

**MINUTES OF THE LONDON TRANSIT COMMISSION
HELD IN THE COMMISSION BOARDROOM AT 5:00 P.M.
ON WEDNESDAY, MARCH 29, 2017**

Those present were

Mrs. Sheryl Rooth	-	Chair
Mr. Dean Sheppard	-	Vice Chair
Mr. Jesse Helmer	-	Commissioner
Mr. Eric Southern	-	Commissioner
Mr. Phil Squire	-	Commissioner

Also present were

Mrs. Kelly Paleczny	-	General Manager
Mr. John Ford	-	Director of Transportation & Planning
Mrs. Joanne Galloway	-	Director of Human Resources
Mr. Mike Gregor	-	Director of Finance
Mr. Craig Morneau	-	Director of Fleet & Facilities
Mrs. Caroline Roy	-	Secretary

Meeting to order

The Chair called the meeting to order.

**Completion and
Acceptance of
Agenda**

The Chair called for acceptance of the agenda as amended, Mr. Sheppard moves, seconded by Mr. Southern the acceptance of the agenda as amended. CARRIED.

**Disclosures
of Pecuniary Interest**

The Chair called for disclosures of pecuniary interest with respect to the agenda as amended. There were no conflicts of interest declared.

Minutes

Mr. Southern moves, seconded by Mrs. Rooth, the minutes of the meeting held on February 22, 2017 be APPROVED. CARRIED.

**2016 Draft Auditor's
Report**

The Commission received a presentation from Ian Jeffreys and Eric Mallory of KPMG, regarding the 2016 audit and related financial statements.

With regard to the presentation and 2016 Draft Auditor's Report, copy attached, Mr. Sheppard moves, seconded by Mr. Helmer, the Commission APPROVE the 2016 Draft Auditor's Report and Financial Statements, as per Enclosure I.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

**2016 Draft Pension
Fund Audit**

With regard to the 2016 Draft Pension Fund Audit report, copy attached, Mr. Helmer moves, seconded by Mr. Sheppard, the Commission:

- (i) TABLE the draft financial statements, as set out in Enclosure I, relating to the non-insured pension fund as at December 31, 2016 noting the only outstanding audit requirement relates to the receipt of a required outstanding verification report from Manulife; and
- (ii) DIRECT the administration to present, at a future meeting, the final audited statements noting the final statements are to be forwarded to the Financial Services Commission of Ontario as required under the Pension Benefits Act.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

**Status of Reserves
and Reserve Funds –
December 31, 2016**

With regard to the Status of Reserves and Reserve Funds – December 31, 2016 report, copy attached, Mr. Southern moves, seconded by Mr. Helmer, the report be NOTED and FILED.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

**Recosted 2017
Operating Budget
Program**

With regard to the Amended Recosted 2017 Operating Budget Program report, Mr. Helmer moves, seconded by Mr. Squire, The Commission:

- i) APPROVE the recosted 2017 operating expenditure budget for London's public transit services of \$73,655,900 as summarized on the following table;

Description	Conventional Transit	Specialized Transit	Total
Revenue			
Transportation revenue	\$ 32,021,600	\$ 608,400	\$ 32,630,000
Operating revenue	1,453,700	-	1,453,700
Transfer from reserves	780,000	-	780,000
Provincial funding	6,556,000	1,433,500	7,989,500
Shortfall re: deferral of 2016 fare increase	1,096,200	10,200	1,106,400
Total Revenue	\$ 41,907,500	\$ 2,052,100	\$ 43,959,600
Expenditure			
Personnel cost	\$ 45,463,600	\$ 866,700	\$ 46,330,300
Fuel	6,577,700	-	6,577,700
Direct bus maintenance and servicing	5,563,800	-	5,563,800
Facility	2,985,100	-	2,985,100
Insurance	1,918,800	-	1,918,800
Contribution to reserves	1,520,400	-	1,520,400
Contracted service costs	-	6,027,600	6,027,600
All other material costs	2,606,400	125,800	2,732,200
Total Expenditures	\$ 66,635,800	\$ 7,020,100	\$ 73,655,900
City of London - as Approved	\$ 24,333,000	\$ 4,968,000	\$ 29,301,000
City of London - Cap & Trade Business Case	395,300	-	395,300
City of London - Total	\$ 24,728,300	\$ 4,968,000	\$ 29,696,300

noting the recosted budget:

- reflects the impact of emergent issues/trends arising since the 2017 operating budget was first prepared and approved including consideration of actual to budget 2016 operating performance results;
- requires a fare adjustment and/or increased investment from Provincial Gas Tax to cover the \$1,106,400 shortfall relating to the deferral of the 2016 fare increase; and
- maintains the 2017 City of London operating investment as initially approved by the Commission at \$29,301,000 and approved by Municipal Council and an additional \$395,300 associated with Municipal Council's approval of the Business Case relating to the Provincial Cap and Trade Program.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

**Recosted 2017 Capital
Budget Program**

With regard to the Recosted 2017 Capital Budget Program report, Mr. Helmer moves, seconded by Mr. Sheppard, the Commission APPROVE the recosted 2017 capital budget of \$17,752,500 as summarized below noting the recosted budget reflects the previously approved 2017 capital budget program (Staff Report #4, August 31, 2016), updated pricing for 2017 bus replacement/expansion programs and carry forward amounts relating to active (in progress) 2016 capital projects.

