



**MINUTES
FINANCIAL ADVISORY COMMITTEE
TUESDAY, MARCH 2ND, 2010 AT 4:00 P.M.
CITY HALL ROOM 205**

MEMBERS PRESENT: Chair Arlene Wright
Councillor Tom Pink
Councillor Bill Twaddle (left the meeting at 4:30 p.m.)
Ray McKelvie
Ron Hopper
Bob Switzer

MEMBERS ABSENT: Mayor Ruth Lovell Stanners

STAFF PRESENT: Wayne Ritchie, Director of Financial Services
James Krauter, Manager of Revenue
Linda McDonald, Administrative Assistant, Financial
Services/Recording Secretary

1. CALL TO ORDER – The Director of Financial Services called the meeting to order at 4:00 p.m.

2. ELECTION OF CHAIR

The floor was open for nominations. Ray McKelvie nominated Councillor Arlene Wright for the position of Chair for the Financial Advisory Committee. The Director of Financial Services asked for any further nominations to be put forward. There were none. The Director officially declared the nominations closed. Chair Arlene Wright thanked the Committee and accepted the position.

3. APPOINTMENT OF FINANCIAL ADVISORY COMMITTEE REPRESENTATIVE TO SERVE ON THE LAND BANK ADVISORY COMMITTEE

It was noted that the representative that was to sit on the Land Bank Advisory Committee had to be a member of Council. The floor was open for nominations for a representative from the Financial Advisory Committee to serve on the Land Bank Advisory Committee. Councillor Bill Twaddle nominated Councillor Tom Pink. There were no further nominations put

forward. Councillor Tom Pink accepted to sit/serve on the Land Bank Advisory Committee. The Land Bank Advisory Committee's membership is from the Financial Advisory Committee, the Planning Committee and the Operations Advisory Committee and the Mayor.

4. ADDITIONAL ITEMS

- i) Bob Switzer had an additional item regarding the clarification of the term Payment in Lieu (PIL).
- ii) Ray McKelvie had an additional item regarding the funding for the new Regional Recreation Centre.

ACTION: The Committee has asked the Director of Financial Services to bring a report on Police Costing to a future Financial Advisory Committee meeting.

5. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

There were no disclosures of pecuniary interest and the general nature thereof declared.

6. CONFIRMATION OF MINUTES FROM THE PREVIOUS MEETING

Moved by Ron Hopper:

"That the minutes of the Financial Advisory Committee held on Tuesday, January 26th, 2010 be approved."

Carried Unanimously

7. DEPUTATIONS

There were no deputations scheduled for this meeting.

8. CORRESPONDENCE RECEIVED FOR WHICH DIRECTION OF COMMITTEE / BOARD IS REQUIRED

There was no correspondence received.

9. REPORTS AND MATTERS TABLED

- a) Banking Services RFP Review and Recommendation – James Krauter

The Manager of Revenue reported that the Request for Proposal for the City's banking services was sent out to 7 financial institutions in mid-December 2009. The official closing date was January 15th, 2010. The following 6 financial institutions submitted their bids:

- Desjardins
- Scotiabank
- Meridian
- CIBC
- TD Canada Trust
- Royal Bank of Canada

Staff reviewed all proposals that were submitted and scored them based on scoring tools which included the following criteria:

- The ability to meet service requirements
- Experience with municipal business
- References
- Service fees
- Borrowing and deposit rates
- Credit rating and financial position
- The completeness of the proposal
- The ease and convenience of banking
- Experience in the money market
- Innovation

Based on a possible 300 scoring points, the Royal Bank of Canada obtained the highest score with 267. Based on that score, staff are recommending that the City continues to use the Royal Bank of Canada for their banking needs and services.

Other points and factors discussed were:

- The City's last RFP took place in 2002 with an optional extension period.
- The difference between a Tender and a Request for Proposal (RFP)
- New services and new technology that are available but the City has not taken fully advantage of
- Future changes to improve efficiencies and help reduce fraud risks.
- Suggested date for the new contract to begin is April 1st, 2010

Moved by Councillor Tom Pink:

“That the Financial Advisory Committee receives the report entitled Banking Services RFP – Review and Recommendation dated February 26th, 2010 written by the Managers of Revenue and Budgets, Performance Measures & Special Projects and supported by the Manager of Purchasing and the Director of Financial Services, and further

That the Financial Advisory Committee supports and recommends to City Council that the City of Owen Sound enter into an agreement for banking services with the incumbent, RBC Royal Bank of Canada for a period of five (5) years with the option of renewing for a period of up to five (5) additional years.”

10. OTHER BUSINESS (as stated in 4 i & ii)

i) Payment in Lieu Clarification (PIL) – Bob Switzer

Committee member Bob Switzer wanted some clarification of what the term PIL meant. The Director of Financial Services mentioned that the Payment in Lieu term was in regards to payments instead of property taxes being paid to the City by the Federal and Provincial Governments. Also "Heads and Beds" applies to some of these properties such as:

- Georgian College
- Hospital
- Jail

Other points discussed were:

- The City does pay the County of Grey its share of property taxes.
- The City retains approximately \$88,000 of the Education revenue on PIL properties that the City does not have to share with the Provincial government.
- Assessment of these government properties is an issue as the Federal government uses their values as opposed to the values Municipal Property Assessment Corporation (MPAC) places on them.

