



Minutes

Corporate Services Committee

November 9, 2023, 5:30 p.m.

City Hall - 808 2nd Avenue East - Council Chambers

MEMBERS

PRESENT:

Chair Brock Hamley
Member Kelly Carmichael
Councillor Travis Dodd (via Teams)
Deputy Mayor Scott Greig
Member Stephanie Sas
Member Bobb Todd

MEMBERS

ABSENT/REGRETS: Member Neil McCutcheon
Vice Chair Melanie Middlebro'

STAFF PRESENT:

Tim Simmonds, City Manager
Kate Allan, Director of Corporate Services
Briana Bloomfield, City Clerk
Bradey Carbert, Manager of Corporate Services
Christine Gilbert, Deputy Treasurer
Sierra Patino, Corporate Services Facilitator

1. CALL TO ORDER

Chair Hamley called the meeting to order at 5:30 p.m.

2. CALL FOR ADDITIONAL BUSINESS

There was no additional business.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. CONFIRMATION OF MINUTES

4.a Minutes of the Corporate Services Committee meeting held on September 14, 2023.

"THAT the Corporate Services Committee approves the minutes of the meeting held on September 14, 2023."

Carried.

5. DEPUTATIONS AND PRESENTATIONS

5.a Deputation from Sabrina Saunders, Executive Director of Grey Bruce Hospice Inc. Re: Funding and Grey Bruce Campaign

Ms. Saunders provided a presentation on the Grey Bruce Hospice, Chapman House 2024 Campaign. She noted that The Grey Bruce Hospice's mission is to "provide comprehensive, compassionate care to all in our community during their time with a life-limiting illness."

Ms. Saunders noted that Hospice does not charge the individuals at the Chapman House. They are reliant on community support. She noted there is government funding; however, it is minimal. This year, the organization is going to Grey County and the lower tier municipalities in Grey Bruce to request ongoing support to continue the support and programming for their residents.

Ms. Saunders provided some insight into the statistics from The Canadian Hospice Palliative Care Association (CHPCA). The CHPCA estimates that, on average, a residential hospice will support an additional five individuals for each resident at a Canadian Hospice. The Chapman House has seen an increase in younger individuals and has supported many family members of the residents.

Ms. Saunders noted that the Chapman House served 187 residents this year, with 138 being from Grey County and 85 or 45% from Owen Sound. The average stay of residents is 14 days. However, there have been residents who stayed upwards of 6 months. Each resident who stays at the Chapman House gets to continue celebrating milestones with family and loved ones.

Ms. Saunders noted that with less than 50% of the operating costs being provided by the Ministry, we are requesting the City of Owen Sound contribute \$5,000 per year with a commitment of 3 years.

In response to a question from the Committee, Ms. Saunders advised that The Chapman House does see thousands of donations from community members, typically in the \$25 to \$50 range. Many participate in the Hospice Hero program, which is a donation of \$600 that can be paid over a year. This donation is called the Hospice Hero, as \$600 is the average cost to maintain one hospice bed for one day.

CR-231109-002

Moved by Member Todd

"THAT in consideration of the deputation from Sabrina Saunders, Executive Director of Grey Bruce Hospice Inc., provided on November 9, 2023, the Corporate Services Committee recommends that City Council directs staff to bring forward a line item in the 2024 budget to consider a \$5,000, 3-year donation commitment to Grey Bruce Hospice Inc."

Carried.

5.b Deputation from Traci Smith, Engagement Partner of BDO Canada LLP Re: 2022 Financial Statements

Ms. Smith provided an overview of the 2022 Final Audit Report. She highlighted the following:

- There were no deficiencies found in the internal controls tested.
- BDO has given the City of Owen Sound a clean audit opinion on the financial statements for 2022.

In response to questions from the Committee, Ms. Allan advised that the prior period misstatement carried forward does not affect the water/wastewater rates. Over time, it will disappear as it is amortized. Ms. Allan also advised that the City records grants as they are received so there is a timing difference between when The Public Sector Accounting Board (PSAB) accrues them.

Committee discussed Item 8.a.2 at this time.

8.a.2 Report CR-23-103 from the Director of Corporate Services Re: 2022 Audited Financials

Details of this report were discussed during item 5.b.

CR-231109-003

Moved by Member Carmichael

"THAT in consideration of Staff Report CR-23-103 respecting 2022 Audited Financials, the Corporate Services Committee recommends that City Council approve the audited 2022 financial statements as presented."

Carried.

5.c Deputation from Vicky Watson, Senior Manager of BDO Canada LLP Re: Asset Retirement Obligations

Ms. Watson provided an overview of PS 3280 Asset Retirement Obligations (AROs) and the impact on the 2023 Audit.

Ms. Watson highlighted the three-step approach to the adoption of Asset Retirement Obligations:

1. Identification - Identify assets that are within the scope of Section PS 3280
2. Recognition - For each item in scope, determine if it meets the recognition criteria in paragraph PS 3280.09
3. Measurement - For each item that meets the recognition criteria, determine an appropriate estimate of the asset retirement obligation.

Ms. Watson noted that this is not a small standard under Public Sector Accounting Standards, and the project's scope is immense. It will require substantial work from the Finance department, Engineering, Clerks, and other individuals with knowledge of the organization. It will be pertinent to have the right team who understands the obligations of the requirement.

Ms. Watson noted that the AROs will have an impact on the financial statements, and this is not a one-time project. At each financial reporting date, the City must reassess the estimates.

In response to a question from Committee, Ms. Watson advised that international standards drive the Public Sector Accounting Standards (PSAS) and Canadian Municipal Standards. However, she cannot speak on the specifics if the standards are tied to United States municipal reporting standards. Ms. Allan added that BDO did not create the standard and that it was written by PSAB. She noted that the benefit of this standard is unclear and will take a substantial amount of work from staff; however, if not accepted, the City would receive a Qualified Financial Statement (not being provided a clean audit opinion).

Committee discussed Item 8.a.4 at this time.

8.a.4 Report CR-23-099 from the Deputy Treasurer Re: Asset Retirement Obligations

The Deputy Treasurer provided an overview of the report.

In response to a question from Committee, Ms. Allan advised that other municipalities complying with the obligation are undertaking the hiring of a consultant. Some other municipalities are delaying the process due to an overburden of work. In a follow-up, Ms. Allan advised that the new section is effective for years ending December 31. Without doing it by December 31, the City would not be able to finalize its financial statements to meet the accounting standard.

In response to a question from Committee, Ms. Allan advised that the report does not suggest which consultant to use. The process of determining this consultant has not yet been defined. As a follow-up, Ms. Gilbert added that \$35,000 is the current average for hiring a consultant for AROs.

In response to a question from the Committee, Ms. Allan advised that typically, if an asset were missed in the financial statements, the City would have the opportunity to adjust for it at the time of the audit. Ms. Allan also noted that BDO's audit scope and fee have also changed with AROs coming into effect, and either way, if the City decides to comply or not comply, the obligation still needs to be looked at by BDO during the audit.

In response to a question from Committee, Ms. Allan advised that the City has had a qualified audit previously relating to Tangible Capital Assets. After a correction, the qualification came off. If the City were not to complete the AROs this year, a one-time qualification may not significantly impact the organization. However, a permanent qualification could have different implications. In a follow-up question, Ms. Allan advised that the increase involved with the one-time implementation of AROs would be recommended to be funded from a Capital or one-time reserve, not funded through the Tax Levy. The continued cost of AROs will be looked at in future work plans.

In response to a question from Committee, Ms. Allan noted that the City plans to direct some comments to the PSAB. Years ago, when deliberations were held on this standard, there would have been an opportunity for comments and feedback. While the City did not comment, it is plausible that organizations like AMO would have responded on behalf of the municipalities.

In response to a question from Committee, Ms. Allan advised that waiting a year to comply with the AROs will not make the standard disappear, and it will eventually need to be done. There is no benefit of delaying it unless there is a rationale such as reduced costs. She advised it could be even more punishing if the City delays it. Ms. Gilbert noted that not complying could affect the City's funding.

In response to a question from Committee, Ms. Gilbert confirmed that the hospitals were compliant with the AROs for their March 31 year-end.

In response to a question from the Committee, Mr. Simmonds advised that the board is not going away, nor is the obligation. It may be more challenging to complete the AROs in the future. He noted that this was not just introduced; it was introduced in 2018, so now is not the time for municipalities to bring forward a change. However, it does not mean the City can't advocate on this item or future items.

In response to a question from Committee, Ms. Allan noted that the work done for AROs will build on the City's Asset Management Plan. There have been inventories developed for Asset Management; however, now, with the AROs, it would need to be determined which assets have the obligation tied to them.

In response to a question from the Committee, Ms. Allan advised that given the AROs are related to municipalities' unique assets, joining other municipalities for a bulk RFP is not recommended.

In response to a question from Committee, Ms. Allan advised that the City has the asset inventory documented but not the attributes that could result in a future retirement obligation, such as the remediation required for disposal. She noted that there are thousands of assets documented currently. With the new ARO, Staff would need to go through the entire inventory to determine if there is a retirement obligation for each one.

CR-231109-004d

Moved by Member Todd

"THAT in consideration of Staff Report CR-23-099 respecting PS 3280 Asset Retirement Obligations, the Corporate Services Committee recommends that City Council direct staff to not comply with the Public Sector Accounting Boards' Asset Retirement Obligations for the City's fiscal 2023 year end."

Defeated.

Councillor Hamley relinquished the position of Chair so that he could make a motion. Deputy Mayor Greig assumed the position of Chair.

CR-231109-005

Moved by Chair Hamley

"THAT in consideration of Staff Report CR-23-099 respecting PS 3280 Asset Retirement Obligations, the Corporate Services Committee recommends that City Council direct staff to move forward with an RFP to work with a consultant to assist with the identification, quantification, and calculation of the City of Owen Sound's Asset Retirement Obligations in order to comply with the Public Sector Accounting Boards' standards in effect for the City's fiscal 2023 year end."

Carried.

Councillor Hamley resumed the position of Chair.

6. PUBLIC QUESTION PERIOD

There were no questions from the public.

7. CORRESPONDENCE RECEIVED FOR WHICH DIRECTION IS REQUIRED

No correspondence items were presented for consideration.

8. REPORTS OF CITY STAFF

8.a Accounting

8.a.1 Report CR-23-101 from the Director of Corporate Services Re: 2024 Levy Budget Guidelines

The Director of Corporate Services provided an overview of the report.

In response to a question from Committee, Ms. Allan advised that historically, rate increases have been in the range of 2% or less.

In response to a question from Committee, Mr. Carbert advised that this year is the last year for insurance renewal from the 2019 RFP. In 2024, the City will return to the market with the comprehensive package.

In response to budget questions from Committee, Ms. Allan advised:

- The Tom Thomson Art Gallery funding reduction in the preliminary budget was due to the loss of the one-time Museum Assistance Program Funding received in 2023. This funding was recognized after COVID-19 and is only funded once.
- The Part-Time Service Owen Sound position was removed in 2023, where the savings were recognized for a year. It has been recognized that the loss of the role is not sustainable, so a business case to re-fund the position will be brought forward for 2024 budget deliberations on December 1.
- Some items driving the surplus this year have been incorporated into next year's budget. The estimate for Supplemental Tax Revenues and Interest Revenues have been increased to ensure the taxpayer benefits from the additional revenues despite their temporary nature.

CR-231109-006

Moved by Councillor Dodd

"THAT in consideration of Staff Report respecting 2024 Levy Budget Guidelines, the Corporate Services Committee recommends that City Council direct staff to bring forward a draft budget with a proposed Municipal Rate increase between 3% and 6% for further deliberation."

Carried.

8.a.2 Report CR-23-103 from the Director of Corporate Services Re: 2022 Audited Financials

Committee dealt with Item 8.a.2 after Item 5.b.

8.a.3 Report CR-23-083 from the Director of Corporate Services Re: 2023 T2 Financial Update

The Director of Corporate Services provided an overview of the report.

CR-231109-007

Moved by Member Sas

"THAT in consideration of Staff Report CR-23-083 respecting 2023 T2 Financial Update, the Corporate Services Committee recommends that City Council receive the report for information purposes."

Carried.

8.a.4 Report CR-23-099 from the Deputy Treasurer Re: Asset Retirement Obligations

Committee dealt with Item 8.a.4 following Item 5.c.

8.b Clerks

8.b.1 Report CR-23-086 from the City Clerk Re: Update to Business Licensing By-law

The City Clerk provided an overview of the report.

In response to a question from Committee, Ms. Bloomfield advised that By-law enforcement works through unique situations as they come arise. She advised that there is flexibility with the policy and that education comes first. Working with the business community to help them comply will be a priority.

CR-231109-008

Moved by Deputy Mayor Greig

"THAT in consideration of Staff Report CR-23-086 respecting an update to the Business Licensing By-law, the Corporate Services Committee recommends that City Council directs staff to:

- 1. Bring forward an updated Business Licensing By-law for approval as outlined in Attachment 1 of the report;**
- 2. Bring forward a by-law to amend the Delegation of Powers and Duties By-law to:**
 - a. Remove approval authority for street vendor agreements from the Manager of Economic Development and Tourism; and**
 - b. Add approval authority for street vendor agreements to the City Manager, or delegate;**
- 3. Apply to the Ministry of the Attorney General for approval of the set fines as outlined in Attachment 2 of the report;**

- 4. Provide notice of an amendment to the Fees and Charges By-law, as outlined in the report; and**
- 5. Bring forward a by-law to amend the Fees and Charges By-law, as outlined in the report.**

Carried.

8.c Corporate and Facility Services

None.

8.d Fire

None.

8.e Human Resources

None.

8.f Information Technology

None.

8.g Parking and By-law Enforcement

None.

8.h Taxes and Revenue

None.

9. MATTERS POSTPONED

There were no matters postponed.

10. MOTIONS FOR WHICH NOTICE WAS PREVIOUSLY GIVEN

There were no motions for which notice was previously given.

11. CORRESPONDENCE PROVIDED FOR INFORMATION

11.a 2024 Committees Information Sheet

The Corporate Services Facilitator advised that the City is currently recruiting public members for vacancies on the Community Services Committee, Corporate Services Committee, Operations Committee, Tom Thomson Art Gallery Advisory Committee, and Council Remuneration Review Task Force. Applications will be accepted until Friday, November 17, 2023, at 4:30 p.m. and the application form can be found on the City's website at www.owensound.ca/committeevacancies or a hard copy can be picked up at the Service Owen Sound counter in City Hall.

11.b MPAC 2023 Year End Initiatives

11.c 3280 ARO Practical Approach

"THAT in consideration of correspondence provided for information purposes listed on the November 9 Corporate Services Committee agenda, the Corporate Services Committee recommends that City Council receive Items 11.a to 11.b for information purposes."

Carried.

12. DISCUSSION OF ADDITIONAL BUSINESS

There was no additional business.

13. NOTICES OF MOTION

There were no notices of motion.

14. ADJOURNMENT

The business contained on the agenda having been completed, Chair Hamley adjourned the meeting at 7:05 p.m.