



**Town of Aurora
General Committee Report**

No. FS17-038

Subject: Intent to Consider Accessing Hydro Reserve Funds

Prepared by: Dan Elliott, Director of Financial Services - Treasurer

Department: Financial Services

Date: September 5, 2017

Recommendations

- 1. That Report No. FS17-038 be received; and**
- 2. That staff publish a public notice of Council's intent to consider allocating funding from the principal component of the Aurora Hydro Sale Investment Reserve Fund as required of By-law No. 5439-12.**

Executive Summary

This report is to initiate the public notice required prior to Council considering accessing funding from the Aurora Hydro Sale Investment Reserve Fund.

- Staff expect that during the fall Council cycle the issue of allocating funding from the proceeds of the 2005 sale of Aurora Hydro will arise, and it may be time sensitive.
- Before approving any such allocation, Council must provide public notice at least thirty days prior to approving any such allocation.
- Time delays can be avoided by giving required public notice now

Background

By-law 5439-12, being a by-law to establish the Aurora Hydro Sale Investment Reserve Fund, requires that "should Council wish to allocate or expend any of the principal from the Fund for any purpose, public notice published in a local newspaper having general circulation throughout the community shall be provided at least thirty (30) days in advance before the allocation or expense is approved at an open Council meeting."

Analysis

Staff expect the issue of allocating principal portions from the Aurora Hydro Sale Investment Reserve Fund will arise this fall or early winter.

Council has discussed the development of the Cultural Precinct Plan over the last couple of years. During those discussions, it was noted that funding for the implementation of such plan would likely require use of some of the hydro funds held in the Aurora Hydro Sale Investment Reserve Fund (“the reserve fund”).

Public notice is required prior to approving funding allocation from the reserve fund

By-law 5439-12 (Attachment #1) requires the giving of public notice at least thirty (30) days prior to approving any allocation of the principal component of the reserve fund. The 30 day notice requirement could add up to 45 or more days to the decision process, depending on publication dates, and the meeting schedules of Council.

Time delays can be avoided by giving required notice now

It is unclear when Council will be in a position to consider accessing the hydro funds. In addition, its decision may become time sensitive. To avoid forcing Council to be delayed in making potentially time sensitive decisions, staff recommend providing a notice to comply with the by-law at this time. Such notice will seek those persons who are interested in this topic to register with the Clerk’s Office to be subsequently notified directly of the meeting date where the funds may be allocated once the date is set. Such registrants will receive a minimum of six (6) calendar days’ notice prior to the meeting. By that time, a comprehensive staff report outlining the details of the project, its funding requirements and proposed funding sources will be included in the meeting agenda materials. Those registered for further notice would be provided links to the report.

Advisory Committee Review

None

Financial Implications

There are no direct or indirect financial implications of this report. Providing public notice can be completed within existing operating budgets.

Communications Considerations

Communications, Legal and Finance staff will collaborate to draft the necessary compliant public notice, and the subsequent direct notification to registrants. The planned public notice will indicate that such consideration is expected to be made prior to the end of March 2018. If such allocation discussion does not happen by then, a separate public notification will be undertaken as appropriate at that time.

Once the meeting date is set for the consideration of allocating hydro funds, regular and special communications efforts will also be undertaken in addition to notifying those previously registered.

Link to Strategic Plan

Complying with the Town's own by-law for public notice, yet preempting delays in potentially time sensitive decisions by Council support the Town's Strategic Plan principles of leadership in corporate management, and supporting broad community outreach and engagement with partners, businesses, newcomers and community groups to ensure inclusiveness.

Alternative(s) to the Recommendation

Council could choose not to provide public notice regarding using hydro funds at this time. A "receive only" resolution would achieve this. Doing so may result in delays required for such notice affecting Council for potentially time sensitive decisions.

Conclusions

Staff are aware that the issue of allocating funding from the Aurora Hydro Sale Investment Reserve Fund is likely to arise during this fall session of Council. Although the timing of such is currently unclear, it is possible that such discussions may become time sensitive. The public notice requirement of the existing bylaw could delay decisions as much as 45 or 50 days depending on publication dates and meeting calendar dates. To avoid the time sensitivities, staff recommend giving the required public notice now of Council's intent to consider such allocations. Such notice will solicit those interested in following or delegating to Council on this issue to register with the Clerk. Those registered will be directly notified in advance of such discussions once the meeting date and detailed staff report become available.

September 5, 2017

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Attachments

Attachment #1 By-law 5439-12, being a by-law to establish the Aurora Hydro Sale Investment Reserve Fund.

