

MEMO / NOTE DE SERVICE



To / Destinataire	Mayor and Members of Council	File/N° de fichier:
From / Expéditeur	M. Rick O'Connor, City Clerk and Solicitor	
Subject / Objet	Bill 68, the <i>Modernizing Ontario's Municipal Legislation Act, 2017</i> – Changes to the <i>Municipal Act, 2001</i> , the <i>Municipal Conflict of Interest Act</i> , and the <i>Municipal Elections Act, 1996</i>	July 7, 2017

Bill 68, the *Modernizing Ontario's Municipal Legislation Act, 2017* was adopted by the Ontario Legislature and received Royal Assent on May 30, 2017. It provided approximately 43 pages of amendments to the *Municipal Act, 2001*, the *Municipal Conflict of Interest Act* (the "MCIA"), the *Municipal Elections Act, 1996* (the "MEA"), as well as other pieces of municipal legislation. The scope of Bill 68 is significant, and the changes will affect a number of departments across the City.

This memorandum provides an overview of the changes to legislation that fall within the scope of the City Clerk and Solicitor's mandate, as well as provides information with respect to changes that relate to municipal finance. It is also important to note that some of the provisions of Bill 68 came into force immediately upon receiving Royal Assent, while most others will be proclaimed in force at a later date.

Attached to this memorandum is a draft motion that incorporates staff's recommended approach to those mandatory pieces of the legislation that are already in force, specifically as they relate to pregnancy and parental leave for Members of Council and the specific authority Council uses to appoint its Deputy Mayors. In addition, the draft motion provides direction to staff to prepare a comprehensive report on those provisions that have yet to be proclaimed in force, including those related to mandatory codes of conduct for municipal councils and local boards, the new municipal conflict of interest framework and the new and expanded role and powers of the Integrity Commissioner, as well as those that provide new discretionary tools such as the option for electronic meetings, for Council's consideration in Q3 2017.

It is recommended that the draft motion be presented to Council at its July 12, 2017, meeting, given that the legislation as it relates to a Member's pregnancy and parental leave and Deputy Mayors is now in effect. All new provisions resulting from the motion would be reviewed in future twice each term, as part of the standard governance review process.

Bill 68 Provisions now in effect (City Clerk and Solicitor) – Requiring Action

Pregnancy and Parental Leave for Members of Council

Prior to Bill 68, if a Member of Council was pregnant, gave birth to a child or adopted a child, the Member was required to seek and receive a resolution of Council for an extended leave of absence, as would be required for an extended absence for any reason.

This extended leave would have been sought under Subsection 259(1)(c) of the *Municipal Act, 2001*, which provides that the Office of a Member of Council becomes vacant if the Member is absent from the meetings of Council for three successive months without being authorized to do so by a resolution of Council.

Bill 68 now provides an exemption to the above-noted provision, meaning that no motion is required to grant leave for a Member for 20 consecutive weeks or less if the absence is a result of the Member's pregnancy, the birth of the Member's child or the adoption of a child by the Member.

That said, Members of Council for the City of Ottawa also have specific delegated authorities over some legislative and administrative matters in the wards, and assigning those delegated authorities would require a motion of Council.

Staff is therefore recommending that Council approve a new process and related amendments to the *Procedure By-law* that would both recognize a Member's ability to take pregnancy and parental leave without a Council motion while providing for delegated authority that would allow legislative and administrative matters to be addressed in a manner that is consistent with the Member's wishes while they are on leave. The recommended process is reflective of past practice by which Council has granted extended leave to a Member. It should be noted that recommendation a) and b) below are specific to a Ward Councillor, as the Deputy Mayors are already identified as delegates for the Mayor.

The recommended approach is as follows:

Any Member of Council shall provide the City Clerk and Solicitor written notice of an absence of 20 consecutive weeks or less as a result of the Member's pregnancy, the birth of the Member's child or the adoption of a child by the Member in accordance with Subsection 259(1.1) of the *Municipal Act, 2001*.