2017 Recosted Capital Budget

Description	Source of Investment				Total
	Capital Program Reserve	City of London	Federal Gas Tax	Provincial Gas Tax	
Stop Upgrades	\$ 125,000	\$ -	\$ -	\$ 702,000	\$ 827,000
Service Fleet	40,000	-	-	-	40,000
Shop & Garage Equip and Small Tools	200,000	-	-	-	200,000
Information System Software and Hardware	590,000	-	-	525,000	1,115,000
Facility Upgrades	-	300,000	-	200,000	500,000
Bus replacement - 14 replacement buses	-	4,292,000	1,500,000	2,433,300	8,225,300
Bus expansion - 4 - existing serv. area	-	1,100,400	-	1,254,800	2,355,200
Fleet Radio Replacement	-	312,500	-	312,500	625,000
TMP 2030 - BRT Strategy	-	-	-	1,500,000	1,500,000
Fare processing equipment	-	747,500	-	747,500	1,495,000
Smart Card Program	-	-	-	870,000	870,000
	\$ 955,000	\$6,752,400	\$1,500,000	\$8,545,100	\$17,752,500

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

Group Insurance Contract – Employee Benefits

With regard to the Amended Group Insurance Contract – Employee Benefits report, Mr. Southern moves, seconded by Mr. Helmer, the Commission APPROVE the 2017/18 renewal rate increases (net of applicable taxes) for the insured employee benefits program with Desjardins Financial Security (DFS) as set out in the following table, noting the premium rate increases in the table represent the largest employee group, and will apply to all employee groups and both single and family coverage.

Benefit	Current Monthly Premium	Proposed Monthly Premium	2017 Premium Rate Increase
Short Term Disability (per \$10 insured)	\$ 1.20	\$ 1.33	11.4%
Long Term Disability (per \$100 insured)	2.45	3.55	45.0%
Life Insurance (per \$1,000 insured)	0.31	0.33	5.8%
Extended Health Care - Family coverage	242.36	305.37	26.0%
Dental - Family coverage	86.19	108.60	26.0%

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

Buses Off Dundas Street - Update

With regard to the Buses Off Dundas Street - Update report, Mr. Sheppard moves, seconded by Mr. Squire, the Commission:

- i. APPROVE postponing the rerouting of buses off Dundas Street until April 2018, in coordination with the start of the spring signup period, subject to confirmation from civic administration by April 7, 2017 that construction will not be completed on Queens Avenue by the planned implementation date of September 3, 2017; and
- ii. DIRECT administration advise Municipal Council, through the Civic Works Committee, of the Commission's plans regarding the Dundas Street service.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

100in1day Canada – London Event

With regard to the 100in1day Canada – London Event report, Mr. Helmer moves, seconded by Mr. Sheppard, the Commission:

- i. APPROVE participation in the 100in1day Event in London on June 3, 2017, to an upset cost limit to LTC of \$5,000, funded from the 'market development' budget; and
- ii. DIRECT administration to work with event organizers to determine LTC's participation.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

Transit Advertising Shelter Contract

With regard to the Transit Advertising Shelter Contract report, Mr. Southern moves, seconded by Mr. Helmer, the Commission:

- i. APPROVE modification of the terms of the existing advertising shelter contract with OUTFRONT Media as follows:
 - Extend the contract to include the period 2019 to 2023 (currently scheduled to end in 2018);
 - Increase the annual revenue guarantees for 2017 and 2018 from \$150,000 to \$160,000; and
 - Provide for annual revenue guarantees of \$175,000 for the years 2019 to 2023.
- ii. DIRECT administration finalize the contract with OUTFRONT Media.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

Industrial Service Review - Status

With regard to the Industrial Service Review - Status report, copy attached, Mr. Southern moves, seconded by Mr. Helmer, the report be NOTED and FILED.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

IT Project Update

With regard to the IT Project Update report, copy attached, Mrs. Rooth moves, seconded by Mr. Southern, the Commission DIRECT administration to request Scheidt & Bachmann representatives appear as a delegation at the Commission's May 31, 2017 meeting to discuss issues with respect to the smart card implementation.

Mr. Southern moves, seconded by Mr. Helmer, the remainder of the report be NOTED and FILED.

YEAS: Mrs. Rooth, Mr. Sheppard, Mr. Helmer, Mr. Southern and Mr. Squire

CARRIED.

Date of Next Meeting

The Commission confirmed the date of the next meeting as follows:

Wednesday, April 26, 2017 at 5:00 p.m.

Adjournment

Mr. Helmer moves, seconded by Mr. Southern, the meeting be adjourned. CARRIED. The meeting adjourned at 6:15 p.m.

Sheryl Rooth - Chair

Caroline Roy - Secretary