

**MINUTES OF THE AUDIT COMMITTEE**  
**Tuesday, February 27, 2024 @ 9:30 AM**  
**City Hall Council Chambers | 4850 Argyle Street, Port Alberni, BC**

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**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 November 28, 2023, be adopted.*

**CARRIED**

**C. UNFINISHED BUSINESS**

**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 December 31, 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.  
*This is negative value (refund).*
  - AVICC - Councillor Douglas' expenses are higher compared to other attendees.  
*Expenses are claimed by individual and reviewed to confirm eligible.*
  - AVCoC - Councillor Solda attended as a City representative. Did Councillor Haggard attend in her own capacity or who did she represent?
  - UBCM - Councillor Douglas did not attend. There is a charge listed. Is this a non-refundable charge?  
*A credit from Westjet to a personal travel bank at this time.*
  - LGLA - Councillor Douglas' expenses are higher compared to other attendees.  
*Expenses are claimed by individual and reviewed to confirm eligible.*

**E. REPORTS**

***General Fund – Revenue***

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

- Off-Street Parking Service – History and current practices.
- Line 14241 – Over plan - property classification change Light to Heavy Industry.

- Line 14560 – Over plan - Grant funding received for Economic Development.
- Line 14718 – Over plan - Bulldogs went into playoffs.
- Line 14716 - Closures to the pool do not provide savings.
- Line 15170 - Anticipated building projects were not submitted in 2023.
- Penalties & Interest - There was an increase in penalties for late payments.

*Members inquired as follows:*

- Line 15190 - Corporate Services – seek additional information regarding vacant building fees.

**General Fund – Expenditures**

The Director of Finance provided a summary of the General Fund:

- Expense overall were on or close to the budget allocation for 2023.

*Members inquired as follows:*

- Line 22121 Police Services Contract was \$305,387 over the anticipated costs.  
*Contract amendment after City's Plan approved – Contract settlement.*
- Line 21252 City Hall, what changed?  
*Additional work to the facility in 2023, minor renovation of kitchen area.*
- Line 21930 Insurance has decreased. Are we still in the same ballpark?  
*MIABC rates were lower than AON in 2021 when we switched, but have increased with new assets and higher coverage values. Water and Sewer are now allocated based on the property coverage of those specific assets. Insurance allocation includes some risk mitigation funding.*
- Line 22921 – why would we budget so much and not use?  
*Anticipated contractor costs for commercial inspection, those permits did not materialize and not utilized.*
- Line 23233 – Seeking more detail on this line item.  
*Two in nature items completed with operational funding - Elizabeth and Vimy.*
- Line 21260 – How do carbon offsets work?  
*LGCAP Program – Climate Action Plan – no specific requirement for CPA funds. Used to support carbon reduction expenditures.*
- Community Centres and Halls is overbudget. Was there a change in practice or renos?  
*Concession for the Bulldog games resulted in higher costs - 2 months longer for playoffs.*
- Line 27515 – This is a 100% increase.  
*Grant funded – offsetting revenues received.*

**Sewer Revenue Fund Update**

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

- Revenue is fairly close to what we anticipated as people are more mindful of water consumption.
- \$193,039 under plan for sewer system expenses.
- Sewer increases are required to support LWMP projects (CSO) and contribution to reserves and debt servicing (lagoon).

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### **Water Revenue Fund Update**

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

- There is an increase of \$376,000 over plan contributing to the supply to Tseshaht and Beaver Creek.
- Logging truck accident cost to repair was covered through ICBC.
- Transfers to Water Capital Fund is \$482,521 more than planned due to higher revenue received.

*Members inquired as follows:*

- Line 64185 - Is this for changes and upgrades to the meters?  
*Yes, it is the operation cost of the meters in system.*

### **Capital All Funds Update**

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

In Progress:

- Projects 22008 and 22009 Trucks #140 & #141 require more funding.
- Project 23013 Solid Waste Truck - require more funding and delay in delivery.
- Project 23020 Paving - Anderson at North Park senior's housing and Burde Street.
- Project 21024 Child Care Spaces Grant – grant increased; complete in April.
- Project 21018 - McLean Mill Septic site upgrades to be completed early 2024.
- Project 23025 McLean Mill Capital Projects - Heritage - continuing.
- Project 15482 Clock Tower Repair - lighting and sign; wrapped up by March 2024.
- Connect the Quays - allocation; complete in 2024.
- Train Station completed in early 2024.
- Roger Creek - Aug-Sept 15 to complete project in fish window.
- Somass - exp. for net - salvage and material in 2023.
- Water meter replacement to be received in 2024.

