

**MINUTES
CITY OF IQALUIT
FINANCE COMMITTEE OF THE WHOLE MEETING #02
April 25, 2013 at 6:00 PM
CITY COUNCIL CHAMBERS**

PRESENT FROM COUNCIL

Mayor John Graham
Councillor Terry Dobbin
Councillor Joanasie Akumalik
Councillor Simon Nattaq
Councillor Romeyn Stevenson
Councillor Kenneth Bell

ABSENT

Deputy Mayor Wilman
Councillor Mark Morrissey

PRESENT FROM ADMINISTRATION

John Hussey, Chief Administrative Officer
Tracy Cooke, City Clerk
John Mabberi-Mudonyi, Senior Director, Corporate Services
Luc Grandmaison, Fire Chief
Amy Elgersma, Director, Recreation
Valerie Collin, Recorder
Jeanie Eeseemailee, Senior Interpreter/Translator
Rachel Ootoova, Senior Interpreter/Translator

ADOPTION OF AGENDA

Motion #FIN13-06

Moved by: Councillor Bell
Seconded by: Mayor Graham

That the agenda be adopted as amended.

Add Item 5(d) – Discussion Item – Borrowing By-law Amendment

Unanimously Carried

1. MINUTES

None

2. DECLARATION OF INTEREST

None

3. DELEGATIONS

None

4. DEFERRED BUSINESS AND TABLED ITEMS

None

5. NEW BUSINESS

- a) 2012 Consolidated Financial Statements
John Mabberi-Mudonyi, Senior Director, Corporate Services

Administration presented the committee with the 2012 Consolidated Financial Statements dated December 31, 2012 and noted that the auditors had a clean opinion on this year's report. The statements present the financial position of the city as at December 31, 2012, its financial performance and its cash flows in accordance with the generally accepted accounting principles as recommended by the Public Sector Accounting Board and the Canadian Institute of Chartered Accountants.

The financial statements also meet the requirements of Section 144 of the *Cities, Towns and Villages Act*, which requires the application of accounting policies on a constant basis. The only exception is outlined in Note 12 of the consolidated statements; it addressed deficit reduction or elimination.

Administration reviewed the Consolidated Statements of Financial Position for the committee and noted total Financial Assets of thirty seven million six hundred eighty seven thousand four hundred fifteen (\$37,687,415.00) dollars, total Liabilities of thirty five million five hundred twenty five thousand seven hundred seventy seven (\$35,525,777.00) dollars and total Net Assets of two million one hundred sixty one thousand six hundred thirty eight (\$2,161,638.00) dollars compared to one million three hundred seventy four thousand nine hundred seventy (\$1,374,970.00) dollars from the previous year. This is an increase of seven hundred eighty six thousand six hundred sixty eight (\$786,668.00) dollars or fifty seven point two one (57.21) percent over the period. This is the key number as it indicates that the city has more money coming in than going out and is reflective of good financial management.

Another figure to note is the Accumulated Fund Balances which increased from eighty nine million two hundred eighty seven thousand two hundred twenty one

(\$89,287,221.00) dollars in 2011 to ninety nine million eight hundred fourteen thousand eight hundred sixty six (\$99,814,866.00) dollars in 2012; this is a good improvement.

Administration reviewed the Consolidated Statement of Operations for the committee and noted total revenues for the year were thirty three million ninety one thousand two hundred forty four (\$33,091,244.00) dollars compared to thirty two million three hundred twenty five thousand five hundred sixty two (\$32,325,562.00) dollars in 2011; an increase of seven hundred sixty five thousand six hundred eighty two (\$765,682.00) dollars or two point three seven (2.37) percent. However, they were two million seven thousand four hundred fourteen (\$2,007,414.00) dollars or six point zero seven (6.07) percent below budget.

Total expenses for the year were thirty three million eight hundred three thousand eight hundred seven (\$33,803,807.00) dollars compared to thirty two million nine hundred fifty one thousand two hundred twenty six (\$32,951,226.00) dollars in 2011; an increase of eight hundred fifty two thousand five hundred eighty one (\$852,581.00) dollars or two point five nine (2.59) percent. However, they were three million six hundred forty thousand eight hundred six (\$3,640,806.00) dollars or ten point seven seven (10.77) percent under budget. This resulted in an overall deficit of seven hundred twelve thousand five hundred sixty three (\$712,563.00) dollars compared to six hundred twenty five thousand six hundred sixty four (\$625,664.00) dollars from the prior period and resulting in an increase of eighty six thousand eight hundred ninety nine (\$86,899.00) dollars or thirteen point eight nine (13.89) percent.

