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City of Barrie

Minutes - Final

Finance and Corporate Services Committee

Tuesday, June 5, 2018 | **7:30 PM** | **Council Chamber**

For consideration at General Committee on June 11, 2018.

The meeting was called to order by the Chair, Councillor, B. Ward at 7:33 p.m. The following were in attendance for the meeting:

Present:	3 -	Councillor, B. Ward Mayor, J. Lehman Councillor, M. McCann
Absent:	2 -	Councillor, S. Trotter Councillor, A. Prince

ALSO PRESENT:
Councillor, B. Ainsworth
Councillor, A. Khan
P. Jesty, Partner Deloitte LLP.

STAFF:
Acting General Manager of Infrastructure and Growth Management, D. Friary
Chief Administrative Officer, M. Prowse
City Clerk/Director of Legislative and Court Services, W. Cooke
Committee Support Clerk, T. McArthur
Deputy City Clerk, J. Carswell
Director of Business Development, S. Schlichter
Director of Finance/Treasurer, C. Millar
Director of Internal Audit, S. MacGregor
Executive Director of Invest Barrie, Z. Lifshiz
General Manager of Community and Corporate Services, D. McAlpine
Manager of Water Operations, C. Marchant
Supervisor of Financial Reporting and Policy, L. Jermey
Water Billing Analyst, M. Gervais.

Pursuant to Section 4.10 of Procedural By-law 2013-072 as amended, the order of business was altered such that the presentation regarding the 2017 Audited Consolidated Financial Statements was received prior to the open delegation concerning the waiving of water billing fees - Cheltenham Drive.

The Finance and Corporate Services Committee met and reports as follows:

SECTION "A"

PRESENTATION CONCERNING THE 2017 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Craig Millar, Director of Finance/Treasurer provided a presentation concerning of the 2017 Consolidated Financial Statements and thanked staff in their efforts in completing the statements by the deadline of May 31, 2018.

Mr. Millar discussed slides concerning the following topics:

- The Statement of Operations and Accumulated Surplus;
- The annual surplus;
- The significant adjustments to tax rate surplus;
- The consolidated statement of change in net debt;
- The change in net debt;
- The statement of financial position;
- The accumulated surplus; and
- The statement of cash flows.

Ms. Paula Jesty, Partner, Deloitte LLP reviewed the status of the audit of the 2017 Consolidated Financial Statements for the City's 2017 fiscal year. Ms. Jesty thanked the Finance and Internal Audit staff for their efforts in completing the audit.

Ms. Jesty reviewed the key elements of the 2017 audit including details of the following aspects:

- The audit scope and terms of engagement and audit risks;
- The status of the audit and uncorrected misstatements;
- The fraud and audit risk areas;
- The significant accounting policies associated with the City's financial position and performance;
- The other reportable matters;
- The communication requirements associated with the Audit Service Plan;
- The uncorrected misstatements; and
- The Independence letter and draft Management Representation letter.

Members of the Committee asked a number of questions related to the information provided and received responses from the presenter and City staff.

OPEN DELEGATION BY STEVE BALMER CONCERNING THE WAIVING OF WATER BILLING FEES - CHELTENHAM DRIVE

Mr. Steve Balmer provided an Open Delegation requesting the waiving of water billing fees for a property located on Cheltenham Drive.

Mr. Balmer discussed the background information and provided details explaining the following timelines that he felt lead to the water bill totaling over $7,300:

- January, 2018 City staff attended his residence and spoke to his neighbor concerning a possible issue with the water meter due to no usage of water;
- February, 2018 Mr. Balmer was notified by his neighbour that the basement of his residence had flooded;
- March, 2018 City staff attended the residence to investigate a possible issue with the water meter due to a higher than normal usage of water resulting from an alert from the City's monitoring system; and
- April, 2018 he received a letter from the City by mail informing him of the water bill and amount owing.

Mr. Balmer expressed his concerns associated with the water billing fees owing on his property and that he felt that City staff should have attended once the abnormal water consumption had been noticed the City's monitoring systems. Mr. Balmer explained his rationale associated with the abnormal water usage and why he felt the bursting pipe had gone undetected until the water began to back up in the basement.

Mr. Balmer expressed that he felt that this matter should be given consideration and the water charges reversed in light of these circumstances. He noted that he believed there should be better stop measures in place to avoid such unfortunate issues with water consumption.

Members of the Committee asked a number of questions of Mr. Balmer and City staff and received responses.

SECTION "B"

REPORT OF THE INTERNATIONAL RELATIONS COMMITTEE DATED MAY 15, 2018

The Report of the International Relations Committee dated May 15, 2018 was received.

