

TO:	CORPORATE SERVICES COMMITTEE ON MARCH 7, 2017
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER AND ACTING CITY MANAGER
SUBJECT:	RESERVE FUNDS HOUSEKEEPING – WOODLAND ACQUISITION AND MANAGEMENT RESERVE FUND

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the attached proposed by-law (Appendix B) **BE INTRODUCED** at the Municipal Council meeting to be held on March 21, 2017 to repeal and replace By-law A.-5638-98, entitled “A by-law to establish the Woodlot/Parkland Acquisition Reserve Fund”, noting that the name of the reserve fund will be revised to “Woodland Acquisition and Management Reserve Fund”.

BACKGROUND

The Woodlot/Parkland Acquisition Reserve Fund (the “Fund”) was established in 1999 to acquire significant upland woodlots that are likely to be developed but that have at the same time been identified for preservation (**Appendix A**). The current by-law includes Schedule A which describes the criteria and process for acquisition of woodlands.

The purpose of this report is to repeal the current Fund by-law and replace it with a revised Fund by-law (**Appendix B**).

Note: the terms “woodlot” and “significant upland woodlots” have been replaced by the terms “woodland” or “significant woodlands” and will be used throughout this report and the proposed revised by-law.

The proposed changes to the Fund by-law are summarized below:

Current Woodlot/Parkland Acquisition Reserve Fund By-Law	Proposed Woodland Acquisition and Management Reserve Fund By-Law
Name: Woodlot/Parkland Acquisition Reserve Fund	Name: Woodland Acquisition and Management Reserve Fund Rationale: The term “management” is added to better reflect the additional uses of the Fund monies as stated in Clause 2. The term “parkland” is excluded from the name because the acquisition of parklands is included under the Parkland Acquisition Reserve Fund and associated by-law. Acquired woodlands are often added to the City’s park/open space system and used by the public as “parkland”, but the source of funding and restricted use of the two reserve funds is distinct.

<p align="center">Current Woodlot/Parkland Acquisition Reserve Fund By-Law</p>	<p align="center">Proposed Woodland Acquisition and Management Reserve Fund By-Law</p>
<p>Clause 2 restricts monies in the Fund to be used to acquire significant upland woodlots that are likely to be developed. This clause also includes reference to Schedule “A” which identifies the criteria to be used to identify candidate sites and the process to be followed for acquisition.</p>	<p>Clause 2 states that monies in the Fund shall be used for:</p> <ul style="list-style-type: none"> a) The acquisition of significant woodlands, including woodlands inside an Environmentally Significant Area (ESA), that are inside or outside the Urban Growth Boundary, with a priority on those that are or may be threatened or surrounded by development in the future. b) The acquisition of lands for key ecological linkages between natural areas to expand woodlands, increase tree cover and support ecological enhancements of the overall natural heritage system as per Official Plan policy and the Provincial Policy Statement. c) The management of woodlands that are impacted by invasive species and likely to damage or completely erode the significance of the woodland area. <p>Schedule “A” is not included in the new by-law because the use of the Fund is detailed under clause 2.</p>
<p>Rationale:</p> <p>Over time, the current Fund by-law has proven to be restrictive in its application to “preserve” woodlands and presents difficulties for administration to efficiently utilize the funds through development processes and for time-sensitive acquisitions.</p> <p>Through development processes, many of the identified significant woodlands have been acquired as part of the parkland dedication process, but some have remained outside new subdivisions and not acquired by the City. The City has also acquired some ESA’s through the development process, but there are several ESA parcels that the City has not been able to acquire this way.</p> <p>Proposed clause 2 a) removes the restrictions to not purchase woodlands inside an ESA (current Schedule A, clause 1) and outside the Urban Growth Boundary (current Schedule A, clause 6).</p> <p>Current Schedule A, clause 2 discusses criterion such as size, species diversity, connections and function. Those were old criterion set up before similar criterion were included in the Official Plan and form the standard now.</p> <p>Current Schedule A, clause 3 discusses a review of candidate sites by the Environmental and Ecological Planning Advisory Committee (EEPAC). Woodlands are now assessed through prescribed processes that do include EEPAC, like subdivisions or Environmental Assessments, so a separate process is no longer required.</p> <p>Current Schedule A, clauses 4 and 5 refer to the Board of Control which no longer exists in the current governance structure at the City of London.</p> <p>Current Schedule A, clause 7 restricts funding from being used to acquire woodlands within the flood plain. When the current Fund by-law was created, there was a separate Flood Plain Acquisition Reserve Fund which has since been eliminated. The proposed by-law removes the restriction to purchase woodlands that are also within a flood plain so that the most significant woodlands can be acquired through this Fund.</p> <p>In addition, Administration received recommendations from EEPAC which identified potential changes to the Woodlot/Parkland Acquisition Reserve Fund to better protect and enhance the City’s natural heritage system. EEPAC recommended:</p>	

