

28TH REPORT OF THE
FINANCE AND ADMINISTRATION COMMITTEE

Meeting held on November 16, commencing at 10:05 AM, in the Council Chambers, Second Floor, London City Hall.

PRESENT: Mayor J.F. Fontana (Chair), Councillors J.P. Bryant, N. Branscombe, D.G. Henderson and P. Hubert and L. Rowe (Secretary).

ALSO PRESENT: J. A. Fielding, M. Hayward, P. McNally, D. Ailles, J. P. Barber, G. Belch, J. Braam, P. Christiaans, A. Dunbar, J. M. Fleming, P. Foto, E. Gamble, G. T. Hopcroft, T. A. Johnson, C. Kellar, J. Logan, V. McAlea Major, D. Munteer, D. O'Brien, L. Palarchio, R. Standish, M. Turner, B. Warner and P. White.

I. DISCLOSURES OF PECUNIARY INTEREST

Councillor Branscombe disclosed a pecuniary interest in clause 6 of this Report having to do with a request from London Machinery Inc. to extend its option on Parts 15 to 19, Plan 33R-17397 of Skyway Industrial Park by indicating that her spouse owns and operates a business in close proximity to the subject property.

II. SCHEDULED ITEMS

1. Municipal Service Financing Agreements

Recommendation: That, on the recommendation of the City Treasurer, Chief Financial Officer:

- (a) the report and presentation from Watson and Associates Economists Ltd. **BE RECEIVED** for information;
- (b) recommendations (b)(ii) through (b)(v) **BE APPROVED**, but implementation **BE SUBJECT TO** recommendation (b)(i), noting that a significant debt load is currently being carried and projected to be carried by the City Services Reserve Funds (CSRF);
 - (i) the following conditions to implement a Municipal Services Financing Agreement (MSFA) **BE APPROVED**:
 - (A) the Development Charges By-law **BE AMENDED**, as necessary, to accommodate an MSFA, noting the next scheduled update is 2014;
 - (B) the staff complement **BE INCREASED** by at least one additional staff resource to support the Director, Development Finance, to effectively assess and administer these agreements, as well as provide for other analyses related to Development Charges (DC), including those necessary for the next DC background study.
 - (ii) the annual review of the Growth Management Implementation Strategy (GMIS) **BE CONFIRMED** as the development staging strategy to ensure the orderly progression of development and for construction of CSRF (growth) projects and, further, that a stronger link **BE PROVIDED** through the GMIS process between the projection of revenues (projected building activity), existing debt approvals and the determination of the works proposed in the ten year capital plan;
 - (iii) consideration **BE GIVEN** to the benefit of accelerating CSRF projects on an exception basis where the individual project provides economic opportunities for new business and jobs or where it may facilitate a community use facility; in considering the merits of an application to accelerate a CSRF project, the evaluation process provided in section 4.2 of the Municipal

Service and Financing Policy document dated November 7, 2011, from Watson & Associates Economists Ltd. **BE ADOPTED IN PRINCIPLE** and the Civic Administration **BE INSTRUCTED** to further develop and implement the principles and processes identified, with any adjustments that are deemed necessary for practical reasons. In addition, an assessment of risk and financial implications of accelerating the timing of the project should be included in any analysis;

- (iv) the following forms of MSFA **BE PROVIDED** to facilitate recommendation (b)(iii), above (as outlined in Pages 3-1 and 3-2 of the Municipal Service and Financing Policy document dated November 7, 2011, from Watson & Associates Economists Ltd.):
 - (A) Accelerated Payment Agreement would facilitate construction of the CSRF project by the City with reimbursements provided by credits;
 - (B) Service Emplacement Agreements would facilitate construction of the CSRF project by the landowner with reimbursement provided by credits, subject to the process set out in section 4.1 of the Municipal Service and Financing Policy document dated November 7, 2011, from Watson & Associates Economists Ltd.; or
 - (C) Front-ending Agreements would facilitate construction of the CSRF project by the City with reimbursement provided by either a credit or repayment. If a repayment is considered, then the repayment should occur no earlier than the cumulative growth amount anticipated in the GMIS forecast in force at the start of the agreement;
 - (D) the non-growth share of projects undertaken with the MSFA be cash-flowed by the developers and repaid by the City no earlier than the cumulative growth amount anticipated on the original timeline in the Development Charge Study growth forecast in force at the start of the agreement;
- (v) the total amount of all agreements entered into **NOT EXCEED** \$5 million. The adequacy of this cap **BE REVIEWED** within five years. Further, the Civic Administration **BE AUTHORIZED** to delay other competing projects to balance lot inventories and/or restrict debt levels;
- (c) the City Solicitor **BE INSTRUCTED** to develop appropriate forms of agreement to accommodate the recommendations in (b) above and **BE DIRECTED** to retain an independent legal review of the proposed forms of agreement;
- (d) the Civic Administration **BE AUTHORIZED** to engage consulting services necessary to develop the processes, tools and resources required implement the recommendations;
- (e) the Civic Administration **BE DIRECTED** to develop the debt cap for the CSRF based on the low point for DC revenue over the previous ten years and this cap **BE APPLIED** to the allowable debt authorized in the CSRF. If this debt amount is exceeded, projects must be postponed until the debt levels come to acceptable and affordable levels;
- (f) the Civic Administration **BE DIRECTED** to develop an administrative charge to be charged to any developer requesting an MSFA to recoup in full or in part administrative costs associated with administering the agreements; and
- (g) the Civic Administration **BE INSTRUCTED** to explore the following other considerations as part of the next Development Charges Background Study:
 - (A) Development Charges **BE REVIEWED** with a view to establishing a fee structure that encourages intensification and discourages

