

**MINUTES
CITY OF IQALUIT
FINANCE COMMITTEE OF THE WHOLE MEETING #05
August 18, 2014 at 6:00 PM
CITY COUNCIL CHAMBERS**

PRESENT FROM COUNCIL

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

ABSENT

PRESENT FROM ADMINISTRATION

John Hussey, Chief Administrative Officer
Tracy Cooke, City Clerk
John Mabberi-Mudonyi, Senior Director, Corporate Services
Richard Sparham, Engineering and Sustainability
Jeanie Eeseemalle, Senior Interpreter/Translator

ADOPTION OF AGENDA

Motion #FIN14-26

Moved by: Councillor Bell
Seconded by: Councillor Stevenson

That the agenda be adopted as presented.

Unanimously Carried

1. MINUTES

None

2. DECLARATION OF INTEREST

None

3. DELEGATIONS

None

4. DEFERRED BUSINESS AND TABLED ITEMS

None

5. NEW BUSINESS

- a) Verbal Update – New Cemetery
Richard Sparham, Engineering

Administration thanked the committee for giving him the opportunity to present. It was noted that an update was provided to the committee on July 15, 2014 as well as requesting that the committee consider charging a burial fee. The Committee requested at the time that further information be provided on the matter explaining why a burial fee would be needed and if it would be feasible to do so; the details of this will be presented at a future Finance Committee of the Whole meeting for the committee's review and consideration. The Engineering Department requested that their consultant compare Iqaluit's new proposed cemetery operations to other northern communities; the consultants compared Iqaluit to eight different northern communities who also have municipal operated cemeteries including Whitehorse, Yellowknife, Prince George, Fort McMurray, Churchill, Prince Albert, Thunder Bay and Sault Ste. Marie. All of these communities charge a burial fee and they vary between one hundred eight (\$108.00) to just under two thousand seven hundred (\$2,700.00) dollars with an average of one thousand three hundred (\$1,300.00) per burial. The fee structures can include burial plots, perpetual care funds and opening and closing of graves.

The overall cost of operation for the Iqaluit cemetery, on a per grave basis, is approximately one thousand two hundred (\$1,200.00) dollars for capital costs and approximately one thousand (\$1,000.00) dollars for maintenance and operation. Staff is currently reviewing recovery costs for the committee to later provide details and options for the burial fee but would also like to receive the committee's recommendation on the matter.

Administration advised that implementing a burial fee would have the following advantages for the City:

- would enable the City to progress at an administrative level as other comparable communities
- the charge for burials on a user fee basis is a more physically responsible method of cemetery administration

- the costs of operation would not necessarily be paid for by municipal taxes and this would hopefully recover the costs of the cemetery operation

It was believed that the only disadvantages would be that implementing a new burial fee would most likely generate negative feedback from the public. The City could possibly recover all capital, maintenance and operating costs of the cemetery by charging a burial fee of two thousand two hundred (\$2,200.00) dollars per burial. The City could review capital costs already associated and funded for and only consider charge a recovery cost for maintenance and operation for a total of one thousand (\$1,000.00) dollars per burial. The City could also consider phasing the burial fee over a number of years until the full cost recovery fee identified is reached. The City could also chose to simply continue operations as is, without a burial fee, and continue to pay for capital, maintenance and operation costs with municipal taxes.

Administration noted that staff will be seeking support to proceed with a burial fee of one thousand (\$1,000.00) dollars per burial to recover maintenance and operation costs only per burial.

Councillor Bell asked for clarification if graves could only be dug as deep as four (4) feet at the new cemetery.

Administration noted that confirmation would need to be obtained but believed that graves were being dug deeper than four (4) feet.

Councillor Bell believed that other communities who charge a burial fee dig graves at six feet deep and understood that Iqaluit's cemetery was only permitting graves of four feet deep due to water levels and requested that confirmation of grave depth be provided to the committee during the next update or sooner.

Councillor Dobbin asked if there are any expected delays, cost overruns, engineering issues or any other issues with Phase 1 of the new cemetery.

Administration did not believe that there were any delays, costs overruns or any issues with Phase 1 of the new cemetery.

Councillor Dobbin believed that there were only fifty one (51) graves remaining at the old cemetery and asked when the new cemetery would be opened.

Administration advised that their hope is to conduct the opening ceremony in October and that the cemetery could then begin being used if required.

Councillor Akumalik believed that the public should be given advance notice of the opening ceremony for the new cemetery.

