



## Executive Committee

Scoop Lewry Room, 2<sup>nd</sup> Floor, City Hall

Monday, April 9, 2018

To commence immediately following the City Council Meeting.

**TO: MEMBERS OF THE EXECUTIVE COMMITTEE**

Mayor F. Tolmie	Councillor D. Mitchell
Councillor B. Swanson, Chairperson	Councillor C. Warren
Councillor C. Froese	Councillor D. Luhning
Councillor S. McMann	

Please be advised that Chairperson, Councillor Swanson, has called an Executive Committee meeting on Monday, April 9, 2018 immediately following the City Council meeting in the Scoop Lewry Room, 2<sup>nd</sup> Floor, City Hall, in order to deal with the following:

### **AGENDA**

1. Reports of Advisory Committees:
  - a. Environment Advisory Committee – March 13, 2018
  - b. Heritage Advisory Committee – March 21, 2018
  - c. Cultural Diversity Advisory Committee – March 21, 2018
2. Report dated March 20, 2018 from the Department of Financial Services,  
**re: Waterworks Utility Financing.**
3. Confidential Matter.  
The confidential matter may be considered in closed session pursuant to section 94(2) of *The Cities Act* as it contains information that is within one or more of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, in particular section 18.
4. Confidential Matter.  
The confidential matter may be considered in closed session pursuant to section 94(2) of *The Cities Act* as it contains information that is within one or more of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, in particular section 18.

5. Confidential Procedural Matter.

The confidential procedural matter may be considered in closed session pursuant to section 94(2) of *The Cities Act* as it contains information that is within one or more of the exemptions in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*, in particular section 15.

***The Next Standing Committee Meeting is scheduled for  
Monday, April 23, 2018 (provided there are items to consider).***



**Public Minutes**  
**ENVIRONMENT ADVISORY COMMITTEE MINUTES**  
**Tuesday, March 13, 2018, 9:00 a.m.**  
**Scoop Lewry Room, 2<sup>nd</sup> Floor, City Hall.**

PRESENT: Michelle Wendt, Chairperson, Citizen-at-Large  
Ahmed Hosni, Sask. Polytechnic Representative  
Margaret Moran, Wakamow Representative  
Greg McIntyre, Chamber of Commerce Representative  
Elisa McLeod, 15 Wing Representative  
Nicklaus Clayson, Citizen-at-Large  
David Kanz, Citizen-at-Large  
Randall C. Fleming, Citizen-at-Large  
Tracey Moody, Citizen-at-Large

ABSENT: Councillor Chris Warren, Council Representative

ALSO PRESENT: Pearl Anderson, Secretary

**PART 1 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**  
**Re: Call to Order**

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Michelle Wendt, Chairperson, called the meeting to order at 6:45 p.m.

**PART 2 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**  
**Re: Adoption of Agenda**

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Moved by Margaret Moran

THAT the agenda be adopted with the following amendments:

- Addition of Part 5.2 – Pick It Up Month
- Addition of Part 5.3 – Seedy Sunday

Carried.

**PART 3 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**  
**Re: Adoption of the Minutes – January 9, 2018**

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Moved by Nicklaus Clayson

THAT the minutes of the Environment Advisory Committee dated January 9, 2018 be received as presented.

Carried.

Ahmed Hosni entered the meeting at 6:55 p.m.

**PART 4 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**  
**Re: Business Arising From the Minutes**

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**4.1 Municipal Green Plan**

Committee Chair, Michelle Wendt, advised that the subcommittee met to review the Municipal Green Plan that was endorsed by City Council on June 14, 2010. Potential updates and the creation of a green initiative action list including what has been completed, what is in process and what is left to do were discussed.

Moved by Nicklaus Clayson

THAT the draft updated Municipal Green Plan be completed and emailed to Committee members for their review and further for recommendation to City Council.

Carried.

The matter will be discussed at the next meeting.

