

Corporate Services Committee

Report

8th Meeting of the Corporate Services Committee
May 11, 2020

PRESENT: Councillors A. Kayabaga (Chair), M. van Holst, J. Helmer, J. Morgan, A. Hopkins, Mayor E. Holder

ALSO PRESENT: M. Schulthess, S. Spring, B. Westlake-Power
Remote attendance: Councillors M. Cassidy, S. Hillier, S. Lewis, E. Pelozo; L. Livingstone, A.L. Barbon, G. Belch, B. Card, K. Dickins, G. Kotsifas, D. Munteer, K. Murray, K. Scherr, E. Skalski, C. Smith, B. Warner

The meeting is called to order at 12:06 PM; it being noted that the following Members were in remote attendance: Mayor E. Holder; Councillors M. van Holst, J. Helmer, J. Morgan, A. Hopkins.

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

2. Consent

Moved by: E. Holder

Seconded by: A. Hopkins

That consent items 2.2 to 2.4 BE APPROVED.

Yeas: (6): A. Kayabaga, M. van Holst, J. Helmer, J. Morgan, A. Hopkins, and E. Holder

Motion Passed (6 to 0)

2.2 2019 Year-End Capital Monitoring Report

Moved by: E. Holder

Seconded by: A. Hopkins

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2019 Year-End Capital Monitoring Report:

a) the above-noted Report BE RECEIVED for information; it being noted that the life-to-date capital budget represents \$1.9 billion with \$1.3 billion committed and \$0.6 billion uncommitted; it being further noted that the City Treasurer, or designate, will undertake the housekeeping adjustments identified in the Report, in accordance with the Multi-Year Budget Policy adopted by By-law No. CPOL.-45-241;

b) the status updates of active 2016 life-to-date capital budgets (2016 and prior) having no future budget requests, appended to the staff report dated May 11, 2020 as Appendix "B", BE RECEIVED for information;

c) the following source of financing adjustments BE APPROVED based on the Civic Administration's ongoing monitoring of the capital budgets; it being noted that these budget adjustments result in one-time pay-as-you-go funding savings of \$422.5 thousand to mitigate the financial impacts identified in the staff report dated April 28, 2020 with respect to COVID-19

Financial Impacts and Additional Measures for Community Relief:

- i) GGINFRA – Infrastructure-ITS, \$172,539 of pay-as-you-go funding BE TRANSFERRED to capital receipts and BE SUBSTITUTED with Information Technology Reserve Fund funding;
- ii) PD1146 – Development Management Tracking System Upgrade, \$150,000 of pay-as-you-go funding BE TRANSFERRED to capital receipts and BE SUBSTITUTED with Efficiency, Effectiveness and Economy Reserve funding;
- iii) PD1215 – Back To The River, \$100,000 of pay-as-you-go funding BE TRANSFERRED to capital receipts and BE SUBSTITUTED with Economic Development Reserve Fund funding; and,

d) the following actions be taken with respect to the completed capital projects identified in Appendix “C” as appended to the staff report dated May 11, 2020, totalling \$6.8 million of net surplus funding:

- i) the capital projects included in the above-noted Appendix “C” BE CLOSED;
- ii) the following actions be taken with respect to the funding associated with the capital projects approved for closure in part d) i), above:

Rate Supported

- A) pay-as-you-go funding of \$23,794 BE TRANSFERRED to capital receipts;
- B) authorized debt financing of \$241,675 BE RELEASED resulting in a reduction of authorized, but unissued debt;
- C) uncommitted reserve fund drawdowns of \$2,869,062 BE RELEASED from the reserve funds which originally funded the projects;

Non-Rate Supported

- D) uncommitted reserve fund drawdowns of \$2,440,165 BE RELEASED from the reserve funds which originally funded the projects;
- E) authorized debt financing of \$729,820 BE RELEASED resulting in a reduction of authorized, but unissued debt;
- F) other net non-rate supported funding sources of \$466,870 BE ADJUSTED in order to facilitate project closings.

Motion Passed

2.3 2019 Annual Report on Development Charges Reserve Funds

Moved by: E. Holder

Seconded by: A. Hopkins

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2019 Annual Report on Development Charges Reserve Funds:

- a) the above-noted Report BE RECEIVED for information in accordance with section 43 (1) of the *Development Charges Act, 1997*, requiring the City Treasurer to provide a financial statement relating to development charge by-laws and associated reserve funds; and,
- b) the Civic Administration BE DIRECTED to make the 2019 Annual Report on Development Charges Reserve Funds available to the public on the City of London website to fulfill Council’s obligation under section 43 (2.1) of the *Development Charges Act, 1997*.

Motion Passed

- 2.4 Meeting of the Federation of Canadian Municipalities' Board of Directors held on March 3-6, 2020, Saint-Hyacinthe, Quebec

Moved by: E. Holder

Seconded by: A. Hopkins

That the communication from Councillor J. Morgan regarding the Federation of Canadian Municipalities (FCM) update on board activities from the meeting held on March 3-6, 2020 in Saint-Hyacinthe, Quebec BE RECEIVED for information.

