



**STANDING COMMITTEE ON FINANCE AND AUDIT
AGENDA**

May 31, 2021, 12:00 p.m.
Council Chambers of City Hall
1100 Patricia Boulevard, Prince George, BC

Pages

A. COMMENCEMENT

B. ADOPTION OF THE AGENDA

RECOMMENDATION:

That the agenda for the May 31, 2021 Standing Committee on Finance and Audit meeting, BE ADOPTED.

C. ADOPTION OF MINUTES

C.1. Minutes of the Finance and Audit Committee Meeting held May 10, 2021

1

RECOMMENDATION:

That the minutes of the meeting held May 10, 2021 for the Standing Committee on Finance and Audit, BE ADOPTED.

D. REPORTS

D.1. Investment Results for Year Ending December 31, 2020

6

RECOMMENDATION:

That the Standing Committee of Finance and Audit RECEIVES FOR INFORMATION the report dated May 19, 2021 from the Finance Department entitled "Investment Results for Year Ending December 31, 2020."

D.2.	Reserve Funds – Balances/Sources/Uses for 2018 through 2020	9
------	---	---

RECOMMENDATION:

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated May 5, 2021 from the Director of Finance titled “Reserve Funds – Balances/Sources/Uses for 2018 through 2020.”

D.3.	2020 Carry Forwards	19
------	---------------------	----

RECOMMENDATION:

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated April 22, 2021 from the Director of Finance titled “2020 Carry Forwards.”

D.4.	Financial Report on Significant Capital Projects	22
------	--	----

RECOMMENDATION:

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated May 26, 2021 from the Director of Finance titled “Financial Report on Significant Capital Projects”.

D.5.	Standing Committee on Finance and Audit - Work Plan Year 2021	24
------	---	----

RECOMMENDATION:

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the 2021 Work Plan as attached to the May 31, 2021 meeting agenda.

E. ADJOURNMENT

RECOMMENDATION:

That there being no further business, the meeting of the Standing Committee on Finance and Audit BE ADJOURNED.



Minutes of the Standing Committee on Finance and Audit

May 10, 2021

12:00 pm

Council Chambers of City Hall

1100 Patricia Boulevard, Prince George, BC

PRESENT: Mayor Lyn Hall <Acting Chair>
Councillor Garth Frizzell <via Zoom, 12:00 p.m. to 12:20 p.m.>
Councillor Frank Everitt
Councillor Cori Ramsay

IN ATTENDANCE: Councillor Susan Scott
Mr. Kris Dalio, Director of Finance
Mr. Walter Babicz, Acting City Manager
Mr. Ian Wells, Acting Deputy City Manager
Mr. Rob van Adrichem, Director of External Relations
Ms. Maureen Connelly, Manager of Legislative Services
Ms. Leslie Kellett, Legislative Coordinator
Mr. Bill McCloskey, Manager of Information and Technology Services <12:00 p.m. to 1:30 p.m.>
Mr. Corey Naphtali, Lead Engagement Partner, KPMG LLP <via Zoom>
Ms. Micaela Roque, Partner, KPMG LLP <via Zoom>
Mr. Paul Burry, Library Director, Prince George Public Library <via Zoom, 12:00 p.m. to 12:54 p.m.>
Ms. Jody Tindill, Manager of Finance and Facilities, Prince George Public Library <via Zoom, 12:00 p.m. to 12:54 p.m.>
Mr. Mike Gagel, Chair, Prince George Public Library Board <via Zoom, 12:00 p.m. to 12:54 p.m.>
Ms. Lorna Wendling, Partner, MNP, LLP <via Zoom, 12:00 p.m. to 1:18 p.m.>
Ms. Tracey McBride, Chief Executive Officer, Tourism Prince George <via Zoom, 12:00 p.m. to 1:18 p.m.>
Mr. Paul Robison, Chair, Board of Directors, Tourism Prince George <via Zoom, 12:00 p.m. to 1:18 p.m.>
Mr. Jamie Valcourt, Treasurer, Board of Directors, Tourism Prince George <via Zoom, 12:00 p.m. to 1:18 p.m.>

A. COMMENCEMENT

The Standing Committee on Finance and Audit meeting was called to order at 12:00 p.m.

B. ADOPTION OF THE AMENDED AGENDA

Moved By Councillor Ramsay

Seconded By Councillor Everitt

That the agenda for the May 10, 2021 Standing Committee on Finance and Audit meeting, be amended at agenda item D.1 by replacing page 20 of the “City of Prince George Consolidated Financial Statements for the Year Ended December 31, 2020” and replacing slide 15 of the “KPMG PowerPoint Presentation regarding the City of Prince George December 31, 2020 Financial Statements,” and that the agenda, BE ADOPTED AS AMENDED.

Carried Unanimously

C. ADOPTION OF MINUTES

C.1 Minutes of the Finance and Audit Committee Meeting held February 22, 2021

Moved By Councillor Everitt

Seconded By Councillor Frizzell

That the minutes of the Standing Committee on Finance and Audit meeting held February 22, 2021, BE ADOPTED.

