1ST REPORT OF THE

FINANCE AND ADMINISTRATION COMMITTEE

Meeting held on December 15, 2010, commencing at 10:00 a.m.

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


YOUR COMMITTEE RECOMMENDS:

1. (1) That, on the recommendation of the Chief Administrative Officer, the attached proposed by-law (Appendix "A") BE INTRODUCED at the Municipal Council meeting to be held on December 20, 2010 for the purpose of repealing and replacing By-law No. A-36, the Civic Administration By-law, with a new Civic Administration By-law to take Effect December 20, 2010, to rename the "Corporate Management Team" to the "Senior Management Team", and to amend its composition. (2010-G05-00)

2. (2) That the following actions be taken with respect to the new initiatives or service changes submitted as service growth during the 2011 business planning and budget process:

(a) the new initiatives or service changes submitted as service growth during the 2011 business planning and budget process BE DEFERRED until such time that budget targets and/or other funding sources can accommodate such service enhancements;

(b) the Civic Administration BE REQUESTED to prepare a briefing package on the list of service growth items, including an identification of service growth items which were eliminated from the list prior to submission to the Municipal Council; and,

(c) the language describing "new initiatives" BE REVIEWED to ensure that there is a clear understanding of what is truly a "new" initiative rather than a continuation of an "existing" initiative. (2010-F05-00)

3. (5) That, on the recommendation of the Chief Administrative Officer:

(a) "The Next Steps – Key Projects", outlined in the Chief Administrative Officer's report dated December 15, 2010 BE ENDORSED; it being noted that the report reflects Civic Administration's plan, for the first six months of 2011, to enhance The Corporation of the City of London's organizational effectiveness and performance; and

(b) the engagement of Tim Dobbie Consulting & Britta Winther Consulting BE ENDORSED up to a maximum of $50,000 per consultant in 2011; it being noted that funding for expenses related to the aforementioned consulting assistance will be accommodated from within the 2011 approved operating budget;

it being noted that the diagram on page 4 of the report should read "efficiency" rather than "performance" in the centre of the diagram. (2010-G16-00)
4. (6) That, on the recommendation of the City Clerk, consent to have the Highbury Avenue, Highway 401 Bridge named “Prodan Bridge” in honour of fallen Ontario Provincial Police Officer Prodan, BE AMENDED to give consent instead to naming the bridge “Shores Bridge”, in memory of fallen Ontario Provincial Police Officer Shores, at the request of the Ontario Provincial Police Association. (2010-S08-00)

5. (9) That the Terms of Reference for the Creative City Committee BE AMENDED to include an additional two Members of Council.

6. (10) That, on the recommendation of the City Treasurer, Chief Financial Officer the following actions be taken in order to finance the new economy projects identified by the Chief Administrative Officer and the London Economic Development Corporation in June 2010:

(a) the revised amount of the plan at $67.8 million BE CONFIRMED; it being noted that if the revised amount is confirmed, Council will have endorsed two $10 million grants to Fanshawe College; it being further noted that the Municipal Council has endorsed $58.3 million in projects to-date, and only has $51.4 million in available funding;

(b) funding for the Digital Media Centre BE PLACED IN RESERVE pending the submission of a revised business plan which is endorsed by the Municipal Council; it being noted that the Federal Government did not approve federal funding for the endeavour;

(c) legal agreements BE PREPARED by outside legal counsel for all joint ventures and grants, noting that these outline the outcomes required by Council and establish appropriate controls in order to comply with the Municipal Act and the financial plan;

(d) the payment schedule for each of the “projects” supported by the Municipal Council in June 2010, attached as Appendix A, BE ENDORSED;

(e) the actions that the Civic Administration has taken as part of the recommendations contained in the 2011 Draft Budget and the 2010 Third Quarter Report that will make the following adjustments to reserve fund balances and contributions BE CONFIRMED (see Reserve Fund Continuity attached as Appendix B); it being noted that the budgets for 2012-2015 will be increased by approximately $1 million per year to accommodate the reserve fund requirements and the establishment of an on-going fund:

(i) transfer $0.3 million funding from the Economic Development Infrastructure Reserve Fund to the Economic Development Reserve Fund; it being noted that the Economic Development Infrastructure Reserve Fund can be closed and replaced by the Economic Development Reserve Fund;

