

MINUTES OF THE AUDIT COMMITTEE
Tuesday, October 1, 2024 @ 9:30 AM
City Hall Council Chambers | 4850 Argyle Street, Port Alberni, BC

PRESENT: Councillor C. Solda, Chair
Councillor D. Dame

ABSENT: Councillor T. Patola

STAFF: A. McGifford, Director of Finance
M. Fox, Chief Administrative Officer
S. Darling, Director of Corporate Services
A. O'Connor, Recording Secretary

GALLERY: 3

A. CALL TO ORDER & APPROVAL OF THE AGENDA

The meeting was called to order at 9:30 AM.

MOVED AND SECONDED, THAT the agenda be approved as printed and circulated.

CARRIED

B. ADOPTION OF MINUTES

MOVED AND SECONDED, THAT the minutes of the Audit Committee meeting held on May 28, 2024, be adopted, as presented.

CARRIED

C. UNFINISHED BUSINESS

D. QUARTERLY ANALYSIS OF MAYOR AND COUNCIL TRAVEL + DEVELOPMENT EXPENSES

The Director of Finance provided an overview of Mayor and Council travel and development expenses up to June 30, 2024.

Members inquired as follows:

- Who went to FCM?
Mayor, 3 Councillors and 1 delegate
- \$480.25 for Mayor Minions and Councillor Dame but everyone else was higher.
It was the timing of the hotel reservations and the cost of the hotel was split between the four members of Council.

E. REPORTS

General Fund - Revenue

The Director of Finance provided a summary of the General Revenue Fund as follows:

- Real Property taxes – revised tax roll.
- Utility Tax 1% – coding adjustment required BC Hydro amounts need to be adjusted.
- Fire Department – Revenue budgeted down because of the timing of billing, will occur in the fall.
- Line 14710 Gyro Youth Centre – 87% for year; on target for revenue for services. Same with Museum; grant – will not achieve \$100,000 budgeted.
- Interest on investments – has not been recorded as time of report.

Members inquired as follows:

- Line 14400 Public Transit – was ridership down?
No, the revenue is on target for the year.
- Solid Waste?
Billing for the first four months and based on the timing our second billing for solid waste will occur at the end of August.
- Are children's programs down?
Will follow up.
- Youth programs as well? Business Licensing and Building?
We are what we would be half way through year; we anticipate the revenue to meet with what we receive; work done vs. accounting recognized; coding.
- Are rentals down?
They are not different based on estimates we are fairly close to plan.
- 16215 Community Gaming?
Timing of receiving.
- Regional Government – what is the difference; collected more?
ACRD made changes after we adopted the financial plan.

General Fund - Expenditures

The Director of Finance provided a summary of the General Revenue Fund as follows:

- Expenditures are on target overall
- General Administrative – Legal Services is slightly over.
- By law Enforcement – expenses high due to Port Pub remedial work.
- Insurance – paid out at start of year.
- Grants in Aid – Alberni Forest and WVIHS
- Protective Services – one contract; close to 50%.
- Fire Protection – retro expenditure; will see next quarter.
- Line 22510 Emergency Program (Tsunami Warning) – required repairs on units.
- Line 22926 Building Inspector Vehicle – Repairs higher than planned.
- Line 23121 Engineering Consulting Services – overbudget; road network miscoded; supervisor – wages across exempt group; common services – little above.
- Road Transportation, Road & Streets – under budget; line painting and crack sealing; next quarter will bring expenditure in line with plan.
- Public Works – trending lower; under budget, but expected to be closer to plan at end of year.
- Line 23510 Public Transit – invoicing behind; timing of entry.
- Line 26132 Consulting Services - OCP – high; complete grant fund.
- Line 27140 AV Multiplex Concessions – increased costs due to running longer with Bulldogs in playoffs.
- Line 27530 Industrial Collections – APR expense for trains; \$60,000 grant from 2024.
- Transfers happen August 1st; taxes are higher because of government expenses; should drop.

Members inquired as follows:

- Line 23233 Road Allowance Maintenance – what is happening?
Crack sealing; billed next quarter.
- Line 26701 & Line 26770 Alberni Harbour Quay Overhead & Building Maintenance – what is within this expenditure line?
Operations: BC Hydro in Capital Fund; cleaning, pressure washing, operational.
- Line 27700 McLean Mill Operator Agreement – why paid higher percent?
Invoiced at end of quarter; timing.
- Line 27230 Parks Upgrading
Upgrades part of operational work; timing; 3rd quarter in alignment.
- Line 29911 Contingency Funds – nothing to date?
Amendment to Financial Plan; IHS bring back to council to confirm.

