
Committee Members

Councillor J. Baker, Chair
Councillor L. Journal
Councillor J. Fullarton
Mayor D. Henderson,
Ex-Officio

Areas of Responsibility:

Finance

Clerk's Office

Human Resources

Legal

Joint Services Committee

Safe Communities

Coalition

Volunteer Awards

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CONSENT AGENDA

October 21, 2009

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – NOVEMBER 17, 2009

2009-180-11
DEVELOPMENT CHARGES BACKGROUND
STUDY
File: F21-01

M. PASCOE-MERKLEY
DIRECTOR OF PLANNING
D. CYR
DIRECTOR OF FINANCE

RECOMMENDATION

THAT the City retain a consultant to complete a development charges background study as well as to develop a proposed by-law based upon the results of the study; and

THAT this study be funded from the Growth Management Reserve Fund and other sources, should they be required, to be determined during the 2010 budget process.

PURPOSE

To retain a consultant to complete a development charges background study as well as to develop a proposed by-law based upon the results of the study.

BACKGROUND

On June 14, 2004, the City of Brockville passed a by-law, under Section 2(1) of the *Development Charges Act, 1997*, to establish development charges upon all lands within the boundaries of the City where the development of the land would increase the need for municipal services based upon a study which was completed earlier that year. The by-law's five year term expired on June 22nd, 2009.

In April 2009 staff recommended to Council, through Report 2009-058-04, to attain the services of a consulting firm to complete a new development charges background study and the development of a corresponding by-law to be implemented prior to the expiration of By-Law # 076-2004. Due to the economic environment, Council decided to allow the by-law to expire in an attempt to stimulate development and referred the topic to the EDP meeting in November. As there was no EDP meeting in November, staff has brought the topic forward to the Finance & Administration Committee.

ANALYSIS

As per Article 2 of the Development Charges Act, 1997, "the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies."

The previous development charges were established based upon three designated services which are provided by the City: wastewater treatment; transportation and growth management. These fees have become an essential component of capital projects which are required due to increased development within the City. For example, \$1.02 million from WPCP development charges is being applied towards the upgrade project.

Section 10 of the *Development Charges Act, 1997*, requires that prior to passing a development charge by-law a development charges background study must be completed.

POLICY IMPLICATIONS

Council authorization is required to utilize funds from the Growth Management Reserve Fund.

FINANCIAL CONSIDERATIONS

The proposals which were received earlier this year were in the range of \$25,000 - \$35,000. Council approved an allocation of \$20,000 towards an updated Development Charge Study in the 2009 budget from the Growth Management Fund.

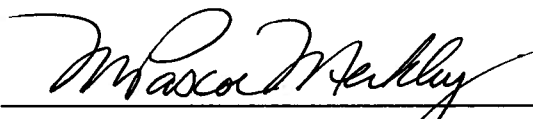
It is anticipated that there are sufficient funds within the Growth Management Reserve Fund to cover the costs associated with this study.

Consideration should be given to the fact that if this study is delayed beyond June 30th, 2010 HST may be applicable.

CONCLUSIONS

Development charges are a valuable revenue source to the City to offset costs associated with capital costs required due to growth. This is very evident in the \$1 million being applied towards the WPCC upgrade from development charges.

This background study is an essential tool to determine the appropriate development charge rates to impose for the next five years.


M. Pascoe-Merkley, Director of Planning


D. Cyr, Director of Finance


B. Casselman, City Manager

November 3, 2009

REPORT TO FINANCE AND ADMINISTRATION COMMITTEE – November 17, 2009

**2009-181-11
CLOSING OF
SPECIFIC RESERVE FUNDS
FILE: F20-00**

**D.CYR
DIRECTOR OF FINANCE
L. FERGUSON
SUPERVISOR OF ACCOUNTING SERVICES
C. WARD
TREASURY OFFICER– CAPITAL AND RESERVES**