“leap frog” development;

- (B) capital works **BE REVIEWED** as part of the next Development Charges Background Study to establish more works related to the development as local services (Section 59(2), *Development Charges Act, 1997*) rather than regional services;
- (C) further to recommendations to the Audit Committee from the internal auditor, the viability and future of the Urban Works Reserve Fund **BE REVIEWED**; and
- (D) the Development Charges By-law **BE REVIEWED** with a view to applying section 26(1) of the *Development Charges Act, 1997* which allows for payment of development charges related to water, wastewater, storm water and roads upon entering a subdivision or consent agreement; noting that while this improves cash flow to the CSRF, considerable administrative burden and cost will be incurred to effectively monitor this change;

it being noted that the Finance and Administration Committee heard the attached presentation from G. Scandlan, Watson & Associates Economists Ltd. and received the attached communications from L. J. Townsend, Townsend and Associates; S. Levin and G. McGinn-McTeer, Urban League of London; and J. Kennedy, President, London Development Institute, with respect to this matter. (2011-L03-00)

2. Amendment to By-law No. A-41 Council Procedure By-law - Appointment of Acting Mayor

Recommendation: That, on the direction of the Municipal Council, the following actions be taken with respect to the process for the appointment of an Acting Mayor:

- (a) the attached revised proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting of November 21, 2011 to repeal and replace Council Policy 5(1) entitled “Process for the Appointment of an Acting Mayor”, so that all Ward Councillors may serve as Acting Mayor, on a rotating basis, based on ward order, noting that the rotation order would continue from one Council term to the next so as to maximize the opportunity for each ward to have its Ward Councillor serve as Acting Mayor; and
- (b) the attached proposed by-law (Appendix “B”) **BE INTRODUCED** at the Municipal Council meeting of November 21, 2011 to amend By-law No. A-41, being “A by-law to provide for the Rules of Order and Procedure for the Council of The Corporation of the City of London” to reflect the change in process for the appointment of an Acting Mayor, arising from (a), above;

it being pointed out that there were no submissions made at the public participation meeting held in connection with this matter. (2011-G03-00)

3. Workplace Diversity Statement and Plan Update

Recommendation: That, on the recommendation of the City Manager and Chief Human Resources Officer:

- (a) the Civic Administration **BE DIRECTED** to amend the Terms of Reference for the Diversity Task Force to allow for participation by representatives from external organizations (i.e. organizations not affiliated with The Corporation of the City of London); and
- (b) representatives from the City of London’s agencies, boards and commissions **BE ENCOURAGED** to participate on the Diversity Task Force; and

it being noted that the Finance and Administration Committee heard the attached update from the Chief Human Resources Officer and P. Shanahan, Vice Chair, London Diversity & Race Relations Advisory Committee, with respect to the City of London’s Workplace Diversity Statement and Plan. (2011-H20-00)

III. CONSENT ITEMS

4. Banking Services Agreement

Recommendation: That, on the recommendation of the City Treasurer, Chief Financial Officer, the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting of November 21, 2011 to:

- (a) approve the Banking Services Agreement and Commercial Card Agreement with The Bank of Nova Scotia, 420 Richmond Street, London, ON N6A 3C9, with respect to monthly banking services, cash management services and commercial card services;
- (b) authorize the Mayor and the City Clerk to execute the Agreements noted in (a), above; and
- (c) authorize the City Treasurer, Chief Financial Officer or designate undertake all the administrative acts that are necessary in connection with these Agreements, including, without limitation, to designate Commercial Card Co-ordinators under the Commercial Card Agreement. (2011-F08-00)

5. Orchestra London 2010-2011 Financial Results

Recommendation: That on the recommendation of the Deputy City Treasurer, the November 16, 2011 report regarding Orchestra London's 2010-2011 financial results **BE RECEIVED** for information. (2011-F12-00)