Motion Passed

- 2.1 2019 Operating Budget Year-End Monitoring Report – Property Tax, Water, Wastewater & Treatment Budgets

Moved by: J. Helmer

Seconded by: J. Morgan

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the 2019 Operating Budget Year-End Monitoring Report:

a) the 2019 Operating Budget Year-End Monitoring Report for the Property Tax Supported Budget, Water, and Wastewater & Treatment Budgets (appended to the staff report dated May 11, 2020 as Appendix A) BE RECEIVED; it being noted that an overview of the net corporate positions are outlined as follows:

i) property Tax Supported Budget position is balanced at year-end, after taking into account \$4.5m to fund 2020-2023 Multi-Year Budget business cases for additional investment, and \$3.2m to offset the financial impacts of COVID-19;

ii) Water Rate Supported Budget position is balanced at year-end;

iii) Wastewater & Treatment Rate Supported Budget position is balanced at year-end;

b) the following contributions to reserves, in accordance with the Council approved Surplus/Deficit Policy, BE RECEIVED for information:

i) \$3.2 million to the Operating Budget Contingency Reserve;

ii) \$1.7 million to the Water Budget Contingency Reserve;

iii) \$3.3 million to the Wastewater Budget Contingency Reserve;

c) the Civic Administration BE AUTHORIZED to utilize \$3.2 million from the Operating Budget Contingency Reserve as a funding source to offset the anticipated financial impacts of COVID-19 on the City's 2020 budget;

d) the request to fund the 2019 London & Middlesex Community Housing operational deficit of approximately \$0.4 million BE APPROVED (see Appendix E as appended to the staff report dated May 11, 2020 for Letter of Request);

e) notwithstanding the Council approved Surplus/Deficit Policy, the Civic Administration BE AUTHORIZED to allocate the Traffic Control & Street Lights energy savings from Light Emitting Diodes (LED) upgrades of approximately \$0.9 million from the Property Tax Supported Budget to the Efficiency, Effectiveness and Economy Reserve to accelerate

repayment of the funds borrowed for this project;

f) notwithstanding the Council approved Surplus/Deficit Policy, the Civic Administration BE AUTHORIZED to allocate the Fleet Management operational savings of approximately \$0.6 million from the Property Tax Supported Budget to the Vehicle and Equipment Replacement Reserve Fund to support replacement costs; and,

g) the Civic Administration's contribution of \$3.7 million (\$3.2 million – Property Tax Supported; \$0.1 million – Water; and \$0.4 million – Wastewater & Treatment) to the Efficiency, Effectiveness and Economy Reserves in 2019 BE RECEIVED for information;

it being noted that the reported year-end position is subject to completion of the financial statement audit.

Yeas: (6): A. Kayabaga, M. van Holst, J. Helmer, J. Morgan, A. Hopkins, and E. Holder

Motion Passed (6 to 0)

3. Scheduled Items

None.

4. Items for Direction

None.

5. Deferred Matters/Additional Business

5.1 Corporate Services Committee Deferred Matters List

Moved by: M. van Holst

Seconded by: E. Holder

That the Corporate Services Committee Deferred Matters List, as of May 4, 2020 BE RECEIVED.

Yeas: (6): A. Kayabaga, M. van Holst, J. Helmer, J. Morgan, A. Hopkins, and E. Holder

Motion Passed (6 to 0)

6. Confidential (Enclosed for Members only.)

Moved by: A. Hopkins

Seconded by: M. van Holst

That the Corporate Services Committee convene, In Closed Session, for the purpose of considering the following:

6.1 Land Disposition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending disposition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

6.2 Land Disposition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending disposition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

6.3 Land Acquisition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending acquisition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

6.4 Land Acquisition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending acquisition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

6.5 Litigation/Potential Litigation / Matters Before Administrative Tribunals / Solicitor-Client Privileged Advice

A matter pertaining to litigation with respect to the partial expropriation of property located at at 2115 Wilton Grove Road and 2264 Wilton Grove Road, including matters before administrative tribunals, affecting the municipality or local board; advice that is subject to solicitor-client privilege, including communications necessary for that purpose, in connection with the expropriation of property located at at 2115 Wilton Grove Road and 2264 Wilton Grove Road; and directions and instructions to officers and employees or agents of the municipality regarding settlement negotiations and conduct of litigation in connection with the expropriation of a property located at at 2115 Wilton Grove Road and 2264 Wilton Grove Road.

6.6 Litigation/Potential Litigation / Solicitor-Client Privileged Advice

A matter pertaining to litigation currently before the Ontario Court of Justice for the Province of Ontario affecting the municipality; advice that is subject to solicitor-client privilege, including communications necessary for that purpose, in connection with charges under the Occupational Health and Safety Act, against the municipality; and directions and instructions to officers and employees or agents of the municipality regarding litigation currently before the Ontario Court of Justice for the Province of Ontario affecting the municipality.

Yeas: (6): A. Kayabaga, M. van Holst, J. Helmer, J. Morgan, A. Hopkins, and E. Holder

Motion Passed (6 to 0)

The Corporate Services Committee convenes, In Closed Session, from 12:28 PM to 1:45 PM.

7. Adjournment

The Meeting adjourned at 1:47 PM.