#### **4.2 Regina Landfill Tour**

Tabled to the next meeting.

### **PART 5 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: New Business**

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#### **5.1 Budget Report – Solid Waste Utility**

Tabled to the next meeting.

#### **5.2 Pick It Up Month**

Consideration was given to looking into having May declared “Pick It Up Month”. An example of the Mayor’s proclamation from May 2016 was distributed.

Moved by Randall Fleming

THAT the Environment Advisory Committee forward a request to Mayor Fraser Tolmie asking that May be proclaimed as “Pick It Up Month”.

Carried.

Moved by Margaret Moran

THAT the Environment Advisory Committee meet in the Scoop Lewry Room on May 8, 2018 at 5:30 p.m. (prior to the May meeting) to pick up litter in the downtown Moose Jaw area; and further

THAT an email be forwarded to the Parks and Recreation Department to request a box of garbage bags and gloves for use for litter pick-up by Committee members on May 8, 2018.

Carried.

Committee members further considered asking the City’s Communication Manager for media coverage to promote “Pick It Up Month.” The Facilitator of the Youth Advisory Committee will be contacted to ask if they have interest in joining the Environment Advisory Committee in “Pick It Up Month”.

### 5.3 Seedy Sunday

Seedy Sunday was held in Moose Jaw on March 4, 2018. Consideration was given to donating a rain barrel and composter for next year's Seedy Sunday. A representative will be invited to the January 2019 Environment Advisory Committee meeting.

#### **PART 6 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Correspondence/Information**

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Nil.

#### **PART 7 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Next Meeting and Adjournment**

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The next regular meeting of the Environment Advisory Committee is scheduled for **Tuesday, May 8, 2018 at 6:30 p.m. or at the call of the Chair.**

Moved by Greg McIntyre  
THAT the meeting now adjourn.

Carried.

The meeting adjourned at 8:10 p.m.

*Confirmed by Email, March 26, 2018*  
Chairperson

#### **CITY MANAGER'S COMMENTS:**

*Myron Gulka-Tiechko*  

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Acting City Manager

#### **MAYOR'S COMMENTS:**

*I like the 5.2 suggestion.*

*Fraser Tolmie*  

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Mayor



**MINUTES  
HERITAGE ADVISORY COMMITTEE**

**Wednesday, March 21, 2018, 5:15 p.m.  
Scoop Lewry Room, 2<sup>nd</sup> Floor, City Hall.**

**PRESENT:** Scott Hellings, Citizen-at-Large, Chairperson  
Councillor Crystal Froese, Council Representative  
Larry Hellings, Citizen-at-Large  
Karla Rasmussen, Citizen-at-Large

**ABSENT:** Yvette Moore, Chamber Representative  
Dana Bushko, Citizen-at-Large

**ALSO PRESENT:** Eric Bjorge, Assistant City Planner  
Pearl Anderson, Recording Secretary

**PART 1 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED  
Re: Call to Order**

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Scott Hellings, Chairperson, called the meeting to order at 5:17 p.m.

**PART 2 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED  
Re: Adoption of Agenda**

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Moved by Councillor Froese  
THAT the agenda be approved as presented.

Carried.

**PART 3 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED  
Re: Adoption of the Minutes – February 21, 2018**

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Moved by Larry Hellings  
THAT the minutes of the Heritage Advisory Committee meeting dated February 21, 2018  
be received as presented.

Carried.

**PART 4 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED  
Re: New Business**

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**4.1 CPR Clock Tour – John Trodd**

John Trodd was introduced. Mr. Trodd presented information regarding a potential tour of the CPR clock. Due to risk assessment failure of the site, Mr. Trodd advised against a tour of the clock at this time.

**PART 5 – APPROVAL AND NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Business Arising from Minutes**

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**5.1 NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: City Hall Clock Presentation**

Mr. Trodd presented information about the City Hall tower clock and bell. The clock has been repaired by Mr. Trodd and is in working order. The bell was declanged in the 1960's and repair would be very difficult.