(ii) endorse a one-time transfer of $1.0 million from the Vehicles and Equipment Reserve Fund to the Economic Development Reserve Fund at the beginning of 2011;

(iii) transfer $4.5 million of the 2010 projected surplus to the Economic Development Reserve Fund to fund new economy projects; and,

(iv) endorse a $0.5 million contribution from the Wastewater budget in 2011 through 2015; it being noted that the Wastewater fund will realize debt service cost savings as a result of the capital investment realized through the Infrastructure Stimulus program;

(e) the inclusion of a special levy for economic development in 2012 BE CONSIDERED; and

(f) additional meetings of the Committee of the Whole BE SCHEDULED for the purpose of informing the new Council Members as to where the City
was at and where it is now with respect to new economy endeavours.
(2010-F09-00)

7. (11) That, on the recommendation of the City Treasurer, Chief Financial Officer the following actions be taken with respect to property taxation for 2011:

(a) the attached proposed by-law (Appendix A) BE INTRODUCED at the Municipal Council meeting on December 20, 2010 to amend By-law No. A.- 5505-497 being “a by-law to authorize the implementation of a pre-authorized payment plan” so that the calculation of pre-authorized payments is based on the previous year’s taxes increased by the average increase in total property tax rates in the residential class in the previous year; and

(b) the attached proposed by-law (Appendix B) BE INTRODUCED at the Council meeting on December 20, 2010 to amend By-law A-8 “a by-law to provide for the collection of property taxes” so that the calculation of the interim tax levy will be set at a percentage of 40% of the previous year’s taxes and then increased by the average increase in total property tax rates in the residential class in the previous year. (2010-F16-00)

8. (13) That, on the recommendation of the City Treasurer, Chief Financial Officer:

(a) the 2010 Operating Budget Status – 3rd Quarter Report for the General (Property Tax Supported), Water and Wastewater Budgets BE RECEIVED for information; it being noted that Civic Administration is projecting:

(i) $5.5 million in savings from the General (Property Tax Supported) budget, noting that the yearend position could fluctuate significantly based on factors beyond the control of Civic Administration such as winter maintenance, Ontario Works caseload;

(ii) $0.3 million in savings from the Water rate supported budget which will be offset by an increased contribution to the Water Capital Reserve Fund to reflect a balanced year end position and fund future capital expenditures; and

(iii) $1.8 million in savings in the Wastewater rate supported budget which will be offset by contributions to the Wastewater Rate Stabilization Reserve and/or the Sewer Works Reserve Fund to reflect a balanced year end position and fund future capital expenditures;

(b) the Civic Administration BE AUTHORIZED to:

(i) contribute $4.5 million to the Economic Development Reserve Fund to be a funding source of New Economy Initiatives as outlined in the Financing of New Economy Projects report;

(ii) contribute $1.0 million to the Operating Budget Contingency Reserve to mitigate increases in the 2011 tax levy;

(iii) contribute to/draw down from the Water Capital Reserve Fund to balance year end operations of the Water Budget should the budget be in a surplus/deficit position; and,

(iv) contribute to/draw down from the Wastewater Rate Stabilization Reserve and/or the Sewer Works Reserve Fund to balance year end operations of the Wastewater Budget should the budget be in a surplus/deficit position;

(c) the Civic Administration, BE AUTHORIZED, if required, to drawdown from the Severe Weather Reserve as a result of the winter storm experienced the week of December 5th, 2010.

(d) with respect to the 2010 Transit Area Rate surplus, if any, Civic Administration BE AUTHORIZED to cancel authorized but unissued debt for transit purposes; and
(e) details of the Civic Administration's contribution of $1,059,649 ($792,545 – property tax supported; $249,329 – wastewater; and $17,775 – water) to the applicable vacancy management reserves BE RECEIVED for information. (2010-F10-00)

9. (15) That, on the recommendation of the Deputy City Treasurer, the attached by-law BE INTRODUCED at the municipal Council meeting on December 20, 2010 for the purpose of repealing and replacing By-law No. A-6273-352, being "A by-law relating to the signing of the cheques drawn on certain bank accounts of The Corporation of the City of London". (2010-F05-00)

10. (16) That, the recommendation of the Deputy City Treasurer with respect to External Audit Services BE REFERRED directly to the Municipal Council at its meeting of December 20, 2010. (2010-A04-00)