When such notice is provided, the following process would be followed and the resulting information brought forward for Council consideration by way of motion at the Council meeting immediately following the City Clerk and Solicitor's receipt of the written notice:

- a) In the written notice, a Ward Councillor shall indicate the Member(s) of Council whom he/she wishes to provide concurrence under the *Delegation of Authority By-law* for matters in the Ward Councillor's Ward during the Ward Councillor's absence; and
- b) In the written notice, the Ward Councillor shall indicate the Member(s) of Council whom he/she recommends Council appoint as a Member of any Committee(s) on which the Ward Councillor sits, on an interim basis for the duration of the Ward Councillor's leave; and
- c) The motion to Council shall recommend that Council delegate to the City Clerk and Solicitor the interim authority to approve the payment of costs from a

Member of Council's Constituency Services Budget only arising from routine bills and, in consultation with the Member's office staff and the Member(s) of Council to whom concurrence has been delegated in accordance with (a), above, for annual, seasonal events where a past practice for such costs being paid can be established, if there are sufficient funds within the Budget to do so.

Housekeeping Amendment to align the "By-law to appoint Councillors to act in place of the Mayor" (By-law 2014-440) with appropriate *Municipal Act, 2001* subsections

The City of Ottawa, like many large municipalities, has adopted a Deputy Mayor by-law in accordance with Section 242 of the *Municipal Act, 2001*, to act from time to time in the place of the Mayor when the Mayor is absent or absent through illness or when the office is vacant.

Ottawa's Deputy Mayor by-law provides for Council to appoint two Members. As Deputy Mayors, these Members chair Council meetings, provide representation at events, sign legal documents and act in any other capacity when the Mayor is absent or unavailable. In the summer, and on occasion over the winter, an Acting Deputy Mayor is appointed by Council to ensure there is appropriate cover-off during vacation time.

Bill 68 has amended Section 242 of the *Municipal Act, 2001*, to limit the scope of this provision as follows:

"A municipality may, by by-law or resolution, appoint a member of the council to act in the place of the head of council or other member of council designated to preside at meetings in the municipality's procedure by-law when the head of council or designated member is absent or refuses to act or the office is vacant, and while so acting such member has all the powers and duties of the head of council or designated member, as the case may be, with respect to the role of presiding at meetings".

In order to ensure that the Deputy Mayors and any Acting Deputy Mayors appointed by Council retain the legislative authority to be able to continue to carry out all aspects of their current roles, staff are recommending that this authority be provided by amending By-law No. 2014-440 such that the by-law would also make reference to Section 23.1 of the *Municipal Act, 2001*, which authorizes a municipality to delegate its powers and duties under that statute or any other Act, to a person or body, subject to certain restrictions (noting that none of these restrictions relate to the powers and duties exercised by the Deputy Mayors in their current roles).

Staff consider this to be a housekeeping amendment.

Provisions Not Yet Proclaimed and in Effect – Requiring Future Action

The following changes to the legislation will take effect on a date to be proclaimed. In each case below, a number of new or amended processes and procedures must be developed for recommendation to Council. For the most part, staff will develop recommendations for Committee and Council consideration taking the approach used for governance reviews.

Mandatory Codes of Conduct and Integrity Commissioners for Council and Local Boards, including Business Improvement Areas, and Expanded Role for Integrity Commissioners

Bill 68 requires that municipalities establish codes of conduct for Members of Council as well as for members of local boards, including Business Improvement Areas (BIAs). Several local boards continue to be excluded from the definition of local board for the purposes of this requirement, including a board of health, a police services board, a library board and municipal corporations.

Municipalities must also appoint an Integrity Commissioner or provide for the services of an Integrity Commissioner of another municipality. Integrity Commissioners are now mandated to oversee the application of these codes of conduct and the *Municipal Conflict of Interest Act* (the "MCIA"), to respond to requests from Members of Council and of local boards for advice respecting their obligations under their respective code of conduct and the MCIA, and to provide educational information to Members of Council, members of local boards, the municipality and the public regarding the municipality's codes of conduct and the MCIA.

Although the City of Ottawa has already established the position of an Integrity Commissioner and approved a Code of Conduct for Members of Council, which came into effect on July 1, 2013, there are significant policy, workload and resource implications with the new requirements. There will be a requirement for the City to establish a code of conduct for members of local boards, including BIAs.

The City's Integrity Commissioner is already responsible for the oversight and application of the Code of Conduct for Members of Council and its related policies as well as for providing advice to Members of Council regarding their obligations under the Code. In addition, the Integrity Commissioner currently provides education to Members of Council, City staff and the public on the application of the Code. The City's Integrity Commissioner is also responsible for the oversight and application of the Lobbyist Registry and acts as the City's Meetings Investigator.

The Integrity Commissioner's responsibilities under Bill 68 also include the oversight and application of a code of conduct for members of local boards and extending the current advisory and education role to include the application of the code of conduct for local boards and the obligations of Members of Council and members of local boards under the MCIA, outlined below.

