

THE CORPORATION OF THE TOWNSHIP OF HORTON

FINANCE COMMITTEE MEETING

NOVEMBER 20, 2007

There was a meeting of the Finance Committee held in the Municipal Council Chambers on Tuesday November 20, 2007, following the Planning Committee Meeting. All Members of Council were present.

1. CALL TO ORDER

Chair Hall called the Meeting to order at 7:00 p.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest.

3. MINUTES OF OCTOBER 29, 2007 MEETING

The Committee reviewed the October 29, 2007 Committee Meeting Minutes.

4. BUSINESS ARISING

There was no business arising.

5. 2008 MUNICIPAL BUDGET

Councillor Bennett presented a copy of a Report from the Federation of Canadian Municipalities, FCM, dated November 20, 2007, which reported that Canada's Infrastructure Deficit is now \$123 billion. Linda Novossiltzeff, Treasurer, presented the draft Reserve Budget for 2008, totaling \$173,000. She presented the draft Capital Budget for 2008 in the amount of \$91,300 and a copy of the Draft Budget by Department.

The CAO/Clerk presented a Report to Finance Committee on where the increases and needs were by Department. Councillor Kingsbury noted that at the Public Works Committee Meeting November 19, 2007, they discussed incorporating gas tax revenues that are in Reserve and due next year, to assist in Goshen Road and Mullins Road completion. They are not reflected in this Report. The CAO/Clerk was directed to prepare a scenario using gas tax funds in the Public Works Budget. The CAO/Clerk was also directed to prepare a scenario of what our increase would have to be in order to get an overall tax increase of 3.5% or less.

6. NEXT MEETING TO REVIEW 2<sup>ND</sup> DRAFT OF 2008 BUDGET

The Committee agreed to meet on Thursday December 6, 2007 at 4:30 pm to continue the discussion on the Draft Budget.

7. BANK PRESENTATIONS

Mayor Johnston declared pecuniary interest in the Bank Presentation.

7:00 Toronto Dominion Bank – Paul Rowan and David Laidlaw

The Committee reviewed the presentation material and asked questions of the presenters. Their interest is prime minus 2% paid monthly into the account, no charges, credit is prime minus .5%. The Bank offered \$200 to assist in the cost of transferring the business and for the preparation of cheques and deposit books.

7:30 Bank of Montreal – Mary Harris and Mel Blimkie

The Bank of Montreal representatives were present to discuss their banking proposal. Mary Harris informed the Committee that they are prepared to offer us a higher interest at prime minus 1.9% which she estimated on our banking totals of an extra \$600 per year. She also offered zero service charges dependant on how complex we want our banking services to be. She recommended Option B in her printed presentation which is now prime minus 1.9%, no services charges and any costs on cash management would be at standard rates, i.e. payroll deductions, PAP Plan etc. The Bank of Montreal were also offering \$1000 to provide Horton with transition costs for new cheques, new deposit books etc.

Mary Harris's presentation did not provide rates for borrowing. She agreed to contact the Office Wednesday morning with these rates.

8:00 Royal Bank of Canada – Kevin Bossy

Kevin Bossy was present to review the Royal Bank proposal for banking services. They offer a graduated scale of interest, prime minus 3% for total balances of all accounts \$500,000 and less, prime minus 2.5% balances between \$750,000 and \$500,000 and he announced that they were lowering the third, prime minus 2% for balances above \$750,000. The original ceiling was \$1,000,000. All services charges are waived, credit is prime minus .5%. He pointed out that it is a five year fixed contract with a further five year option for renewal.

When the presentations were complete Council Members discussed the proposals. It was agreed that the Treasurer and the CAO/Clerk would analyse the proposals. They would wait for Mary Harris to get back on what her lending rates would be and to check with the TD to see if there are any hidden service charges. The staff members would then circulate Council by telephone later on Wednesday to explain their findings and for a recommendation.

8. OTHER BUSINESS

There was no other business discussed.

9. CONFIRMING RESOLUTION

Moved by Bob Kingsbury, seconded by Robert A Johnston.

That the Committee pass this confirming resolution to validate any actions or directions given during the open portion of this committee meeting which are minor in nature and which were not set out in By-law or Resolution.

**Carried.**

10. ADJOURNMENT

Moved by Don Eady, seconded by Dave Bennett

That this Finance Committee meeting be adjourned at 9:03 p.m

**Carried.**

---

Chair

---

CAO/Clerk

November 21, 2007, Mary Harris, Bank of Montreal called the CAO/Clerk and reported that a variable rate loan would be prime minus .5% which today would be 5.75%. She also noted that fixed term loans, one year would be 5.7% , two year would be 5.58%, five year would be 5.86%.