RECOMMENDATION

THAT Council authorize staff to transfer the December 31, 2009 balance of the Public Utilities Water Systems Development Charge Reserve Fund and Public Utilities Hydro Electric Systems Development Charge Reserve Fund to the WPCC Secondary Treatment Plant Upgrade capital project and to close the reserve funds and;

THAT Council authorize staff to transfer the December 31, 2009 balance of the Commuted Local Reserve Fund to the Capital Fiscal Management Reserve and to close the reserve fund and;

THAT Council authorize staff to transfer the December 31, 2009 balance of the Poker Run Reserve Fund to the Fiscal Policy Reserve and to close the reserve fund and;

THAT Council authorize staff to close the Smoothing Annual D.B.I.A Levies due to Assessment Adjustments Reserve Fund which currently has a zero balance and;

THAT Council repeal the by-laws that established the above mentioned reserve funds by enacting By-law # XXX-2009:

PURPOSE

To obtain Council's authorization to close reserve funds that are inactive and/or reserve funds that have minimal remaining balances.

BACKGROUND

A reserve fund is used to account for transactions which require that monies specifically earmarked for a particular project or activity be physically segregated and used on that project or activity. Reserve funds are created by the passage of a by-law and can be obligatory (required by legislation) or discretionary (created as the need arises by Council). A reserve fund retains the interest it earns and the funds can only be used for the purposes stated in the by-law, unless Council passes a by-law stating otherwise.

The City of Brockville currently has thirty-seven (37) reserve funds that it manages. These reserve funds are held within six (6) bank accounts that are separate from the general funds of the municipality. Examples of such reserve funds are the Federal Gas Tax Reserve Fund, Hydro One Reserve Fund and the Self Insurance Reserve Fund.

ANALYSIS

Staff has reviewed the inventory of reserve funds currently being administered by the City of Brockville and have identified several that have had little or no activity in the past several years. These reserve funds are as follows:

Public Utilities Water Systems Development Charge Reserve Fund:

This reserve fund was established so "That all monies received for or appropriated to the said reserve fund shall only be expended, pledged or applied to meet the growth related net capital costs in accordance with the provisions of the Development Charges Act, Chapter 58, Section 16, and amendments thereto."

Development Charges are no longer being collected for this reserve fund. It is therefore the recommendation of staff to have the balance at year end transferred to the WPCC Secondary Treatment Plant Upgrade. The balance of the reserve fund at September 30, 2009 was \$85,158.00.

Public Utilities Hydro Electric Systems – Development Charge Reserve Fund

This reserve fund was established so "That all monies received for or appropriated to the said reserve fund shall only be expended, pledged or applied to meet the growth related net capital costs in accordance with the provisions of the Development Charges Act, Chapter 58, Section 16, and amendments.

Development Charges are no longer being collected for this reserve fund. It is therefore the recommendation of staff to have the balance at year end transferred to the WPCC Secondary Treatment Plant Upgrade. The balance of the reserve fund at September 30, 2009 was \$49,421.00.

The City's solicitor was contacted in respect to the above mentioned development charge reserve funds. It was confirmed that utilizing these funds towards the Secondary Treatment Upgrade at the Water Pollution Control Plant would be in keeping with the original reserve funds intent.

Commuted Local Reserve Fund

This reserve fund was established in 1989 under the Local Improvement Act, Chapter 250, Section 53 (3), R.S.O. 1980 and any amendments thereto and "...empowers Council to commute, for a payment in cash, the special rates imposed on benefiting lots for work performed under the said act, and to deposit the funds in a special account for the payment of the debentures issued to meet the cost of the work so performed..."

There are no further debenture payments to be paid from this reserve fund. The balance at September 30, 2009 was \$517.00. It is recommended that the remaining balance at year end be transferred to the Capital Fiscal Management Reserve.

Poker Run Reserve Fund

This reserve fund was created in 2002 to "...manage the proceeds of donations raised to reimburse the Poker Run Marshals for fuel expenses."

City Council, at a meeting held April 27, 2004 passed the following motion:

"THAT the funds in the Poker Run Reserve Fund (\$393.06) will be distributed to the 2004 Poker Run Organization after which the reserve account will be closed"

The funds were transferred from the account as directed, however by-law #004-2002 was never rescinded; therefore the reserve fund was never closed.