Administration stated that it is their intention to organize a proper opening ceremony of the new cemetery and that this will be communicated with Iqaluit residents through public service announcements.

Councillor Akumalik stated that vandalism has been occurring at the old cemetery and asked if the department has considered any protection against vandalism for the new cemetery.

Administration explained that large boulders surround the cemetery and incorporated stonework throughout the layout of the cemetery to prevent any snowmobiles or all terrain vehicles passing through the cemetery. Signage will be installed indicating that snowmobiles and all terrain vehicles are not permitted within the cemetery boundary and that a five hundred (\$500.00) dollar fine will be issued to those violating this rule.

Councillor Stevenson expressed his support for the implementation of a burial fee of one thousand (\$1,000.00) dollars. He understood the value of perhaps phasing the burial fee over a number of years and believed that this would be a great cost recovery for the City and would be very beneficial.

Deputy Mayor Wilman asked for clarification how unemployed individuals would pay burial fees, as there are many unemployed individuals in Iqaluit.

Administration explained that this was greatly considered by the department and it was decided that the City needed to be open minded for those on income support or those who are unemployed; perhaps the City could partner with the Government of Nunavut or the Government of Canada for these situation. The department also considered having discussions with Nunavut Tunngavik Inc. or the Qikiqtani Inuit Association for funding opportunities for beneficiaries.

Deputy Mayor Wilman noted that in the past, elders have participated in opening of new infrastructure and suggested that the committee or staff visit the elders' centre and discuss the opening of the new cemetery with them.

Councillor Papatsie agreed with Deputy Mayor Wilman that many individuals were unemployed and that this needed to be taken into consideration when implementing a burial fee. These individuals would have no means of paying for the burial of a loved one if unemployed or on income support. He also believed that elders should be involved with the opening ceremony and that meetings with them should be scheduled as soon as possible.

Councillor Bell believed that the Government of Nunavut covered the burial costs for beneficiaries and asked for clarification.

Administration confirmed that the Government of Nunavut did cover burial costs for beneficiaries. Additional information would need to be requested as to what these costs include.

Councillor Dobbin asked if individuals currently pay for burials, caskets, or any burial related services.

Administration noted that a local undertaker provides funeral services and the Public Works Department digs graves. It is believed that there is a contract in place between the undertaker and the Government of Nunavut where the government covers the costs of caskets and crosses as well as the service fee to the undertaker. At this time, the City is not responsible for funeral services or burials other than digging of graves, receiving death registrations and issuing burial permits.

Councillor Papatsie believed that perhaps a new tax should be implemented which would be used to pay for the operations of the new cemetery. One thousand (\$1,000.00) dollars is a significant amount of money to pay for burial services and this would be an easier way to recover burial costs.

Councillor Akumalik explained that the Qikiqtani Inuit Association will sometimes cover the costs for medical related expenses but if a family member passes in a southern city or community, they will cover the cost for shipping of the body. Sometimes the airline also donates the cargo space for shipping of the body but once the body arrives in Iqaluit, the undertaker charges for pick up and delivery of the body within Iqaluit as well as funeral services for all beneficiaries' family whose family member died in the hospital. Other communities in Nunavut have these costs covered by the Government of Nunavut, the hamlet and the local churches.

Administration noted that another matter discussed during the July 15, 2014 meeting was the possible relocation of the cross from the Road to Nowhere site to the new cemetery site. Based on the committee's recommendation, staff requested a quote for the relocation of the cross, based on a budget of twenty five thousand (\$25,000.00) dollars. With the completion of Phase 1 of the new cemetery, staff requires direction from the committee as to whether or not they would like to have the stone cross relocated to the new site. The committee could also choose to relocate the cross elsewhere or leave it at its current location until it is determined what the Road to nowhere site will be used for in the future.

Councillor Dobbin believed that the quote received from Kudlik Construction for the relocation of the cross was twenty five thousand (\$25,000.00) dollars. The committee had also asked whether or not City staff could relocate the cross themselves to save on costs and asked for clarification.

Administration explained that further clarification would be required from other engineering staff but believed that the City was not equipped to relocate the cross itself.

Councillor Stevenson believed that it was indicated by Public Works staff to the committee that required equipment to relocate the cross is not within the City's inventory and that this was not possible in house.

Councillor Akumalik asked if this decision was time sensitive.

Administration explained that some equipment required to relocate the cross would need to be shipped during the sealift season and Kudlik Construction would require a decision sooner rather than later.

Councillor Akumalik suggested that perhaps the relocation of the cross be deferred to a later date.

