

EXTRACT OF DRAFT MINUTES 29  
FINANCE AND ECONOMIC  
DEVELOPMENT COMMITTEE  
5 OCTOBER 2021

EXTRAIT DE L'ÉBAUCHE DU  
PROCÈS-VERBAL 29  
COMITÉ DES FINANCES ET DU  
DÉVELOPPEMENT ÉCONOMIQUE  
LE 5 OCTOBRE 2021

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**MOTION – LIGHT RAIL TRANSIT (LRT) – RIDEAU TRANSIT GROUP  
DEFAULTS**

ACS2021-OCC-FED-0014

CITY WIDE

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**MOTION No. FEDC 2021 1/29**

Moved by Vice-Chair Dudas

**BE IT RESOLVED THAT the Finance and Economic Development Committee resolve *In Camera* to receive and consider LIGHT RAIL TRANSIT (LRT) – LEGAL UPDATE – pursuant to the *Procedure By-Law*, 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 – Reporting out Date: Not to be reported out.**

CARRIED

Committee resolved *In Camera* at 1:06 pm and resumed in open session at 4:51 pm.

Upon resuming in open session, Mayor Watson advised that the Finance and Economic Development Committee met *In Camera* to consider Light Rail Transit (LRT) – Legal Update.

As noted above, 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 Subsections 13(1)(e), and 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 Light Rail Transit (LRT). 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:

Committee then considered the following motion:

**MOTION No. FEDC 2021 2/29**

Moved by Councillor A. Hubley

**WHEREAS the City delivered a Notice of Default on September 24, 2021, to the Rideau Transit Group (RTG) in relation to the August 8<sup>th</sup> Derailment outside the Tunney's Pasture Station and the September 19<sup>th</sup> Derailment near the Tremblay Station; and**

**WHEREAS the City acted promptly in delivering this Notice of Default in light of the seriousness of the events and the consequences under the Project Agreement (the "Agreement"); and**

**WHEREAS in response to the Notice of Default, RTG was required to submit to the City a plan and schedule for the remediation of its breaches under the Agreement; and**

**WHEREAS on October 3, 2021, RTG submitted its purported plan and schedule to the City to remedy its breaches while at the same time disputing the Default; and**

**WHEREAS the City has reviewed RTG's purported plan and schedule and continues to find both are unsatisfactory under all of the circumstances; and**

**WHEREAS the City is not waiving any contemplation of litigation privilege, lawyer-client privilege or public interest privilege;**

**THEREFORE BE IT RESOLVED THAT the Finance and Economic Development Committee recommend that City Council:**

- 1. Direct the Director, Rail Construction Program, to deliver a Notice of Dispute under the Project Agreement with respect to the RTG Defaults; and**
- 2. Direct the Director, Rail Construction Program to proceed promptly to have the Defaults confirmed through the contractual dispute resolution**

- process in the Agreement including, as necessary, asking the Court to confirm the validity of the RTG defaults; and
3. **Direct the City Manager to report back to Council on the outcome of these actions.**

CARRIED

DRAFT