Since 2007 there been little activity in this reserve fund. The reserve fund balance at September 30, 2009 was \$399.00. It is recommended that if Council chooses to close this reserve fund that the remaining balance be transferred to the Fiscal Policy Reserve.

Smoothing Annual D.B.I.A Levies due to Assessment Adjustments

This reserve fund was established in 2002 to aid in the smoothing of the annual D.B.I.A levies that were the result of assessment adjustments. This reserve fund has not been used to date and has a zero balance. It is recommended that this reserve fund be closed.

POLICY IMPLICATIONS

Staff requires the authorization of Council to close the above mentioned reserve funds and to repeal the by-laws establishing said reserve funds.

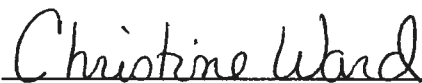
FINANCIAL CONSIDERATIONS

The closing of the Public Utilities Water Systems Development Charge Reserve Fund and the Public Utilities Hydro Electric Systems Development Charge Reserve Fund will give the WPCC Secondary Treatment Upgrade Project an additional \$134,579.00 in revenue. This will slightly mitigate the amount of funds that the City of Brockville must contribute towards the project.

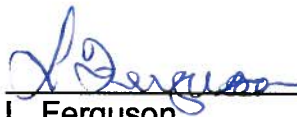
In addition, by closing the Commuted Local Reserve Fund and the Poker Run Reserve Fund will allow for the contribution of approximately \$517.00 to the Capital Fiscal Management Reserve and \$399.00 to the Fiscal Policy Reserve respectfully. These funds can then be used to help offset deficits or finance programs in the capital and operating funds.

CONCLUSION

The closing of the reserve funds mentioned above will allow for the reduction in the number of reserve funds that the City of Brockville administers. As well, the funds will help to mitigate current and future capital project costs.



C. Ward
Treasury Officer – Reserves and Capital



L. Ferguson
Supervisor of Accounting Services



D. Cyr, Director of Finance



B. Casselman, City Manager

THE CORPORATION OF THE CITY OF BROCKVILLE
By-Law Number xxx-2009

*By-law to close various Reserve Funds of the
Corporation of the City of Brockville*

WHEREAS the Council for the Corporation of the City of Brockville at its meeting held November 24th, 2009, passed a resolution to authorize staff to transfer the balances and close the reserve funds as follows;

- Public Utilities Water Systems Development Charge Reserve Fund and Public Utilities Hydro Electric Systems Development Charge Reserve Fund to the WPCC Secondary Treatment Plant Upgrade capital project;
- Commuted Local Reserve Fund to the Capital Fiscal Management Reserve;
- Poker Run Reserve Fund to the Fiscal Policy Reserve;
- Smoothing Annual D.B.I.A Levies due to Assessment Adjustments Reserve Fund; and

WHEREAS the reserve funds were established by by-law, Council hereby authorized the repealing of the following by-laws:

1. By-Law 300-91, Public Utilities Water Systems Development Charge Reserve Fund; and
2. By-Law 301-91, Public Utilities Hydro Electric Systems Development Charge Reserve Fund; and
3. By-Law 194-89, Commuted Local Reserve Fund; and
4. By-Law 004-2002, Poker Run Reserve Fund; and
5. By-Law 005-2002, Smoothing Annual D.B.I.A Levies due to Assessment Adjustments.