Motion #FIN14-27

Moved by: Councillor Bell

Seconded by: Councillor Dobbin

Committee recommends that the relocation of the cross to the new cemetery be deferred.

Unanimously Carried

b) Balance Sheet

John Mabberi-Mudonyi, Senior Director, Corporate Services

Administration reviewed the draft Consolidated Statement of Financial Position for the committee dated June 30, 2014. He began with Financial Assets and noted the following:

- total Cash and cash equivalents is twenty million nine hundred thirty five thousand four hundred sixteen (\$20,935,416.00) dollars
- total Taxes and grants in lieu is nine million ninety one thousand one hundred twenty two (\$9,091,122.00) dollars
- total Trade and other is three million five hundred eighty four thousand two
- total Land held for resale is fifteen thousand seven hundred sixty six (\$15,766.00) dollars
- total Land leases available is five million nine hundred forty six thousand three hundred (\$5,946,300.00) dollars
- total Financial Assets is thirty nine million five hundred seventy two six hundred six (\$39,572,606.00) dollars

Liabilities

Administration reviewed the Liabilities for the committee and noted the following:

- total Accounts payable and accrued liabilities is two million seven hundred forty one thousand five hundred one (\$2,741,501.00) dollars
- total Due to Government of Nunavut is thirty eight thousand six hundred eighty nine (\$38,689.00) dollars
- total Deposits is one hundred twenty three thousand one hundred forty three (\$123,143.00) dollars
- total Performance bond payable is fifty eight thousand six hundred ninety two (\$58,692.00) dollars
- total Post-employment benefits payable is one million seven hundred eighty six thousand two hundred thirty two (\$1,786,232.00) dollars
- total Closure/post-closure liabilities is two million six hundred forty nine thousand nine hundred forty five (\$2,649,945.00) dollars
- total Deferred revenue is eleven million seven hundred forty four thousand three hundred thirty one (\$11,744,331.00) dollars
- total Long term debt is thirteen million seven hundred ninety four thousand eight hundred sixty nine (\$13,794,869.00) dollars
- total Obligations under capital lease is seventy one thousand nine hundred fifty seven (\$71,957.00) dollars
- total Liabilities is thirty three million nine thousand three hundred fifty nine (\$33,009,359.00) dollars
- total Net Financial Assets is six million five hundred sixty three thousand two hundred forty seven (\$6,563,247.00) dollars

Non-Financial Assets

Administration reviewed Non-Financial Assets for the committee and noted the following:

- total Prepaid expenses is two hundred thirty four thousand eight hundred seventy (\$234,870.00) dollars
- total Consumable inventories is one million fifty three thousand four hundred twenty two (\$1,053,422.00) dollars
- total Tangible capital assets is ninety eight million eight hundred twelve thousand eight hundred sixty (\$98,812,860.00) dollars
- total Non-Financial Assets is one hundred million one hundred one thousand one hundred fifty two (\$100,101,152.00) dollars
- total Accumulated Fund Balances is one hundred six million six hundred sixty four thousand three hundred thirty nine (\$106,664,399.00) dollars

c) Financial Statements

John Mabberi-Mudonyi, Senior Director, Corporate Services

Administration reviewed the quarterly financial statements dated June 30, 2014 for the committee beginning with the General Operating Fund and noted the following:

- total Revenues is forty one million four hundred eighty eight thousand three hundred two (\$41,488,302.00) dollars; a slight decreased compared to 2013
- total Expenditures is nine million eight hundred ninety nine thousand six hundred four (\$9,899,604.00) dollars
- total Reallocated Expenditures is nine hundred ninety seven thousand four hundred fifty (\$997,450.00) dollars
- total Net Operating Expenditures is seven million four hundred thirteen thousand eight hundred fifty two (\$7,413,852.00) dollars
- total Net Revenues before capital purchases is seven million nine hundred eighty two thousand nine hundred ninety nine (\$7,982,999.00) dollars
- total Transfer to Reserves is nine hundred thirty three thousand four hundred fifty (\$933,450.00) dollars
- total Closing Fund Balance is five million six hundred fifty seven thousand six hundred twenty (\$5,657,620.00) dollars

Administration reviewed the Water and Sewer Fund for the committee and noted the following:

- total Revenues is two million nine hundred sixty five thousand one hundred fifty five (\$2,965,155.00) dollars
- total Operating Expenditures is three million nine hundred thirty six thousand two hundred eighty two (\$3,936,282.00) dollars
- total Reallocated Expenditures is five hundred five thousand five hundred (\$505,500.00) dollars
- total Net Operating Expenditures is one million four hundred seventy six thousand six hundred twenty seven (\$1,476,627.00) dollars
- total Property Taxes and Government of Nunavut Contributions is six hundred seventeen thousand two hundred ninety nine (\$617,299.00) dollars
- total Closing Fund Balance is a deficit of five million four hundred twenty one thousand nine hundred forty (\$5,421,940.00) dollars

Councillor Bell believed that the deficit in the Water and Sewer Fund was approximately one million (\$1,000,000.00) dollars during the 2014 budget deliberations and asked for clarification.