11. (17) That, on the recommendation of the Director of Intergovernmental and Community Liaison, the engagement of the City of London in the Ukraine Municipal Local Economic Development Program BE SUPPORTED. (2010-G00-00/G10-00)

12. (19) That, on the recommendation of the Director of Intergovernmental and Community Liaison, up to $40,000 in conference organizing costs for the AMO Annual General Meeting, Conference and Trade Show 2010 BE APPROVED; it being noted that this funding can be accommodated within the proposed 2011 Operating Budget. (2010-A02-01)

13. (20) That, on the recommendation of the Director of Intergovernmental and Community Liaison, the attached draft pre-budget submission to the Ontario Minister of Finance, our local MPPs, and the Ontario Standing Committee on Finance and Economic Affairs BE SUPPORTED; it being noted that the Civic Administration will continue to refine the content to reflect any new information and emerging issues that arise prior to submission deadlines. (2010-F05-00)

14. (23) That the recommendations in the Tax Adjustment Agenda dated December 15, 2010 BE APPROVED; it being noted that at the public hearing associated with these matters there were no members of the public in attendance to speak to these matters before the Finance and Administrative Committee.

15. (24) That the Government of Canada BE ADVISED of the City of London's support for the King's University College's application to the Government of Canada for financial assistance under the Enabling Accessibility Fund; it being noted that the Finance and Administration Committee received a communication dated November 28, 2010 from Dr. David G. Sylvester, Principal, King's University College with respect to this matter. (2010-F12-00)

16. (25) That consideration of the request for funding from the Aeolian Hall BE DEFERRED to the next meeting of the Finance and Administration Committee, pending the availability of C. Bryan, Executive Director, Aeolian Hall.

17. (26) That, on the recommendation of the General Manager of Environmental and Engineering Services and City Engineer, the attached proposed by-law BE INTRODUCED at the Municipal Council meeting on December 20, 2010 to:
(a) approve the by-law enacting the Service Level Agreement for the water meter reading, billing, collection, and customer service of the City's water and sewer accounts by London Hydro Inc.; and
(b) authorize the Mayor and the City Clerk to execute the Service Level Agreement for the water meter reading, billing and collection of the City’s water and sewer accounts by London Hydro Inc. (See Report attached.)

18. That, the Civic Administration BE REQUESTED to draft terms of reference for a Citizen Engagement Advisory Committee, comprised of citizens, to seek citizen input on ways and means to improve citizen engagement.

19. (27) That the Tim Hortons Brier London 2011 being held in London, Ontario from March 5 to March 13, 2011, with its Keith’s Patch and Purple Heart Lounge being held at the London Convention Centre, BE DESIGNATED as a municipally-significant event. (See communication attached.)

20. That a Governance Working Group, comprised of Councillors Baechler, Hubert and Polhill BE ESTABLISHED for the purpose of reviewing and reporting back with suggestions as to how the new governance structure might be further clarified and improved.

II YOUR COMMITTEE REPORTS:

1. Election of Vice Chair
   21. That the Finance and Administration Committee elected Councillor J.P. Bryant as its Vice Chair for the term ending November 30, 2011.

2. Corporate Cost Containment Initiatives
   22. (3) That the Finance and Administration Committee (FAC) received and noted an information report from the Chief Administrative Officer with respect to corporate cost containment initiatives. The FAC requested the Civic Administration to establish a working group to review potential ways to leverage more competitive bids through such approaches as reverse auctions and fixed pricing. (2010-F05-00)

3. Public Inquiry Centre
   23. (4) That the Finance and Administration Committee received and noted an information report from the Chief Administrative Officer with respect to the Public Inquiry Centre. (2010-P08-00)

4. Accessibility of 2010 Municipal Election
   24. (7) That the Finance and Administration Committee received and noted an information report from the City Clerk with respect to accessibility of 2010 municipal election. (2010-G08-00)

5. 7th, 8th and 9th Reports of the Council Compensation Review Task Force
   25. (8) That the Finance and Administration Committee received and noted the 7th, 8th and 9th Reports of the Council Compensation Review Task Force from its meetings held on November 5, 2010, November 8, 2010 and November 22, respectively. (See Reports attached.)