Administration noted that Other relates to capital contributions; one is revenue related to projects funded by both the Government of Nunavut and the Government of Canada as indicated in Schedule 18 for the water booster station, sewer lift station number two and a geotechnical study for a total of ninety two thousand six hundred fifty seven (\$92,657.00) dollars.

The eleven million one hundred forty seven thousand five hundred fifty one (\$11,147,551.00) dollars, also found in Schedule 18, relates to roads and water and sewer mains in the Plateau Subdivision. When the area was being developed, the leaseholders paid for the development of roads and installation of water and sewer mains; the city is responsible for these over their useful life. This leaves the city with Excess Revenue totaling ten million five hundred twenty seven thousand six hundred forty five (\$10,527,645.00) dollars.

Administration reviewed the Notes to the Consolidated Financial Statements for the committee and noted that most of the notes remain the same. Note 3, Accounts Receivable grants in lieu have significantly decreased from previous years indicating good collection. Note 4, Land Held for Sale indicates that the city had eleven (11) lots for sale as of December 31, 2012. Six of these lots were

sold as of January 2013 for a total of one million two hundred eleven thousand two hundred eighty (\$1,211,280.00) dollars; four of these lots were paid in full for a total of one million two hundred eleven thousand two hundred eighty (\$1,211,280.00) dollars and two were to be amortized at a discount rate of ten (10) percent at a value of ninety eight thousand eight hundred sixty (\$98,860.00) dollars.

Councillor Bell noted that the total transfer to the Reserve Fund as of December 31, 2012 was ten million two hundred ninety nine thousand five hundred seventy six (\$10,299,576.00) dollars based on the Consolidated Financial Statements but the total budgeted amount in the Reserve Fund as of January 1, 2013 was ten million six hundred ninety five thousand ten dollars and eighty cents (\$10,695,010.80); there is a difference of three hundred ninety five thousand four hundred thirty four (\$395,434.00) dollars.

Administration noted that the 2013 budgeted amount as of January 1, 2013 was an estimate; the actual amount in the Reserve Fund is ten million two hundred ninety thousand five hundred seventy six (\$10,299,576.00) dollars. Further information can be provided to explain the difference.

Chairperson Stevenson noted that budgeted amounts for 2013 are estimates only and the actual amounts may be different at the end of the year once Council receives the Consolidated Financial Statements. It is difficult for Administration to reflect accurate numbers during the budget deliberations as information is often received late.

Councillor Akumalik thanked the auditors for their hard work on preparing the consolidated financial statements and expressed his support for the results. He asked for clarification on the meaning of doubtful collection.

Administration advised that doubtful collection is old debt owing to the city that the auditors recognize as possibly impossible to collect; they are calculated and removed from financial statements for balancing purposes but the debt is not forgiven.

Councillor Dobbin asked what method is used to collect debt.

Administration stated that collection of property tax arrears is very difficult; the *Property Assessment and Taxation Act* makes it very difficult for the city to collect arrears. Normally the city will take action when a property is listed for disposal or for sale as it is much easier to collect arrears; letters are sent to the property owners on a regular basis reminding them of the arrears and the city has contacted some requesting that they come in and sign a payment agreement. The city has been successful in collecting some arrears and continues to work hard to do so.

Councillor Bell stated that he would not vote in favor of the statements until clarification is received on the total of transfer in Reserve Funds.

Motion #FIN13-07

Moved by: Councillor Akumalik

Seconded by: Mayor Graham

That Council accept the 2012 Audited Financial Statements.

**For – Dobbin, Akumalik, Nattaq, Graham
Against – Bell
Carried**

b) 2012 Fire Department Annual Report
Luc Grandmaison, Fire Chief

Administration presented the committee with the 2012 Fire Department Annual Report and noted that several staff members assisted with the completion of the report; Mark Dainton, Barry Rogers, Koreen Morris, Sharon Nowlan, Kyle Graves, Victoria Hann, Jennifer Catarino, Nicholas Mann and Robert Prima, Nunavut's Fire Marshall.

The information contained in the report is a summary of the activities of the Iqaluit Fire Department and Emergency and Protective Services. The statistics and information found in the report will help the department set new operational goals and objectives in order to meet their mission statement. The department responded to over two thousand (2,000) incidents, including one thousand five hundred (1,500) ambulance calls and four hundred fifty (450) fire alarm calls. The dispatch services handle over eighty five (85) different types of requests per day.