Administration noted that the deficit was much greater than one million (\$1,000,000.00) dollars.

He reviewed the Sanitation Fund for the committee and noted the following:

- total Revenues is one million one hundred seventy seven thousand three hundred seventy four (\$1,177,374.00) dollars
- total Operating Expenditures is nine hundred sixty five thousand nine hundred fifty nine (\$965,959.00) dollars
- total Reallocated Expenditures is two hundred sixty thousand four hundred (\$260,400.00) dollars
- total Transfers to Reserves is two hundred twenty one thousand (\$221,000.00) dollars
- total Closing Fund Balance is a deficit of one million nine hundred ten thousand nine hundred seventy eight (\$1,910,978.00) dollars

Administration reviewed the Land Fund for the committee and noted the following:

- total Revenues is six hundred thirty eight thousand seven hundred ninety four (\$638,794.00) dollars
- total Operating Expenditures is four hundred ninety eight thousand two hundred forty (\$498,240.00) dollars
- total Reallocated Expenditures is one hundred sixty thousand four hundred fifty (\$160,450.00) dollars
- total Property Taxes and Government of Nunavut Contributions is twenty thousand thirty five (\$20,035.00) dollars
- total Closing Fund Balance is fifty seven thousand seven hundred fifteen (\$57,715.00) dollars

Councillor Dobbin asked for clarification as to how the City determines which reserves are restricted and which are unrestricted for various uses; the Government of Nunavut indicated that the City had approximately seven million five hundred (\$7,500,000.00) dollars available in reserves but the City's total available amount was approximately four million (\$4,000,000.00) dollars.

Chairperson Mansell noted that the Government of Nunavut excluded reserves are the legislatively restricted whereas the City excluded the same reserves and others that they feel should not be used for purposes other than their intended use due to emergency situations that may arise. The reserve account for the Aquatic Centre is not legislatively restricted but the City did approach the financial institution for borrowing based on funds in reserves, and one of the borrowing conditions is that those funds remain available for the Aquatic Centre only.

Administration reviewed the Gravel Fund for the committee and noted the following:

- total Reallocated Expenditures is forty thousand five hundred (\$40,500.00) dollars
- total Transfers to Reserves is twenty five thousand (\$25,000.00) dollars

- total Closing Fund Balance is two hundred fifty six thousand five hundred forty eight (\$256,548.00) dollars

He reviewed the Reserves Fund for the committee and noted the following:

- total Transfers to Reserves is one million two hundred sixty nine thousand one hundred (\$1,269,100.00) dollars
- total Closing Fund Balance is twelve million nine hundred twenty nine thousand six hundred ninety four (\$12,929,694.00) dollars

Administration reviewed the Community Health Fund for the committee and noted the following:

- total Revenues is two hundred sixty three thousand seven hundred sixty six (\$263,766.00) dollars
- total Operating Expenditures is three hundred sixty nine thousand five hundred seventy (\$369,570.00) dollars
- total Transfers to Reserves is two hundred fifty (\$250.00) dollars
- total Closing Fund Balance is two hundred two thousand eight hundred twenty eight (\$202,828.00) dollars

He reviewed the Capital fund for the committee and noted that to date, there has been no activity.

Administration reviewed capital projects for 2014 noting that these projects were specifically identified by the Department of Engineering and completion date for these has not been indicated. The total budget for the thirteen (13) listed capital projects is thirteen million four hundred eight three thousand (\$13,483,000.00) dollars; to date, eleven million sixty nine thousand seventy five (\$11,069,075.00) dollars has been spent.

Motion #FIN14-28

Moved by: Councillor Bell

Seconded by: Councillor Stevenson

Committee recommends that the 2014 quarterly financial statements be approved.

