

**MINUTES**  
**CITY OF IQALUIT**  
**FINANCE COMMITTEE OF THE WHOLE MEETING #02**  
**March 21, 2015 at 10:00 AM**  
**CITY COUNCIL CHAMBERS**

**PRESENT FROM COUNCIL**

Mayor Mary Wilman  
Deputy Mayor Romeyn Stevenson  
Councillor Terry Dobbin  
Councillor Simon Nattaq  
Councillor Kenneth Bell  
Councillor Stephen Mansell  
Councillor Noah Papatsie  
Councillor Joanasie Akumalik

**ABSENT**

**PRESENT FROM ADMINISTRATION**

John Mabberi-Mudonyi, A/Chief Administrative Officer  
Tracy Cooke, City Clerk  
Matthew Hamp, Director, Engineering and Sustainability  
Amy Elgersma, Director, Recreation  
Melodie Simard, Director, Planning and Development  
Kevin Sloboda, Chief Municipal Enforcement Officer  
Luc Grandmaison, Fire Chief  
Victoria Embree, Executive Assistant  
Jeanie Eeseemailee, Senior Interpreter/Translator

**ADOPTION OF AGENDA**

**Motion #FIN15-03**

Moved by: Councillor Dobbin  
Seconded by: Councillor Mansell

That the agenda be adopted as presented.

**Unanimously Carried**

Councillor Bell resigned as Chairperson for the Finance Committee of the Whole.

1. **MINUTES**

None

**2. DECLARATION OF INTEREST**

None

**3. DELEGATIONS**

None

**4. DEFERRED BUSINESS AND TABLED ITEMS**

None

**5. NEW BUSINESS**

- a) 2015 Mill Rates  
John Mabberi-Mudonyi, A/Chief Administrative officer

Administration noted that Council deferred first reading of the 2015 Mill Rate By-law to Finance Committee of the Whole for further discussion; revisions have been made to the suggested mill rate increases for each classification as recommended by Council.

Based on the recommendations and proposed changes to the mill rates, the residential 7/8 classification mill rate was increased and would now \$2,936,576.48. The residential 9/10 classification mill rate was decreased and would now generate \$4,511,011.05. The commercial classification mill rate was increased and would \$4,698,369.98. The transmission classification mill rate was increased and would now generate \$207,216.24. The industrial classification mill rate was increased and would now generate \$1,971,271.53 and the institutional classification mill rate was also increased and would generate \$3,525,874.52. The proposed changes to the mill rates would generate approximately \$17,850,000.00 dollars, being an overall increase of 23 percent for all classifications.

Vice-Chair Mansell noted that the proposed changes are to apply a slight increase to the residential mill rate in order to apply a slight decrease to the commercial mill rate.

Administration noted that revenues generated from property taxes also fund projects under the General Operating Fund. The committee had a number of projects identified as priorities to be completed in 2015 such as the new cemetery, the development of Northwest Aggregate Deposit, the West 40 Landfill Run-off Treatment, pavement maintenance plan, repair and/or replacement of Happy Valley sewer line, repair of Hanson Drive, bus turnaround for Plateau Subdivision and the MAGS pilot project.

Vice-Chair Mansell noted that the committee would need to identify an additional \$400,000.00 in order to complete identified projects for 2015.

Councillor Bell asked if the committee could be provided details on expenses from 2014 in order to make an informed on future expenses for 2015.

Administration advised that the audit committee recently reviewed the City's consolidated financial statements for actual expenses in 2014 and these have yet to be presented to Council.

Councillor Bell suggested that a temporary increase to the mill rates be implemented until such time when the new Chief Administrative Officer arrives and until the committee has an opportunity to review actual expenses from 2014.

Councillor Nattaq stated that the committee must make a decision on the mill rates for 2015 and that this matter has been discussed in detail during the 2015 budget deliberations. The City is forced to increase taxes in order to complete the Aquatic Centre project and other important projects identified as priorities. The increase to the mill rates is only temporary and will decrease once important projects are completed.

Deputy Mayor Stevenson believed that this was a simple process. The committee reviewed and deliberated the 2015 budget and identified what projects they wanted to move forward with and what purchases they would like to make in 2015. Administration then presented options for the increase to the mill rate and the committee made a decision and removed some purchases and projects to implement the discussed mill rate increase. The 2015 Mill Rate By-law was then presented to Council for first reading during the last Council meeting and it was deferred back to the Finance Committee of the Whole. Committee members should have an idea of what projects and changes to the budget they would like to make in order to decrease the mill rate based on the fact that the by-law was deferred for more discussion.