Specifically, Bill 68 requires Integrity Commissioners to play a critical role with respect to the MCIA. It gives new authority to the Integrity Commissioner with respect to the application of the MCIA as it relates to Members of Council and members of local boards. It establishes a new process for MCIA complaints whereby the Integrity Commissioner will be responsible for accepting complaints, conducting inquiries into alleged contraventions and making an application to a judge as appropriate. The Bill further prescribes some conditions on applications and inquiries with respect to timing particularly in a municipal election year. Following an inquiry, if an Integrity Commissioner deems it appropriate to apply to a judge for a determination as to whether the Member has contravened the Act, the costs of applying to a judge will be borne by the municipality or the local board for which the Member was acting when the alleged contravention occurred.

Although the Province has yet to announce the date that these new authorities will come into force, staff are just beginning the process of reviewing which of the City's local boards in addition to BIAs are subject to the new Bill 68 provisions. Staff are aware that there will be financial and

resource implications with these new obligations, and that these may be difficult to quantify in the initial period. Staff are working with other municipalities on a recommended approach.

Expanded Obligations under *the Municipal Conflict of Interest Act (the “MCIA”)*

1. Procedural Fairness - Participating in discussions on Code of Conduct Violations

Currently, where a Member of Council or a member of a local board has a direct or indirect pecuniary interest in any matter and is present at the meeting at which the matter is being considered, the Member is prohibited from taking part in discussion of, or voting on, the matter. The Member is further prohibited from attempting to influence other Members' voting on the matter.

A new exemption under Bill 68 permits a Member of Council or of a local board to participate – including participating in discussion and making submissions to Council, but not to vote – in meetings considering reports recommending a financial penalty to the Member under the Code of Conduct.

2. Prohibition on influencing those with delegated powers and duties

Bill 68 introduces a new section to the MCIA which specifically prohibits Members of Council and members of local boards from attempting to influence any decision or recommendation of a person or body with delegated powers or duties where the Member has a direct or indirect pecuniary interest. In effect, Members of Council and members of local boards must refrain from using the status of their Office to influence matters in which they have a direct or indirect financial interest beyond a meeting of Council or the local board.

Currently, although there is no such specific prohibition in the MCIA, Section V (Improper Use of Influence) of the Code of Conduct for Members of Council prohibits Members from using their position to influence the decisions of another to private advantage of the Member/of individuals close to the Member.

3. Requirements for a written statement of interest and a registry of declarations of interest

Members are currently required to disclose a pecuniary interest, including the general nature of that interest, at the meeting where the relevant matter is being considered. Written declarations of interest are prepared in advance and signed by the Member, who then reads the statement aloud at the meeting for the record. The Clerk subsequently records the declaration of interest and general nature thereof in the minutes, thereby creating a public record of the declaration.

The amendments to the MCIA under Bill 68 formalize the City's current practice by requiring that Members who disclose an interest file a written statement of the interest and the general nature of that interest with the Clerk of the municipality or with the secretary of the local board. Bill 68 also requires that the municipality or local board establish and maintain a public registry that shall include two items for each declaration of interest: a copy of each written statement of interest that a Member files with the Clerk; and, a copy of each declaration of interest that the Clerk records in the minutes. As such, an amendment to the *Procedure By-law* will be required to formalize the process for Members to submit declarations of interest to the Clerk.

4. New definition of who may apply to a judge to determine if a contravention has occurred

Currently, the MCIA only provides that an “elector” may apply to a judge for a determination of whether a Member of Council or of a local board has contravened the conflict of interest provisions of the Act. However, Bill 68 amends the MCIA to provide that an elector, as well as a municipal Integrity Commissioner or a person “demonstrably acting in the public interest” may also apply to a judge for a determination of whether a Member of Council or of a local board, or a former Member of either (while he or she was a Member) contravened the conflict of interest provisions of the MCIA.

5. Change to the timeline for making an application to a judge for a determination on whether a Member contravened the conflict of interest provisions of the MCIA

Currently, an elector can apply to a judge within six weeks of becoming aware that a contravention occurred. No application can be brought to a judge after six years from the time the contravention is alleged to have occurred. Under Bill 68, the same six-week timeline exists, unless the Applicant applied to an Integrity Commissioner for an inquiry to be carried out and the Integrity Commissioner has taken certain actions with respect to the inquiry (including having advised the Applicant that the Integrity Commissioner will not be making an application to a judge, or having terminated the inquiry). Where the Integrity Commissioner has taken one of these actions, in general, the application must be made within six weeks after the date of that action.

