



Corporation of the Municipality of Temagami

Memo No.
2023-M-244

Memorandum to Council

Subject: Economic Development Report

Agenda Date: November 23, 2023

Attachments:

RECOMMENDATION

For Council Information

INFORMATION

Temagami municipal office received a letter from Scotia bank dated October 31, 2023.

The preface read:

"After careful consideration of the market, we have decided to relocate our services at 6730 Highway 11 N, Temagami, Ontario, to our 1500 Fisher Street, North Bay, Ontario branch. We'll be much better equipped to provide the one-on-one financial services you have come to expect from Scotiabank. This move will take place on Tuesday, July 16, 2024 at 11:00AM."

The letter also stated:

"We look forward to serving you at your new branch located at 1500 Fisher Street, North Bay, Ontario. For business hours, please visit us online at www.scotiabank.com."

Should you prefer a different home branch or should your Consolidated Cash Plan Agent / Location prefer a different Scotiabank branch, please call the Business Service Centre at 1-888-855-1234 and they will be happy to assist you. You may also visit us online at www.scotiabank.com to find alternate branch locations."

- Scotiabank, which closed two New Brunswick branches last year, plans to shut down at least 18 branches across the Atlantic region, according to a CBC News tally. In an email to CBC News, Scotiabank said it is consolidating "a series of branches across various markets" in Canada because customer preferences are changing and more banking is done digitally.
- Many Scotiabank branches in Ontario will also be closing.
- In Ottawa, "After careful consideration we have made the difficult decision to consolidate our Scotiabank branch at 388 Richmond Road and relocate our in-person services to our branch at 1427 Carling Avenue Hampton Park Plaza on July 9, 2024," said Scotiabank spokesperson Daniela Da Silva in an emailed statement to CTV News Ottawa.
- Scotiabank in downtown Kincardine is closing its doors, effective Thursday, July 4, 2024, at 11 a.m., and moving all services to its Port Elgin branch.
- Scotiabank is closing its Penetanguishene branch. Clients received letters recently saying that Scotiabank is

"relocating" its branch to Midland March 27, 2024.

"After careful consideration, we have made the decision to consolidate our Scotiabank branch in Petrolia and relocate our in-person services to our branch in Bright's Grove on March 7, 2024," a bank spokesperson said by email.

Scotiabank said in October that it is cutting about three per cent of its global workforce, becoming the latest Canadian bank to trim staff amid continued economic uncertainty.

The bank said the cuts, which work out to around 2,700 staff, come as a result of bank digitization and automation, as well as streamlining efforts and shifting consumer preferences.

Because of the high number of closures reported, and the low success rate of other community's efforts to change the corporate direction and closing decisions, It is my opinion that we merely thank the institution for its past service to the community and help to facilitate a new brick and mortar financial institution within town.

I believe it is imperative to have a brick and mortar financial institution in town. There are a number important of advantages to this model.

A physical branch provides a local presence, making financial services easily accessible to residents. This can be particularly important in small towns where online services may not be as widely adopted, or where residents prefer face-to-face interactions. Local branches often provide a more personalized level of service. Customers may have the opportunity to build relationships with the staff, who can understand their unique financial needs and offer tailored advice.

Brick-and-mortar institutions in small towns can actively engage with the community. They may sponsor local events, participate in community initiatives, and contribute to the overall well-being of the town. This can foster a sense of community and loyalty among residents. Physical branches create local job opportunities. The employment of local residents by financial institutions contributes to the economic development of the town.

Local branches can serve as hubs for financial education. They may conduct workshops, seminars, or one-on-one sessions to educate residents about financial literacy, budgeting, and other important financial topics.

Support for Local Businesses:

Financial institutions in small towns can provide essential services to local businesses, including business accounts, loans, change and hard cash floats, cash deposits and financial advice. This support is crucial for the growth and sustainability of small businesses within the community.

In-Person Transactions:

While online banking is becoming more prevalent, some residents, especially in older demographics, may prefer in-person transactions. Having a local branch allows individuals to conduct traditional banking activities, such as cash deposits, withdrawals, and face-to-face consultations. In small towns with aging populations, having a local branch ensures that seniors, who may be less tech-savvy, can access banking services conveniently without relying solely on online platforms.

Local Decision-Making:

Local branches may have some decision-making authority, allowing them to understand and address the unique needs of the community without being solely governed by centralized policies.

Canadian banks and credit unions are both financial institutions that offer a range of services, but there are some key differences between them. Here are some general distinctions:

Ownership Structure:

Banks: Banks are typically for-profit institutions owned by shareholders. Shareholders elect a board of directors, and the primary goal is to generate profit for these shareholders.

Credit Unions: Credit unions are not-for-profit financial cooperatives owned by their members. Members are also considered owners and have voting rights, regardless of the amount of money they have deposited.

Governance:

Banks: Banks are governed by a board of directors, and their decisions are made with the goal of maximizing shareholder value.

Credit Unions: Credit unions are governed by their members, who have a say in decisions through a democratic process. Each member typically has one vote, regardless of the amount of money they have deposited.

Profit Distribution:

Banks: Banks distribute profits to shareholders in the form of dividends.

Credit Unions: Credit unions reinvest profits to benefit their members, often in the form of lower fees, higher interest rates on deposits, and better loan terms.

Product and Service Offerings:

Banks: Banks offer a wide range of financial products and services, including checking and savings accounts, loans, credit cards, and investment products.

Credit Unions: Credit unions also offer similar financial products and services, but they may have a more localized focus and may be more community-oriented.

Access to ATMs and Branches:

Banks: Larger banks typically have a broader network of ATMs and branches across the country, making them more accessible in various locations.

Credit Unions: Credit unions may have a more limited network, especially if they are smaller or focused on a specific community or region.

Regulation:

Banks: Banks in Canada are regulated by the Office of the Superintendent of Financial Institutions (OSFI).

Credit Unions: Credit unions are regulated by provincial credit union regulators. Each province may have its own regulatory authority overseeing credit unions.

Insurance Protection:

Banks: Deposits in banks are typically insured by the Canada Deposit Insurance Corporation (CDIC), providing protection up to a certain limit.

Credit Unions: Deposits in credit unions are often insured by provincial deposit insurance programs, and coverage limits may vary by province.

It's important to note that there can be variations among individual banks and credit unions, and their specific policies and offerings may differ. Additionally, the financial landscape can evolve, so the above is simply a guideline for understanding basic differences.

As a municipality, we cannot favour one business over another setting up in town. On November 6, 2023 I used this as an opportunity to launch a “Temagami Strong” shop and spend local campaign.

By signing a petition, people and businesses may pledge to support a brick and mortar financial branch within the municipality of Temagami by moving their account(s) and financial dealings to an institution willing to invest in our community.

This petition will be used as a list of people and businesses who are willing to form a local customer base to an interested financial institution in good faith that such an institution will best serve the community.

To safeguard our financial stability, the petition will be used to demonstrate our collective support for a new financial institution to take the place of Scotia Bank, sending a clear message to potential investors and financial organizations that Temagami is a community worth investing in and that we are committed to sustaining our local economy.

We have reached out to financial institutions and are preparing a package of information including:

Local demographics, including population size, age distribution, and income levels.

Economic environment, identifying key industries and business opportunities.

Infrastructure accessibility and engagement opportunities

Community support and perception of the financial institution are additional factors evaluated to ensure successful establishment and sustained growth in the small community. These packages will be made available to all interested parties.

Respectfully Submitted:

John Shymko

Temagami Economic Development Officer