Agenda – Council – April 30, 2014

Report – Executive Policy Committee – April 9, 2014

Item No. 5 Amendment to the City Organization By-Law No. 7100/97 - Sinking Fund Trustees

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 9, 2014, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City Organization By-Law No. 7100/97 be amended to designate the Chief Financial Officer of the City of Winnipeg as a standing member of the Sinking Fund Trustees of the City of Winnipeg.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Report – Executive Policy Committee – April 9, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 9, 2014, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Sinking Fund Trustees**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Ferrier	J. Ferrier	Mike Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That the City Organization By-Law No. 7100/97 be amended to designate the Chief Financial Officer of the City of Winnipeg as a standing member of the Sinking Fund Trustees of the City of Winnipeg; and

2. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

REASON FOR THE REPORT

Council approval is required to amend a by-law.

IMPLICATIONS OF THE RECOMMENDATIONS

The Sinking Fund Trustees of the City of Winnipeg manage a Sinking Fund for City debentures issued prior to December 31, 2002.

The Board of Trustees is comprised of four Trustees. Three are appointed by Council and the fourth Trustee is an automatic appointment. Currently, section 38 of the City Organization By-law provides that this automatic appointment is the City Treasurer. Since the City Treasurer has now retired, this report is recommending the Chief Financial Officer be the fourth trustee as an automatic/standing arrangement.

In order to accomplish this, it is necessary to repeal section 38 of the City Organization By-law. This section named the City Treasurer to this position instead of the CFO, the position identified in the City Charter. The repeal of this provision would result in the responsibility reverting to the CFO, as originally envisioned by the Charter.

HISTORY

The Sinking Fund Trustees were created as a body corporate under the City of Winnipeg Act (repealed) to administer and perform the duties required to manage a Sinking Fund. Sinking fund levies are deposited to the Sinking Fund for investment management. The intent of the levies is to retire debenture issues at maturity.

The transitional provisions of the City of Winnipeg Charter 520(1) (a) confirmed the role of the Sinking Fund Trustees to "have the same rights, privileges, powers, duties, and obligations that they have on December 31, 2002."

The City of Winnipeg's Financial Services Division is the Investment Manager for the Sinking Fund Trustees for City debentures issued prior to December 31, 2002.

The City of Winnipeg's Financial Services Division also manages the City's sinking fund investments for sinking fund debentures issued subsequent to December 31, 2002.

FINANCIAL IMPACT

FINANCIAL IMPACT STATEMENT

No financial impact

"Original signed by R Abeysekera"
R. Abeysekera
Manager of Finance (Campus)

CONSULTATION

In preparing this report there was consultation with:

Legal Services

SUBMITTED BY

Department: Corporate Finance Department
Division: City Treasurer's Division
Prepared by: J. Ferrier, City Treasurer
Date: March 18, 2014
File No.

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to repeal section 38 of the City Organization By-law

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Section 38 of the City Organization By-law amended

1 Section 38 of the City Organization By-law No. 7100/97 is repealed.

DONE AND PASSED, this day of , 2014.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Chief Financial Officer

Approved as to form and legal validity:

_____
For Director of Legal Services/City Solicitor