

Administration Committee Minutes

1. Present

Chairperson: Wendy Trask

Reeve: Judy Harwood

Councillors: John Germs
 John Saleski
 Lyndon Haduik
 David Greenwood
 Art Pruijm
 Bas Froese-Kooijenga

Absent: Calvin Vaandrager

Staff: Jim Charlebois, Acting CAO
 Audrey Shoard, Treasury/Corporate Records Clerk
 Tanya Kolbeck, Assessor
 Ruth Savage, Comptroller

Chairperson Trask called the meeting to order at 8:34 a.m.

2. Agenda

The Committee approved the Administration Committee Agenda with the following additions:

11. City of Saskatoon – Councillor Greenwood

Greenwood: That the Administration Committee Agenda be approved.

Carried Unanimously

3. Administration Carryforward Action List

The Committee was presented the Administration Carryforward Action List.

➤ **Recommendation:**

Haduik: That the Administration Carryforward Action List be received.

Carried Unanimously

4. Financial Reports

➤ **Recommendation:**

Haduik: That the Financial Reports: Agenda Items 4.a) Cheque Summary, and 4.b) Cheque Detail be APPROVED.

Carried Unanimously

5. AD 23-011 – Change Investment Portfolio Report

Background

Corman Park initially invested \$3 million with RBC in 2012. These funds have remained with RBC over the years invested in low risk GIC's until Council made a decision at the beginning of 2022 to invest close to \$1 million in stocks. Due to financial conditions in 2022 over \$70,000 of this investment was lost.

Discussion – Investment Options

Corman Park currently has one GIC at BMO worth \$799,874.32; GIC's and stocks at RBC in the amounts of \$1,393,004.27 (fixed income GIC's) and \$1,042,859.01 respectively. RBC has been instructed to keep the \$752,000 in GIC's maturing in October in a cash account until they receive instructions from the Corman Park Administration.

Earlier this year, Administration met with representatives from CIBC Wood Gundy who manage a program sponsored by SARM that provides a variety of investment options designed specifically for municipalities to meet their needs for low risk investing, preservation of capital and return on investments. They also offer stock investment options, but it is through funds rather than individual stocks, that balance the overall investment portfolio and provide a more consistent return. CIBC Wood Gundy offers the following investment options:

- Canadian Dividend Growth Fund - 2 yr return 9.1% – medium risk
- Canadian Core Balance Fund - 2 yr return 4% - low risk
- North American Balanced Fund – 2 yr return 4% - low to medium risk
- US Core Equity Fund – 2 yr return 4.8% - medium risk
- Canadian Banks Indexed fund – principle at risk, (not recommended)

They also offer the SARM High Interest Savings Account. The principle is preserved, and the return ranges between Prime minus 1.7% to Prime minus 1.55%. These are pooled funds, meaning the entire volume of investors are grouped, so that the more municipalities invest the higher the return. There is no restriction or delay on withdrawal or addition of funds. Prime on October 10, 2023 is 7.2%, so the minimum return currently would be 5.5%.

After moving the funds the total current investments would then be:

RBC GIC's	\$600,000.00	2% - 2.25%
BMO GIC	\$799,874.32	5.5%
CIBC HIS	<u>\$835,863.30</u>	<u>variable, currently 5.5%</u>
TOTAL	\$2,235,737.62	

➤ **Recommendation:**

Saleski: That after the GIC's mature in October, Administration is authorized to withdraw all available funds from RBC (approximately \$835,863.30) and invest it in the SARM High Interest Savings Account.

Carried Unanimously

6. **AD 23-012 – Investments to Fund Range Road 3050 Paving – Neuhorst Road**

Background

In the last four years the Corman Park has borrowed \$7,650,000 for five ten-year debentures, four of which had interest rates ranging between 1.65% and 2.95% and the most recent in 2022 had an interest rate of 4.2%. Their combined repayment is \$886,015.61 annually until the first expires in 2029, with the last to expire in 2032.

Corman Park initially invested \$3 million with RBC in 2012. These funds have remained with RBC over the years invested in low risk GIC's until a decision was made at the beginning of 2022 to invest close to \$1 million in stocks. Due to financial conditions in 2022, over \$70,000 was lost from this investment.

Currently Corman Park has one GIC at BMO worth \$799,874.32. RBC is holding \$1,393,004.27 in fixed income GIC's and \$1,042,859.01 is stocks. RBC has been instructed to keep the \$752,000 from GIC's maturing in October in a cash account until they receive instructions from Administration, and the stocks can be sold at any time. The total value of current investments outside of operating is \$3,235,737.60.

Discussion

In 2023, the paving of Range Road 3050 is scheduled at a cost of \$1,503,457.70. Approximately \$400,000 is available through the Canada

Community Building Fund (CCBF - formerly known as Gas Tax Fund). The remainder needs to be paid either with existing funds or through another debenture. The current lending rate through the Municipal Financing Corporation (MFC) on a ten year debenture is 4.75%. This is higher than the rate of return that the RM has been getting on their RBC investments, and only slightly lower than the current rate of return available on investments. If interest rates fall in the next ten years, the RM would find itself repaying a loan at a rate higher than their potential return on investments.

