

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Managing Director, Corporate Services
and City Treasurer, Chief Financial Officer

Subject: Financial Banking Services and Commercial Card
Agreements – Agreement Extension

Date: December 14, 2020

Recommendation

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed attached by-law (Appendix 'A') BE INTRODUCED at the Municipal Council Meeting to be held on January 12, 2021 to:

- a) authorize the City Treasurer to approve and execute, together with the Mayor, any document, form or agreement that may be required for financial services with the Bank of Nova Scotia;
- b) authorize the Mayor and City Clerk to execute any contract or other document required to renew and amend the Banking Services Agreement with Scotiabank, in a form or forms acceptable to the Managing Director Corporate Services and City Treasurer, Chief Financial Officer;
- c) authorize the Mayor and City Clerk to execute the Banking Resolution and Certificate; and
- d) authorize the City Treasurer to borrow up to two (2) million dollars on the Visa Commercial Card Program provided by the Bank of Nova Scotia;

it being noted that for the purpose of the above-noted Agreements:

We and *us* means "The Corporation of the City of London"

You and *your* mean Scotiabank, the Bank of Nova Scotia

- 1) We appoint you as our banker and agree to the terms and set out in the Scotiabank Financial Services or Agreement.
- 2) Any 2 of the following persons are authorized to sign and deliver the Scotiabank Financial Services Agreement, any service requests and any other banking agreements with Scotiabank: Mayor, and City Clerk or City Treasurer.
- 3) The persons and the required combination of those persons we verify, are the persons authorized, and the combination of those persons required, to give instructions, verifications and approvals on our behalf from time to time. We will provide the verification by a certificate in writing given to you by any 2 of the officers set out below. The most recent certificate given to you will be the current certificate in effect.

Any two of the individuals listed on Schedule "A" in accordance with the authorities set out in Schedule A.
- 4) We may exercise every power to borrow money and otherwise obtain services from you and to receive repayment thereof and to secure our obligations to you arising out of our acquisition of services from you which is conferred upon us by our governing legislation. The persons and the required persons we verify, and the persons authorized, and the combination of those persons required, to borrow money from you on our credit from time to time up to a total of \$102,000,000 subject to the limit described below and on the terms that those persons determine.

The Mayor, or the Deputy Mayor, and the City Treasurer or the Deputy Treasurer of the Corporation are authorized to execute on behalf of the Corporation, under its Corporate Seal, and deliver to the Bank of Nova Scotia, or its representatives or other persons, an agreement to borrow sums which shall not in total exceed \$102,000,000 at any one time, to meet, until the taxes are collected, the current expenditures of the Corporation provided that notwithstanding the sums authorized to be borrowed hereunder, the amount that may be borrowed hereunder at any one time, together with the total of any similar borrowings that have not been repaid, shall not, except with the approval of the Local Planning Appeal Tribunal, exceed from January 1st to September 30th in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, and from October 1st to December 31st in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, all as provided for in section 407 of the *Municipal Act*, S.O. 2001, c. 25.

We will provide this verification in writing given to you by any 2 of the officers set out below. The most recent certificate given to you will be the current certificate in effect.

Mayor or Deputy Mayor and City Treasurer or Deputy City Treasurer

- 5) All instructions, agreements and documents which we sign, make, draw, accept, endorse, or complete and which are signed by the persons we have authorized from time to time are valid and are binding on us. Our seal is not required on any written document to make it valid or to show considerations.
- 6) This Resolution remains in effect until we cancel it by written notice to you and you have acknowledged receiving the notice.

Executive Summary

The Bank of Nova Scotia (Scotiabank) was awarded a five (5) year agreement as part of a Request for Proposal (RFP) process (RFP15-05). The current banking agreement, signed in 2016, is set to expire January 31, 2021. As part of the RFP process, the City sought proposals to obtain comprehensive full line banking services for a term of five (5) years, with an option to renew for up to five (5) additional years. In September 2020, the City approached Scotiabank to obtain their proposal to extend the agreement for an additional five (5) years.

Civic Administration is recommending the Corporation exercise its option to renew with Scotiabank for the five (5) year renewal period.

Linkage to the Corporate Strategic Plan

Council's 2019-2023 Strategic Plan for the City of London (the "City") identifies "Leading in Public Service" as a strategic area of focus. Continuing to ensure the strength and sustainability of London's finances is a strategy to maintain London's finances in a well-planned manner to balance equity and affordability over the long term. The City's agreement with our current financial institution has and will continue to help the City monitor its finances to inform decision making that will ensure London's finances remain strong and sustainable.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Authorization for Temporary Borrowing, November 2, 2020, Corporate Services Committee

2.0 Discussion and Considerations

2.1 Background

The City and Scotiabank have had a banking services relationship since 2002. Due to the length of the business relationship as well as technological and service advancements, both the City and Scotiabank sought to ensure that all documentation related to banking services is current. Therefore, as part of the renewal process, the City and Scotiabank have also agreed to review and update all pertinent documentation currently in place.

