

**MINUTES
CITY OF IQALUIT
FINANCE
COMMITTEE OF THE WHOLE MEETING #01
FEBRUARY 6, 2024 at 6:00 p.m.
CITY COUNCIL CHAMBERS**

PRESENT FROM COUNCIL

Councillor Kyle Sheppard, Chair
Mayor Solomon Awa
Deputy Mayor Kimberly Smith
Alternate Deputy Mayor Harry Flaherty
Councillor Methusalah Kunuk
Councillor Simon Nattaq
Councillor Romeyn Stevenson – via Teleconference
Councillor Samuel Tilley

PRESENT FROM ADMINISTRATION

Steve England, Chief Administrative Officer
Tammy Ernst-Doiron, City Clerk
Brianna Longworth, Deputy City Clerk
Katrina Sarmiento, Executive Assistant
Peter Tumilty, Senior Director of Corporate Services
Rod Mugford, Director of Human Resources
Aleksey Cameron, Communications and Customer Service Manager
Sumon Ghosh, Director of Engineering and Capital Planning
Jeanie Eeseemailee, Senior Interpreter/Translator

Councillor Sheppard called the meeting to order at 6:00 p.m.

ADOPTION OF AGENDA

Motion FIN 24-01

Moved by: Deputy Mayor Smith
Seconded by: Councillor Tilley

Adoption of agenda 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) **2024 Capital Budget**

Councillor Sheppard noted that staff would be presenting an \$82 million Capital Spending Plan, \$58 million Operating Budget, and no proposed tax increases for 2024.

Peter Tumilty, Senior Director of Corporate Services, presented the 2024 Capital Budget. The following is a summary:

- Twenty-three carryover projects from 2023 are included in the proposed budget to ensure they are completed in 2024, in the amount of \$2.508 million
- City facility improvements - \$6.18 million
 - Large items are the completion of the Operations Centre and Arnaitok Arena ice plant upgrade
- Vehicle and equipment purchases - \$1.958 million
 - Includes various equipment
 - Increase fleet and replacing older equipment
 - Two additional sewer trucks, water truck, dump truck and garbage truck
- Drainage roadway improvements - \$5.62 million
 - Apex Bridge replacement – will be inspected and replaced within the next two years
 - Culvert replacement at Queen Elizabeth Way and Nipisa Street, which will take until 2025 to complete
- Landfill and garbage collection improvements - \$2.380 million
 - Scrap metal and decommission project underway - \$2 million
 - City-wide garbage receptacle pilot project
- Wastewater system upgrades - \$18.650 million
 - Upgrades to transmission and distribution system
 - A lot of the projects will be funded through the long-term water project
 - Government funding in the amount of \$214 million over several years to improve piped and trucked water systems
- Water system upgrades - \$1 million
 - Water treatment plant and chlorine room updates

- Water supply response - \$1.3 million
 - Apex supplementary pumping
 - Multi-year project – allocation \$1.3 million for each of the next three years
- Water supply infrastructure –long-term water project – \$17.840 million
 - Disaster Mitigation and Adaptation Funding - \$214 million funding program
 - Several major projects and some are multi-year projects
 - Projects will continually be identified and presented to Council for approval to maximize the funds
- Dam Safety Management Program - \$1.4 million
 - Lake Geraldine dam will be inspected for civil improvements and structural upgrades
- Cemetery improvements - \$3 million
 - Expanding the Apex Cemetery
- Solid waste planning - \$17.165 million
 - Solid waste transfer station funded through the Infrastructure Funding Program and the City is required to commit 25 percent of the project capital cost
 - Estimated that the project will cost \$14 million to complete and commissioned in November or December 2024
- IT and communications infrastructure upgrades - \$120,000
 - Municipal Enforcement radio replacement
- Wastewater treatment plant - \$1.25 million
 - Electrical upgrade
- Strategic plans and studies - \$1.6 million
 - Trucked service for the new subdivision
 - High school intersection improvements
 - West 40 Subdivision studies, which will be developed over the next several years

Mr. Tumilty noted that the proposed Capital Spending Plan identifies the various funding resources for all of the projects. He noted that all of the projects would be fully funded under the current fiscal structure, leaving the Reserve Funds with a zero or positive balance.

Deputy Mayor Smith was pleased that the garbage receptacles were included in the proposed budget.

Deputy Mayor Smith asked about the \$3 million cost for the Apex Cemetery upgrade and the amount of additional space.

Sumon Ghosh, Director of Engineering and Capital Planning, explained that the long-term strategy plan would be completed this year and the expansion would be carried out in phases.

Alternate Deputy Mayor Flaherty asked for a summary of existing projects. He asked if the Capital planning process included community consultations.

