

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 – PARKLAND ACQUISITION 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.-4968-17, entitled “A by-law to establish a reserve fund for Parklands”.

BACKGROUND

The Parkland Reserve Fund (the “Fund”) was established in 1986 for the acquisition, development or improvement of lands to be used for park or other public recreational purposes (**Appendix A**). The purpose of this report is to repeal the current Fund by-law and replace it with an amended Fund by-law (**Appendix B**).

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

Current Fund By-Law	Proposed Fund By-Law
<p>Clause 2 provides authority to the City Treasurer to deposit into the Fund from four sources.</p>	<p>Clause 2 provides authority to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate to deposit into the Fund from the same four sources.</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>

Current Fund By-Law	Proposed Fund By-Law
<p>The current Fund by-law does not include clauses regarding authorization to draw from the Fund. In the absence of specific direction, Civic Administration must request Municipal Council approval for all Fund draws to acquire eligible lands under the Fund by-law.</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 clause 3.</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>The current process is time consuming when acquiring small parcels of land of a nominal value. In certain instances, Administration is required to act quickly when the purchase of small parkland parcels is necessary or desirable.</p> <p>Providing delegated authority to the Civic Administration 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. Furthermore, this revision aligns with current Realty Services processes for land acquisitions under \$100,000.</p>
<p>Clause 4 provides authority to the City Treasurer to invest monies in the Fund under the Trustees Act or the City of London Act, and that earnings derived from the investments will be accrued to and form part of the Fund.</p> <p>Clause 5 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 4 and Clause 5 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 to a section of the Municipal Act 2001, as amended, with regards to investing monies have also been added to be consistent with more current language contained in other reserve fund by-laws.</p> <p>References to the Trustees Act and City of London Act have been superseded by the references to the Municipal Act, 2001 as amended.</p>

CONCLUSION

Civic Administration is recommending that the by-law establishing the Parkland Reserve Fund in 1986 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

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

Appendices:

- APPENDIX A** – Current Parkland Reserve Fund By-law
- APPENDIX B** – Proposed Parkland Reserve Fund By-law

APPENDIX A

Current Parkland Reserve Fund By-law

Bill No. 41

By-law No. A.-4968-17

A by-law to establish a reserve fund for Parklands.

WHEREAS section 165 of the *Municipal Act, 2001*, provides that a municipality may establish a reserve fund for any purpose for which it has authority to spend funds;

AND WHEREAS subsection 41 (7) and 50 (12) of the Planning Act 1983, requires the establishment of a separated account for monies received for the purposes of Parkland acquisition, and development.

AND WHEREAS there exists at this time a reserve fund entitled the Parklands reserve fund.

AND WHEREAS it is desirable to set out by by-law guidelines for the maintenance and operation of this reserve fund.

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

1. A reserve fund known as the Parkland Reserve Fund is hereby continued.
2. The City Treasurer shall deposit into this reserve fund the following:
 - a. all cash payments in lieu of the conveyance of land for park purposes,
 - b. the proceeds of the sale of any lands conveyed for park purposes,
 - c. the proceeds of the sale of any lands designated for park purposes, and
 - d. any other funds designated for parkland acquisition and development.
3. The monies standing in the reserve fund shall be expended, pledged or applied only for the purpose of the acquisition of lands to be used for park or other public recreational purposes or for the development or improvement of lands used or to be used for park or other public recreational purposes.
4. The City Treasurer may invest monies standing in the reserve fund in such securities as a trustee may invest under the Trustees Act or in the general funds of the Municipality as prescribed by the City of London Act, 1972 and the earnings derived from the investments of such monies shall form part of the reserve fund.
5. The City Treasurer may deposit monies standing in the reserve 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 such monies shall form part of the reserve fund.

6. 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.

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

PASSED in Open Council on December 15, 1986.

T.C. Gosnell
Mayor

K.W. Sadler
City Clerk

First Reading	- December 15, 1986
Second Reading	- December 15, 1986
Third Reading	- December 15, 1986

APPENDIX B

Proposed Parkland Reserve Fund By-law

Bill No.
2017

By-law No. A.- _____

A by-law to establish the Parkland Reserve Fund and to repeal and replace By-law A.-4968-17, entitled "A by-law to establish a reserve fund for Parklands"

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 42 of the Planning Act, R.S.O. 1990, c. P.13, authorizes the council of a local municipality to pass by-laws requiring as a condition of development or redevelopment the conveyance of land or the payment of money to the value of the land otherwise required to be paid in lieu of such conveyance for park or other recreational purposes;

AND WHEREAS chapter 16 of the Official Plan for the City of London Planning Area - 1989 contains specific policies dealing with the provision of land for parks and recreations services;

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 to acquire lands to be used for parks or other public recreational purposes or for the development or improvement of lands used or to be used for parks or other public recreational purposes;

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 Parkland Reserve Fund (hereinafter called the "Fund").
2. The Managing Director, Corporate Services and City Treasurer, Chief Financial Officer or designate shall deposit into the Fund the following:
 - a. all cash payments in lieu of the conveyance of land for park purposes;
 - b. the proceeds of the sale of any lands conveyed for park purposes;
 - c. the proceeds of the sale of any lands designated for park purposes; and,
 - d. any other funds designated for parkland acquisition and development.

3. The monies standing in the Fund shall be expended, pledged or applied only to acquire lands to be used for park or other public recreational purposes or for the development or improvement of lands used or to be used for park or other public recreational purposes.
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 3 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 3 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 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. By-law No. A.-4968-17 entitled "A by-law to establish a Reserve Fund for Parklands" passed by Council on December 15, 1988 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