Carried Unanimously

D. REPORTS

D.1 2020 Financial Statements and Audit

Ms. Micaela Roque, Partner, KPMG LLP, provided a PowerPoint presentation regarding the 2020 Audit Findings Report for the City of Prince George including information on the areas of audit focus, audit risks, adjustments and differences identified during the audit, and current developments in public sector accounting standards.

Mr. Corey Naphtali, Lead Engagement Partner, KPMG LLP, provided a PowerPoint presentation regarding the City of Prince George’s Financial Statements for the year ended December 31, 2020, including information on the Auditor’s report, consolidated financial statements, and surplus and reserves.

Councillor Frizzell left the meeting at 12:20 p.m.

Discussion commenced. K. Dalio, Director of Finance, and Mr. Naphtali responded to questions of the Committee.

Moved By Councillor Everitt
Seconded By Councillor Ramsay

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the presentation from KPMG LLP with respect to the 2020 Financial Statements.

Carried Unanimously

Moved By Councillor Everitt
Seconded By Councillor Ramsay

That the Standing Committee on Finance and Audit APPROVES the 2020 Financial Statements as attached to the report dated May 6, 2021, from the Director of Finance, titled “2020 Financial Statements and Audit.”

Carried Unanimously

D.2 Prince George Public Library Financial Statements, Year Ended December 31, 2020

Ms. Micaela Roque, Partner, KPMG LLP, provided a presentation regarding the Prince George Public Library’s Financial Statements for the year ended December 31, 2020 including information on the audit report, financial statement review and notes.

Discussion commenced. Ms. Tindill, Manager of Finance and Facilities, Prince George Public Library, responded to questions of the Committee.

Moved By Councillor Ramsay
Seconded By Councillor Everitt

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the presentation regarding the 2020 Financial Statements for the Prince George Public Library.

Carried Unanimously

Mr. Burry, Mr. Gagel, and Ms. Tindill left the meeting at 12:54 p.m.

D.3 Tourism Prince George Society Financial Statements, Year Ended December 31, 2020

Ms. Lorna Wendling, Partner, MNP, LLP, provided a presentation regarding the Tourism Prince George Society’s Financial Statements for the year ended December 31, 2020.

Discussion commenced and Ms. Wendling responded to questions of Council.

Moved By Councillor Everitt

Seconded By Councillor Ramsay

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the presentation regarding the 2020 Financial Statements for the Tourism Prince George Society.

Carried Unanimously

Ms. Wendling, Ms. McBride, Mr. Robison, and Mr. Valcourt left the meeting at 1:18 p.m.

D.4 Options for Cyber Security Risk Review

Mr. Bill McCloskey, Manager of Information and Technology Services, provided an overview of the City of Prince George’s cyber security efforts, progress and plans including information on options for an independent review of the City’s cyber security risk.

Discussion commenced. B. McCloskey, Manager of Information and Technology Services, W. Babicz, Acting City Manager, and K. Dalio, Director of Finance, responded to questions of the Committee.

Moved By Councillor Ramsay

Seconded By Councillor Everitt

That the Standing Committee on Finance and Audit RECOMMENDS to Council Option 2 – Perform a Cyber Security Health Check as described in the report dated April 16, 2021, from the Acting City Manager, titled “Options for Cyber Security Risk Review.”

Carried Unanimously

Moved By Councillor Ramsay

Seconded By Councillor Everitt

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the report dated April 16, 2021, from the Acting City Manager, titled “Options for Cyber Security Risk Review.”

Carried Unanimously

Mr. McCloskey exited Council Chambers at 1:30 p.m.

D.5 Standing Committee on Finance and Audit - Work Plan Year 2021

Discussion commenced and K. Dalio, Director of Finance, responded to questions of Council.

Moved By Councillor Everitt
Seconded By Councillor Ramsay

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the 2021 Work Plan as attached to the May 10, 2021 meeting agenda.

Carried Unanimously

E. ADJOURNMENT

Moved By Councillor Everitt
Seconded By Councillor Ramsay

That there being no further business, the meeting of the Standing Committee on Finance and Audit, BE ADJOURNED.

Carried Unanimously

The meeting adjourned at 1:33 p.m.

Mayor Lyn Hall, Acting Chair

Certified Correct

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 19, 2021

TO: STANDING COMMITTEE ON FINANCE AND AUDIT

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Investment Results for Year Ending December 31, 2020

ATTACHMENT(S): None

RECOMMENDATION(S):

That the Standing Committee of Finance and Audit RECEIVES FOR INFORMATION the report dated May 19, 2021 from the Finance Department entitled “Investment Results for Year Ending December 31, 2020.”

PURPOSE:

This report is generated to provide information about the City of Prince George’s investments; their composition, balances and earnings.