Unanimously Carried

d) **Budget Amendments**

John Mabberi-Mudonyi, Senior Director, Corporate Services

Administration presented the budget amendments and noted that the following amendments are recommended in order to reflect an accurate budget:

- Municipal Funding Program should be amended to reflect one million nine hundred fifteen thousand four hundred twenty six (\$1,915,426.00) dollars
- Water and Sewer Program should be amended from one million six hundred sixty five thousand nine hundred (\$1,665,900.00) dollars to reflect one million two hundred thirty four thousand five hundred ninety seven (\$1,234,597.00) dollars; a reduction of four hundred thirty one thousand three hundred three (\$431,303.00) dollars
- Translation Services should be amended by transferring forty seven thousand (\$47,000.00) dollars from Salaries and Benefits and eleven thousand two hundred (\$11,200.00) dollars from Settlement Allowance to Translation Services; a total reduction of fifty eight thousand two hundred (\$58,200.00) dollars
- Building Inspection should be amended by transferring eighteen thousand five hundred (\$18,500.00) dollars from Salaries and Benefits to enable the acquisition of a vehicle for the Building Inspector

Motion #FIN14-29

Moved by: Councillor Bell

Seconded by: Councillor Stevenson

Committee recommends that the following budget amendments be approved:

- Increase to Municipal Funding Program of \$1,915,426.00
- Decrease to Water and Sewer Program of \$431,303.00
- Transfer of \$47,000 from Translation Service Salary and Benefits to Contracted Translation Services
- Transfer of \$11,200.00 from Translation Service – Settlement Allowance to Contracted Translation Services
- Transfer \$18,500.00 from Building Inspector Salary and Benefits to enable the acquisition of a vehicle for the Building Inspector.

Unanimously Carried

- e) Verbal Update – 2015 Budget
John Mabberi-Mudyoni, Senior Director, Corporate Services

Chairperson Mansell noted that he and Administration met on a number of occasions during the last month to discuss procedures for the 2015 budget deliberations. A number of options have been identified for the committee to consider such as budget items that have no significant changes would not be reviewed or presented, all documents would be prepared and submitted to Council members for review prior to the meeting, any new budget items will be highlighted and discussed with Council members, et cetera.

Administration agreed with chairperson Mansell and noted that if any Council members wish to review any budget items in details, they should meet with

Administration to do so prior to the meeting. If Council members have any questions or concerns in relation to any budget items not being presented during budget deliberations, they should also meet with Administration to discuss these further. Administration would like to have a simple, understandable budget process this year without requiring a significant amount of time to review the budget.

Councillor Bell agreed with Chairperson Mansell and Administration and noted that the 2014 budget documents contained many errors and staff should ensure that budget items are as accurate as possible. He expressed his appreciation for the suggested presentation method for the 2015 budget deliberation.

Councillor Papatsie suggested that when Chairpersons meet with Administration for certain committee related matters that they also invite the co-chairperson so that both are aware of the discussions and issues that may need to be discussed at a future committee meeting.

f) Discussion Item – Goals and Objectives Workshop
John Mabberi-Mudyoni, Senior Director, Corporate Services

Administration believed that in order to establish a reasonable budget is to identify goals and objectives for the year as well as future years. The committee will need to discuss their goals and objectives for 2015 as well as years to come prior to the budget deliberations.

Chairperson Mansell believed that the goals and objectives workshop should be scheduled for September or October to give staff sufficient time to budget for identified projects.

Councillor Bell agreed that the committee needed to meet and discuss goals and objectives. He stated that not only would the committee need to discuss these matters but staff would also need to provide the committee accurate information on past and future projects, failures and accomplishments.

Deputy Mayor Wilman also agreed that goals and objectives needed to be identified in order to have an accurate and balanced budget.

Councillor Dobbin stated that his main priority is the City's infrastructure such as roads and culverts, but staff's recommendations are not always what Council wants to accomplish and often, projects identified during budget deliberations are incomplete at the end of the year or not started.

Councillor Akumalik agreed with the committee and Administration and stated that he looks forward to discussing goals and objectives with staff and the committee. He believed that the department's priorities are often different from what Council would like to see completed in the year and hoped that during the

goals and objectives workshop, staff and Council could agree on priorities and projects that need to be completed.

6. **IN CAMERA SESSION**

None

7. **ADJOURNMENT**

Motion #FIN14-30

Moved by: Councillor Bell
Seconded by: Councillor Akumalik

Committee adjourns at 8:05pm.

Unanimously Carried




Councillor Mansell
Chairperson


John Mabberi-Mudonyi
Senior Director, Corporate Services

Approved by City Council on this 23 day of June, 2015, A.D.