Consideration was given to replacement of the glass in the clock tower. Mr. Trodd advised that the existing glass is loose and could be a safety concern. A cost estimate for replacement of the glass will be obtained.

Mr. Trodd was thanked for his presentations and left the meeting at 6:10 p.m.

**5.2 APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Historic Bell**

The Moose Jaw Museum and Art Gallery has advised of the Board's approval to return ownership of the historic bell to the City of Moose Jaw. City approval to deaccession of the historic bell from the Moose Jaw Museum and Art Gallery to the City of Moose Jaw will be required.

Moved by Larry Hellings

**THAT the Heritage Advisory Committee recommend to City Council's Executive Committee that approval be granted for the historic bell be deaccessioned from the Moose Jaw Museum and Art Gallery Board of Directors to the City of Moose Jaw.**

Carried.

**5.3 NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Western Development Museum Heritage Fair**

The Heritage Advisory Committee has verbally approved sponsorship for the Western Development Museum's Heritage Fair. The matter will be further discussed once confirmation of the amount is confirmed.

**5.4 NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: National Trust for Canada – Endangered Places**

The Heritage Advisory Committee submitted a nomination for the Natatorium to be considered as one of the Top 10 Endangered Places in Canada. Further information will be provided once an update is received.

**5.5 NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Connor Park Pavilion Roof – Fiberglass Shingles**

Further consideration was given to the request (at the February 21, 2018 Heritage Advisory Committee meeting) from Margaret Moran, CEO, Wakamow Valley Authority, regarding potential products for roof repair at Connor Park Pavilion (formerly Jitney Dance Hall), a municipal heritage designated site. An email dated March 2, 2018 and attached photos from Ms. Moran, included in the March 21<sup>st</sup> agenda package were also considered. Committee Chair, Scott Hellings, will contact Ms. Moran regarding the matter. Further consideration will be given at the April 18<sup>th</sup> Heritage Advisory Committee meeting.

**PART 6 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Correspondence**

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Nil.

Karla Rasmussen left the meeting at 6:26 p.m.

**PART 7 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Next Meeting and Adjournment**

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The next regular meeting is scheduled for April 18, 2018 at 5:15 p.m. in the Scoop Lewry Room, 2<sup>nd</sup> Floor, City Hall.

The meeting adjourned at 6:30 p.m.

Carried.

*Confirmed by Email, March 23, 2018*  
Chairperson

**CITY MANAGER’S COMMENTS:**

*Myron Gulka-Tiechko*  
\_\_\_\_\_  
Acting City Manager

**MAYOR’S COMMENTS:**

*Fraser Tolmie*  
\_\_\_\_\_  
Mayor





**PUBLIC MINUTES**  
**CULTURAL DIVERSITY ADVISORY COMMITTEE**

**Wednesday, March 21, 2018, 3:00 p.m.**  
**Sask Polytechnic (Sarah's)**  
**Saskatchewan St. & 6<sup>th</sup> Avenue N.W., Moose Jaw, SK**

**PRESENT:**

Randall Fleming, Chairperson, Citizen-at-Large  
Councillor Don Mitchell, Council Representative  
Nazmia Bengelil, International Women's Society  
Cory Amiskuses, Sask. Polytechnic Representative  
Dalise Hector, MJ Multicultural Council Representative  
Mae Farrer, HTCSD Representative  
Amanda McCann, PSSD Representative  
Selinda England, Citizen-at-Large

**ABSENT:**

Brenda Marshall Colenutt, Moose Jaw Aboriginal Association Representative  
Tracey Moody, Citizen-at-Large  
Lisa Abbasi, Citizen-at-Large

**ALSO:**

Stefanie Palmer, MJ Multicultural Council  
Police Chief Rick Bourassa, Moose Jaw Police Service  
Pearl Anderson, Recording Secretary

**PART 1 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Call to Order**

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Randall Fleming, Chairperson, called the meeting to order at 3:15 p.m.

