

Halton changes position to deal with credit unions

By BRAD REAUME
The Champion

At the closing bell of debate, Halton Region agreed to accept financial guarantees issued through credit unions. This was an about-face a week after a council committee urged exactly the opposite.

Wednesday council agreed to allow credit unions with at least \$40 million in assets to issue letters of credit totaling \$1 million, with no single credit union to have more than \$100,000 in letter of credit guarantees.

Letters of credit are required to guarantee construction projects tendered by local government.

The debate has bounced back and forth between Halton's administration and finance committee and council. Committee members were concerned with financial risk and refused to alter the current policy, which allows only 12 major banks to offer the financial guarantees.

Risk thought minimal

However Halton council, which has the final word, saw the risks as minimal balanced against the need to support local small businesses and calls for fairness in a rapidly changing industry.

"Joe Rinaldo (commissioner of corporate services) said the present policy has served you well," said Jim McDonnell, Credit Union Central of Ontario spokesman and retired manager of Oakville's Twin Oaks Credit Union. "So did the horse and buggy in its time."

Mr. McDonnell said by refusing to change the policy Halton was making it clear it does not want to do business with local small firms. He pointed to several inconsistencies in a report on the issue, which suggested many upper-tier municipalities do not accept letters of credit from credit unions.

Milton Councillor Rick Malboeuf stressed the financial viability of credit unions by asking if Halton Region accepts cheques from credit unions for tax payments.

He asked if there is a limit on the amount of those cheques, and if staff had uncovered any instance when a letter of credit was not honoured by a credit union.

Mr. Malboeuf noted that if such a thing had been uncovered it would have been in the Halton staff report in bold print.

According to Lorrie McKee, government relations officer with Credit Union Central of Ontario, needless complications in the understanding of credit unions



"We're the human face of this corporation and we don't have to blindly follow staff. They don't run the Region."

— KEVIN FLYNN

probably led to the series of policy flip-flops.

"We are very pleased. It's been a long process and a major learning curve for councillors," said Ms McKee. She added the message that local small businesses are involved in credit unions was strong.

Mr. McDonnell said he thinks the change in policy can be attributed to councillors who now better understand the credit union movement.

No insurance money

During the debate Burlington Councillor Linda Schreiber asked if Credit Union Central would deposit funds with Halton Region to guarantee the letters of credit, but Mr. McDonnell asked if Halton had the same requirement for the Royal Bank. He explained Credit Union Central of Ontario is a trade association similar to the Canadian Bankers Association.

"You wouldn't ask the Canadian Bankers Association to put up guarantees for the Royal Bank would you?" he asked.

Mr. Malboeuf jumped in to defend credit unions. "Halton Region doesn't guarantee the financial dealings of Halton Hills," he said. "Why do we need guarantees from Credit Union Central?"

Burlington Councillor John Taylor, who designed the new policy to accept guarantees from credit unions, said the financial institutions are putting up only one quarter of one per cent of their total assets as guarantees.

For there to be a problem 10 credit unions would have to collapse, a situation which suggests far deeper financial problems would exist at all levels, he explained.

Urging support for the new policy, Oakville Councillor Kevin Flynn said Halton staff were dug in on the issue and had blown the matter out of proportion.

"The sky is not falling in municipalities which have agreed to take letters of credit from credit unions," he said. "This is about community. It's about local government accepting their own people's money. We're the human face of this corporation and we don't have to blindly follow staff. They don't run the Region."



BEVERLY HILLS
Weight Management Clinics
PERSONALIZED WEIGHT MANAGEMENT

Now Open!
\$17⁰⁰ / week
excludes product
based on full program

Guaranteed Weight Loss of 2 lbs. a week

Nutritionally Balanced Food Programs

One-on One Counselling

Safe and Effective for all ages

For a free consultation call:

550 Ontario St. S. (Pizza Hut Plaza) 875-2889

It's Our 30th Anniversary But You Get The Gift!

For 30 years now, The Buttinger family at Midas have been impressing customers with their auto expertise and service. Whether it's for repairs or regular maintenance, people know that the Buttingers can help with all their car needs.

When Fred Buttinger opened his first Midas shop in 1968, he sold only mufflers. Three decades later, his sons Gord and Paul along with Tim Taziar and his staff have grown the business to the point where they now offer a wide range of car care services in Milton. You can visit them for just about anything, including:

Brakes • Suspension • Steering
Alignment • Oil, lube & filter work
plus much more!



Join us this Saturday June 6 to celebrate & help

BIG BROTHERS.

There will be...

BARBEQUE,
CHARITY CARWASH & PRIZES

Enter to win a

Seadoo & Pennzoil Racing Go-Cart!

\$10.00 from every job will be donated to
BIG BROTHERS!

Oil, Lube & Filter starting at \$19.95
(includes \$10.00 to BIG BROTHERS)



The way it should be.

MIDAS CAR CARE
the way it should be
420 Steeles Ave. E.
Milton, ON
876-4663

Send us the

Dirt!

(on Dad that is)

Tell us the funniest story about your Dad.
We want to know what it is that makes your Dad special!

The best story will win a special trip for 2 to Niagara Falls!
Send your letter today..

The Canadian Champion
191 Main St. E. Milton
Deadline June 11/98