6. Request from London Machinery Inc. to Extend its Option on Parts 15 to 19, Plan 33R-17397 - Skyway Industrial Park

Recommendation: That, on the recommendation of the Managing Director - Corporate Assets, on the advice of the Manager Realty Services, the following actions be taken with respect to the request from London Machinery Inc. to extend its option on Parts 15 to 19, Plan 33R-17397 of Skyway Industrial Park:

- (a) the Civic Administration **BE AUTHORIZED** to extend London Machinery Inc.'s current option on approximately 29.5 acres of land located on the west side of Robin's Hill Road, described as Parts 15 to 19, Plan 33R-17397, as outlined on the location map attached as Schedule "C"; and
- (b) the attached proposed by-law **BE INTRODUCED** at the Municipal Council meeting to be held on November 21, 2011, to approve this request and to authorize the Mayor and the City Clerk to execute the amended Option Agreement. (2011-L15-01)

7. Declare Property Surplus and Sale of Part of Barton Street Road Allowance

Recommendation: That, on the recommendation of the Managing Director - Corporate Assets, on the advice of the Manager Realty Services, with respect to the City-owned Barton Street road allowance north of Central Avenue, described as Parts 1, 2 and 3, Reference Plan 33R-18052, containing an area of approximately 587 square meters, as shown on Schedule "A" attached, the Civic Administration **BE AUTHORIZED** to take the following actions:

- (a) declare the subject property surplus; and
- (b) accept the offer from Denis Campeau, John Demarco and Anne Kirby, abutting property owners of 90 Central Avenue, to purchase the subject lands from the City, for the sum of \$3,900.00, subject to the following conditions:
 - (i) Parts 2 and 3, Reference Plan 33R-18052 subject to easements in favour of City of London, Union Gas and London Hydro; and

- (ii) the completion of the offer to purchase from the City, Part 1, Reference Plan 33R-18052 by the abutting property owner of 639 Talbot Street;
- (c) accept the offer from Panman Enterprises Corporation, the adjacent property owner of 639 Talbot Street, to purchase from the City, Part 1, Reference Plan 33R-18052, for the sum of \$3,900.00, subject to the following conditions:
 - (i) Part 1, Reference 33R-18052 subject to an easement in favour of the City; and
 - (ii) the completion of the offer from Denis Campeau, John Demarco and Anne Kirby, abutting property owners of 90 Central Avenue, purchasing from the City Parts 2 and 3, Reference Plan 33R-18052;
- (d) the attached proposed by-laws **BE INTRODUCED** at the Municipal Council meeting to be held on November 21, 2011 to approve the sale and to authorize the Mayor and the City Clerk to execute the Agreements of Purchase and Sale. (2011-L15-01)

8. Declare Land Surplus and Sale to Union Gas Limited

Recommendation: That, on the recommendation of the Managing Director - Corporate Assets, on the advice of the Manager Realty Services, with respect to the City-owned land located on the north side of Bradley Avenue east of Veteran's Memorial Parkway, described as Blocks 1 and 15, Plan 33M-609 (Parts 1, 2 and 3, Plan 33R-18108), containing an area of approximately 698 square feet, as shown on Schedule "A" attached, the Civic Administration **BE AUTHORIZED** to take the following actions:

- (a) declare the subject property surplus;
- (b) accept the offer submitted by Union Gas Limited to purchase the subject property from the City, for the sum of \$1,000.00; and
- (c) the attached proposed by-law **BE INTRODUCED** at the Municipal Council meeting to be held on November 21, 2011 to approve this sale and to authorize the Mayor and the City Clerk to execute the Agreement of Purchase and Sale. (2011-L15-01)

9. SensoDetect Aktiebolag Memorandum of Agreement

Recommendation: That, on the recommendation of the Director of Intergovernmental and Community Liaison, the Mayor **BE AUTHORIZED** to sign the attached Memorandum of Understanding (MOU) with SensoDetect Aktiebolag. (2011-G10-00)

10. Canada Ukraine Municipal Local Economic Development Program - Mission to Ukraine

Recommendation: That, on the recommendation of the Director of Intergovernmental and Community Liaison, the November 16, 2011 report on the City of London's participation in the Ukraine Municipal Local Economic Development Program **BE RECEIVED**.