**PART 2 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Adoption of Agenda**

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Moved by Nazmia Bengelil  
THAT the agenda be approved as presented.

Carried.

**PART 3 - NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Adoption of Minutes – January 17, 2018**

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Moved by Dalise Hector  
THAT the minutes of the regular meeting of the Cultural Diversity Advisory Committee dated January 17, 2018 be accepted as presented.

Carried.

**PART 4 – APPROVAL AND NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Business Arising from the Minutes**

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**4.1 NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Community Scan Survey – Council Approval**

The Cultural Diversity Advisory Committee received authorization from City Council to proceed with the Community Scan Survey. The Community Scan Survey has been circulated.

Cory Amiskuses entered the meeting at 3:20 p.m.

**4.2 APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Strategic Planning Event – Building a Welcoming and Inclusive Community  
Saturday, May 5, 2018**

Consideration was given to the Strategic Planning Event being planned for May 5, 2018. Notes (as attached) from the subcommittee meeting held at 2:00 p.m. prior to the regular meeting were presented by Selinda England and Stefanie Palmer.

The following points were discussed:

- Event to be called Strategic Planning Workshop - Building a Welcoming and Inclusive Community
- South room in the Moose Jaw Public Library has been booked on May 5 from 1:00 p.m. to 5:00 p.m.
- Possibility to postponing the workshop to give time to research funding, research potential of hiring a consultant and outline the steps needed to bring the workshop together
- May 5<sup>th</sup> session could be an information session to provide information about CCMARD and the Cultural Diversity Advisory Committee's role as a signatory participant in the CMARD
- May 5<sup>th</sup> event could be used as a research finding session to secure funding then building upon that
- Other funding resources and support will be researched by Councillor Mitchell
- Does the Committee understand what the problems/concerns are regarding racism in Moose Jaw – possible survey?
- Councillor Mitchell offered to look into obtaining a consultant with the date for confirmation being April 11, 2018

Moved by Dalise Hector

**THAT the Cultural Diversity Advisory Committee recommend to City Council that approval be granted for the Cultural Diversity Advisory Committee to hold an information session on May 5, 2018 from 1:00 p.m. to 5:00 p.m. in the South Room of the Moose Jaw Public Library with the following two objectives:**

1. **What is the Canadian Coalition of Communities Against Racism and Discrimination (CCMARD) and the criteria to be followed by the Cultural Diversity Advisory Committee as a signatory member; and**

2. **Research the capacity of the Strategic Planning Workshop -- Building a Welcoming and Inclusive Community including research on funding options, research on hiring a consultant and research for the development of a workshop plan.**

Carried.

Selinda England left the meeting at 4:05 p.m.

**PART 5 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: New Business**

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**5.1 Email from Cynthia Lacasse, program Officer, CCUNESCO, RE: Series of Dialogues About Reconciliation**

The email was circulated as information and can now be filed.

**PART 6 – NO APPROVAL OF EXECUTIVE COMMITTEE REQUIRED**

**Re: Next Meeting and Adjournment**

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The next regular meeting of the Cultural Diversity Advisory Committee is scheduled to be held Wednesday, April 18, 2018 at 3:30 p.m. at the Moose Jaw Newcomer Centre.

Moved by Nazmia Bengelil  
That the meeting now adjourn.

Carried.

The meeting adjourned at 4:20 p.m.

Confirmed by email, March 27, 2018  
CHAIRPERSON

**CITY MANAGER'S COMMENTS:**

*Myron Gulka-Tiechko*  

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**ACTING CITY MANAGER**

**MAYOR'S COMMENTS:**

*Fraser Tolmie*  

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**MAYOR**



# City of Moose Jaw

**COMMUNICATION #N/A**

**TITLE:** Waterworks Utility Financing  
**TO:** Executive Committee  
**FROM:** Department of Financial Services  
**DATE:** March 20, 2018  
**PUBLIC:** Public Document  
**IN-CAMERA:** Not applicable to this report

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## **RECOMMENDATION**

THAT City Administration be authorized to issue a request for proposals (RFP) for the borrowing of \$30,000,000 over 15 years to finance Waterworks Utility infrastructure rehabilitation projects.