Current Woodlot/Parkland Acquisition Reserve Fund By-Law	Proposed Woodland Acquisition and Management Reserve Fund By-Law
<p>EEPAC Recommendation i): <i>The Fund by-law be modified to allow the purchase of any existing woodland outside of floodplains.</i></p> <p>The purpose of this was to permit acquisition anywhere within the City boundary – inside or outside the Urban Growth Boundary.</p> <p>EEPAC Recommendation ii): <i>The Fund by-law be modified to allow the purchase of lands adjacent to existing woodlands which may serve to protect, enhance, link or expand existing woodlands.</i></p> <p>This recommendation was put forward prior to the latest Provincial Policy Statement (PPS) update (2014) that now speaks to improving linkages between natural heritage features (2.1.2). The proposed clause 2 b) allows the purchase of key linkage lands in order to advance the Official Plan policy and the PPS.</p> <p>Acquisition of woodlands is the first step to meeting the test of the PPS and the City’s Official Plan (OP) Policies, but on-going management is also required. Invasive species, like buckthorn and phragmites, are continuing to take over natural areas. Current available funding to control invasive species in woodlands and ESA’s is not sufficiently addressing the issue. Pest infestations, like emerald ash borer and gypsy moth, have also impacted our woodlands. The proposed clause 2 c) allows funding for the management or enhancement of woodlands, specifically the growing issue of invasive species and pests.</p>	
<p>Clause 3 provides authority to the City Treasurer to deposit contributions raised through the property tax levy to the Fund.</p>	<p>Clause 3 provides authority to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate to deposit:</p> <ul style="list-style-type: none"> a) City funds raised specifically for uses outlined in section 2 of this by-law; and b) Any other funds received or designated for this purpose. <p>Rationale:</p> <p>This section has been updated to reflect the City’s current organizational structure. 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>The inclusion of “other funds” in Clause 3 b) provides the flexibility to include other funds (e.g. proceeds from the sale of lands) if required.</p>

Current Woodlot/Parkland Acquisition Reserve Fund By-Law	Proposed Woodland Acquisition and Management Reserve Fund By-Law
<p>Clause 4 requires Municipal Council approval for the allocation of all monies from the fund.</p>	<p>Clause 4 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, for the purposes outlined in section 2.</p> <p>Clause 5 states that all expenditures of \$100,000 or greater for each occurrence requires Municipal Council approval.</p> <p>Rationale:</p> <p>Providing delegated authority to the Civic Administration for funds expended with a value less than \$100,000, which can be time sensitive, expedites the approval process for low risk requests while ensuring Municipal Council is the decision maker for more substantial requests.</p> <p>Delegated authority to purchase smaller parcels of woodlands aligns with current Realty Services processes for land acquisitions under \$100,000.</p>
<p>Clause 5 provides authority to the City Treasurer to invest monies in the Fund under the Trustees Act and that earnings derived from the investments will be accrued to and form part of the Fund.</p> <p>Clause 6 provides authority to the City Treasurer to deposit monies standing into the Fund into a special bank account or consolidated bank account.</p>	<p>The proposed Clause 6 consolidates the intent of both Clause 5 and Clause 6 of the current fund by-law.</p> <p>The proposed Clause 6 provides authority to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate to invest monies 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>References a section of the Municipal Act with regards to investing monies has also been added to be consistent with more current language contained in other reserve fund by-laws.</p>

CONCLUSION

Civic Administration is recommending that the by-law establishing the Woodlot/Parkland Acquisition Reserve Fund in 1999 be repealed and replaced with a revised by-law in order to ensure that parameters are established to best meet the needs of Municipal Council and Civic Administration.

This report was prepared with the assistance of Jason Senese and David Bordin from Financial Planning & Policy.

PREPARED BY:	
Alan Dunbar, 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 and Acting City Manager

CC: Kyle Murray, Senior Financial Business Administrator
Andrew Macpherson, Manager, Environmental & Parks Planning

APPENDIX A – Current Woodlot/Parkland Acquisition Reserve Fund By-law

APPENDIX B – Proposed Woodland Acquisition and Management Reserve Fund By-law

APPENDIX A

Current Woodlot/Parkland Acquisition Reserve Fund By-law (including Schedule A)

Bill No. 143
1999

By-law No. A.-5638-98

A by-law to establish the Woodlot/Parkland
Acquisition Reserve Fund.

