

**Management’s Response to the Auditor General’s Review of
City Planning Division, Community Benefits Secured Under Section 37 or 45 of the Planning Act**

<u>Rec No</u>	<u>Recommendation</u>	Agree (X)	Disagree (X)	<u>Management Comments:</u> <i>(Comments are required only for recommendations where there is disagreement.)</i>	<u>Action Plan/ Time Frame</u>
1.	The Chief Planner assess the status of community benefits secured since amalgamation (January 1, 1998) under Sections 37 and 45 of the Planning Act to provide an appropriate level of assurance that all cash and significant non-cash benefits that should have been received, have been received and report any uncollectible benefits to Council.	X			Chief Planner will forward reports to Planning and Growth Management Committee on: <ul style="list-style-type: none"> • cash benefits secured since amalgamation (2011 Q4); and • significant non-cash benefits secured since amalgamation. This latter report will take significant resources to complete (2012 Q4).
2.	The Chief Planner develop and implement a monitoring process to ensure receipt of all non-cash community benefits secured under Sections 37 and 45 of the Planning Act.	X			Chief Planner will report to Planning and Growth Management Committee on non-cash benefit monitoring process (2011 Q4).
3.	The Chief Planner ensure all community benefits secured through Section 37 of the Planning Act are included in the re-zoning by-law.	X			Chief Planner to issue memorandum to City Planning staff, copied to the City Solicitor, advising of the need to include all Section 37 community benefits in the relevant site-specific zoning by-laws (2011 Q2).

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4.	The Chief Planner conduct an annual review of balances in the Sections 37 and 45 reserve funds to ensure divisions are advised of any funds secured and received.	X			<ul style="list-style-type: none"> • City Planning staff continue to notify relevant Ward Councillors and City staff of each S.37/S.45 cash payment received, and the related purpose(s) (ongoing). • City Planning staff to continue to provide annual citywide Section 37/45 Cash Summary reports, showing funds received and available and the purposes thereof, to all affected Divisions and, on a Ward basis, to individual members of Council, by the end of Q2 of each year. • City Planning staff continue to provide S.37/S.45 Cash Summary reports to Councillors and City staff on an as-requested basis (ongoing).

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5.	The Deputy City Manager and Chief Financial Officer in consultation with the Chief Planner develop monitoring controls to enable effective administration of any letters of credit secured in relation to Sections 37 and 45 of the Planning Act.	X			<p>The Capital Markets section of Corporate Finance is working with the Information Technology and Planning Divisions to determine the cost and scope of work needed to develop the tools to identify and monitor Letters of Credit in the L/C system that are related to Section 37 & 45 agreements.</p> <p>If affordable, the ability to provide reports for Planning Division staff to help facilitate monitoring is anticipated to be operational by September 2011.</p>
6.	The Deputy City Manager and Chief Financial Officer in consultation with the Chief Planner consider providing appropriate Planning Division staff with read only access to the letter of credit database.	X			<p>The Capital Markets section of Corporate Finance is currently working with IT to establish the cost of enhancing the letters of credit system to allow for read-only access for staff of the Planning Division and other appropriate divisions. The affordability of the required system changes is anticipated to be determined by September 2011, following which staff will determine the most cost effective approach to providing data to the affected divisions.</p>

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7.	The Chief Planner ensure that consideration is given to applying an appropriate inflationary index to the funds secured under Sections 37 and 45 of the Planning Act which are payable at a future date.	X			Chief Planner to issue memorandum to City Planning staff, copied to the City Solicitor, advising of the need to recommend in final reports on S.37 rezoning applications and, in any planning advice provided to the Committee of Adjustment on minor variance applications, the appropriate inflationary indices for community benefits to be secured as cash contributions and payable at a future date. (2011 Q2)