

MINUTES OF THE AUDIT COMMITTEE
Tuesday, November 28, 2023 @ 9:30 AM
City Hall Council Chambers | 4850 Argyle Street, Port Alberni, BC

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

STAFF: A. McGifford, Director of Finance
M. Fox, Chief Administrative Officer
D. Monteith, 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 September 12, 2023, be adopted.
CARRIED

C. UNFINISHED BUSINESS

The Director of Finance provided a report of items to be reviewed for follow up from the September 12, 2023 Audit Committee meeting as follows:

Line 21312 Engineering Consulting Services – All expenditures to be reviewed for capital projects.

Line 23205 Customer Service Requests-Streets – expenditures related to the letdowns, paving, other works associated with connections, etc.

Lifesaving Society payment - Lifesaving equipment, fanny packs, etc.

M2 Mechanical payment issued for HVAC at Childcare Centre.

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

The Director of Finance provided an overview of Mayor and Council travel and development expenses up to September 30, 2023.

Members inquired as follows: (will review and update at next meeting)

- Councillor Solda would like the following expenses reviewed:
- AVICC – Councillor Solda did not attend.
- AVCoC - Councillor Haggard did not attend, Councillor Solda attended.
- Only Councillors Solda and Patola went to the VI Economic Summit, Haggard is listed.

E. REPORTS

General Fund – Revenue

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

- Grants in Lieu of Taxes

- BC Assessment supplemental rolls – lower taxes in prior year.
- Parks and Recreation is cyclical and has been an increase due to summer programs and the Bulldogs went to playoffs.
- Line 15170 - Building & Plumbing Permit Fees is significantly down. There is a lot out there, but they haven't come through yet. There is the potential to come through at the end of the year. Work is not completed yet.
- Line 16212 - Small Community Protection Grant
- Line 16214 - Revenue Sharing – Traffic Fines

Members inquired as follows:

- BC Assessment, supplemental rolls - What happens when there is a reassessment?
Revised roll is what we set our tax rate; could budget for appeals; this is a risk to roll, lower than expected revenue.
- Line 27160 - Loss of Aquatic revenue due to closures. Can we have a report on adjusted wages at a future meeting.
Plan a review of revenue. Match – wage vs. wage incurred.

MOVED AND SECONDED, THAT staff provide a report on revenue adjusted for wages not being paid due to closures; expenses for wages vs. planned in budget.

CARRIED

General Fund – Expenditures

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

- Pretty close to what we budgeted.
- Line 21911 Election expense – invoice carried over from previous year
- Line 22121 Police Services Contract small surplus
- Line 22421 Fire Crew over additional resources. A little bit higher.
- Line 22421 - Fire Crew trending higher due to overtime
- Line 23121 Engineering Consulting Services pulling invoices to review
- Roads and Streets ¼ budget remaining
- Increase in recreation programming due to summer programs, summer staff/seasonal workers, Bulldogs going to playoffs, Winter Wonderland. Close to budget, but slightly over.
- Cultural Services McLean Mill Operator Agreement trending to expected.
- Interest rates historically higher than anticipated.

Members inquired as follows:

- Line 22140 Parking Enforcement
Usually \$25,000 is budgeted, but during COVID it stopped
- More enforcement.
Use Bylaw and is based on complaints. Monitor in high traffic areas i.e. chalk tires, etc.
- Line 23237 Snow & Ice Removal do we go into next year's budget?
Year end is December 31st, so unlikely unless we need to purchase supplies or factor in wages for overtime.

Sewer Revenue Fund Update

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

- Trending lower. Anticipated or slightly higher.

Water Revenue Fund Update

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

- Trending lower. Emergency repair of the Bainbridge line. Received \$103,000 from ICBC claim.

Members inquired as follows:

- Do meters still need to be replaced?
Yes, report to come.

Capital All Funds Update

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

- Project 21032 Redford & 10th Ave intersection – overbudget due to including Dunbar St. & 10th Ave project. Reviewing coding for allocation.
- Project 22015 7th Ave - Redford St to Bute St. – reviewing coding for allocation.
- Project 23021 Intersection Safety #1a Gertrude/Roger – miscoded. Engineering services to review coding.
- Project 22025 - CSO - 7th Avenue-Redford to Bute – reviewing codes. Charges from Bowerman.
- Relining – refine the allocations. Review the 10th Ave roundabout. Engineering to review.
- Project 22062 – consulting work reviewed.
- Project 22088 & 22089 – went out for tender.
- Project 23072 Small Capital Main Replacements – reviewed with the Manager of Operations. Operational component. Shifted from Capital to Operations. Same with Water Capital 23050 shift from Capital to Operations.
- Project 22055 CSO – 7th Ave-Redford to Bute overbudget. Looking at allocation.