## **TOPIC AND PURPOSE**

The purpose of this report is to seek approval to issue a request for proposals for the borrowing of \$30,000,000 to fund Waterworks Utility Infrastructure projects in 2018, including the Buffalo Pound Transmission line and Water Reservoir projects.

## **BACKGROUND**

As part of the 2018 Capital Budget process, City Administration presented a report on a Utility rate review which provided a financial model of the Waterworks Utility for the 2018 to 2022 period.



The initial recommendation by City Administration was for a 15% Utility rate increase for 2018, which Council modified with the following motion:

“THAT the Waterworks Utility Rate Schedule be amended to reflect a 9% rate increase effective May 1, 2018; and

THAT the Sanitary Sewer Utility Rate Schedule be amended to reflect a 6% rate increase effective May 1, 2018; and further

THAT the remaining utility revenue shortfall of \$513,000 be made up by a 1.91% municipal tax increase.”

City Administration has updated the Financial Model based upon this motion and it appears below:

 <b>City of Moose Jaw Waterworks Utility 2018 to 2022 Financial Model</b> 						
<b>Waterworks Utility - Forecast</b> Revised March 22nd, 2018	2017	2018	2019	2020	2021	2022
<b>Operating Budget Model</b>						
<b>Revenues:</b>						
General Service	\$ 9,325,000	\$ 10,015,565	\$ 11,655,883	\$ 13,229,427	\$ 15,015,399	\$ 17,042,478
New Industrial Consumption	-	-	-	233,752	233,752	233,752
Utility Billing Penalties	41,656	42,438	48,167	54,670	62,050	70,427
Connection Fees	60,290	65,025	70,000	70,000	70,000	70,000
Water Depots	30,050	27,361	31,055	35,247	40,005	45,406
House Connections	225,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous Revenue	3,328	5,700	5,700	5,700	5,700	5,700
Water Meter Revenue	18,000	29,000	29,000	29,000	29,000	29,000
<b>Total Revenues</b>	<b>\$ 9,703,324</b>	<b>\$ 10,435,089</b>	<b>\$ 12,089,804</b>	<b>\$ 13,907,795</b>	<b>\$ 15,705,907</b>	<b>\$ 17,746,763</b>
<b>Expenditures:</b>						
Production	\$ 2,631,487	\$ 3,118,271	\$ 3,266,007	\$ 3,757,394	\$ 4,352,601	\$ 4,712,850
Distribution	3,840,702	3,933,184	3,927,580	3,924,337	3,923,221	3,924,575
Administration	1,386,188	1,337,706	1,398,029	1,501,339	1,604,321	1,715,948
<b>Total Expenditures</b>	<b>\$ 7,858,377</b>	<b>\$ 8,389,161</b>	<b>\$ 8,591,617</b>	<b>\$ 9,183,070</b>	<b>\$ 9,880,143</b>	<b>\$ 10,353,374</b>
<b>Reserve Contribution</b>	<b>\$ 1,844,947</b>	<b>\$ 2,045,928</b>	<b>\$ 3,498,188</b>	<b>\$ 4,724,726</b>	<b>\$ 5,825,764</b>	<b>\$ 7,393,390</b>
<b>Reserve Cashflow Model</b>	2017	2018	2019	2020	2021	2022
Opening Balance of Reserve	\$ 11,162,832	\$ 8,808,444	\$ (10,383,751)	\$ (8,802,312)	\$ (2,785,013)	\$ 3,025,006
Reserve Contribution	1,844,947	2,045,928	3,498,188	4,724,726	5,825,764	7,393,390
Interest Revenue	154,777	(12,209)	(172,675)	(118,771)	2,758	57,088
Borrowing Proceeds	-	30,000,000	20,000,000	15,000,000	10,000,000	-
Gas Tax Funding	1,983,130	2,033,041	2,082,952	2,082,952	2,082,952	2,082,952
Borrowing Repayment	-	(2,679,000)	(4,527,000)	(5,960,330)	(6,853,330)	(6,853,330)
Tax Funding	2,039,376	2,706,874	2,788,080	2,871,723	2,957,874	3,046,611
Infrastructure Levy	-	-	1,271,894	1,620,000	1,620,000	1,701,000
Carry Forwards	-	(20,557,830)	-	-	-	-
Capital Expenditures	(8,376,618)	(32,729,000)	(23,360,000)	(14,203,000)	(9,826,000)	(9,000,000)
<b>Closing Balance of Reserve</b>	<b>\$ 8,808,444</b>	<b>\$ (10,383,751)</b>	<b>\$ (8,802,312)</b>	<b>\$ (2,785,013)</b>	<b>\$ 3,025,006</b>	<b>\$ 1,452,716</b>
<b>Forecast Rates:</b>	2017	2018	2019	2020	2021	2022
<b>Projected Key Rates</b>						
Anticipated Cost Increases	2.0%	2.4%	2.4%	2.4%	2.4%	2.4%
Production Cost Increases	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Approved Rate Structure	15.0%	9.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Structure	0.0%	0.0%	15.0%	15.0%	15.0%	15.0%
Conservation Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Average Cost Example</b>	2017	2018	2019	2020	2021	2022
75M3 per Qtr 15 - 20mm Meter	\$ 166.88	\$ 181.89	\$ 209.18	\$ 240.55	\$ 276.64	\$ 318.13
25M3 per Mnth 15 - 20mm Meter	\$ 55.63	\$ 60.63	\$ 69.73	\$ 80.18	\$ 92.21	\$ 106.04