Councillor Sheppard commented that a workshop should be held to discuss the Engineering and Public Works projects that are being carried out. He advised that public consultation during the budget process had not been carried out.

Alternate Deputy Mayor Flaherty asked if the new Capital Spending Plan projects could be highlighted.

Councillor Sheppard pointed out that the first section listed the 2023 carryover projects, which were budgeted in 2023 and would be completed in 2024. He pointed out that the ongoing sewer and water upgrades had different projects budgeted each year.

Mayor Awa asked if it was possible to coordinate vehicle purchases with other hamlets in order to receive a bulk purchasing price, which in many cases was more economical. He also asked if consideration had been given to replace the Apex Bridge with two lanes.

Councillor Sheppard pointed out that Council did review the options for the Apex Bridge replacement and agreed that the replacement should have two driving lanes and a walking path.

Rod Mugford, Director of Human Resources, advised that staff must adhere to the Procurement By-law, but indicated that Administration could investigate to determine if it was possible to bulk purchase with other hamlets.

Councillor Kunuk felt that the Government of Nunavut conducted purchases for all of the hamlets. He suggested that Government of Nunavut staff could be contacted to determine if the City's vehicles could be included in the bulk purchase.

Councillor Sheppard clarified that the hamlets purchase their own vehicles and there was merit to determine if bulk purchasing could be carried out.

Alternate Deputy Mayor Flaherty asked if the Procurement By-law required purchases to be called under a public tender process.

Mr. Mugford advised that the Procurement By-law outlined how to call a public tender and the standard and practices for procurement are followed.

Councillor Tilley asked if the upgrades to the hot tub and sauna at the aquatic centre were included in the proposed Capital Spending Plan.

Steve England, Chief Administrative Officer, advised that repairs to the sauna would be completed by the end of February and the repairs to the hot tub were anticipated to be completed by the end of March.

Mayor Awa asked if the City receives any money from the scrap metal removal.

Mr. England advised that the contract for the removal of scrap metal required the scrap metal to be shipped out. This was an ongoing contract, which was approved by a previous Council. Mr. England advised that he would review the terms and conditions of the contract to determine if the City receives any funds from the sale of the scrap metal. Mr. England understood the importance of value-added and suggested that this concept could be added to future projects.

Motion FIN 24-02

Moved by: Mayor Awa

Seconded by: Deputy Mayor Smith

Committee recommends that Council approve the 2024 Capital Budget as presented.

Unanimously Carried

b) 2024 Operating Budget

Peter Tumilty, Senior Director of Corporate Services, presented the 2024 Operating Budget and noted the following:

- Budget was developed in consultation with Administration and staff
- Reviewed 2024 plans with Directors, keeping in mind projected revenues
- Proposed budget does not include increases in taxes and fees
- Proposed budget is balanced, with a small surplus of \$2 million

The following are the highlights of the proposed 2024 Operating Budget:

- Taxation and user charges – generated by the City
- Government transfers – funding received from territorial and federal governments
- Revenue increased \$7.275 million
 - Taxes and fees are not being raised and the increase is a result of estimating revenues, as previous years' budgets were not kept up to date
 - Projected revenue is based on the amount being billed
 - Bills will be sent out the end of February
 - Property taxes will increase \$1.6 million
 - Water and sewer will increase \$1.1 million
 - Sanitation will increase \$440,000
 - Other revenue from own sources - increase of \$2.7 million
 - Budget surplus is realized from the high interest rate being received on cash balance
 - Interest rates may decrease later in the year and next year, efficiencies in the budget may have to be found in order to keep a balanced budget

- Expenses increased \$7.028 million
 - Increase in all departments mostly due to changes in programming and operations
 - Most departments include monies to cover increases in fuel, power and utilities
 - Water and Sewer Fund - \$1.8 million
 - Operational expenses increased due to land contracts and associated salary costs for breaks in the water, transmission and distribution systems
 - Sanitation Fund - \$318,000
 - Salary and overtime costs
 - Increase in contract services related to the landfill and sewer lagoon
 - Land Development – \$966,200
 - Addition of CMHC Housing Accelerator Fund Program
 - \$2 million in funding over the next two years
 - Half will be used for capital
 - Half will be used for operation for land development projects
 - Emergency Services - \$372,000
 - Increase of fuel prices
 - By-law Enforcement - \$420,000
 - Related to converting surplus RCMP vehicles for Municipal Enforcement
 - Public Works - \$828,000
 - Repairs and maintenance have increased based on previous years' records, which were not kept up to date
 - Recreation and cultural - \$860,000
 - Operational costs relating to the aquatic centre - this was not previously reflected accurately
 - Community funding – decrease of \$600,000
 - Due to the Community Wellness Funding no longer being received from the Government of Nunavut
 - Depreciation - \$1 million
 - Due to increased infrastructure in the Water and Sewer Fund

Deputy Mayor Smith asked about the decrease in government funding for recreation.

