

July 17, 2007

Executive Committee  
100 Queen Street West  
10<sup>th</sup> Floor, West Tower  
Toronto, ON  
M5H 2N2

### **Section 37 Funds – Interest Bearing Account**

#### **Recommendation**

That the City Manager, assign all Section 37 funds allocated from ward-development agreements be immediately subject to an interest bearing account and that this interest be accrued and allocated to the intended ward project to be funded by these section 37 funds.

#### **Rationale**

Section 37 funds are currently earmarked for capital community projects such as community centres, park improvements or other similar ventures. Normally, much or all of these monies are paid at the time of application or shortly thereafter. Because the intended projects are usually years away from completion, Section 37 funds should be deposited into an account where they would be earning interest that should in turn be accrued to the project in question. By not having funds earning interest, these resources lose their initial value and therefore their spending power is diminished significantly in the completion of the project.

By earning interest in fixed or unfixed accounts, these funds will in turn reach their full spending potential.

Sincerely,

A.A. (Adrian) Heaps  
Toronto City Councillor  
Scarborough Southwest, Ward 35