STRATEGIC PRIORITIES:

The *Community Charter* (section 183) places restrictions on investment options in order to ensure that municipal funds are as securely invested as can reasonably be expected. Investments are made in accordance with the *Community Charter* and the City of Prince George’s Sustainable Finance Guideline Section 6. The City of Prince George invests funds that are in excess of current cash flow requirements.

FINANCIAL RESULTS:

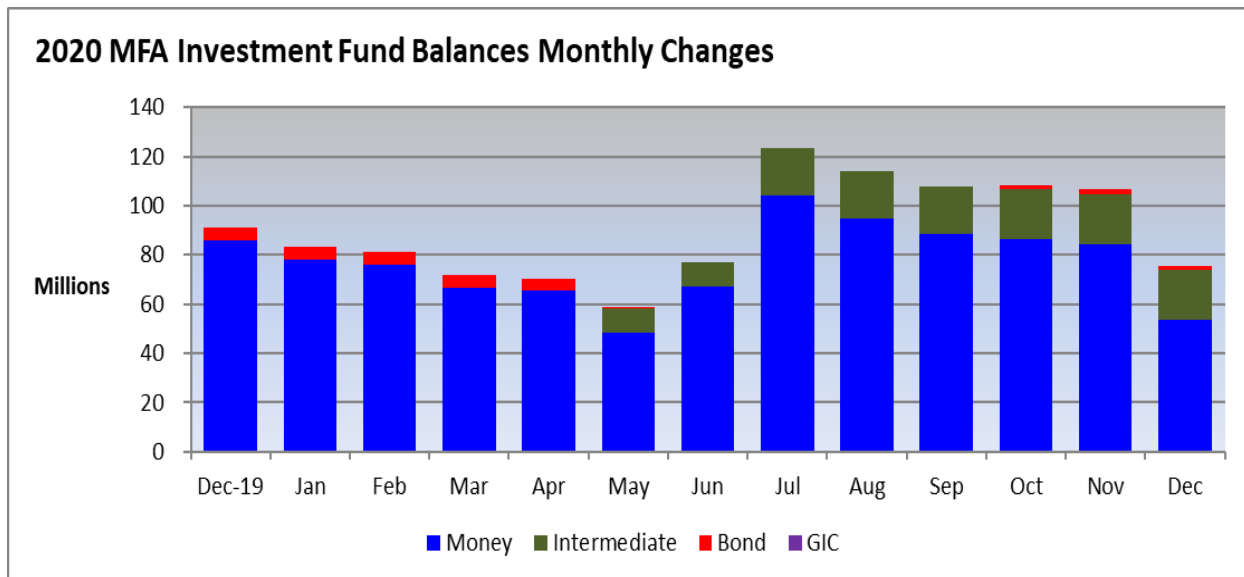
The return on Municipal Finance Authority (MFA) investments for the year ended December 31, 2020 was \$1,347,178, which was earned on monthly average investments of \$89.8M. The return on MFA investments for the year ended December 31, 2019 was \$2,385,971, which was earned on monthly average investments of \$94.3M. The average rate of return on MFA investments for 2020 was 1.96% compared to 2.47% in 2019. As per Public Sector Accounting Standards, the bond fund is presented at book value. The bond fund experienced a capital gain of \$55,357 and the MFA Ultra-Short Government Focused (treasuries) experienced a capital loss of \$(221,282) in 2020.

As per Sustainable Finance Guideline 6.0, the City’s investment portfolio was invested primarily with the MFA for the year 2020. We continue to rely largely on MFA investments due to competitive rates and ease of administration but we are ever watchful of opportunities that arise and still meet the stringent guidelines inherent in the *Community Charter*. Investment terms are structured in order to maximize the return yet still meet expected expenditures.

The tables and data below reflect the 2020 balances and results, as well as those of prior years:

2020 Fund Performance (Book Value as per PSAS for official reporting purposes)					
Fund Type	Rate of Return	Income/ Dividends	Capital Gains/(Losses)	Total Earnings	Ratio
MFA - Money Market	0.84%	\$ 98,673	0	\$ 98,673	7%
MFA - Ultra-Short Gov Focused Bond	2.49%	\$ 314,470	0	314,470	23%
MFA - Bond	4.89%	175,558	0	175,558	13%
MFA - PHISA CIBC	1.22%	669,624	0	669,624	50%
MFA - PHISA NBC	1.14%	88,854	0	88,854	7%
Totals	1.96%	\$ 1,347,178	0	\$ 1,347,178	100%

City Fund Ending Balances	Dec 31, 2020	Ratio	Dec 31, 2019	Ratio
MFA - Money Market	\$ 28,784,408	38%	\$ 10,279	0%
MFA - Intermediate (Ultra-Short)	20,314,470	27%	0	0%
MFA - Bond	2,010,296	3%	5,010,193	6%
MFA - PHISA	24,587,186	32%	85,828,508	94%
Totals	\$ 75,696,359	100%	\$ 90,848,981	100%



The City records investment earnings by fund with the largest fund represented by the reserve and trust accounts. The following table provides the investment earnings by fund for the years 2020 and 2019:

MFA Earnings by Fund	Dec 31, 2020	Ratio	Dec 31, 2019	Ratio
General Operating	\$ 366,769	27%	\$ 765,753	32%
Downtown District Energy	494	0%	885	0%
Sewer Operating	24,444	2%	47,429	2%
Water Operating	14,021	1%	28,166	1%
Reserves & Trusts	941,450	70%	1,543,738	65%
Total	\$ 1,347,178	100%	\$ 2,385,971	100%

Five Year MFA Earnings	2016	2017	2018	2019	2020
Avg. Monthly Investment (millions)	\$ 99.6	\$ 96.7	\$ 92.9	\$ 94.3	\$ 89.8
Earnings	\$ 1,134,303	\$ 703,215	\$ 1,799,967	\$ 2,385,971	\$ 1,347,178
Annual Rate of Return	1.24%	0.53%	2.16%	2.47%	1.96%

SUMMARY AND CONCLUSION:

The fixed income market continues to be challenging and industry publications are signaling that it will continue offering low yields for the foreseeable future. The Municipal Finance Authority of British Columbia continues to strive to provide local governments and regional districts with investment tools they need and want to help manage their capital portfolios. Administration will monitor and take advantage of those tools and diversification alternatives as they become available.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: [2021/05/31]

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 5, 2021

TO: STANDING COMMITTEE ON FINANCE AND AUDIT

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Reserve Funds – Balances/Sources/Uses for 2018 through 2020

ATTACHMENT(S): None

RECOMMENDATION(S):

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated May 5, 2021 from the Director of Finance titled “Reserve Funds – Balances/Sources/Uses for 2018 thru 2020.”

PURPOSE:

This report is provided annually for information as per Sustainable Finance Guideline 10.1.

STRATEGIC PRIORITIES:

Under the Community Charter (sections 188 and 189) of British Columbia, City Council may by bylaw establish Reserve Funds for specific purposes.

As per Sustainable Finance Guideline 10, the City establishes and maintains reserves to:

- Provide sources of funds for future capital expenditures
- Provide sources of funds for areas of expenditure that may fluctuate significantly from year to year
- Protect the City from uncontrollable or unexpected increases in expenditures (e.g. snow control) or decreases in revenues or a combination of both.

If the amount in a Reserve Fund is greater than required, City Council may, by bylaw, transfer all or part of the balance to another Reserve Fund. While their purpose can be for operating, reserve funds are typically used to accumulate funding for future capital purposes.

Sustainable Finance Guideline 10 states that money in a Reserve Fund and interest earned thereon must be used only for the purpose for which the reserve was established. Proposals to appropriate funds from reserves will include repayment plans. As per Sustainable Finance Guideline 10.1, reserves that are repealed will have their balance (if any) transferred to either the Endowment or the Capital Expenditure Reserve.

FINANCIAL CONSIDERATIONS:

Below please find a table concerning the City of Prince George Reserve Funds. There is a comparison between 2018, 2019 and 2020 uncommitted balances for all Reserves except the Trusts. For an explanation of the sources and uses of these funds, please see the Addendum at the end of this report.

