
FOR THE **REGULAR MEETING OF CITY COUNCIL**
TO BE HELD ON **TUESDAY, MARCH 31, 2015 AT 6:00 P.M.**
IN THE **COUNCIL CHAMBER, TOM DAVIES SQUARE**

ADDENDUM (RESOLUTION PREPARED)

(Two-thirds Majority Required to Deal with the Addendum)

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**CORRESPONDENCE FOR INFORMATION ONLY**

ADD-1 Report dated March 30, 2015 from the Executive Director Administrative Services/City Clerk regarding Municipal and School Board Candidate Default Notifications. **2-5**

(This report identifies those candidates who are in default because they have not filed the necessary financial statements by the legislated deadline.)

BY-LAWS

The following By-Laws will be read and passed:

2015-65 A By-law of the City of Greater Sudbury to Authorize the Submission of an Application to Ontario Infrastructure and Lands Corporation ("OILC") for Financing Certain Ongoing Capital Works of the City of Greater Sudbury (the "Municipality") being the Biosolids Management Facility; to Authorize Temporary Borrowing from OILC to Meet Expenditures in Connection with such Works and to Authorize Long Term Borrowing for such Works through the Issue of Debentures to OILC

2015-66 A By-Law of the City of Greater Sudbury to Authorize the Submission of an Application to Ontario Infrastructure and Lands Corporation ("OILC") for Financing Certain Ongoing Capital Works of the City of Greater Sudbury (the "Municipality") being the Transit and Fleet Centre; to Authorize Temporary Borrowing from OILC to meet Expenditures in Connection with such Works and to Authorize Long Term Borrowing for such Works through the Issue of Debentures to OILC **6-8**

(Next Agenda Item: **CIVIC PETITIONS**)

For Information Only

City Council



| Type of Decision | | | | | | | | | |
|--------------------|----------------|-----|---|----|-----------------|----------------|------|--|--------|
| Meeting Date | March 31, 2015 | | | | Report Date | March 30, 2015 | | | |
| Decision Requested | | Yes | X | No | Priority | X | High | | Low |
| | Direction Only | | | | Type of Meeting | X | Open | | Closed |

| Report Title |
|--|
| Municipal and School Board Candidate Default Notifications |


| Budget Impact/Policy Implication | | Recommendation | |
|----------------------------------|---|-----------------------|--------------------------|
| | This report has been reviewed by the Finance Division and the funding source has been identified. | FOR INFORMATION ONLY. | |
| | | | |
| X | Background Attached | | Recommendation Continued |

Recommended by the Department



Caroline Hallsworth
Executive Director Administrative Services/City Clerk

Recommended by the C.A.O.



Doug Nadorozny
Chief Administrative Officer

| Report Prepared By | Division Review |
|--|--|
| Caroline Hallsworth Executive Director Administrative Services/City Clerk | Caroline Hallsworth Executive Director Administrative Services/City Clerk |

Background

The *Municipal Elections Act, 1996* (the “Act”) requires that the Clerk report in writing to Council and to the relevant school boards the identities of those candidates who are in default because they have not filed the necessary financial statements by the legislated deadline. In summary, the Act states the following:

69. (1) *A candidate shall ensure that,*

(k) financial filings are made in accordance with sections 78 and 79.1;

78. (1) *On or before 2 p.m. on the filing date, a candidate shall file with the clerk with whom the nomination was filed a financial statement and auditor's report, each in the prescribed form, reflecting the candidate's election campaign finances;*

80. (1) *A candidate is subject to the penalties listed in subsection (2), in addition to any other penalty that may be imposed under this Act,*

(a) if he or she fails to file a document as required under section 78 or 79.1 by the relevant date;

80.(2) *In the case of a default described in subsection (1),*

(a) the candidate forfeits any office to which he or she was elected and the office is deemed to be vacant; and

(b) until the next regular election has taken place, the candidate is ineligible to be elected or appointed to any office to which this Act applies. 2009, c. 33, Sched. 21, s. 8 (44).

