



The Corporation of the City of Stratford Finance and Labour Relations Sub-committee MINUTES

Date: March 18, 2025
Time: 4:30 P.M.
Location: Council Chamber, City Hall

Sub-committee Present: Councillor Hunter - Chair Presiding, Councillor McCabe - Vice Chair, Councillor Burbach, Councillor Nijjar

Regrets: Councillor Beatty

Staff Present: Karmen Krueger - Director of Corporate Services, Tatiana Dafoe - City Clerk, Miranda Franken - Council Clerk Secretary

1. Call to Order

The Chair called the meeting to Order.

Land Acknowledgment

Moment of Silent Reflection

Respectful Conduct Statement

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made by a Member at the March 18, 2025, Finance and Labour Relations Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of the Director of Corporate Services

4.1 Municipal Debt Updates and Limits (FIN25-007)

Staff Recommendation: THAT the report titled, "Municipal Debt Updates and Limits" (FIN25-007), be received;

THAT Council authorize long-term borrowing for Britannia II in an amount not to exceed \$4,550,000;

AND THAT staff be authorized to proceed with finalizing the applicable documentation and rate negotiation with RBC and preparing any required by-laws to be brought to a subsequent meeting for Council approval.

Sub-committee Discussion: Members of Sub-committee and the Director of Corporate Services discussed the report. Highlights of the discussion included:

- the bank balances being sufficient to finance Britannia II in the short term and there not being a requirement to borrow against reserves or required to be paid back with interest;
- should there be an issue with sufficient bank balances, funding could be done formally from existing reserves;
- there not being a policy regarding borrowing against reserves as this does not occur often;
- interest being required to be paid on funds borrowed internally;
- in recent years borrowing rates internally being comparable to outside rates with the City earning more on investing than the cost to borrow; and

- staff working to bring financial statements and historical data up to date to better forecast needs and to be more strategic with investments.

Motion by Councillor Burbach

Sub-committee Recommendation: THAT the report titled, "Municipal Debt Updates and Limits" (FIN25-007), be received;

THAT Council authorize long-term borrowing for Britannia II in an amount not to exceed \$4,550,000;

AND THAT staff be authorized to proceed with finalizing the applicable documentation and rate negotiation with RBC and preparing any required by-laws to be brought to a subsequent meeting for Council approval.

Carried

4.2 Cash Holdings and Municipal Investment Performance 2024 (FIN25-008)

Staff Recommendation: THAT the report titled, "2024 Cash Holdings and Investment Performance" (FIN25-008), be received for information.

Sub-committee Discussion: Members of Sub-committee and the Director of Corporate Services discussed the report. Highlights of the discussion included:

- the meaning of "PSAB" as referenced in the Financial Measures Report being questioned;
- "PSAB" being the Public Sector Accounting Board referencing accounting adjustments required to be made to financial statements;
- the metric being consistent between other municipalities and banks, and not reflecting a cash deficiency;
- the target being on a cash basis rather than an adjusted basis;
- staff to include this in the policy review to ensure a false out of compliance outcome is not created due to the required adjustments;

- current debt to asset ratio and debt to equity ratios being off and staff noting the method of accounting for the value of assets providing a challenge;
- borrowings compared to assets reflecting assets on a historical cost basis, with some older assets, this not being reflective of current issues;
- as the City continues to invest in current assets, removing the timing difference between debt now and the value of assets as calculated in the past, staff expect this metric to improve;
- Asset Management Plan to speak to future needs and levels of services, not based on historical costs; and
- the goals of Council and the Asset Management Plan being to look forward not back, but the past standard of financial health being based on historical data as what is known.

Motion by Councillor Nijjar

Sub-committee Recommendation: THAT the report titled, "2024 Cash Holdings and Investment Performance" (FIN25-008), be received for information.

Carried

4.3 2024 Annual Reports from Committees of Council (FIN25-009)

Staff Recommendation: THAT the following 2024 Annual Reports from Committees of Council be received for information:

- Active Transportation Advisory Committee,
- Heritage Stratford Committee,
- Accessibility Advisory Committee,
- Stratfords of the World Committee, and
- Communities in Bloom Committee.

Motion by Councillor Burbach

Sub-committee Recommendation: THAT the following 2024 Annual Reports from Committees of Council be received for information:

- **Active Transportation Advisory Committee,**
- **Heritage Stratford Committee,**
- **Accessibility Advisory Committee,**
- **Stratfords of the World Committee, and**
- **Communities in Bloom Committee.**

Carried

4.4 Securities Policy (FIN25-010)

Staff Recommendation: THAT the report titled, "Securities Policy" (FIN25-010), be received for information.

Motion by Councillor McCabe

Sub-committee Recommendation: THAT the report titled, "Securities Policy" (FIN25-010), be received for information.

Carried

5. Advisory Committee/Outside Board Minutes

No Advisory Committee/Outside Board minutes were provided to Sub-committee.

Sub-committee Discussion: Members of Sub-committee and the Director of Corporate Services revisited discussion item 4.2. Highlights of the discussion included:

- a member inquiring about the practicality of reviewing investments to ensure they are entirely Canadian or Canadian heavy;
- the City portfolio containing diverse investments and protected notes being tied to the performance of the market and Canadian bonds;
- there not being a large investment in U.S. companies, but this helping to broaden the diversity of the portfolio;
- to explore removing all U.S. investment would subject investments to different risks with less diversified performance but staff attention being paid closely to shifts;
- City investments not being directly in U.S. companies but protected notes with connection to stock portfolio containing some U.S investment but not being excessive;

- fund analysts handling the portfolios and responding to current issues; and
- portfolios being diversified worldwide.

6. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is April 22, 2025, at 4:30 p.m. in the Council Chamber, City Hall.

7. Adjournment

Motion by Councillor Burbach

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.

Carried

Meeting Start Time: 4:30 P.M.

Meeting End Time: 4:47 P.M.