Given under the Seal of the
Corporation of the City of Brockville
and passed this 24th day of November, 2009

MAYOR

CLERK

November 4, 2009

REPORT TO FINANCE AND ADMINISTRATION COMMITTEE – NOVEMBER 17, 2009

**2009-183-11
BROCKVILLE MUSEUM
REQUEST FOR TRANSFER OF FUNDS
FOR ORAL HISTORY PROJECTS
FILE: C12-13**

**D.CYR
DIRECTOR OF FINANCE
B. BURKE
CURATOR, BROCKVILLE MUSEUM**

RECOMMENDATION

THAT Council authorize the transfer of any profits associated with the sale of “Brockville Voices” to the Brockville Museum Reserve Fund to be used for costs associated with future oral history publications; and

THAT any shortfall associated with the publication of the “Brockville Voices – Book II” be funded from the proceeds of the 2009 Wine Tasting Event and if necessary, the Brockville Museum Reserve Fund; and

THAT Council authorize the annual transfer of the profit from the Brockville Museum’s Wine Tasting Events to the Brockville Museum Reserve Fund to be used for costs associated with future oral history publications; and

THAT monies being transferred to the Brockville Museum Reserve Fund be allocated to Account 02-4-191954-0911.

PURPOSE

To have Council approve the transfer to the Brockville Museum Reserve fund any profits earned from the sale of the second edition of “Brockville Voices” as well as annual profits from the Brockville Museum’s Wine Tasting Event to be used for costs associated with future oral history publications.

BACKGROUND and ANALYSIS

The Brockville Museum produced its first oral history publication titled “Brockville Voices – An Oral History of Brockville, 1900-1960” in 1994. This book contained twenty stories from local residents that had been transcribed, written in story form and accompanied by photos obtained from the museum archives. There were approximately 2,000 copies sold.

“Brockville Voices – Book II”, which focuses on stories of fifteen Brockville and area citizens, has been published earlier this year.

The intent of the Museum staff and volunteers is "to continue recording and documenting and go further by adding audio to our website along with supporting photos". (Attachment #1 to Report 2009-183-11). In order to fund this on-going project, the "Oral History" committee hosts an Annual Wine Tasting Event with the third being held on November 19th, 2009. Many of the generous donors, whether it is the wineries or local restaurants, are aware that the proceeds from this event are in support of the Oral History projects.

Profits from the previous two events have been authorized by Council for transfer to the Museum's Reserve Fund.

POLICY IMPLICATIONS

Council approval is required to "transfer funds to" or "transfer funds from" a reserve fund.

FINANCIAL CONSIDERATIONS


It is anticipated that the publication costs of "Brockville Voices: Book II" will be fully covered between the sale of the book and the 2009 "A Taste of Brockville" Wine Tasting Event. There are sufficient funds allocated within the Museum's Reserve Fund to offset any shortfalls.

The Museum staff and volunteers complete all the necessary the fundraising for this project prior to incurring the associated costs – often over a number of years.

The Museum recently received a \$1,000 grant from the Brockville Community Foundation to purchase equipment to assist in capturing the oral histories.

CONCLUSION

The transfer of the profits from the annual "A Taste of Brockville" Wine Tasting Events to the Brockville Museum Reserve Fund permits the monies to be allocated to future "Oral History" projects which is the intent of the fund raising event.


B. Burke
Curator, Brockville Museum


D. Cyr
Director of Finance


B. Casselman
City Manager



BROCKVILLE MUSEUM

5 Henry Street, Brockville, Ontario K6V 6M4

Tel: 613-342-4397

Fax: 613-342-7345

E-mail: info@brockvillemuseum.com Web Site: www.brockvillemuseum.com

E-mail: bburke@brockville.com

October 7, 2009

TO: Donna Cyr, Director of Finance
Finance Committee

FROM: Bonnie Burke

RE: Reserve Fund

In 2009 we published a second edition of Brockville Voices – a collection of recorded stories from a few of our Senior Citizens. Now that we have published two books we would like to continue recording and documenting and go further by adding audio to our web site along with supporting photos. We have a team of volunteers who are researching various topics and are going ahead with interviews.

Attached please find a print-out showing the income to date from the sale of Brockville Voices Book II.

Also, we are planning another wine tasting event for November 19th.

I am requesting permission to put the income from the sale of the books and the wine tasting into our reserve. This will ensure the continuance of the oral history project.