The filing date for the 2014 Municipal Election was Friday, March 27, 2015 on or before 2:00 p.m. As required by the Act, Clerks Services sent notice to all candidates by registered mail on December 19, 2014, reminding them of their obligations in this regard.

As outlined in the table below, of the 117 candidates registered, 21 failed to meet their obligations and file their financial statements on time. John Rodriguez a candidate in the mayoral race has been granted a Court ordered extension of 90 days.

| <u>First Name</u> | <u>Last Name</u> | <u>2014 Office</u> | <u>Elected</u> |
|-------------------|------------------|--|----------------|
| Ron | Dupuis | Mayor | NO |
| Richard | Majkot | Mayor | NO |
| Mathieu | Labonté | Councillor – Ward 1 | NO |
| Paul | Soucie | Councillor – Ward 1 | NO |
| Chris | Spry | Councillor – Ward 1 | NO |
| Tom | Trainor | Councillor – Ward 1 | NO |
| Jacques | Barbeau | Councillor – Ward 2 | NO |
| Dan | Xilon | Councillor – Ward 2 | NO |
| Jesse | Gaudet | Councillor – Ward 3 | NO |
| Francois | Couture | Councillor – Ward 4 | NO |
| Paul | Lefebvre | Councillor – Ward 4 | NO |
| Darren | Champaigne | Councillor – Ward 8 | NO |
| Will | Thomson | Councillor – Ward 9 | NO |
| Vincent | Lacroix | Councillor – Ward 11 | NO |
| Frank | Deburger | Rainbow District School Board Trustee – Area 1 | NO |
| Jennifer | Michaud | Rainbow District School Board Trustee – Area 1 | NO |
| Clara | Steele | Sudbury Catholic District School Board – Area 1 | NO |
| Geraldine | Meskeil | Sudbury Catholic District School Board – Area 5 | NO |
| Jody | Cameron | Sudbury Catholic District School Board – Area 6 | YES |
| Françoise | Monette | Conseil Scolaire public du Grand Nord de l'Ontario – Zone 7 | NO |
| Paul | Marleau | Conseil Scolaire catholique du Nouvel-Ontario – Zone 4 | NO |

As is seen in the chart, one of the individuals who did not file a financial statement as outlined in the legislation was acclaimed to a position as School Board Trustee for Area 6 of the Sudbury Catholic District School Board. This position is therefore deemed to be vacant. Clerks staff are communicating with the Sudbury Catholic District School Board in regards to this vacancy. Moving forward, the Sudbury Catholic District School Board will meet to make a decision in regards to how to fill this vacancy.

The options available to the Board are outlined under the *Education Act* as follows:

221. (1) *Subject to section 224, if the office of a member of a board becomes vacant before the end of the member's term,*

(a) the remaining elected members shall appoint a qualified person to fill the vacancy within 90 days after the office becomes vacant, if a majority of the elected members remain in office; or

(b) a by-election shall be held to fill the vacancy, in the same manner as an election of the board, if a majority of the elected members do not remain in office. 1997, c. 31, s. 112; 2009, c. 25, s. 26.

221. (2) *Despite clause (1) (a), if members of the board are elected under the Municipal Elections Act, 1996, the remaining elected members may by resolution require that an election be held in accordance with that Act to fill the vacancy if the vacancy occurs,*

(a) in a year in which no regular election is held under that Act;

Should the Sudbury Catholic District School Board pass a resolution to hold a By-Election, the

By-Election will be run by the City Clerk's department and costs of the same will be reimbursed by the School Board in accordance with subsection 7(3) of the Act. There are approximately 4500 eligible electors in the English Separate Board Zone 6 which is comprised of Wards 11 and 12.

Further information will be provided to Council, the Sudbury Catholic District School Board and the community as it becomes available.