Previous Reports

None

Pre-submission Review

Agenda Management Team review on August 18, 2017

Departmental Approval



**Dan Elliott, CPA, CA
Director of Financial Services
- Treasurer**

Approved for Agenda



for

**Doug Nadorozny
Chief Administrative Officer**

THE CORPORATION OF THE TOWN OF AURORA

By-law Number 5439-12

**BEING A BY-LAW to
establish the Aurora Hydro
Sale Investment Reserve
Fund.**

WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended (the "Act"), provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under the Act or any other statute, and subsection 11(2) of the Act provides that lower-tier municipalities may pass by-laws respecting, among other items, the financial management of the municipality and its local boards;

AND WHEREAS The Corporation of the Town of Aurora (the "Town") sold all of its shares in Aurora Hydro Connections Limited to Powerstream Inc. in June 2005;

AND WHEREAS at its meeting of June 28, 2005, the Council of the Town adopted resolutions to establish the Aurora Hydro Sale Investment Reserve Fund (the "Fund") to hold the proceeds obtained from the said sale of shares in Aurora Hydro Connections Limited;

AND WHEREAS the Council of the Town made modifications to the conditions related to the Fund by adopting resolutions on September 26, 2006, with adjustments to the balance in the Fund to be completed at December 31, 2006;

AND WHEREAS no specific by-law has been adopted to create or set out the terms of the Fund;

AND WHEREAS the Council of the Town deems it necessary and desirable to use the proceeds of the sale of Aurora Hydro Connections Limited in specified manners and provide funding for specified special purposes;

AND WHEREAS the money in the Fund shall be allocated and expended subject to the provisions of this By-law;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF AURORA ENACTS AS FOLLOWS:

1. THAT the Fund be established with a balance of \$31,699,391.67, which represents ninety percent (90%) of the net proceeds of the concluded sale of the Town's interest in Aurora Hydro Connections Limited.
2. THAT all balances in the Fund earn investment income to the credit of the Fund, as calculated by the Town's Treasurer based on the annual performance of the Town's investment portfolio comprised of balances of all reserves and reserve funds, and surplus operating and unspent cash balances throughout the year.
3. THAT the earned interest portions of the balance of this Fund from a prior year may be allocated or expended at the sole discretion of Council for new initiatives identified in the Town's Strategic Plan, as may be amended from time to time.
4. THAT proposed Strategic Plan initiatives be budgeted as separate projects for separate consideration, and should all the funds available in the current year not be used, that those unallocated funds be carried forward and remain available in the next budget year.
5. THAT, other than Strategic Plan initiatives, the earned interest portions of the balance of this Fund from a prior year may be allocated or expended for any purpose as may be determined by Council to be in the best interest of the

By-law Number 5439-12

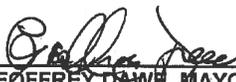
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Town, provided that such allocation or expenditure is approved in accordance with paragraph 7 of this By-law.

6. THAT the principal of the Fund may be allocated or expended for any purpose as determined, at the sole discretion of Council, to be in the best interest of the Town, and should Council wish to allocate or expend any of the principal from the Fund for any purpose, public notice published in a local newspaper having general circulation throughout the community shall be provided at least thirty (30) days in advance before the allocation or expense is approved at an open Council meeting.
7. THAT any expenditure or allocation of monies from the principal, or earned interest portions of the Fund as specified in paragraph 5 of this By-law, shall be made by resolution of Council, as adopted by a vote of not less than two-thirds (2/3) of the entire Council, and further that,
 - (a) "entire Council" shall mean all members of Council being present in Council Chambers at the time of the vote;
 - (b) should the entire Council not be present in Council Chambers at the time of the vote, the vote shall be deferred until the entire Council is so present; and
 - (c) in the event the entire Council is not present for three (3) consecutive Council meetings, the requirement for all Council members to attend such meeting shall be reduced by one (1) member of Council.
8. THAT all past resolutions and by-laws of Council in connection with the creation of the Fund are hereby superseded and replaced by this By-law.
9. THAT this By-law is deemed to have come into force *nunc pro tunc* on December 31, 2006.

READ A FIRST AND SECOND TIME THIS 18th DAY OF DECEMBER, 2012.

READ A THIRD TIME AND FINALLY PASSED THIS 18th DAY OF DECEMBER, 2012.



GEOFFREY DAWE, MAYOR



JOHN D. LEACH, TOWN CLERK

Approved as to Form
By Legal Services
Signature Waller Mr.
Date: Dec. 14, 2012