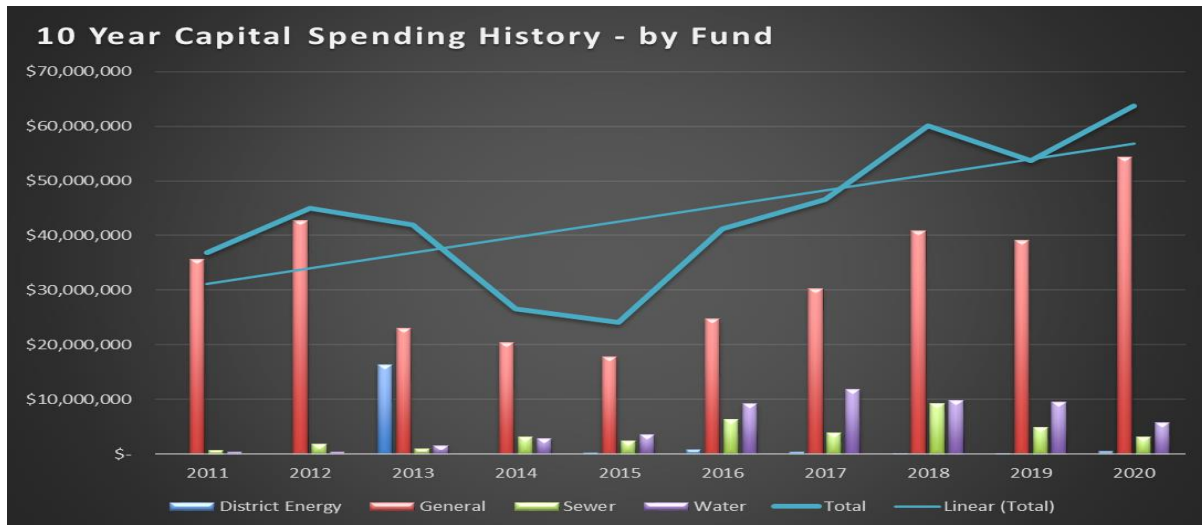
Fund	2018	2019	2020
Reserves			
Capital Expenditure	537,261	1,283,898	835,542
Sewer Utility	780,824	424,698	8,771,639
Water Utility	(942,089)	3,547,499	6,531,573
Endowment	8,310,906	9,305,415	5,527,738
Storm Drainage	7,161	7,346	7,461
Northern Capital & Planning Grant	0	7,696,811	9,251,747
COVID-19 Safe Restart Grant	0	0	6,110,000
Land Development	0	0	0
Snow Control	0	0	0
Road Rehabilitation	(262,779)	419,290	618,073
General Infrastructure Reinvestment Fund	734,993	3,362,380	55,524
Mobile Equipment Replacement	1,462,952	2,028,583	2,617,210
Computer Reserve	272,984	314,846	141,690
SW Area College Heights	11,208	11,497	11,677
SW Area Peden Hill	5,415	5,555	5,642
SW Area South Fort George	768	788	801
SW Area Van Bien	5,690	5,837	5,929
SW Area Vanway	683	700	711
Parkland Acquisition	857,113	134,918	262,473
Downtown Off-Street Parking	2,576,426	927,759	2,445,941
Fortis BC	1,296,961	534,437	0
Extension Ospika/Marleau/St. Laurence	220,297	225,946	229,512
Performing Arts Centre	76,900	85,591	86,941
Total Reserves	15,953,673	30,323,794	43,517,824
Development Cost Charges (D.C.C.'s)			
D.C.C. Roads	966,989	965,541	960,877
D.C.C. Parkland	101,936	367,926	377,063
D.C.C. Drainage	295,567	368,024	404,736
D.C.C. Sanitary Sewer	2,221,984	2,381,553	2,477,122
D.C.C. Water	704,662	980,235	728,586
Total D.C.C.'s	4,291,137	5,063,279	4,948,384

Fund	2018	2019	2020
Regulated Reserve For Expenditures			
Miscellaneous	747,596	521,204	367,530
Debt Reduction	491,622	867,561	953,751
Tyner Blvd Water main Extension	0	0	0
Gaming	0	0	0
Carbon Tax Initiative Program	1,644,835	1,799,065	1,957,746
Community Works Fund	440,381	6,368,066	8,386,331
Solid Waste Services	2,139,238	2,382,319	3,101,834
Total RRFE's	5,463,672	11,938,215	14,767,192
Deferred Revenue			
EVP Crown Land Forest	225,021	230,785	234,428
Major Events	128,516	277,244	66,387
Valentina Goodwin Donation	13,185	13,526	13,737
Total Deferred Revenue	366,722	521,555	314,552
Total in Reserve	26,075,205	47,846,843	63,547,952

New sources of general capital program funds are currently funded by levy contributions or grants. Many categories of the City's operations and infrastructure have dedicated funding sources (Road Rehabilitation, Snow Control, Sewer, Water, Solid Waste, Off-Street Parking). Excluding those examples, the sources of funds the City consistently receives annually that can be allocated to general capital projects of almost any kind include:

- Community Works (Gas Tax) funds of approximately \$3,300,000;
- General Infrastructure Reinvestment Fund Levy of \$2,675,000;
- and other contributions of \$1,000,000.

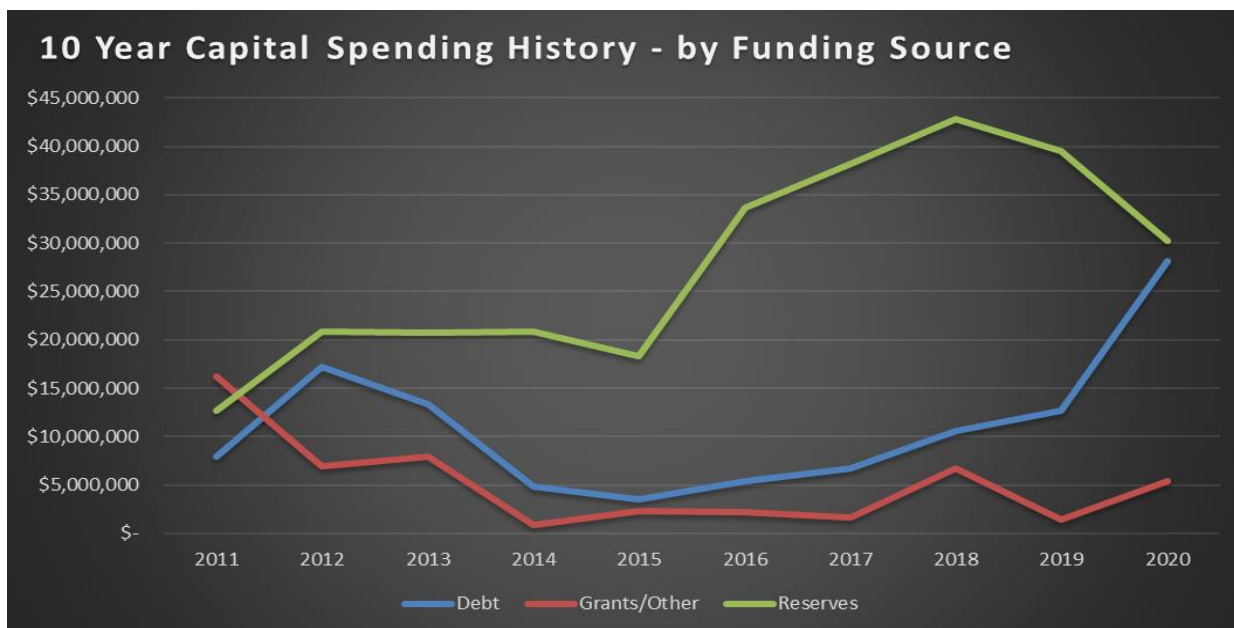
Gaming contributions of \$2,400,000 are usually also considered a reliable source of funds for capital but the COVID-19 pandemic has rendered casinos closed since March of 2020 and so that source of funding is temporarily not available.