ACTION: Committee member Ray McKelvie asked how much the PIL revenue was on the Courthouse. The Director of Financial Services will bring that information back to the next Financial Advisory Committee meeting.

ii) Funding for the New Regional Recreation Centre – Ray McKelvie

Committee member Ray McKelvie was inquiring as to the funding that is required for the newly planned Regional Recreation Centre that is to be built in Owen Sound.

It was noted that the total amount to build the Regional Recreation Centre will be \$38,000,000.

\$22,000,000 will be funded from government grants
\$ 8,600,000 will be the cost from the City of Owen Sound
\$ 8,000,000 will be the cost from fundraising (namely the YM-YWCA)

Ongoing meetings and discussions are taking place and other points discussed were:

- The Federal Government announced the future funding for this project in April 2009.
- The YM-YWCA would fund, maintain and operate the pool and fitness area.
- The YM-YWCA hired a consultant who did research and created a business plan which included operating capital.

- The City would use a 17 year debenture with the GBE funds.
- The timing and completion date of this project was discussed.
- Council will be meeting on March 3rd, 2010 for further discussion.

Councillor Bill Twaddle left the meeting at 4:30 p.m. to attend the Environmental Waste Advisory Committee.

It was noted by the Director of Financial Services that the Manager of Budgets, Performance & Special Projects will be leaving the City's employ. It was noted by the Chair that Sue Weis was a valuable member of staff and she will be missed.

9. REPORTS AND MATTERS TABLED (continued...)

b) 2009 Yearend Position – Wayne Ritchie

The Director of Financial Services presented the Committee with information regarding the City's yearend financial position before any adjusting entries were created. The Committee reviewed all of the divisions in the report that had a budget difference of more or less \$20,000.

The following division were discussed:

- **Corporate Services Director** – was under budget by \$24,000 due to corporate training being less than anticipated.
- **City Clerk** – was over budget by \$20,000. This was due in part by the marriage licence and lottery licence revenue being down. The Civil marriage ceremonies did not meet the intended target either.
- **WSIB** – This account is over budget by \$85,000. Several employees have been absent from their employment since 2008 and 2009. The City has now switched to being classified and categorized as a Schedule 1 with WSIB.
- **Grants** – was over budget by \$36,000. This figure is related to Council waving all fees for the Non-profit Housing project.
- **Airport** – was over budget by \$21,000. There was a new contract issued for the operation of the airport and fuel sales did not meet the predicted target.
- **Works Administration** – was over budget by \$34,000. The Murray McDonald building is now aging and related repairs especially to the garage area were necessary.
- **Work Maintenance** – was over budget by \$253,000. This figure can be attributed to roadside maintenance, drainage, asphalt and gravel resurfacing, miscellaneous works, winter control of roads and sidewalks. When broken down:
 Winter work was over budget by \$129,000
 Summer and spring work was over budget by \$122,000
- **Parks and Open Spaces** – was over budget by \$122,000. Some of this can be attributed because of staff personnel changing. Other factors were that the Harrison Park Campground revenues were down

and contractor payments for various repairs, material purchases were overspent.

- **Cemetery** – was over budget by \$42,000. This figure includes that interest earned had decreased and so had land sales.
- **Garbage Collection/Waste Management** – over budget by \$38,000. Sales from bag tags has decreased by \$92,000. Central Yard Composting Waste transfer fees had increased by \$31,000.
- **Landfill** – was over budget by \$24,000. The hauling of leachate was overspent by \$58,000. The figure of Labour from the Works department was under spent by \$30,000.
- **Police Building** – was over budget by \$27,000. Building repairs, maintenance, light and hydro can be attributed to this over expenditure.
- **Bayshore** – was over budget by \$13,000. Again electricity costs is the key factor of the over expenditure.
- **Coliseum** – was over budget by \$36,000. Labour and electricity costs can be attributed to this overage.
- **Building Inspections** – was over budget by \$50,000. Permit revenues are over budgeted by \$76,000.
- **Planning** – was under budget by \$38,000. The Application revenue fees were over budget by \$21,000. The Committee of Adjustment and wages were under budgeted by \$16,000.
- **Taxes** – The net taxes billed and collected will be \$140,000 over expectations. This was due of increased supplementals and fewer tax write-offs than budgeted for.

ACTION: The Director of Financial Services will be bringing forward to a subsequent Financial Advisory Committee meeting options for Council to consider to close off the 2009 yearend.

Moved by Ray McKelvie:

“That the Financial Advisory Committee receives the report entitled 2009 Yearend Position dated February 26th, 2010 and written by the Director of Financial Services.”

Carried Unanimously

11. CORRESPONDENCE RECEIVED WHICH IS PRESENTED FOR THE INFORMATION OF THE COMMITTEE/BOARD

There was no correspondence received.

12. ADJOURNMENT

The Chair declared the meeting adjourned at 5:19 p.m.

13. THE NEXT MEETING

The next Financial Advisory Committee meeting is scheduled for 4:00 p.m. on Tuesday, March 30th, 2010 in Room 205.