

CITY COUNCIL #14-80

April 30, 1980.

5 p.m.

A Special Meeting of City Council was held this evening at the Civic Complex when the following members were present - His Worship Mayor G. Parisien, Aldermen D. Armstrong, G. Cameron, F. Guindon, L. Keen, R. Lalonde, A. Lebano, A. LeBlanc, B. Lynch, J. Pescod and G. Samson.

Mayor Parisien indicated that the meeting was called for the purpose of hearing a presentation by McLeod, Young & Weir, Midland Doherty and the Bank of Montreal, fiscal agents for the City of Cornwall.

Mr. C. Nellis of McLeod, Young & Weir acted as spokesman for the agents and in his remarks stated that in October, 1979 the fiscal agents applied for a credit rating for the City and Moody's of the United States was chosen as they have the widest coverage operating in many countries around the world. When Moody's did the rating they made an extensive mockup of the city and how it sits in the area, in the province and in Canada. Mr. Nellis stated that ratings run from A down to C, and in the rating our commissioner had to supply much of the data and keep this data up to date and when the rating was finally made Cornwall was rated as 'AA'. Mr. Nellis indicated that 'A's are high quality or high grade bonds and the rating can open many doors. Other cities in Canada with a 'AA' rating are Vancouver, Winnipeg, Hamilton-Wentworth and Quebec City. The other rating of 'AAA' or the top cities in Canada are Toronto and Ottawa-Carleton so that this makes Cornwall one of the first in the mid-size city range.

Mr. Nellis stated that the City should now take a stand on where it wants to go and use the rating to advantage. His firm is very proud to be associated with the City. He then presented the Mayor and Members of Council with a memento of the rating and the bond issue in the form of a paper weight for desk use. Mr. Nellis concluded by stating that there is nothing wrong with being proud of being one of the top cities in Canada.

Mayor Parisien asked the aldermen if they had any questions.

Alderman Lebano said we are all proud of our city and would like to see it move ahead and not stand still and that he would like to see some form of advertizing or promotion on the rating.

Mayor Parisien answered by stating that it is a common concern and the rating points out answers to the questions - are our affairs being handled properly? are they sound? and indicated that the people who should hear are not here.

Mr. Nellis stated that they would be happy to assist but the best way is through the media.

Alderman Cameron asked if our 'AA' rating will be reviewed since there are a number of areas that qualify the rating. Mr. Nellis replied that Moody's had a look at the municipality as a whole and studied debt per capita and overall management and any update of a rating is up to the City. Our Commissioner could submit to them quarterly and at the whim of the City they will make a new rating.

Alderman Lalonde stated that the City must be run right or we would hear about it. He asked if there is a book with ratings. Mr. Nellis replied that there is no book as such but on the underwriting side the City would have the opportunity to be exposed to clients.

Alderman Pescod felt that most people don't understand what a difference in ratings means. He asked what the difference would have been on the last issue if our rating was lower. Mr. Nellis replied that instead of 10% it would have been 10 3/8%, a saving of \$200,000.00.

Alderman Guindon stated that he agrees we have a strong Commissioner of Finance who speaks the truth and tells us we have it or we haven't got it.

Alderman Cameron asked how Mr. Nellis looks on the Canadian dollar's future. Mr. Nellis replied that it will strengthen within 5 years and improve.

Mr. K. Smith of the Bank of Commerce was of the opinion that we have a very good group of fiscal agents.

Mr. Nellis stated that when Moody's did the rating they took a good hard look at management.

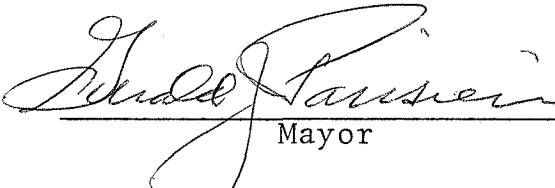
Mayor Parisien thanked the fiscal agents for their presentation.

Royals Hockey Club

The Chief Administrator announced plans for the Royals to sign the Golden Book at City Hall on Friday, May 2nd at 12:15 p.m. Plans are being made with the Royals Fan Club for an appreciation night some time after May 12th.

The meeting adjourned at 6:30 p.m.


Deputy Clerk


Mayor

- COUNCIL ACTION *May 12/80*
- COMMUNICATIONS (REG)
- COMMUNICATIONS (CONSENT)
- COMMUNICATIONS (CLOSED)
- APPROVED
- RECEIVED
- FILED
- DEFER
- COMMENTS _____

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