Sewer Revenue Fund Update

The Director of Finance provided a summary of the Sewer Fund Revenue and Expenses as follows:

- Lower billing 1st & 3rd quarters.
- Full operations in lagoon due to pumping; look at options for change in operations; trending at 57%.

Water Revenue Fund Update

The Director of Finance provided a summary of the Sewer Fund Revenue and Expenses as follows:

- Same as Sewer; have review of expenditure; consultants; under plan; 7% under for year.

Members inquired as follows:

Line 54421 Metered Sales?

Timing of the bill is every four months, not in line with quarterly, therefore only one third of billing listed in the report for 2024.

Capital Funds Update

The Director of Finance provided a summary of the Capital Projects as follows:

- Project 21024 Child Care Spaces - Grant – finalizing project; bring amount forward.
- Project 23003 Somass Mill – redevelopment funding – still seeing positive revenue; some expenses; remediation expenses (p. 13) – \$20,000 in 2nd quarter; 1.1 million remaining for budget.
- Equipment & Vehicles – procured; outstanding procurement.
- Project 21018 McLean Mill septic site upgrades – complete; under budget.
- Project 22029 Connect the Quays – finalizing; signage; final number at end of year.
- Project 23026 Train Station - Phase II – \$70,000 over.
- Project 15482 Clock Tower Repair/Removal Plan – under budget; received grant funds; \$250,000 City.
- Master Plans – now in place; exp.
- New Equipment – four purchases.

- Project 24006 Burde Street renewal – Amendment made to proceed with project into 2025.
- Intersection Lighting – 1/3 budget spent.
- Financial Plan Amendment (p.14) – List of projects to be removed from financial plan. The ones highlighted in green highlight will stay in the financial plan.

Members inquired as follows:

- Signage?
Already answered above.
- Vehicles?
Updated prices – 2021/22 expenditures; superintendent – trying to procure through CANOE.
- Project 24055 Intersection Safety?
Might have some expenses coming up.
- Train Station?
Already answered above.
- Project 23093 Harbour Quay - Window Renewals – spent \$3,210 as of June 30th. Have they been fixed?
No, these are on the Port Building – Salmonberries. Finishing up in 2025. Does not include all windows at Harbour Quay.
- Project 23096 Train Station - Water Tower Assessment - Where are we at and when will it be done?
Done. Director of Finance to follow up with project manager.
CAO: We will see more expenses next quarter.
- Project 23059 - 2023 Water Meter Replacements? What is happening?
Procured. Contractor to install and complete.
- How many left to install?
CAO: Schedule for each year.
- Will they be contracting the work out? Money stay there? Rotation?
CAO: Money will be spent. We tried to do in house, but was contracted out.
- Project 24074 McLean Mill Capital Projects (heritage) – 2024 grant funded. What is that money allocated?
Historical portion of Mill for the amount provided by ACRD.
- Project 24080 City Hall - Front entrance. When will construction start?
CAO: We had to wait until Planning, Engineering and Building moved across the street, so that we could reuse the desks from downstairs. Construction will start around Christmas break.
- Do our staff have enough time to do the work; can our own staff do the work?
CAO: Follow up with the Project manager as there are overlapping projects; Somass & Quay to Quay wrapping up; try to keep expenses down.
- Project 24077 Harbour Quay - Rot Repair and Window Replacement. Why was nothing spent?
Timing, late this year; early next year. Scope of was changed. Director of Finance to follow up with Facilities Manager.

- Project 24078 Train Station - Water Tower Structure?
Repair complete.
- Project 22016 Argyle / 10th Roundabout (p. 14). Project is paused until the Master Plan is complete. What is the timeline?
CAO: Master Plan has been awarded, but it is complex; right treatment; more traffic through town going to Bamfield; Lots of research to be done.
- People avoiding 10th Avenue. What are the statistics regarding accidents? Are they in the report?
CAO: ICBC records accidents.