Councillor Dobbin noted that he was absent during the Finance Committee of the Whole meeting where the committee approved the mill rate increases. He made a statement during the last Council meeting indicating that the mill rate increases should be reviewed and discussed further as several concerns were received from business owners. The proposed mill rates were too high and they need to be decreased. The City has many options to increase their revenues rather than increasing taxes for residents of Iqaluit.

Mayor Wilman stated that her expectation for this meeting was to review significant projects that are directly impacting the mill rate such as the Development of Northwest Deposit – Gravel project, which has an estimated total cost of \$1,268,480.00 to be allocated from the General Operating Fund in 2015.

The Repair/Replacement of Happy Valley Sewer Line project is estimated to cost \$1,750,000.00 dollars in 2015 to be allocated from the General Operating Fund. She believed that the committee would be reviewing projects to identify which projects could perhaps be on hold or partially completed in 2015 in order to implement a lower mill rate increase. She agreed that Council needed to meet and discuss alternate ways to generate revenue, but the committee discussed the 2015 budget and this is not part of this process. The City also needs to move forward with elimination of deficits and needs to discuss this further, but the City must increase the mill rate to assist with deficits. If the City continues to decrease the mill rate while operating costs continue to increase, the City will continue to have deficits and will not move forward with important projects that need to be completed.

Councillor Akumalik asked if the committee was seeking to please themselves as Council members, or residents of Iqaluit or business owners of Iqaluit. No matter what decision the committee makes on the mill rate increase, someone will not be pleased where others will. He agreed with Mayor Wilman that the committee needed to identify projects that could be postponed or partially completed in 2015. If the committee is seeking to implement a lower mill rate than discussed during the budget deliberations, this would be a difficult decision. He asked Administration if the City has a document that could show the trend of the mill rate during the past five years.

Administration advised that no such document was prepared but believed that increases to the mill rate during the past five years were very minimal; there was one year where Council did not increase the mill rate.

Deputy Mayor Stevenson noted that the residential mill rate was not decreased in 2010 but increased, as well as all other classifications, every year since. He expressed his support for the mill rate increases discussed during the budget deliberations.

Councillor Akumalik asked for clarification on the Repair of Hanson Drive project for a total estimated cost of \$250,000.00.

Administration explained that the department identified longitudinal cracks in the pavement of Hanson Drive as well as some sloughing of the shoulders; the road was paved recently and these issues should not occur. If left as is, it could cause significant damage to the top structure of the pavement; the department was to complete repairs as necessary in 2015 to prevent further derogation of the road.

Councillor Dobbin noted that the City's biggest and most expensive project is not listed in the Capital Projects listing and asked for clarification. He explained that he is simply seeking explanation as to why the residential 9/10 category had a higher mill rate than commercial and transmission.

Administration explained that the Aquatic Centre project is not included on the Capital Projects listing due to the fact that funding for this project is being provided by the Bank of Montreal and is not dependent on taxes.

Councillor Dobbin expressed his concern with the fact that the City is considering increasing taxes for residents and considering to move forward with such a large and expensive project.

Councillor Bell suggested that the purchase of the metal crusher be cancelled and that \$600,000.00 be transferred to the Sanitation Fund for the Waste Water Treatment Plant Upgrade; the total remaining project cost would then be \$320,000.00 to be allocated from Federal Government Gas Tax Funding. The remaining \$600,000.00 from the Federal Government Gas Tax Funding could then be used for the Repair/Replacement of Happy Valley Sewer Line, leaving \$1,150,000.00 to be allocated from the General Operating Fund, rather than \$1,750,000.00 dollars.

Administration explained that the department would need to confirm that the Federal Government Gas Tax Funding could be used for the Repair/Replacement of Happy Valley Sewer Line project.

Councillor Bell stated that the total funds to be allocated from the General Operating Fund would then be approximately \$3,452,000.00, rather than \$4,052,000.00. Funds in the Water and Sewer Fund could be used for the Repair/Replacement of Creekside Water Line project for an estimated total of \$455,000.00 and the funds from the Federal Government Gas Tax Funding could also be used for the Repair/Replacement of Happy Valley Sewer Line. The total funds to be allocated from the General Operating Fund would then be approximately \$3,000,000.00. Eliminating the Repair to Hanson Drive project would reduce funds to be allocated from the General Operating Fund by an additional \$250,000.00 bringing total funds to be allocated from the General Operating Fund to approximately \$2,750,000.00. This would have a significant impact on the increases to the mill rate. He also suggested that all hiring of new employees be put on hold until such time when the City can organize its finances. He also believed that all personal vehicle usage should be removed except for emergency services and staff members who are on call.

Councillor Akumalik asked if any of the projects would have regulatory implications if removed or delayed.