WHEREAS section 163 of the *Municipal Act, R.S.O. 1990, c. M.45*, as amended, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend funds;

AND WHEREAS it is desirable to establish a reserve fund for the acquisition of certain types of woodlots as hereinafter described in this by-law;

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 "Woodlot/Parkland Acquisition 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 acquire significant upland woodlots that are likely to be developed but that have at the same time been identified for preservation, and the criteria to be used and the process to be followed when assessing the need to acquire such woodlots shall be as set out in Schedule "A" of this by-law.
3. Any 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.
4. 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 the monies for the acquisition of significant upland woodlots in the City of London.
5. The City Treasurer may invest the monies standing in the Fund in such securities as a trustee may invest in under the *Trustees Act* or in the general funds of The Corporation of the City of London as provided for in the *City of London Act, 1972*, and the earnings derived from the investment of the monies standing in the Fund shall accrue to and form part of the Fund.
6. 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.
7. 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.

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

PASSED in Open Council on March 22, 1999.

Anne Marie DeCicco
Deputy Mayor

Jeff A. Malpass
City Clerk

First reading - March 22, 1999
Second reading - March 22, 1999
Third reading - March 22, 1999

APPENDIX A (continued)

Current Woodlot/Parkland Acquisition Reserve Fund By-law (including Schedule A)

Schedule "A"
to By-law No. A.-5638-98
The Woodlot/Parkland Acquisition Reserve Fund By-law

Criteria/Process for Acquisition

1. The purpose of this Fund is to provide monies for the acquisition by The Corporation of the City of London of significant upland woodlots that are likely to be developed and at the same time have been identified as being candidate sites for preservation, but that have not been identified as Environmentally Significant Areas (ESA's).
2. Whether or not a candidate site is a "significant upland woodlot" will be determined in accordance with policies in the Official Plan for the City of London Planning Area and using criteria such as size, species diversity, connections and function.
3. The criteria set out in paragraphs 1 and 2 above will be used by the City's Ecologist and the Environmental and Ecological Planning Advisory Committee (EEPAC) to carry out a review of candidate sites to determine whether or not they are significant and hence are eligible for acquisition using monies from the Fund.
4. The results of the reviews referred to in paragraph 3 above will be submitted to the Commissioner of Planning and Development who will then make a recommendation to the Board of Control either in favour of or against the acquisition of eligible sites.
5. The Board of Control will submit a recommendation to the Municipal Council with respect to any acquisition of eligible sites, and the Municipal Council will make the final decision with respect to the acquisition of any eligible site.
6. Monies in the Fund will not be used to acquire woodlots in lands outside the approved Urban Growth Boundary.
7. Monies in the Fund will not be used to acquire woodlots within regulated flood plains since the acquisition of these sites is provided for under the City's Flood Plain Acquisition Program.

APPENDIX B

Proposed Woodland Acquisition and Management Reserve Fund By-law

Bill No.
2017

By-law No. A.- _____

A by-law to establish the Woodland Acquisition and Management Reserve Fund and repeal and replace By-law A.-5638-98, entitled "A by-law to establish the Woodlot/Parkland Acquisition 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 reserve fund to provide a source of funding for the acquisition and management of woodlands;

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 Woodland Acquisition and Management Reserve Fund (hereinafter called the "Fund").
2. The monies standing in the Fund shall be used by The Corporation of the City of London for:
 - a. The acquisition of significant woodlands, including woodlands inside an Environmentally Significant Area, that are inside or outside the Urban Growth Boundary, with a priority on those that are or may be threatened or surrounded by development in the future;
 - b. The acquisition of lands for key ecological linkages between natural areas to expand the City's woodlands, increase tree cover and support ecological enhancements of the City's overall natural heritage system as per Official Plan policy and the Provincial Policy Statement; and,
 - c. The management of woodlands that are impacted by invasive species and pests and likely to damage or completely erode the significance of the woodland area.
3. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate shall deposit in this reserve fund the following:
 - a. City funds raised specifically for uses outlined in section 2 of this by-law; and,
 - b. Any other funds received or designated for this purpose.

4. Monies with a value of less than \$100,000 for each occurrence can be expended with authorization from the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, or designate, for the purposes outlined in section 2 of this by-law.
5. 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.
6. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer 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 No. A.-5638-98 entitled "A by-law to establish the Woodlot/Parkland Acquisition Reserve Fund" passed by Council on March 22, 1999 is hereby repealed.
9. This by-law comes into force and effect on the day it is passed.

Passed in Open Council on March 21, 2017.

M. Brown
Mayor

Catharine Saunders
City Clerk

First reading - March 21, 2017
Second reading - March 21, 2017
Third reading - March 21, 2017