Mr. Tumilty was unable to provide the details for the decrease in the funding, however, he did explain that if revenues were under estimated and additional revenues were received, it was a benefit.

Councillor Sheppard pointed out that the Recreation Department was tasked with COVID and water crisis responses and any funding received relating to both of these items were

channelled through the Recreation Department. He noted that the proposed budget was the actual Recreation Department activities.

Mayor Awa asked if utilidor and trucked services could be separated under the Water and Sewer Revenue and Expenditures.

Mr. Tumilty explained that separating revenue and expenditures for utilidor and trucked services was possible as there are separate line entries. If Council requests this separation, staff would have to work with the auditors to determine if future statement presentation could be modified. He noted that if it was not possible, staff would be able to provide a supplementary breakdown, which could be used for discussion purposes.

Mayor Awa commented that there had been some discussion regarding the cost to operate a utilidor versus trucked services when developing a subdivision. He noted that having a breakdown would help during discussions.

Councillor Sheppard felt it would be useful to have this information.

Alternate Deputy Mayor Flaherty noted that the Recreation and Cultural section had an overall deficit of \$7.19 million, which was mainly attributed to the aquatic centre. He pointed out that the Parks, playgrounds and ballfields budget was only \$30,000, which was used extensively with no lighting and maintenance. He expressed concern that the outdoor skating rink and basketball court were no longer being provided.

Alternate Deputy Mayor Flaherty felt that the Recreation Department should focus on other venues than the aquatic centre.

Mr. Tumilty explained that the budget and statements were structured on four separate funds and a lot of the sub-departments in the General Operating Fund were in a negative balance. He noted that once all the sub-departments were considered as whole, there was a \$1.5 million surplus. Mr. Tumilty pointed out that the Water and Sewer Fund had a deficit and the Sanitation Fund had a surplus, which balances each other out.

Mr. Tumilty advised that in the future, it was hoped that an in-depth analysis could be carried out to determine the cost to provide services. He felt that finding the economic cost would help to determine how the funds could support the delivery of services. Mr. Tumilty commented that in reviewing all the funds, it was hoped that ways could be found to reduce the cost of repairs to be more efficient. He also pointed out that detailed information would be provided on capital projects to assist in planning capital projects for multiple years.

Councillor Sheppard pointed out that recreation was an investment to provide residents with services.

Councillor Sheppard explained how fund balances were determined using both revenue and depreciation.

Deputy Mayor Smith pointed out that the previous Council passed a motion to review the Recreation Master Plan and in particular, how it related to the softball field. She noted that all of the revenue and expenses were facility and program based. Deputy Mayor Smith noted that the only sport listed under expense was a soccer program and she asked the details of this expenditure.

Councillor Sheppard advised that the cost was in relation to the artificial turf at the Arctic Winter Games (AWG) Arena.

Councillor Stevenson asked the following questions, which staff provided answers to:

- Schedule 7 – Business travel and education – budget is increased \$90,000. Is this in relation to an additional councillor attending the Federation of Canadian Municipalities (FCM) conference and trade show?
 - Mr. England advised that this allowed Council the option to send an additional councillor to the FCM conference.
- Schedule 7 – Contracted translation – suggested that staff should look at creating an apprenticeship or trainee position for interpreters and/or translators. He suggested that staff work with Arctic College for a placement destination. He noted that the City had access to amazing interpreters and translators and it would be a good opportunity to mentor students and/or a junior staff member.
 - Mr. England noted that there had been a lot of staff turnover during the past couple of years, and the team was being rebuilt. The Human Resources Department would be advised to prioritize the request.
- Schedule 11 – explanation on the reduction of aquatic centre revenues from 2022
 - Mr. Tumilty advised that he would review the revenues and provide an update to Council.
- Schedule 11 – agrees that facilities should have better lighting and maintenance
- Schedule 11 – addition of Christmas decor program in the downtown core during the holiday season
 - Councillor Sheppard noted that there would be a small operational cost for electricity and a capital cost to purchase decorations.
 - Councillor Sheppard felt it was important to include this program as it would have a large impact. He hoped that an amendment to the Capital Spending Plan could be presented to Council at a future meeting.
 - Mr. England advised that staff were currently working on the capital investment cost relating to the Christmas decor. He noted that part of the Request for Decision that would be presented to Council would include corporate sponsorship to get the entire community involved.

Councillor Stevenson spoke about the favourable results from corporate sponsorships for the Garbage Clean-up Day and large item pick-up.

Alternate Deputy Mayor Flaherty asked for clarification on Public Works and Transportation – contracted costs.

Councillor Sheppard explained that the contracted costs related to the water breaks and the requirement to call in third-party contractors.

