

THE CORPORATION OF THE
CITY OF WHITE ROCK
15322 BUENA VISTA AVENUE, WHITE ROCK, B.C. V4B 1Y6



April 9, 2010

A meeting of the **FINANCE AND AUDIT COMMITTEE** will be held in City Hall **COUNCIL CHAMBERS** on **MONDAY, APRIL 12, 2010** following the Council Meeting scheduled to follow the Public Hearing scheduled to start at 7:00 p.m. for the transaction of business as listed below.

T. Arthur, City Clerk

AGENDA

1. AGENDA APPROVAL

RECOMMENDATION:

THAT the Finance and Audit Committee adopt the agenda for its meeting for scheduled for April 12, 2010 as circulated.

2. PREVIOUS MINUTES

Finance and Audit Committee Meeting –
January 18, 2010/February 1, 2010

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RECOMMENDATION:

THAT the Finance and Audit Committee adopt the minutes of its meeting held January 18, 2010/February 1, 2010 as circulated.

3. REPORTS

3.1 2009 YEAR-END SURPLUS

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Report dated April 12, 2010 from the Director of Financial Services titled “2009 Year-End Surplus”.

RECOMMENDATION #1:

THAT the Finance and Audit Committee receive for information the April 12, 2010 report from the Director of Financial Services titled “2009 Year-End Surplus”;

RECOMMENDATION #2:

THAT the Finance and Audit Committee recommend to City Council that the 2009 year-end surplus be applied as follows:

- 1) \$90,000 be put into the Accumulated Surplus Fund; and
- 2) \$185,546 be put into a general capital reserve.

4. CLOSURE

**AGENDA
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PRESENT: Councillor McLean, Chair
Mayor Ferguson
Councillor Anderson
Councillor Campbell
Councillor Fathers
Councillor Meyer
Councillor Sinclair

STAFF: P. Clark, City Manager
S. Kurylo, Director of Financial Services
N. Housenga, Deputy City Clerk

The meeting was called to order at 8:20 p.m.

1. AGENDA APPROVAL

2010-F/A-001

It was MOVED and SECONDED

THAT the Finance and Audit Committee adopts the agenda for its meeting scheduled January 18, 2010 as circulated.

CARRIED

2. PREVIOUS MINUTES

2010-F/A-002

It was MOVED and SECONDED

THAT the Finance and Audit Committee adopts the minutes for its meeting held October 19, 2009 as circulated.

CARRIED

3. REPORTS

3.1 2010 to 2014 DRAFT FINANCIAL PLAN – GENERAL OPERATING BUDGET

Report dated January 18, 2010 from the Director of Financial Services titled “2010 to 2014 Draft Financial Plan – General Operating Budget”.

2010-F/A-003

It was MOVED and SECONDED

THAT the Finance and Audit Committee:

- a) receive for information the January 18, 2010 report from the Director of Financial Services titled “2010 to 2014 Draft Financial Plan – General Operating Budget”.

CARRIED

2010-F/A-004

It was MOVED and SECONDED

THAT the Finance and Audit Committee adjourn and reconvene on February 1, 2010 at 7:00 p.m. in City Hall Council Chambers.

CARRIED

The meeting adjourned at 8:40 p.m.

The meeting reconvened at 7:00 p.m. on February 1, 2010 with the same members of Council, excluding Councillor Campbell, and the following staff members in attendance:

P. Clark, City Manager
R. Clarkson, Director of Leisure Services
J. Johnstone, Director of Human Resources
S. Kurylo, Director of Financial Services
P. Lemire, Chief, Fire Rescue & Emergency Services
D. Pollock, Director of Engineering & Municipal Operations
L. Roseberry, Staff Sergeant, RCMP
P. Stanton, Director of Planning & Development Services
T. Arthur, City Clerk

3.1 2010 to 2014 DRAFT FINANCIAL PLAN – GENERAL OPERATING BUDGET - Continued

It was requested to consider the motion in distinct propositions.

2010-F/A-005

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends to Council to endorse the presented Draft Financial Plan figures and assumptions for the General Operating Budget.

CARRIED

2010-F/A-006

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends to Council to direct staff to make provision in the operating budget for a Part-Time Economic Development Officer to assist Council and City Administration with the development and implementation of an economic development program and Council's goals.

DEFEATED

Councillors Fathers, Sinclair and McLean voted in the negative

2010-F/A-007

Motion Rescinded 2010-F/A-020

It was MOVED and SECONDED

THAT the Finance and Audit Committee endorses the request for proposal for solid waste be rescinded and that staff be requested to explore all city delivery options including setting up solid waste as a city owned utility.

CARRIED

2010-F/A-008

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends to Council to direct staff to prepare the 2010 to 2014 Financial Plan Bylaw based on the approved assumptions for the General Operating Budget.

CARRIED

3.2 2010 to 2014 DRAFT FINANCIAL PLAN – GENERAL CAPITAL BUDGET

Report dated January 18, 2010 from the Director of Financial Services titled “2010 to 2014 Draft Financial Plan – General Capital Budget”.

It was requested to consider the motion in distinct propositions.

2010-F/A-009

It was MOVED and SECONDED

THAT the Finance and Audit Committee receives for information the January 18, 2010 report from the Director of Financial Services titled “2010 to 2014 Draft Financial Plan – General Capital Budget”.

CARRIED

2010-F/A-010

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends to Council to remove the item of \$50, 000 for research and system development to reformat the City’s budget program.

DEFEATED

Councillors Anderson, Fathers, McLean, Meyer and Sinclair voted in the negative

2010-F/A-011

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends to Council to endorse the presented Draft Financial Plan figures and assumptions for the General Capital Budget.

CARRIED

2010-F/A-012

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends to Council to direct staff to prepare the 2010 to 2014 Financial Plan Bylaw based on the approved assumptions for the General Capital Budget.

CARRIED

**3.3 2010 to 2014 DRAFT FINANCIAL PLAN -
SANITARY SEWER UTILITY**

Report dated January 18, 2010 from the Director of Financial Services titled "2010 to 2014 Draft Financial Plan – Sanitary Sewer Utility".

It was requested to consider the motion in distinct propositions.

2010-F/A-013

It was MOVED and SECONDED

THAT the Finance and Audit Committee receives for information the January 18, 2010 report from the Director of Financial Services titled "2010 to 2014 Draft Financial Plan – Sanitary Sewer Utility".

CARRIED

2010-F/A-014

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends that Council :

- a) endorses the presented Draft Financial Plan figures and assumptions for the Sanitary Sewer Utility; and
- b) directs staff to prepare the 2010 to 2014 Financial Plan Bylaw based on the approved assumptions.

CARRIED

City staff P. Lemire and L. Roseberry departed the meeting at 8:02 p.m.

**3.4 2010 to 2014 DRAFT FINANCIAL PLAN - DRAINAGE
UTILITY**

Report dated January 18, 2010 from the Director of Financial Services titled "2010 to 2014 Draft Financial Plan – Drainage Utility".

It was requested to consider the motion in distinct propositions.

2010-F/A-015

It was MOVED and SECONDED

THAT the Finance and Audit Committee receives for information the January 18, 2010 report from the Director of Financial Services titled “2010 to 2014 Draft Financial Plan – Drainage Utility”.

CARRIED

2010-F/A-016

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends that Council:

- a) endorses the presented Draft Financial Plan figures and assumptions for the Drainage Utility; and
- b) directs staff to prepare the 2010 to 2014 Financial Plan Bylaw based on the approved assumptions.

CARRIED

2010-F/A-017

It was MOVED and SECONDED

THAT the Finance and Audit Committee recommends that Council directs staff to bring forward, at a future planning session in preparation of the next budget process, a discussion document regarding the proposed increase to the drainage user fee.

CARRIED

3.5 CITY USE OF CONSULTANTS

Report dated January 18, 2010 from the Director of Financial Services titled “City Use of Consultants”.

It was requested to consider the motion in distinct propositions.

2010-F/A-018

It was MOVED and SECONDED

THAT the Finance and Audit Committee:

- a) receives for information the January 18, 2010 report from the Director of Financial Services titled “City Use of Consultants”; and
- b) recommends to Council that:
 - i) Council Policy - Finance 320, “City Use of Consultants” be approved; and
 - ii) directs staff to re-evaluate the level of consultant use for engineering capital project management in the fall of 2010.

2010-F/A-019

Amendment on the Main Motion
It was MOVED and SECONDED

THAT the Finance and Audit Committee recommend that Council directs staff to add a quarterly reporting requirement in the proposed Council Policy 320 noting expenditures regarding the contract and which part of the policy they meet.

CARRIED

Question called on the main motion as amended and it was
CARRIED

Procedure was called into question under Item 3.1 motion 2010-F/A-007. It was noted that the resolution would be in contravention of the Council Procedure Bylaw No. 1860, Section 24(8)(c).

2010-F/A-020

It was MOVED and SECONDED

THAT the Finance and Audit Committee endorses motion 2010-F/A-007 be rescinded.

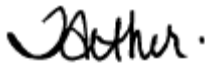
CARRIED

Councillors Fathers and Sinclair voted in the negative

4. CLOSURE

The Chair declared the meeting closed at 8:26 p.m.

Councillor McLean, Chairperson



T. Arthur, City Clerk



POLICY TITLE: CITY USE OF CONSULTANTS

POLICY NUMBER: FINANCE – 320

<i>Date of Council Adoption:</i>	<i>Date of Last Amendment:</i>
<i>Council Resolution Number:</i>	<i>Historical Changes:</i>
<i>Originating Department: Financial Services</i>	<i>Date last reviewed by the Finance and Audit Committee:</i>

INTRODUCTION:

The City engages consultants to provide certain professional advice and services. This policy outlines the criteria for the use of consultants.

POLICY:

1. Pursuant to the Community Charter, budget approval is required prior to incurring any expenditures.
2. Selection processes for engaging consultants must adhere to the City’s purchasing and contract award policies.
3. The use of consultants may be considered if one or the following situations warrant that it is in the best interest of the City:
 - a. required specific expertise is not available in-house
 - b. the work involves short-term or one-time projects where it is not cost effective to be undertaken by City staff
 - c. it is important to limit legal liability and risk exposure to the City

- d. there is a statutory requirement to hire a consultant (eg. auditor)
 - e. independent, objective advice is required
 - f. flexibility is needed to meet tight, unexpected timelines
4. Typically, the use of consultants involves the provision or completion of following:
- a. studies, strategic plans and analyses
 - b. engineering services, including but not limited to capital project design and management
 - c. publication design
 - d. legal services
 - e. accounting services
5. Staff will report to the Finance and Audit Committee quarterly on the City's use of consultants as it relates to this policy.

RATIONALE:

To provide clarity, transparency and consistency in the use of the City's resources and to ensure related decisions are made in the best interest of the City.

**THE CORPORATION OF THE
CITY OF WHITE ROCK**



DATE: April 12, 2010
TO: Finance and Audit Committee
FROM: Sandra Kurylo, Director of Financial Services
SUBJECT: 2009 Year-End Surplus

RECOMMENDATION:

THAT the Finance and Audit Committee

- a) receive for information the April 12, 2010 report from the Director of Financial Services titled "2009 Year-End Surplus";
 - b) recommend to City Council that the 2009 year-end surplus be applied as follows:
 - 1) \$90,000 be put into the Accumulated Surplus Fund
 - 2) \$185,546 be put into a general capital reserve
-

INTRODUCTION:

The purpose of this report is to advise City Council of the expected general surplus for 2009 and to seek Council's approval on the application of these funds after non-discretionary Council Policy commitments have been met.

COUNCIL GOAL:

This item is required to meet legislative and financial requirements.

PAST PRACTICE / POLICY / LEGISLATION:

Council Policy No. 306 requires that annual surplus funds be applied as follows:

1. Repayment of Short Term Debt
2. Capital Projects and Reserves
3. Accumulated Surplus Fund

Council Policy No. 307 defines the purpose of the Accumulated Surplus Fund and sets a goal of attaining 10% of the City's operating budget in this account.

At its meeting of February 9, 2009 the Finance and Audit Committee resolved that after paying off short term debt and putting the minimum required amount into the City's Accumulated Surplus Fund, the remaining 2008 year-end surplus be put into a Budget Stabilization Reserve, to be reviewed periodically during the year.

ANALYSIS:

Staff are in the final stages of completing 2009 year-end work. At this time a year-end surplus of \$275,546 is expected. The main sources of this surplus are as follows:

- Higher than budgeted net pay parking revenues of \$245,087
- Lower than budgeted RCMP Contract expenditures of \$148,986
- Lower than budgeted net green waste program expenditures of \$104,620

These surplus funds were partially reduced by:

- Higher than budgeted net recycling program costs of \$88,845
- Lower than budgeted net investment income of \$86,180
- Higher than budgeted legal fees of \$77,304 (net of recovery)

As per the above policies, the first two priorities for the use of year-end surplus money are to pay off short term debt and to ensure there is a minimum of 10% of the City's operating budget in the Accumulated Surplus Fund.

The City has no short term debt outstanding. There is currently \$2,355,000 in the Accumulated Surplus Fund, and \$90,000 more is needed to meet the Council Policy No. 307 requirement. Once this is accounted for \$185,546 is available for other purposes.

With regards to the Accumulated Surplus Fund, City Council is advised that the reported balance in this account will change once the City's Financial Statements are restructured to implement new accounting requirements for tangible capital assets and prepaid expenses. The impact of these legislated changes will be reported once the 2009 Financial Statements are complete.

In compliance with the February 9, 2009 Finance and Audit Committee resolution, the 2008 year-end surplus of \$1,155,008 was put into a Budget Stabilization Reserve. That amount remains unchanged, as there was no need to draw on it during 2009. At this time, staff are not recommending that any more money be put into this reserve.

Of the \$185,546 in year-end surplus funds left, staff recommend that \$185,546 in year-end surplus funds left be allotted to a general capital reserve.

CONCLUSION

It is recommended that the 2009 year-end surplus be applied as follows:

- \$90,000 be put into the Accumulated Surplus Fund
- \$185,546 be put into a general capital reserve

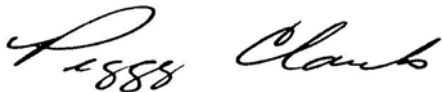
Respectfully submitted,



Sandra Kurylo
Director of Financial Services

Comments from City Manager:

I concur with the recommendations in this report.



Peggy Clark, City Manager