Members inquired as follows:

- Why is it noted that they are 2023 projects, but are not completed? Why are they not noted as 2024?
Ordered the vehicle in 2023, but may not arrive due to lack of supply and Staff vacancies contribute to the delays.
- Can we plan for the delays?
Yes, early approval and order earlier when we know that the supply is delayed.
- Project 23024 Linking Roger Creek Trails – only spent \$42,000 so far. What happens when grant isn't fully used?
Grant must be spent by March 2024. Additional work still needs to be done. To be completed in 2024. We have contacted the grant funder to request an extension, but it hasn't been confirmed.
- If the grant hasn't been fully spent, does the City look for other improvements that can be done?

Depends on the grant.

- Echo Park Field upgrade – what is happening?
Council approved \$140,000 allocation.
- If the errors are simply coding errors, then would the budget not still look the same if you just shifting lines?
No. Capital to Capital needs correct allocation. For example, Sewer has no expenditure but there \$80,000 in tender allocated to project.
- Project 23059 - 2023 Water meter replacements – what is happening?
Vacancies have impacted the plan to bring forward. Continue to Work on water meters; ordered and will be invoiced in new year.
Water meters are ordered. Changes in staff.
- Project 23058 CSO – Wallace 4th – 6th
Will follow up.
- Will we expect to see more water meters?
Ongoing expense, included in the Financial Plan.

F. VENDOR CHEQUE REGISTER REPORT

The Director of Finance provided an overview of the vendor cheque register report from September 1 – October 31, 2023.

- Payment to the City of Port Alberni
Director of Finance will look into this item – thinks it might be demo permit for Somass.
- Payments to HostedBizz Inc.
Director of Finance will look into this item.

G. INVESTMENTS REPORT

The Director of Finance provided a verbal overview of the City's investment portfolio as of September 30, 2023.

New investment provider. High savings interest. As of Sept. 30th, we have ¾ of a million and it should be over a million by the end of the year. We have to pay for the platform aerial truck and other vehicles, so the balance will go down.

H. OTHER COMPETENT BUSINESS

I. QUESTION PERIOD

L. Walerius inquired as follows:

- Was the City going to hire an asset management person?
Yes, in the coming months
- I asked for the water reserve account, but haven't found them. Open and close accounts.
The reserves are reported in the Financial Statements.
- Will we see it in the reserve?
Yes.
- Does the City have a policy with regards to this type of borrowing?
Governed in accordance with the Community Charter and the Bylaws of Council.
- How is the interest calculated?
At the interest rates forgone and staff base it on what the investment would have earned in our investment account.

- Capital Project coding review – there are 12 projects identified and one that wasn't identified for the Roundabout. Will this be included?
All projects will be reviewed to ensure correct coding to each project.
- New Project Manager - Will there be someone to help him to use the correct coding?
The coding is the responsibility of each budget manager, the project manager will be responsible for their projects.

R. Smith inquired as follows:

- Will the installation of the water meters be contracted out?
Hasn't been made yet. We will provide a plan to council and request authorization.
- Water meter program goes back several years
Looking at the most cost effective, contract out, bring report to Council and move forward this coming year.
- 10th & Redford resurfacing and then tearing it up a couple of weeks later because of the water main break. What is the status of the infrastructure?
We will look at all the services when undertaking works to ensure that we are maintaining what is underneath. Can't guarantee. Moving forward looking at the total job. Master Plans will begin in January. Design guidelines. Hoping for a 5-10-year plan.

The Chair inquired as follows:

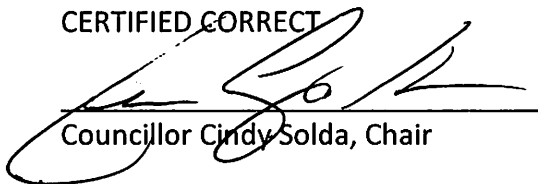
- When looking at aging infrastructure will we bring a street scape program forward at the same time?
As the public what they would like to see, but do the companies (BC Hydro, etc.) need to follow our process and procedures?
- Are the lines that are buried safer in the ground in an emergency? Can we cost share when installing the lines?
BC Hydro may be interested in cost sharing. The buried power lines would have to be replaced in the event of a fire due to heat transfer. The lines that are in place will be at full cost to the City, however, cost sharing for new developments is a possibility.

J. ADJOURNMENT

MOVED AND SECONDED THAT the meeting be adjourned at 10:54 am.

CARRIED

CERTIFIED CORRECT



Councillor Cindy Solda, Chair