The department responded to forty six (46) unfortunate fires during 2012, causing two deaths, injuring eight citizens and five firefighters. Fire loss was estimated at nine million two hundred thousand (\$9,200,000.00) dollars, an average of one thousand two hundred ninety three (\$1,293.00) dollars per capita and a fire rate of six point four (6.4) per thousand population. It was determined that most fires occur between the hours of 6:00pm and 2:00am with a total fire loss of eight million six hundred fifty six thousand three hundred fifteen (\$8,656,315.00) dollars, ninety four (94) percent. With an estimated population of seven thousand one hundred fifty two (7,152), Iqaluit has a fire death rate of twenty seven (27) per one hundred thousand (100,000) populations. Most of the fires occurred in apartments or tenement buildings with a total of twenty (20) fires from the forty six (46) in 2012. There were sixteen (16) fire classified as smoker's material and open flame (match or lighter) and could not be determined; this is thirty five (35) percent of the fires in 2012.

Administration congratulated and thanked the members of the Iqaluit Fire Department, dispatchers, firefighters, emergency medical responders and volunteers for their hard work and dedication for all services they provide to help others. Their commitment to the well-being of the community is commendable and greatly appreciated.

Administration also thanked Council and all municipal departments, with special thanks to the utilidor crew, Municipal Enforcement and Public Works as well as staff at the Qikiqtani General Hospital, the Royal Canadian Mounted Police, other public service agencies and private business organizations who have helped the Fire Department in many ways throughout the year.

The Iqaluit Fire Department's mission is to serve residents of Iqaluit through a dedicated, professional and competent emergency service that will strive to protect and minimize losses to human life, property and the environment.

Councillor Dobbin noted that most of the calls received by dispatch are for emergency services but most of the employees are firefighters; he asked for clarification.

Administration advised that most staff members are also certified emergency medical responders even if their title is firefighter, lieutenant or captain.

The Iqaluit fire Department responded to two thousand forty (2,040) emergency response calls during 2012; the majority of these calls were ambulance calls for a total of one thousand five hundred seventy seven (1,577). Seven hundred ninety eight (798) of those calls were for medevacs, six hundred eighty four (684) were for emergency transport and ninety five (95) were cancelled or refused calls.

Administration stated that the dispatch services received thirty one thousand four hundred twenty five (31,425) calls during 2012, an average of eighty six (86) calls per day.

The Iqaluit Fire Department also provides fire prevention and education to the community; they hold the National Fire Prevention Week in October every year and visit every elementary and middle school in Iqaluit. They conduct a fire drill and then meet with each group of students for a thirty (30) minute presentation; activity books, pencil cases and other small gifts are provided to each student.

In addition to school visits, the local daycares are also visited and taught similar topics to those taught in kindergarten. Several daycares and local youth groups, such as Girl Guides and day camps come to the fire hall throughout the year for visits; a safety talk is given and then children are invited to see the fire trucks and ambulances. Children are always given fire safety material such as activity books and crayons, which help to spread the fire safety message to the home and keep children interested.

Administration advised that a group of adults from the Nunavut Arctic College requested a fire safety talk in spring 2012, which was presented by a lieutenant. Because the students were learning to care for elders, the talk focused on fire safety issues that specifically affect elders. This talk was well received and the adult students were all very surprised by how much they had not known about home fires. Some members gave talks at the Visitor's Centre in the spring, as well as members taking part in a mock scenario with the local Royal Canadian Mounted Police and youth on motor vehicle accidents.

Chairperson Stevenson noted that statistics show that the average number of fires and deaths is above the normal average and that most take place during the hours of 6:00pm and 2:00am. He suggested that fire prevention programs also be given to adults and not only children and youth as adults are often under educated on fire prevention. He would also like for the city to consider conducting home inspections to ensure that fire deficiencies are addressed; this could also be a source of revenue for the city. The city should also consider subsidizing fire extinguishers and fire alarms and selling them from the Fire Department as there is always staff on site; this would also increase fire prevention in the community.

Councillor Dobbin asked if the city provided counseling services or any other type of service for staff who deal with very sensitive issues.

Administration noted that the city does have an employee assistance program which provides staff with the option to create an account online and chat with a representative or call the free number and speak with a representative; there are other programs available that staff could use which are specific to the type of experience that staff from the Fire Department go through. These types of program will be taken into consideration and hopefully made available to the department.

Motion #FIN13-08

Moved by: Mayor Graham

Seconded by: Councillor Bell

That Council accept the 2012 Annual Fire Department Report.