6. New, wider range of potential penalties is provided if a judge determines that a member has contravened conflict of interest rules

Currently, where a judge determines that a Member contravened the conflict of interest rules set out in the MCIA, the Member’s seat automatically becomes vacant. The judge may order restitution and disqualify the Member for up to seven years.

Under Bill 68, a Member does not automatically lose his/her seat if a judge determines that the Member contravened the conflict of interest provisions of the MCIA. Instead, the judge may apply an increased range of discretionary penalties, including a reprimand, a suspension of remuneration for up to 90 days and declaring the Member’s seat vacant.

7. New preamble provides a set of principles in the legislation

A new Section 1.1 of the MCIA sets out the principles endorsed by the Province in relation to the duties of members of councils and local boards under the MCIA. The principles refer to such matters as the expectation of Members to perform their duties with integrity and impartiality, and the importance of independence and accountability in local government decision-making. The principles reflect many of those already present in the Code of Conduct for Members of Council.

New Policies Must Be Established

Bill 68 requires that municipalities “adopt and maintain” three additional policies with respect to the following matters:

- The relationship between Members of Council and the officers and employees of the corporation;
- The manner in which the municipality will protect and enhance the tree canopy and natural vegetation in the municipality; and
- Pregnancy leaves and parental leaves of Members of Council.

1. *Council-Staff Relations Policy*

As part of the 2010-2014 Governance Review, City Council endorsed an Accountability Framework that included a Code of Conduct for Members of Council. The Code of Conduct outlines the ethical behaviour expected of Members of Ottawa City Council and the citizen members of the Transit Commission, and includes a provision related to conduct respecting staff. Council also approved a similar Code of Conduct for Citizen Members of the Built Heritage Sub-Committee as part of the 2014-2018 Governance Review.

While there is no statutory requirement set out under the *Municipal Act, 2001* with respect to codes of conduct for municipal employees, the City of Ottawa has developed an Employee Code of Conduct. The Employee Code of Conduct is founded on the notion of ensuring integrity in public service through the recognition and promotion of the fundamental principles of transparency, impartiality, respect and accountability.

Staff believe that elements of the Code of Conduct for Members of Council, the Employee Code of Conduct and the *Procedure By-law* sufficiently address the requirements set out under Bill 68 for a Council-staff relations policy. As Council is required to adopt and maintain such a policy, staff will bring forward a policy that draws elements out of the Code of Conduct for Members of Council, the Employee Code of Conduct and the *Procedure By-law* for Council's consideration.

2. *Tree Canopy and Natural Vegetation Policy*

On June 28, 2017, City Council considered the Urban Forest Management Plan (the "UFMP") report and approved the recommendations therein. Recommendation 4 of the UFMP report was as follows:

Confirm approval of the Urban Forest Management Plan as adoption of a City policy in accordance with subsection 270 (1) 7. of the *Municipal Act, 2001*, when Subsection 32 of Bill 68 is proclaimed in force, as outlined in this report.

Staff believe that the UFMP satisfies the requirements set out under Bill 68 as it relates to the "manner in which the municipality will protect and enhance the tree canopy and natural vegetation in the municipality."

3. *Member of Council Pregnancy and Parental Leave Policy*

In addition to the new pregnancy and parental leave provisions of Bill 68 described above, the Bill introduces a new provision requiring municipalities to adopt and maintain a policy with respect to pregnancy leaves and parental leaves of Members of Council. This provision comes into effect upon proclamation.

Currently, eligible municipal employees are entitled to maternity/pregnancy and/or parental leave for the birth or adoption of a child in accordance with the *Employment Standards Act, 2000* and the employee's applicable collective agreement or terms and conditions of employment. The City's Maternity/Pregnancy Leave and Parental Leave Procedures, which was approved by the former Executive Management Committee (now Senior Leadership Team) and last revised in November 2013, sets the overarching guidelines for Maternity/Pregnancy Leave and Parental Leave.

Recognizing that Members of Council are not City employees, are not eligible for employment insurance and do not follow collective agreements, staff recommend that the Maternity/Pregnancy Leave and Parental Leave Procedures be revised to include the new provisions set out under Bill 68 with respect to a Member's maternity/parental leave. As Council is required to adopt and maintain such a policy, staff will bring forward the amended procedures following proclamation of this amendment.