Capital investment in City infrastructure continues to trend upwards on a 10 year historical basis. In 2020, \$63.8 million was spent including maintenance projects funded from reserve. Reserves continue to be heavily committed to current & future capital spending.

In 2020, the City received significant grants from other levels of government: The Northern Capital and Planning Grant, in the amount of \$6,527,000; and the COVID-19 Safe Restart Grant, in the amount of \$6,110,000, which helped to bolster reserve balances in 2020. Lastly, if the City and Fortis BC terminate their lease-in lease-out agreement at the 17-year point at the end of 2021, there will be an approximate \$25,000,000 payment that will also help buoy reserves.

It is important to note that some of the increased spending from reserves has been a result of a “pay as you go” approach, as opposed to debt funding, that the City has applied in areas such as sewer, water and solid waste. The graph on the next page helps illustrate that point.



SUMMARY AND CONCLUSION:

The uncommitted Reserve Fund balances increased by \$15.7 million in 2020. The primary reason for that increase was due to the grants received from the provincial and federal government.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: [2021/05/31]

ADDENDUM

Explanation of sources and appropriate uses of Reserve Funds

Fund	Source of Funds	Use of Funds
Reserves		
Capital Expenditure	<ul style="list-style-type: none"> • Contribution from Gaming Revenue • Interest earnings transfer from the Endowment Fund 	<ul style="list-style-type: none"> • General capital projects
Sewer Utility	<ul style="list-style-type: none"> • Sewer user rates • MFA Sinking Fund surpluses 	<ul style="list-style-type: none"> • Sewer capital projects
Water Utility	<ul style="list-style-type: none"> • Water user rates • MFA Sinking Fund surpluses 	<ul style="list-style-type: none"> • Water capital projects
Endowment	<ul style="list-style-type: none"> • Internal loan repayments of principal and interest from the general operating levy • Land sales surpluses 	<ul style="list-style-type: none"> • Interim funding for general projects awaiting debt proceeds • Long-term funding for unanticipated projects that have no other viable funding source • Interest earned on the fund is often transferred to the Capital Expenditure Reserve for use on projects
Storm Drainage	<ul style="list-style-type: none"> • MFA Sinking Fund surpluses 	<ul style="list-style-type: none"> • Storm drainage capital projects
Northern Capital & Planning Grant	<ul style="list-style-type: none"> • One-time grant from the province 	<ul style="list-style-type: none"> • Planning and infrastructure development
COVID-19 Safe Restart Grant	<ul style="list-style-type: none"> • One-time grant from the province 	<ul style="list-style-type: none"> • Addressing revenue shortfalls • Facility reopening and operating costs • Emergency planning and response costs • Bylaw enforcement and protective services • Computer and technology costs to improve connectivity and virtual communications

		<ul style="list-style-type: none"> • Services for vulnerable persons
Land Development	<ul style="list-style-type: none"> • Proceeds from land sales 	<ul style="list-style-type: none"> • Repayment of prior land purchases covered by the Endowment Fund • Transfer to Capital Expenditure Reserve for use on projects
Snow Control	<ul style="list-style-type: none"> • Snow Control Levy 	<ul style="list-style-type: none"> • Snow and ice control • Winter sand cleanup • Other uses of a capital nature related to snow and ice control; land, facilities and site reclamation
Road Rehabilitation	<ul style="list-style-type: none"> • Road Rehabilitation Levy 	<ul style="list-style-type: none"> • Road rehabilitation projects
General Infrastructure Reinvestment	<ul style="list-style-type: none"> • General Infrastructure Reinvestment Levy 	<ul style="list-style-type: none"> • General infrastructure reinvestment projects
Mobile Equipment Replacement	<ul style="list-style-type: none"> • Internal Lease principal and interest repayments • Equipment disposal proceeds 	<ul style="list-style-type: none"> • Interim equipment loans
Computer Reserve	<ul style="list-style-type: none"> • Annual contribution from Capital Expenditure Reserve 	<ul style="list-style-type: none"> • Costs related to acquisition, replacement, betterment and maintenance of computer equipment and software
South-West Sector – College Heights	<ul style="list-style-type: none"> • Funded by Council Directive post amalgamation 	<ul style="list-style-type: none"> • Recreation related projects
South-West Sector – Peden Hill		
South-West Sector – South Fort George		
South-West Sector – Van Bien		
South-West Sector – Vanway		
Parkland Acquisition (Required by Community Charter)	<ul style="list-style-type: none"> • Cash contributions received from developers in lieu of parkland dedications • Proceeds from sale of parkland 	<ul style="list-style-type: none"> • Acquisition of parkland
Downtown Off-Street Parking (Required by Community Charter)	<ul style="list-style-type: none"> • Off-Street parking operating and maintenance surpluses 	<ul style="list-style-type: none"> • Off-Street parking facility projects