BROCKVILLE VOICES II SALES

2009

[illegible]

November 5, 2009

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – November 17, 2009

2009-184-11

RENEWAL OF BANKING AGREEMENT

FILE: F04-02

**D. CYR
DIRECTOR OF FINANCE**

RECOMMENDATION

THAT Council authorize staff to accept the banking services proposal from the Bank of Montreal which has credit interest paid at the BMO prime rate less 1.80% calculated on the daily closing balances in all Canadian dollar deposit accounts and paid monthly on the last banking day of the month as well as no fees for account activity and cash management services as outlined in the proposal, for a period of three years.

BACKGROUND

The City of Brockville signed a banking agreement with the Bank of Montreal in December 2006. The agreement is for a three year term which expires on December 19, 2009.

Staff met with representatives of BMO Bank of Montreal in September to discuss investment strategies due to the low interest rates as well as our current banking arrangements and the upcoming renewal date.

BMO Bank of Montreal representatives, Dean McCormac (Commercial Account Manager), Rose Gill (Commercial Services Officer) and Joanne Gibbons (Cash Management Specialist) met with the City Treasurer on November 10, 2009 to present their bank services proposal for the City of Brockville. Attachment #1 to Report 2009-184-11 is a copy of the Executive Summary of the Proposal.

ANALYSIS

The proposal is relatively unchanged from the City's current bank services agreement. The main changes pertain to loan accommodations which will be discussed in greater detail below.

Interest on Deposit Balances

Credit interest to be paid at BMO Bank of Montreal's prime rate less 1.80% calculated on the daily closing balances in all Canadian dollar deposit accounts, and paid monthly on the last banking day of the month;

This scenario continues to offer the following benefits:

- Eliminates staff time required to transfer monies into Special Investment account in order to obtain better interest rates

- Interest revenue is deposited directly to the appropriate account eliminating staff time required to distribute according to “invested monies”
- Allows opportunity to use alternate investment sources if rates so dictate
- No loss of interest revenue on “minimum balance requirements”
- In order to obtain additional revenues from the “higher” interest rate would require substantial accounts balances for minimum gains

Current Account Activity / Cash Management Services

The proposal continues to have no fees associated with these services for an estimated annual savings of \$5,000 – the majority of which is on the tax rate. The balance of the savings would be directed towards the water / wastewater rates.

Savings have been realized by changing our debenture direct deposit process which eliminated costs which being paid to other banks.

Costs associated with credit/debit card processing are separate from the BMO proposal. The City must negotiate these “special” fees directly with Moneris Solutions.

Loan Facilities

As mentioned above, this is the one section of the agreement which has changed in regard to the rate of interest charged on loans – whether they be operating or term loans. The current rate is BMO Bank of Montreal’s Prime Rate less 0.75% whereas the proposal is BMO Bank of Montreal’s Prime Rate less 0.25%. While this appears to be a fairly substantive change it is important to note the following key points:

- historically the City has not used these bank services (which may change depending upon provincial decision in regard to OMPF funding); and
- the BMO Bank of Montreal’s Prime Rate has dropped substantially since Council authorized our current agreement (prime rate in August 2006 was 6% for a loan rate of 5.25% vs current prime rate of 2.25% for a loan rate of 2.00%)

City-Issued Debentures

As indicated on our City issued debentures *“Principal due and payable at the principal office of the Bank of Montreal in the City of Brockville or at the principal office of the said Bank in either of the cities of Toronto or Montreal, at the holder’s option”*. Should the City decide to transfer their accounts to another bank the debenture account would have to remain open until all issued City debentures were matured and redeemed.

Currently the Bank of Montreal does not charge any fees to “redeem and reconcile City debentures and coupons”. This would likely change if the City was no longer their client.

Exclusivity

The proposal presented is based “under the assumption of exclusivity to BMO Bank of Montreal for banking services”.

It has been confirmed that this does not pertain to services offered for (a) MasterCard purchasing cards or (b) Moneris services regarding credit card/debit card services.

Contract Term

The banking business, similar to municipal government, has changed over the last number of years. It is now not normal practise to amend the terms and conditions of an agreement unless material changes in volumes processed, services utilized or balances maintained occur. As such, it is recommended that a shorter contract term would be more advantageous.