F. VENDOR CHEQUE REGISTER REPORT

Members inquired as follows:

- Payments to Addy Power Ltd. Are they a lighting company?
They are doing work on the Wolf Tower and various other projects. They were the successful bidder for the tender.
- Are they a local business?
Yes.
- Payments to Alberni District Co-op.
Director of Finance will look into this item. Might be for a landscaping deposit.
- Payment to Alberni Valley Chamber of Commerce in the amount of \$68,250.00.
Visitor Centre and McLean Mill Contract.
- Payments to Alberni Valley Refrigeration.
HVAC service provider.
- Payment to Canadian Mental Health Association in the amount of \$78,908.05.
Director of Finance will look into this item.
- Payments to Craig's Enterprises.
Director of Finance will look into these items.
- Payment to Travis Cross in the amount of \$29,767.50.
Return of a deposit; personal.
- Payment to Graphic Office Interiors in the amount of \$69,178.88.
Child care centre.
- Payments to MKM Projects Ltd.
Child care centre.
- Payment to North Island College in the amount of \$52,646.63.
Grant for salvage and work force education.
- Payment to Olam Films Ltd. in the amount of \$6,300.00.
Director of Finance will look into this item.
- Payment to P & R Truck Centre in the amount of \$71,605.32.
Director of Finance will look into this item.
- Payments to Safety Net Security. Is this for the Port Pub or Somass?
Port Pub.
- Why do Council names pop up?
Reimbursement for conferences.

- Payment to Warbrick Contracting Inc. in the amount of \$37,800.00.
Salvage at Somass; parking lot at child care centre; brushing/clearing of trail; different components; different awards.
- Are they a local business?
Yes.
- Payment to WSP Canada Inc. in the amount of \$87,103.80.
Facility condition assessment.

G. INVESTMENTS REPORT

The Director of Finance provided a verbal overview of the City's investment portfolio as of June 30, 2024.

High interest rates which is good; interest rates coming down; likely see decrease.

H. OTHER COMPETENT BUSINESS

I. QUESTION PERIOD

R. Smith inquired as follows:

- Who is replacing the Harbour Quay roof?
Addy Power.
- Will the Port building roof be considered for replacement in 2026?
CAO: All of the structure has to be replaced; council to approve; working with Port Alberni Port Authority for land ownership and assessment of building – 5-10-year plan; complaints about of appearance of roof.
- Does someone have results?
CAO: Final report is under review.
- Water Tower – foundation; no assessment on tank; structure not tank; tank needs repair; incorrect info?
CAO: Whole asset was looked at; ask contractor; not used as water tower; appearance: eye of beholder; frame to be fixed; does Committee would like more detail.
Chair: Committee members would like more information.
- Is the lagoon finished and is the old lagoon completely decommissioned?
Looking what we can do to achieve decommission; hire consultant.
- So, the lagoon is not completely decommissioned?
No.
- What are the expenses?
We will have to do a study on what it could cost and we are looking at different consultants. Done through Ministry of Environment. Looking at what our options are.
Chair: What is the time deadline? Is it provincial and federal?
CAO: Different groups have different ideas; DFO for a bird sanctuary; depends on ongoing costs and which Ministry we go with which will mandate the cost.
- How does City plan for costs?
CAO: Worst case scenario; wait to see what consultant says.
Lobby provincial and federal governments for grant funding.
- Are we having a meeting so we are caught up to capture next quarter?
The next meetings are in November and February.

- Do we have a total amount where the City is at for internal borrowing?
Direction from Council?
Chair: Yes.
- Water meters - Page 11 of cheque register; purchase of 300 meters?
Director of Finance to follow up.
- Plumbing and heating contractor?
Child care centre.
- Urban Systems?
GIS and planning.
- Identify the numbered company on Page 1 of cheque register.
Director to follow up.
- Bunzl on Page 4? Is this for city concession?
Cleaning supplies; will confirm.
- F H Black & Co. - Automation of financial statement and maintenance.
- Status of the replacement of the fuel tank at the fire department?
CAO: Had tank inspected; will review in future
- Procurement of fuel?
Director McGifford: Don't recall procurement supply, will review.
CAO: No resolution made. Will follow up. Vessel vs fuel.
- Value of contractor to do install of water meters?
Under \$100,000; Tilley's is contractor.

R. Fraser inquired as follows:

- Surprised that the lagoon decommissioned; should have been in one package.
CAO: Report coming to explain complicating factors.

L. Walerius inquired as follows:


- When will childcare centre open?
CAO: Aiming for today? End of September; waiting for Permit to open outside spaces.
- Are they extending into other spaces?
CAO: Nothing finalized; looking at it.
- Water tower? Wondering about 2 Spot – building shelter? Moving?
CAO: Not in budget; discussions with IHS; hasn't come back to Council.
Chair: Good to add to budget.

J. ADJOURNMENT

MOVED AND SECONDED THAT the meeting be adjourned at 11:07 am.

CARRIED

CERTIFIED CORRECT


Councillor Cindy Solda, Chair