Fortis BC (Terasen)	<ul style="list-style-type: none"> Lease proceeds from Fortis BC for the operation of the natural gas distribution system within Prince George as part of a 35 year Lease-in Lease-out agreement 	<ul style="list-style-type: none"> Payment of long-term debt and capital lease payments associated with the purchase of Fortis BC's natural gas distribution system within Prince George At the conclusion of this Lease-in Lease out agreement a large financial benefit will accrue to the City, the value of which will depend upon many factors
Extension Ospika/Marleau/St. Lawrence	<ul style="list-style-type: none"> Developer contribution 	<ul style="list-style-type: none"> Future widening of Ospika Boulevard from 2 lanes to 4
Performing Arts Centre	<ul style="list-style-type: none"> One-time contribution from Initiatives Prince George from sale of ACS building Contribution from Regional Performing Arts Centre Society 	<ul style="list-style-type: none"> To be used to fund the development of a Performing Arts Centre
Development Cost Charges (D.C.C.s)	<ul style="list-style-type: none"> Developers pay D.C.C.s on new developments because they place demands on municipal infrastructure The Community Charter provides for five separate D.C.C. reserves: Roads, Parkland, Drainage, Sewer and Water 	<ul style="list-style-type: none"> Capital projects that have been identified in the Capital Expenditure Plan as growth related
Regulated Reserve For Future Expenditures (RRFEs)		
Miscellaneous	<ul style="list-style-type: none"> Unused operating budgets for special programs, grants, and fibre optic revenues 	<ul style="list-style-type: none"> Continuation of special operating programs and investment in fibre optic infrastructure
Debt Reduction	<ul style="list-style-type: none"> One-time consolidation of old RRFEs that were no longer required MFA debt surpluses 	<ul style="list-style-type: none"> Capital projects that would otherwise require the procurement of new debt
Tyner Boulevard Water Main Extension	<ul style="list-style-type: none"> Money to pay for this came from the Endowment Fund via 	<ul style="list-style-type: none"> Proceeds from lot sales in this area to repay

	the Land Development Reserve	the Endowment Fund loan over time
Gaming	<ul style="list-style-type: none"> Gaming revenue from the provincial government which equals 10% of the Treasure Cove Casino's net profits 	<ul style="list-style-type: none"> Utilized to fund general capital expenditure projects and major events
Carbon Tax Initiative Program	<ul style="list-style-type: none"> Carbon Tax Rebate 	<ul style="list-style-type: none"> Projects that offset the City's carbon footprint
Community Works	<ul style="list-style-type: none"> Federal Gas Tax grants 	<ul style="list-style-type: none"> Funds eligible infrastructure projects
Solid Waste Services	<ul style="list-style-type: none"> User Fees 	<ul style="list-style-type: none"> Purchase and replacement of solid waste equipment
Deferred Revenue		
EVP Crown Land Forest	<ul style="list-style-type: none"> Seeded by various government grants 	<ul style="list-style-type: none"> Urban forestry management
Major Events	<ul style="list-style-type: none"> Gaming revenue 	<ul style="list-style-type: none"> Funds western, national, and international events of a sporting or cultural nature
Valentina Goodwin Donation	<ul style="list-style-type: none"> Donation from the Estate of Valentina Goodwin 	<ul style="list-style-type: none"> To fund projects in and around the Hudson's Bay Wetlands area
Trusts (The balances of which are not included in the above report)		
Winter Games Legacy	<ul style="list-style-type: none"> Grant from BC Winter Games Society (1982) 	<ul style="list-style-type: none"> Interest earnings fund travel for individual and group sporting events
Cemetery Care (Established in accordance with the Cemeteries' Act)	<ul style="list-style-type: none"> Cemetery plot fees 	<ul style="list-style-type: none"> To pay for the upkeep and maintenance of facility upon its closure Interest earnings on the Reserve are used to offset ongoing operating costs
Festival of the Arts/Discovery Place	<ul style="list-style-type: none"> Legacy from hosting the Festival of the Arts 	<ul style="list-style-type: none"> Public art installations
Northwood Pollution Penalty	<ul style="list-style-type: none"> Pollution penalty 	<ul style="list-style-type: none"> Environmental projects
Elections BC Campaign Surplus (mandated by the provincial government)	<ul style="list-style-type: none"> Local election surplus funds exceeding \$500, must be held in trust and accrue interest on behalf of the local candidate 	<ul style="list-style-type: none"> If the candidate runs again in the next general election, the excess campaign funds plus any interest accrued thereon must be returned to the

