

CITY OF WELLAND

POLICY

Policy Title: Use of Canal Land Trust Fund Policy	
Date of Approval: November 20, 2012	Policy Number: FIN-001-0014
Lead Role: GM, Corporate Services/City Treasurer	Support Role: GM, Infrastructure Services/City Engineer
Cross Reference: 1999-32	Next Review Date: n/a
Council File Number: 99-99	Revision Date:

POLICY STATEMENT

To maintain a balance after annual income and expenses in the Canal Land Trust Fund of no less than \$13.5 million. Allocations that would reduce the Canal Land Trust fund balance below this amount would require a Motion of Council requiring 75% majority vote and a 4-week Notice of Motion prior to the vote.

In addition, no further capital projects will be charged to the Canal Land Trust Fund in order to retain the present level of the Trust Fund. All future Canal Land capital projects will be funded through City resources until such time as the Trust Fund permits ie. revenue sources other than interest income to the Trust Fund are available and their usage for capital expenses will not impact the minimum balance of the Trust Fund of \$13.5 million. In addition, over the next 2 to 5 years, the Welland Recreational Canal Corporation (WRCC) will turn all of its capital assets over to the City of Welland.

PURPOSE

The purpose of this policy is to further define the minimum level of the Trust Fund to be used within the permitted expenditures prescribed by By-law 1999-32 for the ongoing stewardship of the Canal Lands in the City of Welland.

DEFINITIONS

Annual Interest Income – For this policy, this term means the interest income received by the Canal Land Trust Fund during the twelve (12) month period of January 1 – December 31.

Annual Operating Budget - For this policy, this term means the City of Welland approved WRCC annual operating budget for the twelve (12) month period January 1 – December 31.

Differential – In this policy, this term means the difference between the Council approved WRCC annual operating budget and the annual interest income received by the Trust Fund.

ALLOCATION TO THE TRUST FUND

Sports and Culture Infrastructure Capital Reserve Fund Policy FIN-001-0014

The Canal Land Trust Fund earns interest income on funds invested in short-term or long-term municipally acceptable investments. Other potential revenue sources are solar lease revenues, land sales and net programming revenues.

ALLOCATIONS FROM THE TRUST FUND

Council approves the annual operating and capital budgets of the WRCC. Any differential in the annual operating budget submitted by the WRCC and approved by Council will be funded by the municipal tax levy. All WRCC capital budget submissions approved by Council will be funded through net revenues, municipal tax levy or debenture.

As annual interest income will be estimated by staff for the coming year, Council accepts a variance in staff's estimate of plus or minus 5% or \$25,000 (maximum).

Capital expenditures for the Canal Lands will be included with the City's Enterprise Capital Budget. This treatment of capital expenditures is similar to the Welland Historic Museum and Niagara Central Airport Commission where the Boards are responsible for maintenance and the City is responsible for the capital requirements.

Should a time arise in the future when the Canal Land Trust Fund receives other revenues and the balance of the Trust Fund increases above \$13.6 million, then the amount above \$13.6 million could be used to fund Canal Land capital expenditures budgeted for in the City's Enterprise Capital Budget. This amount is \$100,000 above the minimum recommended balance of \$13.5 million to cover any differences between the estimated annual interest income and other unpredicted items that may impact the annual budget. The funding source would be identified in the capital budget as a transfer from the Canal Land Trust Fund.

ADMINISTRATION

Corporate Services – Finance Division will be responsible for keeping this policy up to date.