The Financial Model of the Utility shows that \$30,000,000 is required in borrowing in 2018 to meet 2018 planned expenditures, which include the Buffalo Pound Transmission line and Reservoir Rehabilitation.

**DISCUSSION**

In order to move forward the 2018 Waterworks Capital projects, it will be necessary to secure financing of \$30,000,000 in 2018 for the Waterworks Utility. These funds will be utilized to fund the Buffalo Pound Transmission Line (\$23 million) and the Water Reservoir Project (\$13.4 million).

The City of Moose Jaw currently has an approved debt limit of \$95,000,000 from the Saskatchewan Municipal Board. As of December 31, 2017, the City had outstanding debt of \$25,217,554 and the City's 26% Share of the Buffalo Pound Water Treatment Corporation debt totalled \$11,700,000 for total outstanding debt of \$36,917,554. The planned borrowing of an additional \$30,000,000 will leave approximately \$28,000,000 in borrowing room.

There are two options for the Waterworks Utility to obtain this financing. One would be to source the financing from an external lender. The second option would be to self-finance the borrowing from the City's Reserves.

The City's Reserves are invested in a high quality bond portfolio. As Council is aware, steps are being taken to look at the potential of including a broader scope of investment instruments including equities in the City's Investment Portfolio.

The cost of external borrowing should be weighed against the cost of internal (self-funded) borrowing to determine which makes the most economic sense for the City of Moose Jaw.

All indications at this time are that the City of Moose Jaw should be able to borrow \$30,000,000 externally at an interest rate of approximately 4% to 4.5%. This rate would be confirmed by issuing an RFP for borrowing these funds.

In terms of self-financing from the City's Reserves, the current rate of return on the City's Reserve funds is approximately 2.8%.

