

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	VEHICLE DONATION TO REFOREST LONDON

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, notwithstanding the Procurement of Goods and Services Policy:

- a) the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the October 2nd, 2018 meeting of the Municipal Council to make a grant of a City-owned surplus truck to ReForest London; and
- b) that Civic Administration **BE AUTHORIZED** to transfer \$9,500 from the Community Investment Reserve Fund to the Vehicle & Equipment Reserve Fund.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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January 16, 2006 – Donation of Surplus Trailer to St. John Ambulance, Community and Protective Services Committee

August 8, 2007 – Donation of Surplus Defibrillators to Fanshawe College, Board of Control

June 18, 2008 – Food Bank Request, Board of Control

November 18, 2009 – Food Bank Request, Board of Control

September 13, 2011 – Donation of Play Equipment to London Middlesex Housing Corporation (LMHC), Community and Neighbourhoods Committee

BACKGROUND

At its meeting on September 11, 2018, the Corporate Services Committee supported a request from ReForest London for the City to donate to ReForest London a used truck to assist in their tree planting events.

The Procurement of Goods and Services Policy, Schedule "E", sets out the process for disposal of materials and equipment that are considered to be obsolete and/or surplus through auction. The City's Fleet Services follows this process and accounts for the proceeds of disposal to fund the acquisition of replacement equipment.

Fleet Services has confirmed that a truck is coming out of service around the end of September, 2018. Based on experience, the salvage value of similar type vehicles would be \$9,500. This amount had been accounted for to be contributed to the Vehicle and Equipment Reserve Fund which would be put toward the acquisition of a replacement vehicle.

Although the practice, as outlined in the Procurement of Goods and Services Policy, has been to auction off surplus City equipment, there have been some instances where items have been donated by the City to an outside organization: cargo vans to the London Area Food Bank, play equipment to the London & Middlesex Housing Corporation, a trailer to St John's Ambulance, surplus defibrillators for use as training tools to Fanshawe College, and end of lifecycle firefighters equipment provided to GlobalFire.

To facilitate ReForest London's request, Civic Administration would look to grant Reforest London a surplus truck that is coming out of service at the end of September, 2018. Subsection 107(2) (d) of the Municipal Act, 2001, S.O. 2001 provides that the power to make a grant includes the power to make a grant of any personal property of the municipality. Since ReForest London is a non-profit organization, registered as a charity with the Canada Revenue Agency, section 106 (1) "Assistance Prohibited" of the Municipal Act, 2001 would not be applicable.

As part of the grant (donation), ReForest London would have to sign an agreement that covers the following points:

- the equipment was inspected by the new owner before accepting it,
- the new owner agrees that there is no warranty as to the condition of the property, and
- the new owner agrees to hold the City harmless for any claims arising out of its use and operation

Furthermore, ReForest London would be responsible to safety and license the vehicle at their expense as per the change of ownership. Fleet Services will no longer be responsible for maintenance or service of the vehicle following the change in ownership.

Financial Impact / Source of Financing

To ensure that the Fleet Replacement program is not setback by the auction revenue forgone, Civic Administration would look to transfer \$9,500 from the Community Investment Reserve Fund to the Vehicle & Equipment Reserve Fund. The uncommitted balance in the Community Investment Reserve Fund is \$819,946.

Conclusion

The City of London's Urban Forest Strategy, adopted in 2014, has a goal to reach 34% tree canopy cover by 2065. It has identified that the majority of the tree planting opportunities are on private lands. Also identified in the strategy is that along with a commitment from all City Service Areas, partnerships with community groups will be the way forward to attain this goal and expand educational and tree planting programs.

Under subsection 107(1) of the Municipal Act, 2001, S.O. 2001 provides that a municipality may make grants, on such terms as the Council considers appropriate, to any person, group or body, including a fund, for any purpose that Council considers to be in the interests of the municipality.

Acknowledgements

This report was prepared with the assistance from Legal Services, Fleet Services, and Urban Forestry.

PREPARED BY:	RECOMMENDED BY:
IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES	ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

- c. J. Freeman, Manager of Purchasing & Supply
 J. Spence, Manager, Urban Forestry
 J. Davies, Manager, Financial Planning & Policy
 M. Bushby, Division Manager, Fleet & Operational Services
 A Macphereson, Manager, Environmental and Parks Planning
 J Stanford, Director, Environment, Fleet, & Solid Waste

APPENDIX “A”

Bill No.
2018

By-law No.

A By-law to make a grant of a City owned surplus truck to ReForest London

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

AND WHEREAS subsection 107(1) of the *Municipal Act, 2001*, S.O. 2001 provides that a municipality may make grants, on such terms as the Council considers appropriate, to any person, group or body, including a fund, for any purpose that Council considers to be in the interests of the municipality;

AND WHEREAS subsection 107(2) (d) of the *Municipal Act, 2001* provides that the power to make a grant includes the power to make a grant of any personal property of the municipality;

AND WHEREAS ReForest London is a non-profit organization that is a registered charity with the Canada Revenue Agency;

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

1. That the Corporation of the City of London may make a grant of one of its surplus trucks to ReForest London.
2. That the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer be authorized to take any and all administrative acts that are necessary to make the grant of a truck in section 1, above.
3. This by-law shall come into force and effect on the date it is passed.

Passed in Open Council on October 2, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –