



PUBLIC MINUTES

STANDING POLICY COMMITTEE ON FINANCE

Monday, May 29, 2017, 2:01 p.m.
Council Chamber, City Hall

PRESENT: Councillor A. Iwanchuk, Chair
Councillor R. Donauer, Vice Chair
His Worship Mayor C. Clark (Ex-Officio)
Councillor C. Block
Councillor B. Dubois

ABSENT: Councillor M. Loewen

ALSO PRESENT: CFO/General Manager, Asset & Financial Management K. Tarasoff
Solicitor C. Yelland
Deputy City Clerk D. Kanak
Committee Assistant H. Thompson

1. CALL TO ORDER

The meeting was called to order at 2:01 p.m.

2. CONFIRMATION OF AGENDA

Moved By: Councillor Dubois

1. That the following letters be added to item 7.1.6:
 - a. Requesting to Speak
 - i. Keith Moen, dated May 26, 2017;
 - ii. Chris Guerette, dated May 26, 2017;
 - b. Requesting Deferral
 - i. Jason Yochim, dated May 26, 2017;
 - ii. Darla Lindbjerg, dated May 27, 2017; and
 2. A letter requesting to speak from Marie Jensen, dated May 27, 2017, be added to item 9.;
 3. That the agenda be confirmed as amended and that the speakers be heard.
- In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

3. DECLARATION OF CONFLICT OF INTEREST

There are no declarations of conflict of interest.

4. ADOPTION OF MINUTES

Moved By: Councillor Dubois

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held on May 1, 2017 be adopted.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

5. UNFINISHED BUSINESS

6. COMMUNICATIONS (requiring the direction of the Committee)

6.1 Delegated Authority Matters

6.2 Matters Requiring Direction

6.2.1 Centennial Auditorium and Convention Centre Corporation Audited Financial Statements [File No. CK. 1711-4]

Moved By: Councillor Donauer

That the Centennial Auditorium and Convention Centre Corporation Audited Financial Statements be received as information and forwarded to City Council for information.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

6.2.2 2016 Annual Report - Saskatoon Board of Revision [File No. CK. 430-77]

Moved By: Councillor Dubois

That the information be received and forwarded to City Council for information.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

6.3 Requests to Speak (new matters)

6.3.1 Mendel Building Upgrades - Children's Discovery Museum (File No. 620-4)

A letter requesting to speak from Dave Hunchak, Chair, Children's Discovery Museum, Facilities Committee dated May 23, 2017, was provided.

Mr. Dave Hunchak addressed the Committee and requested that Phase 1 and 2 of the Mendel Building upgrades be concurrently completed as there would be time and cost savings and upgrades are needed now. Phase 2 funding would be required in 2018. Design work would proceed immediately upon approval of a revised project scope.

The Committee was advised that the Children's Discovery Museum has been working with the Administration; however, a funding source for the revised plan has not yet been identified.

Moved By: Councillor Dubois

1. That the information be received; and
2. That the matter be referred back to Administration for a report on a funding plan by the June 26, 2017 City Council meeting.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

7.1.1 Residential Lot Sales – Showhome Policy Exemption Request [File No. CK. 4214-1, AF. 4214-1 and LA. 4214-12]

Moved By: Councillor Block

1. That an exemption be granted under Council Policy No. C09-010, Residential Lot Sales – Showhome Policy, to Riverbend Developments Ltd. to allow two showhomes to run concurrently with financial incentives; and

2. That, if approved, the exemption also be granted to other Eligible Contractors requesting to open two showhomes in the same subdivision during the 2017 Parade of Homes, assuming all other requirements are met.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

7.1.2 Quarterly Report – Builder and Developer Lot Supply–May 1, 2017 [File No. CK. 4110-1, AF. 4131-1, 4125-1, and LA. 4110-1]

Director of Saskatoon Land Long addressed questions of the Committee regarding the infill development demand.

Moved By: Councillor Block

1. That the information be received; and
2. That the Administration include information on infill development as part of the quarterly reporting.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

7.1.3 Factors in Determining External Contracted Services [File No. CK. 4560-1 and AF. 4560-1]

His Worship the Mayor entered the meeting at 2:28 p.m. during consideration of the matter.

Moved By: Councillor Dubois

That the May 29, 2017 report of the CFO/General Manager, Asset and Financial Management be received as information and be referred to City Council for information.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block, Councillor Dubois and Mayor C. Clark

CARRIED UNANIMOUSLY

7.1.4 Contract Award Report – January 1 to April 30, 2017 Contracts between \$50,000 and \$75,000 [File No. CK. 1000-1 and AF. 1000-1]

Moved By: Councillor Donauer

That the May 29, 2017 report of the CFO/General Manager, Asset and Financial Management be received as information.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block, Councillor Dubois and Mayor C. Clark

CARRIED UNANIMOUSLY

7.1.5 Internal Audit Budget Information Update – April 2017 [File No. CK. 1600-3 and AF 1600-1]

Moved By: Councillor Dubois

That the May 29, 2017 report of the CFO/General Manager, Asset and Financial Management be received as information.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block, Councillor Dubois and Mayor C. Clark

CARRIED UNANIMOUSLY

7.1.6 Saskatoon Land - Internal Audit Report [File No. CK. 1600-24, AF. 1600-1 and LA. 1600-8]

The following reports were provided:

- Internal Audit Report and Risk Assessment Reports from Internal Auditors, PricewaterhouseCoopers LLP, dated May 23, 2017; and
- Administrative Response to PricewaterhouseCoopers - Saskatoon Land Internal Audit Report, dated May 29, 2017.

The following letters were also provided:

Requesting to Speak

Keith Moen, dated May 26, 2017;

Chris Guerette, dated May 26, 2017;

Request for Deferral

Jason Yochim, dated May 26, 2017;
Darla Lindbjerg, dated May 27, 2017.

Moved By: Councillor Donauer

That this matter be referred to Administration and Internal Auditor for stakeholder consultation and report back to the Standing Policy Committee on Finance meeting scheduled on August 14, 2017.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block, Mayor C. Clark and Councillor Dubois

CARRIED UNANIMOUSLY

7.1.7 Capital Planning and Budgeting, Life Cycle Costs and Operating Costs [File No. CK. 1600-12]

An internal audit report dated May 23, 2017 on the above matter from the Internal Auditor, PricewaterhouseCoopers LLP, along with a report on the Administrative response and timelines to the above audit was provided.

Jesse Radu, Internal Auditor, PricewaterhouseCoopers LLP, was in attendance and reviewed the report and answered questions of the Committee regarding capital planning and budgeting.

Moved By: Councillor Dubois

That the above reports be received as information.

In Favour: Councillor Iwanchuk, Councillor Donauer, Mayor C. Clark, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

7.2 Matters Requiring Direction

7.2.1 ERP Analysis and Business Requirements Gathering – Consulting Services – Award of RFP [File No. CK. 261-1 and AF. 115-1]

Moved By: Councillor Dubois

That the Standing Policy Committee on Finance recommend to City Council:

1. That the proposal submitted by MNP LLP for consulting services for the Enterprise Resource Planning Analysis and Business Requirements Gathering, at a total estimated cost of \$205,000 plus applicable taxes, be approved; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

In Favour: Councillor Iwanchuk, Councillor Donauer, Councillor Block, Mayor C. Clark and Councillor Dubois

CARRIED UNANIMOUSLY

7.2.2 Internal Borrowing for Capital Projects [File No. CK. 1702-1 x 1750-1]

CFO/General Manager of Asset and Financial Management Department Tarasoff addressed questions of the Committee regarding the internal borrowing process.

Moved By: Councillor Donauer

That the Standing Policy Committee on Finance recommend to City Council:

1. That a \$15,700,000 loan from the General Account long-term investment portfolio, amortized over a 10-year term, for Capital Project Nos. 2198, 2557 and 1234 be approved;
2. That Council Policy No. C12-009, Portfolio Management, allow for a “one-time exemption” in an investment with a maturity term exceeding 10 years and that a \$12,100,000 loan from the General Account long-term investment portfolio for Capital Project No. 1814, amortized over a 23-year term, be approved; and

3. That a \$186,598 loan from the General Account long-term investment portfolio, for Capital Project No. 2160, amortized over a 3-year term, be approved.

In Favour: Councillor Iwanchuk, Councillor Donauer, Mayor C. Clark, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

7.2.3 Award of RFP – After-Hours Security Alarm Responses, Boiler Inspections, and Locking/Unlocking Washrooms [File No. CK. 600-1, AF. 600-1 and FA. 1500-44]

CFO/General Manager of Asset and Financial Management Department Tarasoff addressed questions of the Committee regarding the consideration of using internal resources.

Moved By: Councillor Donauer

That the Standing Policy Committee on Finance recommend to City Council:

1. That the proposal submitted by the Commissionaires North Saskatchewan Division for after-hours security alarm responses, after-hours boiler inspections, and locking/unlocking washrooms in City of Saskatoon parks, at a total estimated cost for the five-year term of \$500,000, plus applicable taxes, be approved; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

In Favour: Councillor Iwanchuk, Councillor Donauer, Mayor C. Clark, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

8. URGENT BUSINESS

9. MOTIONS (notice previously given)

Councillor Block provided notice of the following motion at the regular meeting of the Standing Policy Committee on Finance, held on May 1, 2017:

"Take Notice that at the next meeting of the Standing Policy Committee on Finance, I will move the following motion:

That the Administration be directed to analyze all possible tools to develop a fair and equitable process for assessment where gross inconsistencies are present, including but not limited to the approach used in other Canadian cities;

That should gross inconsistencies be found to be a reasonable cause for assessment adjustment, and an appropriate tool be found to address these inequities, that administration bring forth a recommendation to retroactively compensate homeowners affected based on the 2017 re-assessment; and

That the Municipal Review Commission be directed to study and report back on best practices regarding the appeals process, to ensure a fair hearing, including but not limited to the role of the administration as assessor and appeals adjudicator."

A letter requesting to speak from Marie Jensen, dated May 27, 2017 was provided.

Ms. Marie Jensen addressed the Committee regarding the 2017 assessment notice and the impact that the slope issues has had on her property.

Moved By: Councillor Block

That the Standing Policy on Finance recommend to City Council that the Administration report back on how to address issues of gross inconsistencies of properties that are not addressed through the assessment process including, but not limited, to the approach used in other Canadian cities.

In Favour: Councillor Iwanchuk, Councillor Donauer, Mayor C. Clark, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

10. GIVING NOTICE

11. IN CAMERA AGENDA ITEMS

Moved By: Councillor Block

That the following items be considered *In Camera*.

11.1 Audit Matter [File No. CK. 1895-3]

11.2 Land Matter [File No. CK. 4215-1, x 4110-41, AF. 4110-1 and LA. 4110-1]

11.3 Land Matter [File No. CK. 280-1, AF. 280-3 x 4110-1]

11.4 Audit Matter [File No. CK. 430-80 and AF. 369-1]

11.5 Audit Matter [File No. CK. 1600-24]

11.6 Audit Matter

11.7 Audit Matter

In Favour: Councillor Iwanchuk, Councillor Donauer, Mayor C. Clark, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

12. RISE AND REPORT

The Standing Policy Committee on Finance convened *In Camera* at 3:40 p.m. in Committee Room A, City Hall with all members of the Committee present with the exception of Councillor Loewen. Mayor Clark entered the meeting at 3:44 p.m.

Also present were the following members of the Administration: City Manager Totland; Solicitor Yelland; Deputy City Clerk Kanak; CFO/General Manager, Asset and Financial Management Tarasoff; General Manager, Community Services Grauer; and Director of Corporate Risk Garman.

Also present were the following:

- Regarding Agenda Item 11.1 – Andrew Coutts, Partner, and Hakim Ghulam, Senior Manager, Deloitte, External Auditors; Corporate Accounting Manager Macfarlane; and A/Director of Finance Smith.

- Regarding Agenda Items 11.2 and 11.3 – Director of Saskatoon Land Long and Saskatoon Land Finance and Sales Manager Meinema.
- Regarding Agenda Item 11.4 – A/Director of Finance Smith and Corporate Accounting Manager Macfarlane.
- Regarding Agenda Item 11.5 – Representatives of Internal Auditors, PricewaterhouseCoopers LLP, Jesse Radu, Jennifer Norris and Christine Schuh; Director of Saskatoon Land Long and Saskatoon Land Finance and Sales Manager Meinema.
- Regarding Agenda Item 11.6 - Representatives of Internal Auditors, PricewaterhouseCoopers LLP, Jesse Radu, Jennifer Norris and Christine Schuh.
- Regarding Agenda Item 11.7 - Representatives of Internal Auditors, PricewaterhouseCoopers LLP, Jennifer Norris and Christine Schuh.

Motions to reorder the agenda, to move Item 11.4 after Item 11.1, and Item 11.6 to the end of the agenda, were passed.

All Administration, with the exception of the Deputy City Clerk and Solicitor, were excused at 5:08 p.m. for consideration of agenda item 11.6 with the Internal Auditors. His Worship the Mayor was excused at 5:11 pm. during consideration of the matter.

The *In Camera* meeting adjourned at 5:25 p.m.

The Committee reconvened publicly in the Council Chamber at 5:40 p.m. with Councillors Iwanchuk, Chair, and Councillors Dubois and Block in attendance. The Committee resolved as follows:

Agenda Item 11.1 - External Audit Matter – (File No. CK. 1610-9, x1895-3)

Moved By: Councillor Dubois

1. That the information be received and that the report dated May 29, 2017 from the External Auditor and the discussion remain in Camera under Sections 17 and 19 of LAFOIPP; and
2. That the Administration prepare an appropriate cover report for submission of the appropriate audit reports, including the audited financial statements for the year ended December 31, 2016, to City Council for consideration on June 26, 2017.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

Agenda Item 11.2 - Land Matter – Request to Sell City-Owned Property (File No. CK. 4215-1, x4110-41, AF 4110-1 and LA. 4110-1)

Moved By: Councillor Dubois

1. That the information be received; that the discussion and report remain *In Camera* under Sections 17(1)(d) and (e) of LAFOIPP; and that the Administration submit a report for consideration at a public meeting of the Standing Policy Committee on Finance; and
2. That future reports on requests to sell city-owned property be forwarded to public meetings of the Standing Policy Committee on Finance unless it is determined there is a need to consider the matter *In Camera* in accordance with the LAFOIPP Act.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

Agenda Item 11.3 – Land Matter (File No. CK. 280-1, AF. 280-3, x4110-1)

Moved By: Councillor Dubois

That the information be received and that the discussion and report remain *In Camera* under Sections 14, 17(1)(d) and (e) and 18 of LAFOIPP.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

Agenda Item 11.4 – Audit Matter – Financial Reporting (File No. CK. 430-80 and AF. 369-1)

Moved By: Councillor Dubois

That the information be received and that the report and discussion remain *In Camera* under Section 19 of LAFOIPP.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

Agenda Item 11.5 – Communication from PricewaterhouseCoopers LLP – Land/ Audit Matter (File No. CK. 1600-24)

Moved By: Councillor Dubois

1. That the information be received and that the communication from the Internal Auditor and discussion remain *In Camera* under Sections 17, 18 and 19 of LAFOIPP; and
2. That the matter be referred to the Administration to review further with the Internal Auditor for a report back on policy application between Category 1 and Category 2 builders.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

Agenda Item 11.6 – Audit Matter – In Camera meeting with Internal Auditor (File No. CK. 1600-1) with Deputy City Clerk, Solicitor Yelland, Internal Auditor Representatives, Committee Members and Mayor Clark only in attendance

Moved By: Councillor Dubois

That the information be received and that the discussion remain *In Camera* under Sections 18 and 19 of LAFOIPP.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

Agenda Item 11.7 – Verbal Update – Internal Auditor – Status of Audits (File No. CK. 1600-1)

Moved By: Councillor Dubois

That the information be received and that the verbal update and discussion remain *In Camera* under Sections 16, 17, 18 and 19 of LAFOIPP.

In Favour: Councillor Iwanchuk, Councillor Block and Councillor Dubois

CARRIED UNANIMOUSLY

13. ADJOURNMENT

The meeting adjourned at 5:45 p.m.

Councillor A. Iwanchuk, Chair

D. Kanak, Deputy City Clerk