Mr. Tumilty advised that the Public Works Department had increased their as-and-when contracts for repair work and road maintenance.

Councillor Tilley asked if the residents would see a difference in the water rates.

Councillor Sheppard advised that this budget does not reflect a change in the water rates. He noted that substantial work was currently being carried out and it was hoped that there would be a reduction in water rates.

Mayor Awa commented that during the winter months, the basketball area at the school was flooded and used as an ice surface. He noted that the baseball field was not used during the winter months and suggested that the fields be flooded and used as an ice surface.

Mr. England advised that staff could consider flooding the baseball field to use as an ice surface during the winter months.

Councillor Kunuk suggested that staff consider a sledding and ski hill.

Councillor Sheppard commented that in reviewing the Recreation Master Plan, consideration could be given to a sledding and ski hill. He noted that lighting was an issue for any outdoor sport.

Motion FIN 24-03

Moved by: Alternate Deputy Mayor Flaherty
Seconded by: Councillor Tilley

Committee recommends that Council approve the 2024 Operating Budget at presented.

Unanimously Carried

Councillor Tilley commented that he hoped the water rates would decrease soon, as this was a high cost for the residents.

Councillor Sheppard indicated that staff would be presenting a Request for Decision to Council by the end of February.

Motion FIN 24-04

Moved by: Deputy Mayor Smith
Seconded by: Councillor Stevenson

Committee recommends that Council increase the Recreational and Cultural – Parks, playgrounds and ballfields budget from \$30,000 to \$50,000.

Motion Withdrawn

Councillor Sheppard suggested that the matter be referred to the Recreation Department for review and recommendation to Council. Councillor Sheppard pointed out that work on the ballfield and/or installation of lighting were capital costs.

Deputy Mayor Smith felt that there were improvements that could be carried out that were not capital projects, such as bleachers at the ballfield.

Councillor Sheppard pointed out that bleachers were a capital cost not an operating cost. He understood that there should be a change to the Recreation budget, but it should be in the Capital Spending Plan.

Alternate Deputy Mayor Flaherty felt an upgrade to an existing facility was not a capital item but an improvement that would fall under the Operating budget. He asked for the definition of a capital item.

Mr. Tumilty explained that capital assets were long-term assets that were expected to have a useful life of more than one year and are depreciated over time to reflect their use. He also noted that capital expenditures were purchases of assets that exceeded \$5,000 or \$10,000. Mr. Tumilty pointed out that normal repair and maintenance was not considered a capital expense, but whenever it is improved, the costs are capitalized and the value added to the asset.

Deputy Mayor Smith asked about the Budget Priorities Workshop where councillors spoke about what they wanted to see in the community and there were items that were not included in the proposed budget. She asked the process to have items included in the Capital budget before it was submitted to the Committee for recommendation to Council for approval.

Mr. England pointed out that the municipal election and orientation has an impact on getting budgets approved within the required time frame. He noted that committees provide the structure for councillors to indicate to Administration their suggestions. Mr. England also noted that Administration follows master plans.

Mr. England advised that a Request for Decision would be presented to Council regarding the water and sewer rates review, which would also provide the opportunity for an amended budget. He explained that a meeting could be held to discuss ideas prior to the amended budget being presented to Council if Council so wished.

Councillor Sheppard noted that Council could amend budgets throughout the year.

Alternate Deputy Mayor Flaherty pointed out that Council had the ability to increase the Capital budget from \$5,000 to \$25,000.

Deputy Mayor Smith asked to amend the motion from \$100,000 to \$50,000.

Mr. Mugford explained that the Parks, playgrounds and ballfields proposed budget amount of \$30,000 was for operation and maintenance for things like ballfield greening, line painting, grooming, repairs to playgrounds and general wear and tear to make the sites useable. He pointed out that increasing the Operating budget would not improve the sites.

Mr. Mugford went on to explain that if there was a desire to improve the ballfield with lighting, bleachers, etc., Council should meet to discuss what they want, which would require increasing the Capital budget.

Deputy Mayor Smith withdrew her motion to increase the Recreational and Cultural – Parks, playgrounds and ballfields budget from \$30,000 to \$50,000, and Councillor Stevenson, as the seconder, agreed.

Committee voted on the motion on the floor, recommending that Council approve the 2024 Operating Budget at presented.

6. **IN CAMERA SESSION**

() As per Section 22 (2) (a) CTV Act and By-law 526 Section 67

7. **ADJOURNMENT**

Motion FIN 24-05

Moved by: Deputy Mayor Smith

Seconded by: Mayor Awa

Committee adjourns at 7:28 p.m.

Unanimously Carried




Councillor Kyle Sheppard
Chair


Tammy Ernst-Doiron
City Clerk

Approved by City Council on the 13th day of February 2024.