Administration is requesting that Council provide the Mayor and City Treasurer with the authority to approve and execute service related agreements and other required forms with Scotiabank. As services offered by the bank evolve and the needs of the City change, minor amendments to Scotiabank products and services are required. These forms outline the specifics of each service and all tie back to the City's Banking Services Agreement, Scotiabank Financial Services Agreement or Commercial Card Agreement which will be executed by the Mayor and Clerk on the authorization of Council. Granting the City Treasurer the authority to administer and execute these documents will ensure there are no disruptions to day to day operations and service.

3.0 Financial Impact/Considerations

3.1 Financial Impact

The five (5) year agreement renewal will not increase the City's banking services costs, all day-to-day pricing included in the RFP will carry forward with the renewal. The City will continue to experience the revenue and cost parameters that have been incorporated as part of the multi-year budget for the remainder of the agreement.

4.0 Key Issues and Considerations

4.1. Considerations

The renewal documentation has been reviewed by the City Solicitor's Office, Risk Management and Financial Services. The Banking Services Agreement will have a limit of liability and indemnity clause. Financial Services has reviewed and understand all clauses related to liability and indemnity. In consultation with Risk Management, we conclude these provisions should not prevent the Corporation from renewing the agreement as the benefit of the renewal outweighs the indemnity risk. The actions that Scotiabank undertakes are on the direction of Financial Services staff where, based on transaction risk, further approval of the City's designated signing officers (such as wire transfers and electronic fund transfers) is required as well.

4.2. Expanded Services

Part of this renewal will include additional service agreements that once implemented, will provide further options to customers and the community to pay for City services through their financial institution either online or in-person. Currently Building Services and the Tax Office offer this service. The additional agreements will allow our Accounts Receivable area, City Planning, and Development and Compliance Services areas the ability to provide this service. Implementing this additional method of payment to our customers will provide desired flexibility and enhance the Customer Service in these areas. These additional service agreements are covered under the City's current pricing program accepted in the RFP and are accommodated within existing budgets.

Conclusion

In 2015, Scotiabank was awarded the City's RFP for Banking Services. The 2016 Banking Services Agreement included a provision for renewal of services for five (5) years, as per the RFP. Through renewal discussions, Civic Administration and Scotiabank will achieve the objective to clean up documentation related to banking services, ensuring that everything is current along with expanding existing service. This report provides authorization to approve and execute the agreements necessary to renew financial banking services.

Acknowledgements

This report was created with the assistance of: Michelle Butlin, Solicitor; Jason Wills, Manager, Risk Management; and Darren Hack, Manager, Financial Systems and Processes.

Prepared by:	Melissa McErlain, Manager of Accounting
Submitted by:	Ian Collins, Director, Financial Services
Recommended by:	Anna Lisa Barbon, Managing Director, Corporate Services & City Treasurer, Chief Financial Officer

Appendix A

Bill No.
2021

By-law No.

A by-law to approve an
Amending Agreement between
the Bank of Nova Scotia and The
Corporation of the City of London

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 8 of the *Municipal Act, 2001* provides that powers of a municipality shall be interpreted broadly so as to confer broad authority on a municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to issues;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* 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* provides that a municipality may pass by-laws respecting, among other things: ii) financial management of the municipality;

AND WHEREAS the Bank of Nova Scotia and The Corporation of the City of London entered into an agreement in 2016 for the provision of financial banking services ("Banking Services Agreement");

AND WHEREAS the City at its absolute discretion has the option to renew the contract for a period of up to five (5) years;

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

1. The Mayor and City Clerk are authorized to execute any contract or other document required to renew and amend the Banking Services Agreement with the Bank of Nova Scotia, in a form or forms acceptable to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer;
2. The City Treasurer is delegated authority to authorize, approve and execute, together with the Mayor, such further and other documents, forms, and agreements that may be required for financial services with the Bank of Nova Scotia;

3. The Banking Resolution, substantially in the form attached as Schedule 1, to this bylaw is hereby authorized and approved.
4. The Mayor and City Clerk are authorized to execute the Banking Resolution approved under section 3 of the bylaw.
5. The Certificate, substantially in the form attached as Schedule 2, to this bylaw is hereby authorized and approved.
6. The Mayor and City Clerk are authorized to execute the Certificate approved under section 5 of this bylaw.
7. The City Treasurer or Deputy Treasurer of The Corporation of the City of London are hereby authorized to borrow from time to time from the Bank of Nova Scotia up to two (2) million dollars at any one time, on the Visa Commercial Card Program, provided that the total borrowing together with other borrowing that has not been repaid, shall not, except with the approval of the Local Planning Appeal Tribunal, exceed from January 1st to September 30th in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year; and from October 1st to December 31st in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, all as provided for in section 407 of the *Municipal Act*, 2001, S.O. 2001 c. 25 as amended.
8. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on January 12, 2021.