Open Meetings – New Provisions

Currently, Subsection 238(1) of the *Municipal Act, 2001* defines a meeting as any regular, special or other meeting of a council, or a local board or of a committee of either of them. Concerns have been raised that the definition of a meeting set out under the Act is inadequate and open to broad interpretation.

To this end, Bill 68 amends the current definition of a "meeting" to mean "any regular, special or other meeting of a council, of a local board or of a committee of them, where,

- a) A quorum of members is present; and
- b) Members discuss or otherwise deal with any matter in a way that materially advances the business or decision-making of the council, local board or committee."

In addition, Bill 68 requires that a municipality or local board shall pass a resolution stating how it intends to address a Meetings Investigator's report that indicates the Meetings Investigator's opinion, and the reasons for it, that a meeting or part of a meeting appeared to have been closed to the public contrary to the open-meeting rules set out under Section 239 of the *Municipal Act, 2001* or the municipality's procedure by-law.

While it has been a number of years since the last Meetings Investigator report to find any contraventions of open meeting rules in Ottawa, Council has previously addressed Meetings Investigator reports by resolution, in keeping with the provisions now established by Bill 68.

Discretionary Amendments that Council may consider

Municipal Authority to Establish Limitation Period Regarding Matters Related to Lobbyist Registry By-law Offences

Municipalities that seek to charge and convict any lobbyist for a violation of that municipality's lobbyist registry by-law do so under the *Provincial Offences Act*. Section 76 of that Act sets a default period for investigations of six months after the offence was alleged to have been

committed. Under Bill 68, a municipality may pass a by-law to extend the time period for completing an investigation to two years. The municipality may only do so if the alleged offence occurred within the preceding six months. The Integrity Commissioner will review this provision as part of his Annual Report (Q4 2017).

Electronic Participation in Meetings is Permitted

Bill 68 amends Section 238 of the *Municipal Act, 2001* to provide municipalities with the discretion to allow a Member of Council, of certain local boards, or of a Committee of either of them, to participate electronically in a meeting that is open to the public and has a quorum of members physically present. Under the Bill, the applicable procedure by-law may provide for electronic participation, provided that any member participating electronically shall not be counted in determining whether or not a quorum is present.

New Discretionary Reasons for Closed Meetings

Bill 68 provides four new, discretionary reasons that may be used for a meeting to be closed to the public. Specifically, these provisions are added to Subsection 239(2) and are as follows:

- information explicitly supplied in confidence to the municipality or local board by Canada, a province or territory or a Crown agency of any of them;
- a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
- a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value; or
- 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 or local board.

Staff will be required to update the *Procedure By-law* to reflect the new discretionary closed meeting provisions once they are proclaimed.

Municipal Authority to Establish Community Councils

Prior to Bill 68, municipalities could establish community councils. Bill 68 now provides specific language that affirms this authority. While the matter of community councils has been considered at the City of Ottawa, the only similar bodies that exist are informal ward councils that are engaged to various degrees by Members of Council. In keeping with current practice, should Council wish to consider establishing community councils, consultation with Members would occur during the development of the 2018-2022 Governance Review.

Retention and Preservation of Records of the Municipality

Prior to Bill 68, Section 255 of the *Municipal Act, 2001* provided that a municipality may, subject to the approval of the municipal auditor, establish retention periods during which the records of the municipality and local boards of the municipality must be retained and preserved. Under Bill 68, a municipality no longer requires approval from the municipal auditor in order to establish

such retention periods. The records retention and disposition component of the City's *Records Retention and Disposition By-law 2003-527*, as amended, is revised on an annual basis. Staff are reviewing the change made by Bill 68, and anticipate that any potential by-law amendments would be recommended in 2018 as part of the Annual Information Management report.

Other Bill 68 Amendments (City Clerk and Solicitor and Finance mandates)

Provisions now in effect

Bill 68 Changes to the *Municipal Elections Act, 1996*

The Bill 68 changes to the MEA are imposed by the Province and do not directly result in matters for Council's consideration.

1. *Bill 68 changes the start date of term of office to November 15 in the year of a regular election, effective the year 2022*

There is no change to the start date for the 2018-2022 Term of Council, being December 1, 2018. However, in 2018, staff will make changes to various contracts related to Member's Offices in relation to the November 15, 2022 start date for the 2022-2026 Term of Council. Staff have advised the Ministry of Municipal Affairs that this date provides a significant challenge with respect to Council transition and orientation. As well, there will be a Ward Boundary Review in the next term, further complicating the transition for the 2022-2026 Term of Council.

