

Designated Officer Bylaw and Banking Delegation of Authority

RECOMMENDATIONS:

That the Priorities and Finance Committee recommend that Council:

- 1) Approve adoption of a bylaw continuing the position of City Treasurer and establishing the positions of Chief Financial Officer and Deputy City Treasurer as designated officers pursuant to section 210 of the Municipal Government Act;
- 2) Repeal the current Banking Resolution; and
- 3) Repeal Bylaw 31M2004

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 APRIL 27:

That Council:

1. Approve adoption of a bylaw continuing the position of City Treasurer and establishing the positions of Chief Financial Officer and Deputy City Treasurer as designated officers pursuant to section 210 of the *Municipal Government Act*;
2. Repeal the current Banking Resolution; and
3. Repeal Bylaw 31M2004; and
4. **Give three readings to Proposed Bylaw 34M2021.**

HIGHLIGHTS

- The City of Calgary requires new and modern banking governance that aligns with the Municipal Government Act as well as reflects The City's governance practices.
- What does this mean to Calgarians? Proper banking governance ensures proper stewardship of The City's financial assets.
- Why does this matter? The current banking resolution, passed in 2000, is out of date and Administration would resolve procedural inefficiencies with implementation of the recommendations of this report.
- Administration is recommending a two-part solution which has been endorsed by the Executive Leadership Team:
 - Adopting a bylaw designating three positions within Finance as Designated Officers as per the Municipal Government Act.
 - Adopting a City Manager delegation of authority to cover areas not specifically identified by the Municipal Government Act.
- To facilitate the above solution, Administration is recommending that the current bylaw (31M2004) and banking resolution be repealed.
- This solution does not change any existing policy or process currently in place at The City nor does it change the banking risk profile.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

DISCUSSION

In 2000 January, Council adopted the Banking Resolution (Attachment 1) authorizing the City Treasurer, Deputy City Treasurer, and Executive Officer of Corporate Services currently known as the Chief Financial Officer to carry out certain actions with respect to The City's banking. The

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Banking Resolution is a standard template provided by banking institutions to corporate customers when the bank requires evidence of the actual authority of its customer's agents or employees to perform certain tasks with the bank, such as signing cheques.

The Resolution has several aspects that make maintaining it in its current form undesirable:

- Job titles are out of date;
- Contains undefined critical terms, such as "Bank" and "Customer"; and
- Contains terms that may not be favourable to The City. One such example is The City unreservedly adopts the "Bank's general financial services agreement"

With respect to cheques and other negotiable instruments, subsection 213(4) of the Municipal Government Act states that they must be signed or authorized by:

- The Mayor or another person authorized by Council to sign them, and by a designated officer; or
- By a designated officer acting alone if so authorized by Council.

Bylaw 31M2004 (Attachment 2) established the City Treasurer as a designated officer of The City. Currently there is no bylaw establishing either the Chief Financial Officer or Deputy City Treasurer as designated officers.

In practice, the electronic digital signatures of the Mayor and the City Treasurer are affixed to cheques. Other negotiable instruments, such as debentures, have been signed by the Mayor and either the Chief Financial Officer or Deputy Treasurer. While this is permissible pursuant to authority delegated from the City Manager, it would be better practice to have this authority more clearly delineated in a bylaw:

- Authority is more direct and transparent.
- This would also help streamline dealings with the third-party financial institutions, such as banks and investment fund managers which The City regularly conducts business with.

Administration recommends that Council adopt a bylaw establishing the Chief Financial Officer and Deputy Treasurer as designated officers of The City. Section 210 of the Municipal Government Act sets out the requirements for a bylaw establishing designated officers. Said bylaw must include:

- Setting out which of the powers, duties and functions of a designated officer may be exercised by each position; and
- Setting out who the designated officers are accountable to and supervised by (in the absence of such direction, it will be assumed to be the "chief administrative officer" or, in this case, the City Manager).

Note, that the proposed bylaw restricts the signing of cheques to the Chief Financial Officer and City Treasurer whereas the Deputy Treasurer's authority under the bylaw will be restricted to the signing of debentures and opening accounts.

The banking provisions of the Municipal Government Act are not comprehensive and deal with only very specific matters, which are not entirely reflective of current banking practice. To

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address the other facets of banking, Administration will implement a Delegation of Authority by the City Manager.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

IMPLICATIONS

Social

There are no social implications anticipated in association with implementing these recommendations.

Environmental

There are no environmental implications anticipated in association with implementing these recommendations.

Economic

There are no economic implications anticipated in association with implementing these recommendations.

Service and Financial Implications

No anticipated financial impact

RISK

The recommendations of this report do not change the financial risk profile of The City as there is no change in process, procedure or level of authority.

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ATTACHMENT(S)

1. Banking Resolution
2. Bylaw 31M2004
3. **Proposed Bylaw 34M2021**

**Chief Financial Officer's Report to
Priorities and Finance Committee
2021 April 27**

**ISC: UNRESTRICTED
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Page 4 of 4**

Designated Officer Bylaw and Banking Delegation of Authority

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Jill Floen	Legal Services	Consult
Carla Male	CFOD	Approve