Ed Holder
Mayor
Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading -

We, our and us mean THE CORPORATION OF THE CITY OF LONDON (FULL LEGAL NAME)

which carries on all or part of its business under the trading name(s):

Blank lines for trading name(s)

(IF APPLICABLE)

You and your mean Scotiabank, The Bank of Nova Scotia.

Resolved that:

- 1. We appoint you as our banker and agree to the terms set out in the Scotiabank Financial Services Agreement, or where applicable, the Scotiabank Financial Services Agreement section of the Business Banking Services Agreement.

Blank lines for item 1 details

- 2. Any 2 of the following persons are authorized to sign and deliver the Scotiabank Financial Services Agreement, any service requests and any other banking agreements with you:

Mayor City Clerk
City Treasurer

- 3. The persons and the required combination of those persons we verify, are the persons authorized, and the combination of those persons required, to give instructions, verifications and approvals on our behalf from time to time. We will provide this verification by a certificate in writing given to you by any 2 of the officers set out below. The most recent certificate given to you will be the current certificate in effect:

Any two of the individuals listed on Schedule "A" in accordance with authorities set out in Schedule "A"

- 4. We may exercise every power to borrow money and otherwise obtain services from you and to receive repayment thereof and to secure our obligations to you arising out of our acquisition of services from you which is conferred upon us by our governing legislation. The persons and the required combination of those persons we verify, are the persons authorized, and the combination of those persons required, to borrow money from you on our credit from time to time in the amounts and on the terms that those persons determine, and to grant security to you over any of our property from time to time.

We will provide this verification by a certificate in writing given to you by any 2 of the officers set out below. The most recent certificate given to you will be the current certificate in effect:

Mayor or Deputy Mayor and City Treasurer or Deputy City Treasurer

- 5. All instructions, agreements and documents which we sign, make, draw, accept, endorse or complete and which are signed by the persons we have authorized from time to time are valid and are binding on us. Our seal is not required on any written document to make it valid or to show consideration.

- 6. This Resolution remains in effect until we cancel it by written notice to you and you have acknowledged receiving the notice.

CERTIFICATE

By signing below, our directors/officers/members certify for us that:

- there are no provisions in our incorporating documents or by laws or in any unanimous shareholders agreement which impair in any way the powers of our directors or officers to borrow money or grant security.
• our directors/shareholders/members have full power to pass this Resolution and to bind us in all respects.
• the above Resolution was properly passed by our directors or members in compliance with all applicable legislation and continues in effect.

See Appendix B

See Appendix B

NAME OF AUTHORIZED DIRECTOR OR OFFICER OR MEMBER

SIGNATURE: Title (print):

NAME OF AUTHORIZED DIRECTOR OR OFFICER OR MEMBER

SIGNATURE: Title (print):

NAME OF MEMBER OTHER THAN MEMBERS AUTHORIZED TO SIGN FOR THE ORGANIZATION

SIGNATURE: Title (print):

DATE (MM/DD/YYYY)

DATE RECEIVED
RECORDED
APPROVED
E.O. AUDITOR

Appendix B of Banking Resolution

Section 4:

Has been deleted and replaced with:

We may exercise every power to borrow money and otherwise obtain services from you and to receive repayment thereof and to secure our obligations to you arising out of our acquisition of services from you which is conferred upon us by our governing legislation. The persons and the required combination of those persons we verify, are the persons authorized, and the combination of those persons required, to borrow money from you on our credit from time to time up to a total of \$102,000,000 and on the terms that those persons determine. The Mayor, or the Deputy Mayor, and the City Treasurer or the Deputy Treasurer of the Corporation are authorized to execute on behalf of the Corporation, under its Corporate Seal, and deliver to the Bank of Nova Scotia, or its representatives or other persons, an agreement to borrow sums which shall not in total exceed \$102,000,000 at any one time, to meet, until the taxes are collected, the current expenditures of the Corporation provided that notwithstanding the sums authorized to be borrowed hereunder, the amount that may be borrowed hereunder at any one time, together with the total of any similar borrowings that have not been repaid, shall not, except with the approval of the Local Planning Appeal Tribunal, exceed from January 1st to September 30th in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, and from October 1st to December 31st in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, all as provided for in section 407 of the *Municipal Act*, S.O. 2001, c. 25.