Administration explained that any projects funded by the Federal Government Gas Tax Funding generally have regulatory implications. The West 40 Landfill Run-Off Treatment project, the Waste Water Treatment Plant Upgrade project, the Supplementary Water Supply Plan Completion project, the Decommissioning of West 40 Landfill and the New Solid Waste Management Facility with Incineration project all have regulatory implications.

Deputy Mayor Stevenson believed that the new positions requested by some departments were not requested simply to be requested but because they are seriously needed in order to properly function as a department and to provide the best services to Iqaluit residents. He believed that the proposed budget discussed during the budget deliberations could be a positive step forward in fulfilling requirements and improving operations within the City.

Councillor Dobbin noted that property tax arrears are now approximately \$2,700,000.00 and did not believe this to be acceptable. The arrears continue to increase each year and will soon be \$3,000,000.00. The City needs to take action and collect arrears, whether it is amending the *Cities, Towns and Villages Act* or denying business licenses to those who have significant arrears. The City should also make land available, if possible, for development, as this is a significant source of revenue for the City.

Administration explained that the arrears could also simply reflect late payment of property taxes, as well as interest added to invoices that remain unpaid. Should Council wish to amend the *Cities, Towns and Villages Act*, they would need to move forward with this matter, as this is not an action that can be completed by Administration. Council will be reviewing the final development scheme for the new subdivision at the next Planning and Development Committee of the Whole meeting and will also be discussing possible available lots in Apex.

Councillor Dobbin explained that the City should make developed, serviced lots available to the public for purchase. He asked if the City had any available lots in the Core Area to make available to the public for development.

Administration advised that the City does not have any available lots for sale to the public.

Councillor Bell stated that there are many buildings that are boarded and have been boarded for many years. He is unsure as to whether or not the City is collecting property taxes for these buildings but suggested that the City request that these be repaired and sold or used so that taxes can be collected; perhaps the City should seize the buildings and sell them to the public. The City should discuss how it plans to move forward with the collection of tax arrears in the very near future, as this is a very important matter that needs to be addressed as soon as possible.

Administration suggested that all these matters be discussed with the new Chief Administrative Officer who will be arriving in early April 2015.

Mayor Wilman agreed with Deputy Mayor Stevenson that the proposed mill rate increase during the budget deliberations was a positive move forward and expressed her support for the originally proposed mill rate increases.

**Motion #FIN15-04**

Moved by: Councillor Bell  
Seconded by: Councillor Dobbin

Committee recommends that the Hanson Drive project be cancelled as well as the purchase of the metal crusher; funds to be transferred to the Waste Water Treatment Plant Project.

**For – Bell, Akumalik, Dobbin  
Against – Stevenson, Papatsie, Nattaq, Wilman  
DEFEATED**

Committee breaks from session at 11:30am.

Committee returns to session at 12:00pm.

Administration advised that the federal government committed to a new Gas Tax Fund in April 2014; this new Gas Tax Fund may be able fund the Repair/Replacement to Happy Valley Sewer Line project. Further clarification would be required from the federal government as to whether or not the new commitment would also fund projects to be completed in 2015.

Councillor Bell noted that the Audit Committee was recently informed that \$1,500,000.00 must be transferred back to the Gas Tax Fund and asked for clarification.

Administration explained that \$3,000,000.00 was transferred from the Gas Tax Fund to the General Operating Fund. After the City's audit was completed, it was identified that the transfer should have been \$1,500,000.00 rather than \$3,000,000.00. The City must now transfer \$1,500,000.00 back to the Gas Tax Fund, as these are restricted funds and regulations govern the use of the money.

Councillor Bell asked if \$1,500,000.00 to be transferred back to the Gas Tax Fund could be used for the Repair/Replacement of Happy Valley Sewer Line project and only use \$250,000.00 from the General Operating Fund.

Administration explained that any spending of Gas Tax Funds require the approval of the Minister of Community and Government Services. Confirmation will be required from the Department of Community and Government Services prior to funds be transferred for other projects. The City received funds from the Gas Tax Funding to pay for a number of projects to be completed over a number of years. If the \$1,500,000.00 is entirely used for the Repair/Replacement of Happy Valley Sewer Line project, it may be taking away funds that would be required in the future for other projects that have or will begin and that are to be completed over the next few years.

Deputy Mayor Stevenson asked for clarification whether or not the \$1,500,000.00 is to be used for other projects or if it has been accounted for as spent already and if so, will additional funds in the Gas Tax Fund account be used on other projects as Council may chose.