6. City of London’s Credit Rating
   26. (12) That the Finance and Administration Committee received and noted an information report from the City Treasurer, Chief Financial Officer with respect to the City of London’s Aaa credit rating; it being noted that the Finance and Administration Committee requested a report back detailing the financial benefits of maintaining a Aaa credit rating. (2010-F10-00)

7. 2010 Capital Budget Status - Third Quarter Report
   27. (14) That the Finance and Administration Committee received and noted an information report from the City Treasurer, Chief Financial Officer with respect to the 2010 Capital Budget Status – Third Quarter Report. (2010-F05-00)

8. Update on Family Doctor Recruitment
   28. (18) That the Finance and Administration Committee received and noted an information report from the Director of Intergovernmental and Community Liaison and Interim Family Doctor Recruitment Specialist with respect to an update on family doctor recruitment. (2010-G08-00)
29. (21) That the Finance and Administration Committee (FAC) received and noted an information report with respect to the Infrastructure Stimulus Funding (ISF) program update. The FAC requested the Civic Administration to establish a working group to review and report back on other potential ISF projects given that we now have another construction season to complete projects and keeping in mind the need to ready London for the World Skating Championships. (2010-G10-00)

30. (22) That the Finance and Administration Committee received a communication dated November 29, 2010 from Councillor H. L. Usher with respect to the meeting of the Federation of Canadian Municipalities Board of Directors held on November 17-20, 2010, Ottawa, Ontario. (2010-A02-02)

31. That the Finance and Administration Committee heard a verbal update from D. Harvey, Executive Director and S. Ferley, Artistic Director, The Grand Theatre, with respect to the activities of The Grand Theatre.

32. That Councillor Baechler enquired if a post-extreme weather event analysis could be conducted by the Civic Administration. The Chief Administrative Officer agreed to provide a report on what worked and what lessons were learned during the recent extreme weather event.

33. That Councillor Usher enquired if the Civic Administration could report back on meeting security. The Chief Administrative Officer undertook to have Corporate Security review and report back on this matter.

34. That Councillor Baechler enquired about the status of street lighting and traffic signals by the new recreational complex on Sunningdale Road, given safety concerns for pedestrians and students in the vicinity. The Chief Administrative Officer undertook to take the necessary steps to address street lighting and traffic signal concerns in that immediate area.

35. That Councillor Bryant disclosed a pecuniary interest in clause 7 of the Confidential Appendix to this Report having to do with personal matters about an identifiable individual, including a municipal employee, with respect to employment-related matters and advice and recommendations of officers and employees of the Corporation, including communications necessary for that purpose, by indicating that her spouse sits on the Board of Directors for the Local Health Integration Network.

36. That Councillor Henderson disclosed a pecuniary interest in clause 16 of this Report having to do with the Aeolian Hall by indicating that he is named in the presentation as a competitor.

37. That the Finance and Administration Committee (FAC) passed the following resolution prior to moving in camera from 11:40 a.m. to 2:28 p.m.:

That the Finance and Administration Committee move in camera to consider the following:

(a) A matter pertaining to advice that is subject to solicitor-client privilege, including communications necessary for that purpose with respect to the decommissioning of City owned lands known as the South Street Campus currently leased and occupied by London Health Sciences Centre;

(b) A matter pertaining to advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations and advice which is the subject of solicitor client privilege, including communications necessary for that purpose;

(c) A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations in regard to one of the Corporation’s associations or unions.
(d) A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations arising out of contract negotiations with one of the Corporation's unions;

(e) A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations arising out of contract negotiations with one of the Corporation's unions;

(f) 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 instructions and directions to officers and employees of the Corporation;

(g) A matter pertaining to employee negotiations and labour relations matters, advice or recommendations of officers and employees of the Corporation including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation;

(h) A matter pertaining to employee negotiations including personal information about identifiable individuals, including municipal employees with respect to employment related matters, advice or recommendations of officers and employees of the Corporation including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation;

(i) A matter pertaining to a proposed or pending acquisition or disposition of land by the municipality or local board; potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and

(j) A matter pertaining to personal matters about an identifiable individual, including a municipal employee, with respect to employment-related matters and advice and recommendations of officers and employees of the Corporation, including communications necessary for that purpose.

The FAC is submitting a confidential report to the Municipal Council regarding this matter. (See Confidential Appendix to the 1st Report of Finance and Administration Committee enclosed for Council Members only.)

The meeting adjourned at 2:30 p.m.