

EXTRACT OF DRAFT MINUTES 21  
FINANCE AND ECONOMIC  
DEVELOPMENT COMMITTEE  
2 MARCH 2021

EXTRAIT DE L'ÉBAUCHE DU  
PROCÈS-VERBAL 21  
COMITÉ DES FINANCES ET DU  
DÉVELOPPEMENT ÉCONOMIQUE  
LE 1 MARS 2021

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MOTION – CONFEDERATION LINE CONTINGENCY FUNDING

ACS2021-OCC-FED-0009

CITY WIDE

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**MOTION No. FEDC 2021 2/21**

Moved by Councillor L. Dudas

**BE IT RESOLVED** that, in accordance with Subsection 89(3) of the *Procedure By-law*, being By-law 2021-24, Finance and Economic Development Committee approve the addition of an item to today's Agenda with respect to the LRT Stage 1 Project – Claims Update and related matters, in order to provide for a timely *in camera* briefing with respect to these matters and associated next steps; and

**BE IT FURTHER RESOLVED THAT** in accordance with the *Procedure By-Law*, City Council resolve *In Camera* pursuant to Subsections 13 (1)(e), litigation or potential litigation affecting the City, and 13(1)(f), the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose, to receive and consider the LRT Stage 1 – Claims Update *In Camera* - Reporting out Date: Not to be reported out.

CARRIED

This item was dealt with *In Camera* pursuant to Procedure By-law (By-law No. 2021-24), Subsection 13 (1)(e), litigation or potential litigation affecting the City, and 13(1)(f), the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

As the content of the *In Camera* update regarding the O-Train Confederation Line LRT Stage 1 contains information pertaining to the legal aspects of the subject

matter, the material falls within the exception contemplated by Subsection 13(1)(f) of City Council's Procedure By-Law. As such, this matter will not be reported out.

The subject matter of this item was the receipt and consideration of an update on the legal issues and options with respect to the O-Train Confederation Line LRT Stage 1. Upon resuming in open session, Mayor Watson stated that no votes were taken other than procedural motions and/or directions to staff and the following motion was then presented:

**MOTION No. FEDC 2021 3/21**

Moved by Vice-Chair Dudas

**WHEREAS, at its meeting of March 2, 2021, the Finance and Economic Development Committee and other Members of Council received an *in camera* briefing on the status of the ongoing claims disputes between the City and the Rideau Transit Group (RTG) with respect to the Stage 1 Light Rail Transit Project, as well as the planned next steps towards resolving these disputes which is subject to lawyer-client, contemplation of litigation, and advice to government privilege; and**

**WHEREAS when the 2012 City Council approved the Ottawa Light Rail Transit Confederation Line Project budget of \$2.13 B, the \$100 million (approximately 4.5% of the combined total) as the project contingency to provide the flexibility to deal with possible cost changes, including legal and technical expert fees, and these project contingency funds have been fully expended due to the nature of City's claims disputes with RTG; and**

**WHEREAS, as identified in the *in camera* briefing, the ongoing legal and subject matter technical expertise support and City staff support required to continue to defend the City's interests in the ongoing claims and disputes and the necessary actions associated with ensuring the rectification plan issues are addressed will create an additional pressure of \$15 million on the Stage 1 LRT project contingency budget; and**

**WHEREAS the City intends to include and seek to recover these additional costs in the dispute resolution process against RTG; and**

**WHEREAS the City Treasurer and Chief Financial Advisor recommends that the \$15 million in funds be provided from the Transit Capital Reserve, given that this project - 907143 Confederation Line Contingency - was refinanced as part of the**

**Development Charges By-law update, with 18% or \$18 million of the total budget identified as the growth-related share of the costs; and**

**WHEREAS the City Treasurer and Chief Financial Officer further recommends that the growth-related component (18%) of this additional \$15 million also be funded from development charges in the future when the next Development Charges Background Study and By-law are updated, and that \$2.7 million of the \$15 million be funded from development charges on an interim basis until the DC Background study is updated;**

**THEREFORE BE IT RESOLVED that Finance and Economic Development Committee recommends that City Council approve the additional budget authority of \$15 million for Project 907143 Confederation Line Contingency, to be funded as described in this motion and on the understanding that the City intends to include and attempt to recover these costs in the dispute resolution process against RTG.**

**CARRIED**