Request for Recommendation
City Council



| Type of Decision | | | | | | | |
|--------------------|----------------|-----|---|-------------|-----------------|---|--------|
| Meeting Date | March 31, 2015 | | | Report Date | March 27, 2015 | | |
| Decision Requested | | Yes | X | No | Priority | X | High |
| | Direction Only | | | | Type of Meeting | X | Open |
| | | | | | | | Closed |

| Report Title |
|---|
| Borrowing By-laws – Debt Financing for the Biosolids Project and 1160 Lorne Street (Fleet / Transit Garage) |

| Budget Impact/Policy Implication | | Recommendation | |
|----------------------------------|---|-----------------------|--------------------------|
| X | This report has been reviewed by the Finance Division and the funding source has been identified. | For Information Only. | |
| | | | |
| X | Background Attached | | Recommendation Continued |

| Recommended by the Department |
|--|
| Lorella Hayes Chief Financial Officer / Treasurer |

| Recommended by the C.A.O. |
|--|
| Doug Nadorozny Chief Administrative Officer |

| Report Prepared By | Division Review |
|--|-----------------|
|  Ed Stankiewicz Manager of Financial Planning & Budgets | |

BACKGROUND

The purpose of this report is to provide background information for the attached Borrowing By-laws.

The City requires \$45 million of debt financing for two projects: \$31 million for the Biosolids facility and \$14 million for 1160 Lorne Street (Fleet/Transit Garage). Debt financing for both projects was approved by Council Resolutions CC2012-363 and CC2013-37.

On March 2, 2015, the City issued a request for proposal (RFP) for the debt financing of the projects and the six major Canadian banks, two Credit Unions, and the Caisse Populaire were made aware of the RFP.

The closing date for the submissions was March 17, 2015 and three banks submitted proposals for providing the debt financing.

Within the RFP, proponents were informed that the City reserved the right to proceed with Ontario Infrastructure and Lands Corporation (OILC) for the loan agreement. OILC is a Crown corporate owned by the Province of Ontario that provides a wide range of services to support the Ontario government's initiative to modernize and maximize the value of public infrastructure. One such area deals with the loan program, which provides Ontario municipalities and other eligible broader public sector organizations with access to affordable long-term financing to build and renew public infrastructure.

The Debt Management Policy requires the City to conduct a bid solicitation for securing debt for capital projects. The policy makes reference to securing debt from Ontario Infrastructure and Lands Corporation if the rates are lower than through the RFP process.

When reviewing the proposals and comparing their rates (fixed for a 20 year term) compared to those posted by the OILC, the rates received by the banks were higher. As a result, the City has cancelled the bid solicitation and will be securing the debt from OILC.

In discussions with OILC, in order to receive the funding by April 24, 2015 (tentative date for payment for the Biosolids project), the process has to be expedited. As a result, this report and accompanying by-laws has been put on the March 31, 2015 agenda as an addendum.

Passage of these borrowing by-laws will allow OILC to proceed with the next steps to ensure the City receives the funding by April 24, 2015. Subsequent debenture by-laws will be passed in early May, which will provide the finalization of the agreement with OILC.

Currently the rate from OILC for a 20 year term is 2.64%, which is near historic lows. Once the funds are received, a rate offer will be made to the City and will be included in the Debenture By-

laws.

DEBT CAPACITY

At the end of 2014, the City had an annual debt repayment (principal and interest) of \$4.6 million. Under the 2015 Annual Repayment Limit Amount provided by the Ministry of Municipal Affairs and Housing, the City has the ability to increase its annual debt repayment by \$87.6 million. The Ministry calculates this figure based on 25 percent of the City's net revenues. However, the Debt Management Policy adopted by City Council allows only five percent of net revenues to be used for annual debt repayment, which equates to \$19 million. The addition of debt financing for these two projects translates to \$4.3 million, which means the annual debt repayment will increase to \$8.5 million or 2.2% of the City's revenues.

SUMMARY

As a result of the lower rates available from OILC compared to the other submissions, the RFP for Debt Financing for the two projects has been cancelled. The City will be using OILC to secure the debt required to fund the two projects. Borrowing by-laws must be passed on March 31, 2015 to ensure the City receives the funds by April 24, 2015. Debenture by-laws will be required once the funding is received.