The City's new financial system will introduce opportunities to utilize available no cost banking services – at no cost – to assist in greater efficiencies:

- pay and file Federal and Provincial business taxes
- electronic fund transfers
- cheque reconciliations

A three year term will allow Council and staff the opportunity to determine the direction of specific projects which may influence our banking requirements, as well as changes associated with the City's new financial system, without being "locked in" for a long period of time.

POLICY IMPLICATIONS

During the Finance department's service delivery review, Council adopted the recommendation that a review of professional service contracts, such as banking, be completed on a 3 – 5 year basis.

FINANCIAL CONSIDERATIONS

The interest revenues afforded to the City are severely hampered by the affect of the current economic environment upon the financial markets.

However, the proposed agreement has shown potential for low short-term loan rates. This is an important issue especially if the Province adheres to reducing the City's OMPF funding in 2010 by the JSC uploads as well as \$1,241,800 – the "2009 one time funding".

The continuation of the "no cost" bank services which are mentioned above in the analysis section, are estimated at the equivalent of savings of \$5,000 annually – with the potential of additional savings when staff begin to utilize other available services in conjunction with the new financial system.

CONCLUSION

Staff is recommending the acceptance of the Bank of Montreal's banking proposal for a three year term. This will allow the City to maintain the level of service to our citizens during the transition to the new financial system while mitigating the fall out from the current economic downturn by minimizing banking fees.



D. Cyr, Director of Finance



B. Casselman, City Manager

Attachment 1 to Report # 2009-184-11

EXECUTIVE SUMMARY

BMO Bank of Montreal is pleased to present this renewal package of banking services to the Corporation of the City of Brockville (hereinafter called The Corporation).

Our proposal is structured first and foremost to provide The Corporation with the products necessary to manage the banking in the most cost effective and efficient manner possible. Additionally, we have built into our service package the flexibility necessary to meet the growing and changing requirements of The Corporation. We commit ourselves to working closely with the Corporation of the City of Brockville to provide convenient access to your evolving banking needs of today and in the future.

This proposal has been based on current average deposit balances plus transactional volumes (i.e., cheques, deposits). In addition, we have assumed continuation and or conversion to electronic options wherever feasible (i.e. accounts payable). We are offering a contract for a ONE, TWO, or THREE year term under the assumption of exclusivity to BMO Bank of Montreal for banking services. This proposal is valid as presented for a period of 90 days commencing November 10, 2009.

We believe our proposal provides exceptional value to the Corporation of the City of Brockville. The following is a summary of proposed recommendations of products and services that will meet or exceed your banking needs.

- Any number of **Business Current Accounts** that will accommodate all of The Corporation's day-to-day banking transactions and **earn interest on deposit balances** as follows:
 - Credit interest will be paid at **BMO Bank of Montreal's PRIME RATE LESS 1.80%** calculated on the daily closing balances in all Canadian dollar deposit accounts and paid monthly on the last banking day of the month.
(BMO Bank of Montreal Prime Rate is currently 2.25%)
 - **NO FEES** for account activity and cash management services as outlined in this proposal
- BMO Bank of Montreal would be pleased to provide loan accommodations as may be required by the Corporation of the City of Brockville. Loan facilities are subject to formal credit approval with proposed security and conditions to be confirmed in writing within 5 business days of your acceptance of this proposal. The borrowing rates and pricing spreads outlined are firm and are not subject to credit approval process. Notional rates are, of course, subject to change based on the Bank's cost of funds on a daily basis, until drawn or committed by way of rate reservation.
Accommodation can be by way of a combination of Floating Rate Operating, Fixed Rate Operating, Floating Rate Term or Fixed Rate Term facilities.