Unanimously Carried

- c) Verbal Update – Broadcasting of Council Meeting
John Mabberi-Mudonyi, Senior Director, Corporate Services

Administration noted that they have been researching the possibility of broadcasting Council meetings; options are being explored such as broadcasting on the radio or through Iqaluit Cable. Joining the Legislative Assembly's network

is also being considered; more information will be brought to Council in the near future once it becomes available.

Councillor Dobbin believed that a positive reason for having the cameras installed would also be to provide staff safety; there have been several incidents in the community during the past couple years and this would allow monitoring of activities in city hall. Deck Electric had stated that one camera would cost approximately one thousand (\$1,000.00) dollars; it would be a total cost of approximately fifteen thousand (\$15,000.00) dollars to reinstall cameras and have the system functional.

Administration stated that the city received a quote four years ago for the replacement of the system and was advised that the cameras are obsolete and cannot be fixed; they need to be replaced if the city is interested in broadcasting meetings. The translating equipment was recently replaced and would most likely not require much more upgrade; the total cost for the complete system upgrade was seventy two thousand (\$72,000.00) dollars. The total cost may not be as much since the translating equipment was replaced but a new quote would need to be requested for the replacement of the cameras.

Chairperson Stevenson believed that the obsolete cameras could be kept and used for security purposes if possible and believed that the broadcasting of meetings on the radio would also be a good and possibly cheaper option. There are several companies in Iqaluit that could provide this service and perhaps the city should seek further information from those companies.

Councillor Bell expressed his support for the broadcasting of Council meeting and believed that the city has already improved its transparency by posting agendas and meeting dates on the city's website.

Councillor Nattaq noted that this matter has been discussed several times and stated that he would prefer if the city waited until such time when the new city hall is developed; careful planning and proper research needs to be done for this project.

d) Discussion Item – Borrowing By-law Amendment
John Hussey, Chief Administrative Officer

Administration noted that this by-law amendment is an amendment to Borrowing By-law No. 743 that received Third and Final Reading in October 2012; the amendment is to allow the city to receive the best available lowest interest rate for the term of the loan. The city is currently looking for a construction loan at prime rate plus zero interest for the first three years of the construction period. The loan would then become a full time loan for the twenty five (25) year period as per the current by-law.

The financial institutions who have submitted proposals are requesting that the city ensure that they are in compliance with the *Cities, Towns and Villages Act*, and that a legal review of the by-law be conducted to ensure that all other legal aspects were respected; the legal review indicated that the city is in accordance with the *Cities, Towns and Villages Act*, but the Borrowing By-law No. 743 specifically says that the term of the loan shall be twenty five (25) years. In order for the city to enter into a construction loan at prime rate plus zero interest for three (3) years, the by-law must be amended; the actual term of the loan would then become twenty eight (28) years.

Administration advised that legal counsel reviewed the by-law and amended it to provide the city more borrowing flexibility as well as the option to enter into a three year loan for the construction phase of the project.

Councillor Bell asked if amending the by-law to reflect this possible loan option removes the opportunity for all other financial institutions to submit proposals since it would be more specific to one proposal.

Administration noted that the amendment would provide more flexibility; the current by-law states that the loan must be for a period of twenty five (25) years. The amendment does not obligate the city to one financial institution only and does not provide a specific date that construction must be completed.

Councillor Dobbin asked if the city continues to apply for funds to assist with the development costs of the aquatic centre.

Chairperson Stevenson advised that the city is pursuing funds from the territorial and federal government; even if the city receives additional funds it will be in the city's best interest to borrow funds and repay the loan with those funds received rather than reducing the amount borrowed.

6. IN CAMERA SESSION

Motion #FIN13-09

Moved by: Councillor Dobbin
Seconded by: Mayor Graham

That the committee go In Camera at 8:30pm.

Unanimously Carried

Motion #FIN13-10

Moved by: Councillor Akumalik
Seconded by: Councillor Bell

That the committee return to Regular Session at 8:55pm.

Unanimously Carried

Motion #FIN13-11

Moved by: Councillor Bell

Seconded by: Mayor Graham

That the Council accept the 2012 Management Letter.

Unanimously Carried

7. ADJOURNMENT

Motion #FIN13-12

Moved by: Councillor Bell

Seconded by: Mayor Graham

That the meeting be adjourned at 9:00pm.

Unanimously Carried

Councillor Stevenson
Chairperson

John Mabberi-Mudonyi
Senior Director, Corporate Services

Approved by City Council on this **28** day of **May**, 2013, A.D.