

**MINUTES OF THE AUDIT COMMITTEE**  
**Tuesday, November 26, 2024 @ 9:30 AM**  
**City Hall Council Chambers | 4850 Argyle Street, Port Alberni, BC**

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**PRESENT:** Councillor C. Solda, Chair  
Councillor D. Dame  
Councillor T. Patola [Arrived at 9:45 am]

**STAFF:** A. McGifford, Director of Finance  
M. Fox, Chief Administrative Officer  
S. Darling, Director of Corporate Services  
T. Feltrin, Recording Secretary

**GALLERY:** 4

**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 October 1, 2024, be adopted, as presented.*

**CARRIED**

**C. UNFINISHED BUSINESS**

The Director of Finance provided additional information request at the October 1, 2024 Audit Committee Meeting.

- Are children's programs down?  
*No, children's programs are not down, we separated children programs from youth programming.*
- Water tower capital expenses?  
*Water tower capital expense – a report will come forward at a later date.*
- Payment to Co-op?  
*The payment of \$45,000 was for a landscaping deposit.*
- Payment to Canadian Mental Health Association?  
*The payment of \$78,908.05 was for the Community Action Team grant monies.*
- Payment to Craig's Enterprises?  
*The payment was a deposit refund for Broughton Street development.*
- Payment to Olam Films Ltd.?  
*The payment of \$6,300 was for a deposit refund.*
- Payment to P & R Truck Centre in the amount of \$71,605?  
*The payment was for the purchase of a flat deck trailer.*
- Purchase of 300 water meters?  
*300 water meters were purchased through Emcor.*
- Numbered company on last meetings cheque register?  
*The numbered company is Nomad Tree Services.*

- Procurement of Fuel?  
*No, new developments on this inquiry.*

**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 September 30, 2024.

**E. REPORTS**

***General Fund - Revenue***

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

- Fire in the 4<sup>th</sup> quarter has retro pay, this may result in spending over budget.
- Most expenditures are within budget.
- Parks and Recreation revenue trending higher due to summer programming.
- Museum under budget due to vacant positions.
- Building permit fees coming in on target. In 2022 we saw quite a large increase in building permits.
- Taxes & Penalties – higher than usual, these will go back down as interest rates go lower.

*Members inquired as follows:*

- Line 15210 Fines & Parking Tickets?  
*\$135,000 – fines associated with 4<sup>th</sup> Avenue property.*  
*Where does the money go?*  
*General Revenue Fund.*
- How will the changes to dog licenses affect revenue?  
*Dog licenses won't have an effect on cost.*
- Business License fees are up, why?  
*As we go through the year we adjust the revenue for businesses that are no longer active.*  
*This revenue is expected to be reduced by year end.*

***General Fund - Expenditures***

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

- Legal services are up – due particularly from Port Pub.
- Fire Protection is in range.
- Protective Services is in range
- Tsunami Warning System is up due to needing repairs.
- Engineering Consulting Services is up due to projects
- Planning Administration expending service.
- Economic Development saw an increase due to grants received.
- Industrial Collections – this number will change.
- Taxes Collected for Others – over on some under for others.
- Interest Revenue – increase of interest – based on statutory rate.

*Members inquired as follows:*

- Line 26770 – Harbour Quay – Buildings Maintenance – what is happening there?  
*Director of Finance to follow-up.*

- There appears to be \$72,000 left – what haven't we done, why do we have money left over?  
*CAO: Winterizing has taken place, not all items have been accounted for.*

***Sewer Revenue Fund Update***

*No additional information was requested by the Committee.*

***Water Revenue Fund Update***

*No additional information was requested by the Committee.*

***Capital Funds Update***

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

- Project 21024 Child Care Spaces – over budget – a report coming to Council.
- ERRF Replacement – long term vehicle replacement.
- Anderson/Burde St. is done – a report coming forward.
- Quay to Quay – work still being completed, some branding and signage still to come.
- Roger Creek – in budget.
- Train Station Phase II - \$70,000 over budget, needs to be brought back to Council.
- Fleet Manager to bring a report to Council.
- Train Station Water Tower – will look at the coding – over budget.
- Somass Project – Salvage to date \$1,440,824, remediation expenditure \$583,909, there is \$843,836 remaining. Some more revenue to come.