Certificate:

Section stating the below has been deleted from Banking Resolution:

- there are no provisions in our incorporating documents or by-laws or in any unanimous shareholders agreement which impair in any way the powers of our directors or officers to borrow money or grant security.

Date: _____

Date: _____

Name: _____

Name: _____

Signature: _____

Signature: _____

Schedule 2

Certificate – Beneficial Owners, Officers, Directors & Signing Authorities

TO THE BANK OF NOVA SCOTIA AND ITS SUBSIDIARIES (collectively, "Scotiabank"):

THE UNDERSIGNED, on behalf of THE CORPORATION OF THE CITY OF LONDON
(FULL LEGAL NAME)

Trading As (if applicable): _____

("the Company"), certifies

that no individual owns or controls, directly or indirectly, 25% or more of the Company

OR

that the following individuals are the beneficial owners who each own or control, directly or indirectly, 25% or more of the Company:

Note: Beneficial ownership must be tracked to those natural persons, if any, who own 25% or more of the Company. Do not list an intermediary entity (i.e. a business entity) as a beneficial owner.

Name of Person	Address	Date of Birth (mm/dd/yyyy)	Percentage Ownership	Occupation

(the "Company") certify that the following persons are officers of the Company:

STATE
NAMES &
TITLES

Anna Lisa Barbon, Managing Director Corporate Services, City Treasurer, CFO
Ed Holder, Mayor
Catherine Saunders, City Clerk

STATE
NAMES &
OCCUPATIONS

and the following persons are the directors of the Company:

Ed Holder	Michael Van Holst
Shawn Lewis	Anna Hopkins
Mo Mohamed Salih	Paul Van Meerbergen
Jesse Helmer	Stephen Turner
Maureen Cassidy	Elizabeth Pelozo
Phil Squire	Arielle Kayabaga
Josh Morgan	Steve Hillier
Steve Lehman	

and certify that any of the following persons in the combinations specified, if applicable have been authorized to give instructions, verifications and approvals on behalf of the Company from time to time:

STATE
NAMES &
TITLES

Refer to attached Schedule "A"

And certify that any of the following persons in the combinations specified, if applicable have been authorized to borrow money from the Bank on the credit of the Company from time to time up to a total of \$102,000,000 subject to the limit described below and on the terms that these persons may determine:

The Mayor, or the Deputy Mayor , and the City Treasurer or the Deputy Treasurer of the Corporation are authorized to execute on behalf of the Corporation, under its Corporate Seal, and deliver to the Bank of Nova Scotia, or its representatives or other persons, an agreement to borrow sums which shall not in total exceed \$102,000,000 at any one time, to meet, until the taxes are collected, the current expenditures of the Corporation provided that notwithstanding the sums authorized to be borrowed hereunder, the amount that may be borrowed hereunder at any one time, together with the total of any similar borrowings that have not been repaid, shall not, except with the approval of the Local Planning Appeal Tribunal, exceed from January 1st to September 30th in the year, 50 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, and from October 1st to December 31st in the year, 25 per cent of the total estimated revenues of the municipality as set out in the budget adopted for the year, all as provided for in section 407 of the Municipal Act, S.O. 2001, c. 25.

Any two of:

Anna Lisa Barbon, Managing Director Corporate Services, City Treasurer, CFO
 Ed Holder, Mayor
 Josh Morgan, Councillor and Deputy Mayor
 Ian Collins, Director of Financial Services, Deputy City Treasurer
 Kyle Murray, Director, Financial Planning & Business Support, Deputy City Treasurer
 Jim Logan, Division Manager - Taxation and Revenue, Deputy City Treasurer

DATE RECEIVED

RECORDED

APPROVED

E.O.
AUDITOR

The undersigned certifies that he/she has the knowledge and authority to provide the above information, that such information is complete and correct, and that he/she has the signing authority to bind the Company. The undersigned undertake to notify The Bank of Nova Scotia of any change in the directors or officers of the Company, or the authorizations certified above and, until The Bank of Nova Scotia receives such written notice, you may assume there has been no change in the information certified above.

Date (mm/dd/yyyy)

SIGNATURE: _____
TITLE (PRINT): _____

SIGNATURE: _____
TITLE (PRINT): _____