Administration believed that the funds were transferred by mistake, assuming that a project was to require the funds, but it was identified that excess funds were transferred and that they must be transferred back to the Gas Tax Fund. If funds need to be used for other projects and were already dedicated to those projects, the remaining balance of the \$1,500,000.00 could be used for the Repair/Replacement of Happy Valley Sewer Line project.

Councillor Dobbin asked if the City anticipates receiving additional Gas Tax Funds in 2015 for additional projects.

Administration explained that the Gas Tax Funds received or to be received in 2015 have been dedicated to Capital Projects as discussed during the budget deliberations. The total Gas Tax Funds to date is \$3,376,279.95.

Councillor Dobbin stated that he would like all classifications to receive the same or similar mill rate in 2015.

Deputy Mayor Stevenson suggested that an increase be applied to the residential 7/8 classification mill to generate \$409,500.00 and that a decrease of the same amount be applied to the commercial classification mill rate to make them similar rates.

Councillor Bell believed that this was the same proposed motion during the Council meeting for the 2015 Mill Rate By-law, which was defeated.

**Motion #FIN15-05**

Moved by: Deputy Mayor Stevenson

Seconded by: Councillor Dobbin

Committee recommends an increase of \$409,500.00 to the residential 7/8 classification and a decrease of the same amount to the commercial classification.

**For – Papatsie, Dobbin, Akumalik, Nattaq, Stevenson, Wilman  
Against - Bell  
Carried**

Deputy Mayor Stevenson asked how many vehicles would be included as part of the proposed motion.



Administration advised that the Director of Recreation and the Director of Public Works take vehicles home. The Director of Planning and Development has also been bringing the vehicle home in the evenings due to the lack of parking space at building 2425.

Councillor Stevenson asked if there is a vehicle policy for staff to respect.

Administration confirmed that the City has a vehicle usage policy and staff does respect this policy. The policy does not permit use of City vehicles for personal use. The City has experienced a significant amount of vandalism to City vehicles that are left at City Hall, building 2425, at the Arctic Winter Games Complex or elsewhere. A few years ago, a decision was made that directors or managers of each department would bring the department's vehicle home to prevent vandalism.

Councillor Bell stated that he has seen staff on a number of occasions using City vehicles for personal use and this is the reason for the motion.

Deputy Mayor Stevenson stated that he would like to review the policy and would also like to know how the policy is enforced prior to voting on the motion.

Councillor Dobbin asked if there is a policy for fueling of City vehicles.

Administration advised that the City has gas boys at the City garage that must be used with an access card for the specific vehicle; fuel used for vehicles is monitored closely.

Mayor Wilman did not understand the reason for the motion if there is a policy

**Motion #FIN15-06**

Moved by: Councillor Bell

Seconded by: Councillor Dobbin

<p>Committee recommends removal of all personal vehicle usage by staff except Emergency Services and people on call.</p> <p style="text-align: right;"><b>For – Bell, Dobbin</b> <b>Against – Stevenson, Nattaq, Akumalik, Papatsie</b> <b>Abstained - Wilman</b> <b>DEFEATED</b></p> <p><b>Mayor Wilman abstained from the motion as there is a policy in place regarding the use of City vehicles and this policy should be properly enforced.</b></p>
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**Motion #FIN15-07**

Moved by: Councillor Bell  
Seconded by: Councillor Dobbin

That a hiring freeze takes effect immediately until the new Chief Administrative Officer arrives; competitions that are currently out are not affected.  
**Unanimously Carried**

b) Discussion Item – Toonik Tyme  
Councillor Akumalik

Councillor Akumalik noted that the Toonik Tyme committee had submitted a request to the City for funding assistance; the committee was requesting \$50,000.00 from the City and has yet to receive confirmation. The annual funding contribution from the City is normally \$10,000.00 and the committee will be receiving this funding contribution as planned, but is requesting to increase the City's contribution to \$50,000.00. The committee would like to receive this confirmation in the very near future.

Deputy Mayor Stevenson noted that the City has contributed \$10,000.00 and \$11,000.00 was contributed from the Niksiit Committee.

Councillor Dobbin believed that the City was fully supportive of Toonik Tyme and would like to assist with the additional funding request to help with the 50<sup>th</sup> anniversary but the City is not in a financial position to do so at this time.

6. **IN CAMERA SESSION**

None

7. **ADJOURNMENT**

**Motion #FIN15-08**

Moved by: Deputy Mayor Stevenson  
Seconded by: Councillor Dobbin

That Committee adjourns at 12:40pm.  
**Unanimously Carried**



  
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Councillor Mansell  
Vice-Chair

  
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John Mabber-Mudonyi  
Senior Director, Corporate Services

Approved by City Council on this 27 day of October, 2015, A.D.