11. Team London Trade Scoping Mission to China

Recommendation: That the Director of Intergovernmental and Community Liaison **BE DIRECTED** to submit a report to the November 21, 2011 meeting of the Municipal Council, providing additional details as to which individuals from The Corporation of the City of London will be going on the Team London Trade Scoping Mission to China, what the duration of their Mission will be, anticipated costs and the source of financing for those costs; it being noted that the Finance and Administration Committee received an information report from the Director of Intergovernmental and Community Liaison with respect to the Trade Scoping Mission. (2011-G10/M16-00)

12. Revision to Code of Conduct for Members of Municipal Council

Recommendation: That, the proposed by-law to amend Council Policy 5(30) – Code of Conduct for Members of Municipal Council, by referencing the Procurement of Goods and Services Policy – Interference in the Procurement Process **BE REFERRED** back to staff for inclusion of further clarification as to the ramifications of non-compliance. (2011-G06-00)

IV. ITEMS FOR DIRECTION

13. Annual Business Achievement Awards Sponsorship – Request for Sponsorship

Recommendation: That the City Manager **BE AUTHORIZED** to enter into an Event Sponsorship Agreement with the London Chamber of Commerce for a “Silver Sponsorship” of the 2012 Business Achievement Award Program; it being noted that the associated cost of \$6000 is to be accommodated within the approved Operating Budget.

14. Donation Request

Recommendation: That the communication dated October 5, 2011, from E. McComb, Middlesex 4-H President, **BE NOTED AND FILED**.

15. L. J. Townsend, Townsend and Associates; and S. Levin and G. McGinn-McTeer, Urban League of London Submissions re Municipal Services Financing Agreements

Recommendation: See clause #1, above.

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

16. Naming of London’s Newest Baseball Team

Recommendation: That the following message **BE RELAYED** today, to the team owner of London’s newest baseball team, and that the owner be given an opportunity to respond to these community concerns:

“London City Council wishes to express serious concerns about the name of London’s newest baseball team. While it accepts that the team owner’s intention may not have been to draw a connection to “Jack the Ripper”, it believes the name is not appropriate for our community, particularly in light of our focus on ending woman abuse.”

17. Funding of Future Industrial Land Acquisitions

Recommendation: That \$4.7 million **BE APPROVED** for funding future industrial land acquisitions, with the source of financing to be as follows:

2011 Capital Levy	\$1,100,000*
Debt	\$2,900,000
Industrial Land Reserve	<u>\$ 700,000</u>
	\$4,700,000

* *The 2011 Capital Levy account within the Corporate Operating Budget will be utilized for this unanticipated capital project expenditure; it being noted that the 2nd Quarter Corporate Operating Planning Savings (surplus) projection will be reduced from \$3.8 million to \$0.6 million (after a previous commitment of \$2.1 million). If the 2011 Corporate Budget cannot absorb this expenditure, a drawdown from the Operating Budget Contingency Reserve will be required.*

VI. CONFIDENTIAL

(See Confidential Appendix to the 28th Report of the Finance and Administration Committee enclosed for Members only.)

The Finance and Administration Committee convened in camera from 12:41 p.m. to 2:04 p.m., after having passed a motion to do so, with respect to the following matters:

- C-1. A matter pertaining to instructions and directions to officers and employees of the Corporation pertaining to a proposed acquisition of land; advice that is subject to solicitor-client privilege, including communications necessary for that purpose; reports or advice or recommendations of officers and employees of the Corporation pertaining to a proposed acquisition of land; commercial and financial information supplied in confidence pertaining to the proposed acquisition the disclosure of which could reasonably be expected to, prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of the Corporation, result in similar information no longer being supplied to the Corporation where it is in the public interest that similar information continue to be so supplied, and result in undue loss or gain to any person, group, committee or financial institution or agency; commercial, information relating to the proposed acquisition that belongs to the Corporation that has monetary value or potential monetary value; information concerning the proposed acquisition whose disclosure could reasonably be expected to prejudice the economic interests of the Corporation or its competitive position; information concerning the proposed acquisition whose disclosure could reasonably be expected to be injurious to the financial interests of the Corporation; and instructions to be applied to any negotiations carried on or to be carried on by or on behalf of the Corporation concerning the proposed acquisition.
- C-2. A matter pertaining to the security of City staff and facilities.
- C-3. A matter pertaining to employee negotiations, advice or recommendations of officers and employees of the Corporation including communications necessary for that purpose and for the purpose of providing instruction and direction to officers and employees of the Corporation.
- C-4. A matter pertaining to a proposed or pending acquisition or disposition of land by the municipality or local board.
- C-5. A matter pertaining to litigation or potential litigation affecting the municipality and subject to solicitor-client privilege, including communications necessary for that purpose.
- C-6. A matter pertaining to advice that is subject to solicitor-client privilege, including communications necessary for the purpose and consideration of potential litigation affecting the municipality with respect to records subject to solicitor-client privilege and potential litigation regarding an injunction.

VII. ADJOURNMENT

The meeting adjourned at 2:05 p.m.