Given the high cost of borrowing at the current time an additional debenture would add a cumulative interest repayment of \$285,929. The already significant cost of repaying the existing debt load annually would increase to \$1,014,668.11 annually.

The process of getting a debenture typically takes a minimum of two to three months, and the timing would require payment on Range Road 3050 out of operating funds until the funds were received. Given the time of year when operating funds are at their lowest, this might require going into our line of credit, resulting in additional interest costs.

Corman Park has not needed to access investments to fund projects since 2014 and has instead used borrowing and operating funds to finance capital projects over the last five years. When interest rates were low, additional borrowing made financial sense. However, with interest rates currently at a fifteen year high, it makes sense to use existing funds rather than tie the municipality to a high interest rate debenture for the next ten years.

➤ **Recommendation:**

Froese-Kooijenga: That the existing funds from current investments be used to fund the Range Road 3050 (Neuhorst Road) paving budgeted amount less available funds from the Canada Community Building Fund (CCBF).

Recorded Vote:

For: Chair Trask, Reeve Harwood, Councillors: Germs, Saleski, Haduik, Pruijm, Froese-Kooijenga

Opposed: Councillor Greenwood

Carried

7. AD 23-013 – Dundurn Water Utility Arrears

Background

The Dundurn Water Utility has been unsuccessful in their attempts to collect payment for an outstanding utility subscriber account registered under GGM Developments Ltd. and are requesting that the amount of \$186.72 be added to the municipal tax account, Block 53, SW 26-35-5 w3rd. The arrears on GGM Developments Ltd. utility account have been outstanding for 13 months.

In addition to the utility arrears, the property has current taxes of \$1,866.12 and 2023 tax arrears of \$2,021.56. If the 2022 tax arrears remain outstanding at the end of the 2023 year, the property will be added to the R.M.'s list of Lands in Arrears and the R.M will proceed with advertising and registering a tax lien on the property if required.

Discussion

Section 369 of *The Municipalities Act*, and R.M. of Corman Park Bylaw 64/13, allows that any miscellaneous accounts, such as unpaid fire bills, water accounts, and custom work can be added to the taxes of the subject property at the written request from Water Utility Suppliers, such as Dundurn Water Utility.

Before proceeding with adding unpaid water accounts to the taxes of the subject property, a registered letter must be sent to each of the owner respecting the unpaid charges at least 30 days before the amount are added to the tax roll.

➤ **Recommendation:**

Haduik: That the addition of the outstanding Dundurn Water Utility account balance of utility subscriber GGM Developments Ltd. to the municipal tax account, Block 53, SW 26-35-5 W3rd, in the amount of \$186.72, be approved.

Carried Unanimously

8. New Community Associations Update (Saleski)

Councillor Saleski requested an update on the formation of the new Community Associations in south Corman Park.

A verbal update was provided by the Reeve and Acting CAO.

9. Saskatoon Model Boat Club – BizHub Pond Use Request (Greenwood)

Councillor Greenwood brought forward a request from the Saskatoon Model Boat Club for permission to use the BizHub retention pond for running model boats.

➤ **Recommendation:**

Greenwood: That Council approve the request of the Saskatoon Model Boat Club for permission to use the BizHub retention pond for running model boats provided they carry liability insurance.

Recorded Vote:

For: Councillors Haduik and Greenwood

Opposed: Chair Trask, Reeve Harwood, Councillors Germs, Saleski, Pruum, Froese-Kooijenga

Motion Lost

10. Request to Keep Chickens in Country Residential

Councillor Saleski brought forward a request from a ratepayer to allow the keeping of poultry in the multi-parcel subdivision of Grasswood.

**Councillor Saleski made the following recommendation regarding Item 10. Keeping Chickens in Country Residential subdivisions:*

➤ **Recommendation:**

Saleski: That Administration prepare and bring back a report regarding keeping of poultry and livestock, including bylaw amendment for all Country Residential subdivisions.

Carried Unanimously

**Councillor Greenwood requested a further item to discuss Councillor Wages be added to the Agenda with Committee's approval.*

11. City of Saskatoon (Greenwood)

Councillor Greenwood brought forward for discussion a request for a joint meeting with City of Saskatoon Councillors and R.M. Councillors. Administration advised that there is a P4G meeting scheduled for October 26 for all of the P4G members.

12. Councillor Wages (Greenwood)

Councillor Greenwood brought forward for discussion increasing R.M. Councillor monthly base salary amount to be consistent with other

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municipalities. Further discussion to continue at the Special Budget Meeting scheduled for October 30th, 2023

13. **Adjourn**

Saleski: That the Administration Committee Meeting be adjourned at 9:47 a.m.
Carried Unanimously



Acting Chief Administrative Officer

