting Mayor, to determine if any changes might be in order to better meet the needs of the Municipal Council.

Voting Record:

Motion Passed

YEAS: J. Baechler, J.B. Swan, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, W.R. Monteith, M. Brown, P. Hubert, H.L. Usher, S.E. White (11)

NAYS: S. Orser, P. Van Meerbergen (2)

Motion to Refer the matter to the incoming Municipal Council for consideration:

Motion Lost

YEAS: S. Orser, P. Van Meerbergen (2)

NAYS: J. Baechler, J.B. Swan, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, W.R. Monteith, M. Brown, P. Hubert, H.L. Usher, S.E. White (11)

Motion to Refer any recommendation on this matter that arises from the Governance Working Group to the incoming Municipal Council for consideration.

Motion Lost

YEAS: S. Orser, P. Van Meerbergen, S.E. White (3)

NAYS: J. Baechler, J.B. Swan, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, W.R. Monteith, M. Brown, P. Hubert, H.L. Usher (10)

- 7. Improvements to Governance Model and Tracking Approved Projects

Recommendation: That the following actions be taken with respect to the communication dated July 21, 2014 from Councillor J.B. Swan's regarding the City of London's governance model and the tracking of approved projects:

- a) the Governance Working Group (GWG) BE REQUESTED to review the City of London's governance model and process for tracking and reporting on approved projects, in addition to other tasks which have been recently assigned by the Municipal Council, and bring forward any

recommended changes associated therewith; and

- b) Council Members BE REQUESTED to provide their input on the matters noted in a), above, to the GWG, for its consideration.

Motion Passed

YEAS: J. Baechler, J.B. Swan, N. Branscombe, J.P. Bryant, B. Polhill, B. Armstrong, W.R. Monteith, M. Brown, P. Hubert, H.L. Usher, S.E. White (11)

NAYS: S. Orser, P. Van Meerbergen (2)

8. Appointments to the London Public Library, 2014 - Term December 1, 2014 to November 30, 2018

Recommendation: That the request dated July 7, 2014, from G. Leckie, Chair, London Public Library Board, to extend the appointment of certain London Public Library Board Members for the purposes of continuity, BE REFERRED to the incoming Municipal Council for its consideration.

Motion Passed

YEAS: J.B. Swan, B. Polhill, B. Armstrong, S. Orser, P. Hubert, P. Van Meerbergen, H.L. Usher, S.E. White (8)

NAYS: J. Baechler, N. Branscombe, J.P. Bryant, W.R. Monteith (4)

RECUSED: M. Brown (1)

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

None.

VI. CONFIDENTIAL

(See Confidential Appendix to the 16th Report of the Strategic Priorities and Policy Committee enclosed for Members only.)

The Strategic Priorities and Policy Committee convened in camera from 5:45 PM to 6:13 PM after having passed a motion to do so, with respect to the following matter:

- C-1. A matter pertaining to personal matters, including information regarding an identifiable individual, including a municipal employee, with respect to employment related matters, advice or recommendations of officers and employees of the Corporation including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation.

VII. ADJOURNMENT

The meeting adjourned at 6:16 PM.