The Finance and Corporate Services Committee met and recommends adoption of the following recommendation(s):

SECTION "C"

162 CHELTENHAM ROAD WATER BILL

That the 162 Cheltenham Road Water Bill report be received.

This matter was recommended to General Committee for consideration of adoption at its meeting to be held on 2018-06-11.

2017 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

That the 2017 Audited Consolidated Financial Statements be received.

This matter was recommended to General Committee for consideration of adoption at its meeting to be held on 2018-06-11.

TOURISM SERVICE DELIVERY AND MAT ASSESSMENT

1. That a Municipal Accommodation Tax (MAT) as identified in Regulation 435/17 of the Ontario *Municipal Act, 2001* be implemented in the amount of 4% of room rates on transient hotel, motel, inns, effective January 1st, 2019.

2. That Tourism Barrie as the City's 'tourism entity' defined in Regulation 435/17 receive 50% of the MAT as outlined in the conditions of the legislation.

3. That the Director Business Development and Director of Finance, be authorized to negotiate an agreement with Tourism Barrie for the collection of the MAT on behalf of the City under the following principles:

   a) In adherence with all applicable law under the *Municipal Act, 2001;*
   b) Advancing up to 4 months of operating funds to Tourism Barrie in year one of the agreement to allow Tourism Barrie to fund operations while the MAT is implemented and fund collection stabilized;
   c) The MAT be collected on a monthly basis and remittances be received to the City of Barrie on a quarterly basis with a verified summary from Tourism Barrie;
   d) Appropriate fiscal accountability, audit requirements, inspection powers, termination provisions, and any other requirements

identified through the applicable legislation to ensure appropriate accountability and oversight;
e) An annual service fee not to exceed 2% or $25K (indexed annually to CPI) of the total MAT collection per annum;
f) The agreement not to exceed three-years; and
g) The commitment of Tourism Barrie to support strategic initiatives with the City within the tourism sector in alignment with the Tourism Sector Master Plan, once completed.

4. That staff in the Business Development Department report back to General Committee annually in years 1 and 2 of the agreement, and at minimum, four months prior to the expiration of the agreement (October 2021) in year 3 with a review of the activities of Tourism Barrie, the impact of the MAT, recommendations related to the future application and collection of the MAT, and the inclusion of additional transient accommodations (Airbnb, etc.).

5. That the City Clerk be authorized to execute any documents that may be requisite to implement the MAT and associated agreement(s) with Tourism Barrie to collect and remit the MAT in a form acceptable to the Director of Finance, Director of Business Development and the Director of Legal Services.

6. That a Tourism Reserve Fund be established for the City's portion of the MAT and be utilized under the following principles and purposes:

a) The annual administrative fee as a percentage of the MAT negotiated in accordance with paragraph 3 e) of the recommended motion;
b) Capital Asset refurbishment or new capital assets that support tourism;
c) Studies, strategic initiatives, new product development, or marketing campaigns consistent with the City's Tourism Sector Master Plan; and
d) A minimum annual uncommitted balance of $100K be maintained to provide a source of stabilization funding if required.

7. That an intake form be included in the 2019 Business Plan and Budget for Council's consideration for tax base support for:

a) The annual administrative fee as a percentage of the MAT negotiated in accordance with paragraph 3 e) of the recommended motion; and
b) Funding estimated at $110,000 for Invest Barrie to lead, with the support of Tourism Barrie, the completion of a Tourism Sector Master Plan for the City that would consider the opportunities identified in the tourism services assessment report completed in 2016, along with other priorities identified by City of Barrie staff including sport tourism and corporate/conference development.

8. That a Tourism Working group be established comprised of the following members:

   - Councillor_____(for a term ending November 30th, 2018);
   - Councillor_____(for a term ending November 30th, 2018);
   - Director of Business Development or designate;
   - Director of Creative Economy or designate;
   - Director of Recreation Services or designate;
   - Director of Finance and City Treasurer;
   - One representative of Downtown BIA;
   - Two representatives of the Barrie Hotel Association;
   - Two representatives of Tourism Barrie; and
   - One community representative from the Sport Events/Facilities Advisory Committee.

9. That in the Terms of Reference for the Tourism Working Group detailed in Appendix "A" of the Report to the Finance and Corporate Services Committee dated June 4, 2018, with the intent of guiding the scope and development of a Tourism Sector Master Plan for the City and its implementation of the recommendations on use of MAT funds, be adopted.

10. That the proposed by-law attached as Appendix "B" to the Report to the Finance and Corporate Services Committee dated June 4, 2018 be introduced to bring the MAT into force and effect for January 1, 2019.

This matter was recommended to General Committee for consideration of adoption at its meeting to be held on 2018-06-11.

The meeting adjourned at 9:07 p.m.

CHAIRMAN