*Members inquired as follows:*

- What does working to procure mean?  
*That means that an item is on order. We have looked at used items when we can.*

**F. VENDOR CHEQUE REGISTER REPORT**

*No additional information was requested by the Committee.*

**G. INVESTMENTS REPORT**

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

- High interest rates which is good; we anticipate lower rates into 2025.

**H. OTHER COMPETENT BUSINESS**

**I. QUESTION PERIOD**

R. Smith inquired as follows:

- Is it possible to provide a summary of the projects using Growing Communities Fund grant?  
*Director of Finance to follow up.*
- What is the current interest rate on money paid in taxes?  
*4.45%*
- What company is doing the roof at the Public Works Yard?  
*IDM Roofing for \$165,000.*
- Desludging of sewage lagoon – where are we at?  
*Report coming to Council as more information is known regarding the approach required.*

- Will this be a public report?  
*Yes, once completed by a consultant. We have found a couple of consultants for the ARO but a detailed plan will have to be made. We will need to work with the Tseshaht and Hupacasath First Nations.*
- Will this be part of the 2025 budget?  
*CAO: We will be bringing a report forward once more is known.*
- Do we have any internal borrowing?  
*We don't have any at this point. There wasn't any borrowing on the Burde Street project. We would use surplus from 2024.*

D. Wiwchar inquired as follows:

- How much money has the City spent defending itself against the San Group?  
*We don't have numbers available at this time.*  
*CAO: We don't have specific numbers available at this time.*

L. Walerius inquired as follows:

- Last meeting questions were raised regarding the Water Tower and Two Spot. Would like to see a discussion around having the Two Spot moved down to the train station.
- General Purpose Taxes – at budget time how is it collected, when you haven't determined your tax rate?  
*Tax calculation sheet – overall increase year over year. Allocation of the none market change.*
- Residents or businesses that haven't paid taxes, where is that recorded?  
*Tax sale for taxes left unpaid for three years.*
- Line 14434 – Residential Solid Waste Collection; is this unpaid?  
*That is amount billed not collected.*
- Line 15210 – Fines and Parking Tickets; the YTD is the same amount, why?  
*Director of Finance to follow up.*
- Line 15320 – Rentals; why is it up 224%?  
*Director of Finance to follow up.*
- Line 23121 – Engineering Consulting Services; why is it up 229.62%  
*Director of Finance to review.*
- Line 26238 – Community Serv – Community Engagement; why is it up 1977.60%  
*Director of Finance to review.*
- Childcare Service – why is that over?  
*Report coming to Council.*  
*CAO: A report will be coming during budget season, likely January or February.*
- I understand they are opening the childcare centre in January; is the City receiving lease payments?  
*Yes.*
- What happened with the Facade Improvement Project?  
*In 2025 it will be moved to a placemaking strategy and reviewed by the Manager of Culture.*
- Did the Racquetball Club apply for a Facade Improvement Grant?  
*Not under the Facade Improvement Grant.*

- Port Pub; is the demo considered a capital project?  
*CAO: The costs are placed on the property.*  
*DoF: It would a revenue in the General Fund / Accounts Receivable against the property.*
- What is the estimated cost?  
*CAO: We don't have the exact amount; these expenses will be going on their taxes.*
- The only way the City can recover this expense would be if the owner paid the taxes?  
*CAO: Yes*
- The tax sale would be the cost of the expenses?  
*CAO: Yes, that would be the starting point.*

J. Leskosek inquired as follows:

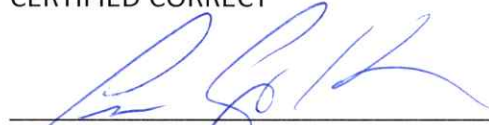
- Is the Multiplex concession manned by City employees or contracted?  
*CAO: City staff operate it.*
- Line 27144 – over \$1m on maintenance, is that normal?  
*Yes*
- What does CPA stand for?  
*City of Port Alberni.*

**J. ADJOURNMENT**

*MOVED AND SECONDED THAT the meeting be adjourned at 10:44 am.*

**CARRIED**

CERTIFIED CORRECT

  
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Councillor Cindy Solda, Chair