OPERATING LOAN FACILITIES

1. A demand, revolving, **floating rate** option by way of an Overdraft Lending Facility (authorized overdraft), to provide ongoing operating/working capital requirements.
Authorized Limit of **\$2,000,000**
Rate of Interest –
BMO Bank of Montreal's PRIME RATE LESS 0.25%.
(BMO Bank of Montreal Prime Rate is currently 2.25%)
2. A revolving, public sector **fixed rate** option by way of promissory note to provide ongoing operating/working capital requirements for selected terms of 30 to 364 days.
Rate of Interest - Subject to pricing at time of request to fix the interest rate on a **Cost of Funds plus basis**.
(Notional rate as at November 10, 2009 for a 30 day term = **1.10%**)

TERM LOAN FACILITIES

3. A demand, non-revolving, **floating rate** credit facility. Advances will be by way of promissory note up to the amount authorized for The Corporation.

Rate of Interest –

BMO Bank of Montreal's PRIME RATE LESS 0.25%.

(BMO Bank of Montreal Prime Rate is currently 2.25%)

4. A non-revolving, public sector **fixed rate** credit facility for terms up to 10 years and 25 year amortization. Prepayments are permitted subject to payment of Interest Rate Differential. Interest rate can be fixed up to 45 days prior to draw down, subject to a refundable fee of 1% of the loan amount. An option is available to apply for a longer forward commitment with an applicable premium.

Rate of Interest – Subject to pricing at time of request to fix the interest rate on a **Cost of Funds plus basis**.

Notional rate as at November 10, 2009 (subject to change daily):

1 year – **1.73%**

■ **CORPORATE MASTERCARD – ePURCHASING SOLUTIONS**

Credit Card Services for employee purchase/expense purposes are available with **Corporate MasterCard – ePurchasing Solutions**.

- Revenue Collection service is available via **Acceptance of Payments and Telephone Bill Payment Service** at **NO COST**.
- Preauthorized payment service is available to The Corporation via **Electronic Funds Transfer (EFT - Debit)** at **NO COST**.
- Debit/Credit card services are available as detailed in the attached proposal from **Moneris Solutions**.
- Account Reconciliation Service is available via **DirectCheque** at **NO COST**.
- Availability of direct access to your account transactions and balances in real-time as well as the ability to initiate transfers and stop payment of cheques through your own computer via **Directline Service** at **NO COST**.
- Pay and file Federal and Provincial business taxes and pay corporate and utility bills online through **Directline – Tax and Bill Payment Service** at **NO COST**.
- **Electronic Funds Transfer (EFT - Credit)** facility will enable you to credit employee and or supplier accounts at **NO COST**.
- **FirstBank Card for Business** will give you the ability to deposit funds to your accounts from any BMO Bank of Montreal branch at **NO COST**.

- Redemption and Reconciliation of The Corporations **Debentures and Coupons** will be processed at **NO COST**.
- A Safety Deposit box will be provided to The Corporation at **NO COST**.
- A contract term for a **ONE, TWO, or THREE YEAR** term at the option of The Corporation and under the assumption of exclusivity to BMO Bank of Montreal for banking services.

In addition, we have incorporated into our proposal a summary of a Special Group Banking Package for your employees. A more detailed presentation is available and can be presented at a mutually convenient time.

November 12, 2009

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – November 17, 2009

2009-185-11

MUNICIPAL STABLE FUNDING GUARANTEE

FILE: L11-08D1

**D. CYR
DIRECTOR OF FINANCE**

RECOMMENDATION

THAT Council petition the Province to commit the level of Combined Benefit Stable Funding Guarantee for 2010 based upon 2009 funding.

BACKGROUND / ANALYSIS

Late in 2008, the Minister of Finance informed Heads of Council that the Ontario Municipal Partnership Fund (OMPF) amount which each municipality received in 2009 would be at least equal to the March 2007 OMPF which in the case of the City of Brockville is \$2,898,600. This is comprised of

- Municipal benefits associated with ODB and ODSP uploads of \$851,100
- “Combined Benefit Stable Funding Guarantee” of \$2,047,500
 - \$805,700 Grant Components
 - \$1,241,800 special one time assistance

The Ministry of Finance, in working with AMO and the City of Toronto, are to be reviewing the OMPF calculations in 2009. All indications to date are that the Province intends to adhere to the “one time assistance” and remove these funds from the 2010 allocations.