The City's rate of return on investments from 2007 to 2016 averaged 3.3% as detailed below:

City of Moose Jaw Investment Portfolio Returns	
2007	4.6%
2008	3.8%
2009	3.2%
2010	3.0%
2011	3.1%
2012	3.4%
2013	3.3%
2014	3.0%
2015	2.9%
2016	2.8%
<b>10 Yr. Avg.</b>	<b>3.3%</b>

In reviewing the borrowing reports for the Multiplex project, it was noted in those reports that the 2003 to 2008 return on the City's investments averaged 5.11% and the 1994 to 2008 return was 6.9%.

Also, if one looks at the potential of expanding the City's investments to include equities, a 60/40 portfolio as per Morningstar's Andex index - which is 30% Canadian stocks, 30% US stocks, 30% Bonds and 10% cash as of June 30, 2016 - had the following returns:

1 Year: 5.4%  
3 Year: 11.3%  
5 Year: 9.6%  
10 Year: 7.0%  
20 Year: 7.8%  
30 Year: 8.9%  
Since 1/1/1950: 9.5%

In analysing historical City Investment Portfolio returns and potential returns if equities were included, one can see that the rate of return has varied significantly over the years. However, if past history is any precursor of future returns, one could expect to earn a return significantly higher than the cost of external borrowing, which is estimated at 4% to 4.5%. In its simplest terms, it would make sense to borrow at 4% if one expects to earn a higher return on the City's investments during the period of the loan.

Therefore, City Administration would recommend that the City issue an RFP for the borrowing of \$30,000,000 over 15 years in order to source the financing from external sources. It has been past practice to bring the results of that RFP and the award recommendation back to City Council for award and authorization of the creation of a Borrowing Bylaw. City Administration would recommend that the same process occur with this borrowing.

### **OPTIONS TO RECOMMENDATION**

1. City Council provide alternative direction.

### **PUBLIC AND/OR STAKEHOLDER INVOLVEMENT**

The matter of borrowing requires public notice per the City's Public Notice Policy. The required public notice has been provided by the City Clerk's Department. The notice invites any interested parties to obtain a copy of the report and, if they desire, they could present to Executive Committee on the matter.

### **COMMUNICATION PLAN**

All of the steps in the borrowing process are public and as well, public notice is required.

### **STRATEGIC PLAN**

The ability to finance capital projects is essential to the fulfilment of the City's strategic priority of sustainable community growth.

**OFFICIAL COMMUNITY PLAN**

Not applicable.

**BYLAW OR POLICY IMPLICATIONS**

If the recommendation in this report is approved, then once an RFP for borrowing has been awarded, it will be necessary for City Council to pass a Borrowing Bylaw to authorize the debt.

**FINANCIAL IMPLICATIONS**

The borrowing of funds will result in the City being required to repay the principal and interest on the loan. At an interest rate of 4%, that would result in principal repayments of \$30,000,000 and interest payments of approximately \$10,185,000.

**PRIVACY IMPLICATIONS**

There are no privacy implications.

**OTHER CONSIDERATIONS/IMPLICATIONS**

Not applicable.

**PUBLIC NOTICE**

Public Notice pursuant to the Public Notice Policy as incorporated into the City Administration Bylaw No. 5175 of 2016 has occurred.

**PRESENTATION**

VERBAL: X                      AUDIO/VISUAL:                      NONE:

**ATTACHMENTS**

There are no attachments.

Respectfully Submitted By,

Brian Acker  
Brian Acker, B.Comm., CPA, CMA  
Director of Financial Services

BA/sp



**APPROVAL OF REPORT RECEIVED**

**COMMENTS RECEIVED**

Not Applicable  
Brian Acker, B. Comm., CPA, CMA  
Director of Financial Services

Myron Gulka-Tiechko  
Myron Gulka-Tiechko  
Acting City Manager

Don Mitchell  
Don Mitchell  
Deputy Mayor

*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.

No. \_\_\_\_\_ Resolution No. \_\_\_\_\_