Completed:

- 7<sup>th</sup> Avenue - Redford to Bute: underbudget overall.
- Small Capital Main Replacements: Vimy; Sage Haven.
- Relining Projects: complete and one to be reviewed for scope change.
- 10<sup>th</sup> Avenue - Redford and Dunbar Upgrades: Overbudget \$190,000; change orders required.

*Members inquired as follows:*

- Have we received all the water meters?  
*Report to follow.*
- Will there be more in 2024?  
*Report would address.*
- Project 22065 – Argyle/10<sup>th</sup> Avenue Roundabout design only - is this a recoding issue as the amount of (\$252,993) is out.  
*In the process of making corrections.*
- Project 20089 - Harbour Rd/Bruce St Outfall Reline - \$136, 947 overbudget.  
*Project under review for audit.*

- Project 22024 - Coal Creek Re-lining project. \$2,806 overbudget.  
*Project under review for audit.*
- The Argyle/10<sup>th</sup> Roundabout Design Only project is listed under project numbers 22065 and 22051, but also listed under Proposed Paused Projects 22016.  
*Each fund has its each allocation. Project 22065 is sewer, street scape 22016.*
- Why is the McLean Mill Septic project not being paused?  
*The project was already started in 2019 and is to be completed soon so is not feasible to pause the project.*

**F. VENDOR CHEQUE REGISTER REPORT**

The Director of Finance provided an overview of the vendor cheque register report from November 1, 2023 – January 31, 2024.

- Payment to BC Housing.  
*Director of Finance will look into this item.*
- Payment to Baker's Dozen Catering.  
*Director of Finance will look into this item.*
- Payments to Fitness Experience.  
*Director of Finance will look into this item.*
- Payment to Graphic Office Interiors.  
*Director of Finance will look into this item.*
- Payment to MKM Projects Ltd.  
*Project manager for Rollins Child Care Centre and Train Station.*
- Payments to Neighbourhood Welcome Program.  
*Director of Finance will look into this item –might be for Economic Development.*
- Payment to Cindy Solda. Is this for travel?  
*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 December 31, 2023.

Increase in interest rate; significantly higher than we usually see.

*Members inquired as follows:*

- Does the City leave the profits in or reinvest?  
*Leave them in.*

**H. OTHER COMPETENT BUSINESS**

**I. QUESTION PERIOD**

L. Walerius inquired as follows:

- November 28<sup>th</sup> meeting overbudget has improved. Director of Finance was able to reallocate.  
*Admin has reviewed and made coding corrections, these will be included in the Financial Plan.*
- Line 157148 is 65% higher.  
*Expenses rose due to the Bulldogs going to playoffs.*
- Is the concession is staffed by volunteers?  
*CUPE staff.*

- There are cheques paid to the Bulldogs. Is the team provided with a portion of sales?  
*Contract provides a portion of concession revenue.*
- When will the contact be renewed?  
*Expires this year. Drafting new agreement now.*
- Line 21950 Grants in Aid: \$11,000 budget; actual is \$0.  
*Grants in Aid – is an annual Alberni Valley Community Forest Corporation contribution \$10,000 and \$1,000 is available for Council through year, nothing expended in 2023.*
- How do you dispense?  
*Alberni Valley Community Forest Corporation recommends to Council.  
Maritime Centre was recommended for 2024 and approved by Council.*
- Does Alberni Valley Community Forest Corporation have a City representative?  
*Councillor Douglas.*
- Sewer Fund user charges actual \$0.  
*Still under review and corrections may be made if required.*
- Water funds - revenue - over; increase \$100,000.  
*Director of Finance will follow up.*
- Is the City collecting the McLean Mill 2020-2022 10% heritage surcharge through the Chamber?  
*Yes, we do receive funds through the gift shop, but we haven't received it yet.*
- Do we receive it from the Mill site and Chamber or just the Mill site?  
*Just the Mill site per agreement.*
- Renew agreement in 2023?  
*Non-historic to be renewed in 2024.*

R. Smith inquired as follows:


- Is the RCMP reserve invested?  
*Reserve is not investment.*
- What utilization rate is related to RCMP contract?  
*Average utilization rate is 30.5.*
- What is the expected surplus for RCMP contract for 32 members.  
*No surplus in 2023 - it will be overbudget.  
Discussed RCMP contract with respect to retro pay, reserve, surplus and under utilization in prior and upcoming years.*
- Connect the Quays budget is 7 million. 5 million to 7 million; why are there two different numbers?  
*Timing of funding, full funding approved in 2024.*

**J. ADJOURNMENT**

*MOVED AND SECONDED THAT the meeting be adjourned at 11:44 am.*

**CARRIED**

CERTIFIED CORRECT

  
Councillor Cindy Solda, Chair