2. *Contribution limit to a single candidate or third party advertiser is raised to \$1,200*

The previous limit was \$750. The new limit is consistent with contribution limits in the provincial elections. Staff will review candidate information packages and information sessions, as well as the Elections database functionality, the Contribution Rebate Program, and various forms and web content.

3. *New self-funding formula and limit for municipal Council candidates*

This is based on the number of electors eligible to vote for the Office; the specific formula is as follows: \$7,500 + 20 cents per elector for Head of Council and \$5,000 + 20 cents per elector for other Offices, with a cap of \$25,000. In Ottawa, candidates for the Office of Mayor will be capped at the \$25,000 limit and campaigns for Ward Councillor will be affected to varying degrees. Staff will update the candidate information packages and information sessions, the Elections database functionality, the Election Compliance Audit Committee members' training materials, and various forms and web content.

Bill 181 Changes to the *Municipal Elections Act, 1996*

In addition to changes made by Bill 68, the MEA underwent a number of other amendments under Bill 181, the *Municipal Elections Modernization Act, 2016*, which received Royal Assent on June 9, 2016. These changes will be in effect for the 2018 municipal election, and affect areas such as the election calendar, campaign finance, advertising, elections administration, compliance and enforcement. Details of amendments made by Bill 181 were described in the

report titled, "[Bill 181, the *Municipal Elections Modernization Act, 2016 – Changes to the Municipal Elections Act, 1996*](#)," which was considered by City Council on December 14, 2016. A number of important dates related to Bill 181 and the 2018 municipal election are provided in Attachment 1 to this memorandum.

Amendments to Finance Provisions of the *Municipal Act, 2001*

Bill 68 introduces a number of administrative powers related to matters such as taxation.

1. *Electronic delivery of tax bills*

Under a new Subsection 343(6.1) of the *Municipal Act, 2001*, the City is now permitted to send tax bills electronically to taxpayers who have chosen this method. This option will be implemented by Revenue Services through the MyServiceOttawa tool.

2. *Cancellation, reduction, refund of payment in lieu of taxes*

A new Section 357.1 of the *Municipal Act, 2001* provides that a local municipality may cancel, reduce or refund all or part of a payment in lieu of taxes, in similar circumstances to the cancellation, reduction or refund permitted for taxes set out under Section 357 of the Act, upon application to the Treasurer. These circumstances include land becoming vacant, buildings being razed or damaged by fire or demolition, an overcharge due to a gross or manifest error, and renovations that prevented use of the land for at least three months.

3. *Sale of land for tax arrears; escheated or forfeited property*

The time that property taxes have to be in arrears before a municipality can start a tax sale is reduced from three years to two years, and there will be other changes to the process including expedited timelines for the sale of corporate property that has escheated or forfeited to the Crown. The changed timelines for escheated or forfeited corporate property relate to the coming into force of the *Forfeited Corporate Property Act, 2015*.

In addition, land that has escheated or become forfeited to the Crown that would previously have been not rated for taxes will now remain taxable until the Crown registers a notice that it intends to use the land for Crown purposes under the new Section 474.11 of the *Municipal Act, 2001*.

Provisions not yet proclaimed and in effect

Prudent Investor Standard

Under a new Section 418.1 of the *Municipal Act, 2001*, the City will be held to the standard of a "prudent investor" in its investments. This provision will be accompanied by regulations that will detail the ongoing obligations regarding implementation of this "Prudent Investor Standard". The regulations have not been made known and since they are not expected until 2018, it is too soon to know the full impact that this will have on the City's investment strategy and operations. With the granting of the "Prudent Investor Standard" comes increased requirements, but also the opportunity to better align investment risk with return and the potential to increase investment

revenues for the City. Implementing the Standard will require Treasury to add reporting and risk metrics to demonstrate the prudent approach to investments.

Next Steps

As indicated above, at the time of this writing it is not known when the remaining provisions of Bill 68 related to municipalities will be proclaimed in force. Staff will continue its review of Bill 68, consult with the Mayor and Councillors and identify affected local boards in anticipation of providing a report to Council in Q3 2017. As part of this report, staff will review mandatory provisions yet to be proclaimed as well as discretionary provisions.

M. Rick O'Connor
City Clerk and Solicitor