AMO has been soliciting those municipalities who will be affected by this decision to petition the Province to continue to commit the level of Combined Benefit Stable Funding as has been done since the inception of the OMPF program. Attachment #1 to Report 2009-185-11 is a copy of the letter and resolution that United Counties of Leeds and Grenville Council has made in this regard.

POLICY IMPLICATIONS

There are no policy implications associated with this report.

FINANCIAL CONSIDERATIONS

The reduction of monies based upon the upload of OW / ODSP services is offset by a reduction of the City’s JSC payment. However, if the Province does not maintain the Municipal Stable Funding Guarantee, the City of Brockville has the potential to lose revenue of \$1,241,800, which is equal to 4.6% on the tax rate, for which there is no corresponding expenditure reduction.

CONCLUSION

OMPF funding is the sole "grant" which flows from the Province to the City for discretionary spending. It is important the Province is made aware of the economic fall-out to not only the City but the region should this "claw back" occur.



D. Cyr, Director of Finance



B. Casselman, City Manager



United Counties of Leeds and Grenville

Steven G. Silver, Chief Administrative Officer
Nigel White, Director of Corporate Services/Treasurer
Dorothy E. Theobald, Director of Human Services

Chief Dan Chevrier, EMS Division Manager
Les Shepherd, Director of Works, Planning Services & Asset Management

Warden

October 13, 2009

Premier Dalton McGuinty
Legislative Building
Queen's Park
TORONTO, ON.
M7A 1A1

Dear Mr. Premier:

Re: Municipal Stable Funding Guarantee

It has come to Council's attention that the Province intends to abandon the "municipal stable funding guarantee" portion of the Ontario Municipal Partnership Fund. I have enclosed a copy of a motion adopted by our Governance and Finance Committee on October 8th which asks the Government to reconsider such a proposal.

In Leeds & Grenville Counties the removal of the stable funding guarantee will result in reduced funding to eight of our ten local municipalities totalling \$1.2 million (not including the City of Brockville's loss of \$1.2 million) plus \$1.4 million in lost revenue at the County level. In total, \$3.8 million may not be flowing from the Province into this County next year. We realize that there will be ODSP costs uploaded to the Province in 2010; however, our estimates do not put the total municipal cost savings in the range of \$3.8 million.

I also participated in a meeting as part of the Eastern Ontario Wardens Caucus delegation with members of your caucus recently at the AMO conference where this matter was addressed. I have included a copy of the briefing note which was presented to the Ministers regarding this topic. The proposed loss of this revenue could indeed result in a loss of municipal jobs across Eastern Ontario as municipalities attempt to address this financial crisis.

I would respectfully request Mr. Premier that your Government reconsider ending this program particularly during such challenging economic times. Thank you for your time and consideration of this request.

Sincerely,

Mel Campbell
Warden

Cc. Bob Runciman MPP
Eastern Ontario Liberal Caucus Members
Ron Emond, Chair EOWC
Peter Hume, President, AMO



**The United Counties of Leeds and Grenville
Governance and Finance Committee**

Resolution No. _____

Date: October 8, 2009

Moved by Mr./Mrs. _____

Stathers

Seconded by Mr./Mrs. _____

Holman

THAT the Governance and Finance Committee recommends that the Combined Benefit Stable Funding Guarantee be committed now for 2010; and

THAT on the assumption that the Province intends to hold consultations and create a review process for alternative funding formula to the Ontario Municipal Partnership Fund, then the Combined Benefit Stable Funding Guarantee be guaranteed as part of the new formula; and

THAT should the Province no longer intend to review the OMPF, then it should continue the Combined Benefit Stable Funding Guarantee in 2011 and forward; and

THAT this motion be sent to Premier Dalton McGuinty, Bob Runciman, MPP, Eastern Ontario MPP Liberal Caucus and the EWOC.

Carried ☒

Defeated ☐



Frank Kinsella, Chair