

TO:	CORPORATE SERVICES COMMITTEE ON FEBRUARY 21, 2017
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	RESERVE FUND HOUSEKEEPING SOCIAL HOUSING MAJOR REPAIRS, UPGRADES AND STABILIZATION RESERVE FUND

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed by-law, as appended to the staff report dated February 21, 2017, **BE INTRODUCED** at the Municipal Council meeting on March 2, 2017 to repeal and replace By-law A.-6041-647, being “A by-law to establish the Social Housing Major Repairs and Upgrades Stabilization Reserve Fund”.

BACKGROUND

The Social Housing Major Repairs, Upgrades and Stabilization Reserve Fund (the “Fund”) was passed in Open Council on October 23, 2006 to be used to address major capital repairs and upgrades to maintain existing social housing units managed by non-profit and co-op housing providers (Appendix A).

The purpose of this report is to repeal the Fund by-law that was approved by Municipal Council on October 23, 2006 and replace it with an amended by-law (Appendix B).

Proposed Changes To The Current By-law

The changes to the Fund are summarized below:

Current Fund By-Law	Proposed Fund By-Law
Clause 3 requires Municipal Council approval on the allocation of monies from the Fund prior to funds being expended.	<p>Clause 3 provides the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate the authorization to expend funds with a value less than \$100,000 for each occurrence.</p> <p>Clause 4 states that all funds of \$100,000 or greater for each occurrence require Municipal Council approval.</p> <p>Rationale: Providing delegated authority to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate for funds expended with a value less than \$100,000 for each occurrence expedites the approval process for low risk requests while ensuring Municipal Council is the decision maker for more substantial requests.</p>

Current Fund By-Law	Proposed Fund By-Law
<p>Clause 4 provides authority to the City Treasurer to deposit contributions raised through the property tax levy to the Fund.</p>	<p>Clause 5 provides authority to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate to deposit contributions raised through the property tax levy to the Fund.</p> <p>Rationale:</p> <p>This section has been updated to reflect the City's current organizational structure.</p> <p>The words "or designate" have been added to allow the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer to delegate this administrative responsibility.</p>
<p>Clause 5 provides authority to the City Treasurer to deposit monies standing in the Fund into a special bank account or consolidated bank account and that earnings derived from deposited monies will be accrued to and form part of the Fund.</p>	<p>Clause 6 provides authority to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate to invest monies standing in the Fund as permitted in the Municipal Act and to consolidate monies with other funds as long as earnings derived from deposited monies will be accrued to and form part of the Fund.</p> <p>Rationale:</p> <p>This section has been updated to reflect the City's current organizational structure.</p> <p>The words "or designate" have been added to allow the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer to delegate this administrative responsibility.</p> <p>Reference to a section of the Municipal Act with regards to investing monies has been added to be consistent with more current language contained in other reserve fund by-laws.</p>

CONCLUSION

Civic Administration is recommending that the Fund by-law approved by Municipal Council on October 23, 2006 be repealed and replaced with an amended Fund by-law in order to ensure the Fund parameters are established to best meet the needs of Municipal Council and Civic Administration.

This report was prepared with the assistance of Alan Dunbar in Financial Planning and Policy.

PREPARED BY:	
Jason Senese Manager of Financial Planning & Policy	
REVIEWED BY:	RECOMMENDED BY:
Larry Palarchio Director of Financial Planning & Policy	Martin Hayward Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

Cc: Sandra Datars Bere, Managing Director - Housing, Social Services and Dearness Home
Kyle Murray, Senior Financial Business Administrator
Dave Purdy, Manager, Housing Services

Appendices:

Appendix A - Current Social Housing Major Repairs and Upgrades Stabilization Reserve Fund By-Law

Appendix B - Proposed Social Housing Major Repairs and Upgrades Stabilization Reserve Fund By-Law

APPENDIX A

Current Social Housing Major Repairs, Upgrades and Stabilization Reserve Fund By-Law

Bill No. 476
2006

By-law No. A.-6041-647

A by-law to establish the Social Housing Major Repairs
and Upgrades Stabilization Reserve Fund.

WHEREAS Section 417 of the *Municipal Act, 2001*, as amended, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend money;

AND WHEREAS it has been deemed expedient to establish a stabilization reserve fund to provide funding support for major capital repairs and upgrades to maintain existing social housing stock managed by non-profit and co-op housing providers.

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

1. A reserve fund is hereby established to be known as the "Social Housing Major Repairs and Upgrades Stabilization Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for major capital repairs and upgrades to maintain existing social housing units managed by non-profit and co-op housing providers.
3. Before any monies are expended from the Fund for the purposes outlined in section 2 of this by-law, the approval of the Municipal Council shall be given to the allocation of such monies from the Fund in a given year.
4. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the City Treasurer.
5. The City Treasurer may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other reserve funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.
6. Notwithstanding that provision may not be made by the Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.
7. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 23, 2006.

Anne Marie DeCicco-Best
Mayor

Kevin Bain
City Clerk

First Reading - October 23, 2006
Second Reading - October 23, 2006
Third Reading - October 23, 2006

APPENDIX B

Proposed Social Housing Major Repairs, Upgrades and Stabilization Reserve Fund By-Law

Bill No.
2017

By-law No. A.-_____

A by-law to repeal and replace By-law A.-6041-647 being
"A by-law to establish the Social Housing Major Repairs
and Upgrades Stabilization Reserve Fund."

WHEREAS section 9 of the Municipal Act, 2001, as amended, provides that a municipality has all of the rights, powers and privileges of a natural person;

AND WHEREAS subsection 10(1) of the Municipal Act, 2001, as amended, provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the Municipal Act, 2001, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS Section 417 of the *Municipal Act, 2001*, as amended, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend money;

AND WHEREAS it has been deemed expedient to repeal and replace the current stabilization reserve fund to provide funding support for major capital repairs and upgrades to maintain existing social housing stock managed by non-profit and co-op housing providers.

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

1. A reserve fund is hereby established to be known as the "Social Housing Major Repairs, Upgrades and Stabilization Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London to provide for major capital repairs and upgrades to maintain existing social housing units managed by non-profit and co-op housing providers.
3. Monies with a value of less than \$100,000 for each occurrence can be expended by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate for the purposes outlined in section 2 of this by-law.
4. Before monies with a value of \$100,000 or greater for each occurrence are expended from the Fund for the purposes outlined in section 2 of this by-law, the approval of the Municipal Council shall be given to the allocation of such monies from the Fund.
5. Any subsequent monies raised through the annual property tax levy to be used as a contribution to the Fund shall be deposited to the Fund by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate.
6. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1) of the Municipal Act, 2001, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the Corporation may hold from time to time provided that any earnings derived from the monies standing in the Fund shall accrue to and form part of the Fund.
7. Notwithstanding that provision may not be made by the Municipal Council in the estimates of the current or any subsequent year for contributions to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

8. By-law A.-6041-647 being "A by-law to establish the Social Housing Major Repairs and Upgrades Stabilization Reserve Fund", passed by Municipal Council on October 23, 2006, is hereby repealed.
9. This by-law comes into force on the day it is passed.

PASSED in Open Council on March 2, 2017.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading - March 2, 2017
Second Reading - March 2, 2017
Third Reading - March 2, 2017