		<p>candidate's financial agent. If the candidate does not run again, the funds will be forfeited to the jurisdiction in which they're held to be used at the jurisdiction's discretion.</p>
--	--	---

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: April 22, 2021

TO: STANDING COMMITTEE ON FINANCE AND AUDIT

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: 2020 Carry Forwards

ATTACHMENT(S): None

RECOMMENDATION(S):

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated April 22, 2021 from the Director of Finance titled “2020 Carry Forwards.”

PURPOSE:

This report is provided to inform the Committee of the 2020 unspent capital project budgets that were carried forward to 2021.

STRATEGIC PRIORITIES:

This report has been prepared as a result of the November 23rd, 2020 amendment of the Sustainable Finance Guidelines. Effective January 1st, 2021, as per Sustainable Finance Guideline 8.4, the unspent amount of funding for an approved capital project may be carried forward to the following year’s Financial Plan, if the project has begun. Every year, unspent capital funds for projects that have not begun will be brought forward to the Standing Committee on Finance and Audit for information and reviewed and considered for carryforward approval by the Senior Leadership Team.

FINANCIAL CONSIDERATIONS:

The table below details the names of the projects, as well as the budget amounts identified for carry forward into 2021.

Project	2020 Unspent Budget	2020 Actuals	Carry Forward
IT Replacements	\$480,789	\$307,397	\$173,392
IT Betterments	407,330	159,352	247,978
Computerized Mtce Mgmt System	381,508	145,115	236,393
IT Maintenance	305,457	154,005	151,452
Licence Plate Recognition/Sign	50,000	35,332	14,668
Daycare Facility Construction	3,979,865	46,773	3,933,092
Pedestrian/Traffic Safety Improvement	164,351	139,905	24,446

Project	2020 Unspent Budget	2020 Actuals	Carry Forward
14 th Ave Upgrades – General	558,065	422,367	135,698
Domano/St. Lawrence Signalization	464,873	443,869	21,004
Traffic Control & Signal Opt Det UG	75,000	51,402	23,598
Catch Basin Replacement Program	100,000	79,616	20,384
Goose Country Rd Culvert Replacement	1,072,607	387,418	50,000*
Storm Water System Rehab	100,000	29,787	70,213
Drainage Improvements	94,569	54,986	39,583
Prepaving Storm Water Infrastructure	150,000	141,447	8,553
Critical Street Light/Traffic Signal Repl	2,998,031	193,347	2,804,684
Sanitary Sewer Rehab	415,533	305,642	109,891
Western Acre Lagoon Upgrade	160,000	23,670	10,000*
BCR Gravity Sewer Upgrade	1,800,000	1,620,862	179,138
Sanitary Liftstations U/G	266,810	134,401	132,409
WWTC Renewal	420,000	334,165	85,835
WWTC New Components	150,000	0	150,000
Prepaving Upgrade – Sewer	110,000	53,247	56,753
PW623 Booster Pump	1,207,595	320,686	886,909
Western Acres Water System UG	777,283	181,414	595,869
Construction Tools and Equip	53,969	43,063	10,906
PW602 Station Upgrades	629,415	219,341	410,074
Transformer Replacement-PW602	157,301	70,969	86,332
Water Main Replacement	1,224,000	1,018,572	205,428
New Water Mains	2,198,423	1,894,765	303,658
New Water Facilities	199,893	66,554	133,339
Water Facilities Renewal	400,000	24,202	375,798
Valve, Srv Conn, Hydrant Review	500,000	457,606	42,394
PW660 Stage 2 Pump Upgrade	1,500,000	6,088	1,493,912
Trails Rehabilitation	250,000	208,397	41,603
Masich Stadium Amenities Refurbish	2,397,708	2,365,527	32,181
Ron Brent Pk Redevelop Ph 2&3	1,616,635	1,583,983	32,652
Parks Water Truck	300,000	0	300,000
2 nd Ave Parkade Upgrade	3,182,679	2,441,615	25,000*
FSLP Replacement	30,935,639	7,301,971	23,633,668
Mausoleum Expansion Phase 2	1,378,140	571,393	806,747
Civic Fac Roof Replacements	2,585,150	928,612	1,656,538

Project	2020 Unspent Budget	2020 Actuals	Carry Forward
Civic Centre – Replace Flooring	296,885	98,470	198,415
City Hall – Transformer Replacement	310,000	53	309,947
Security Gates at 2 nd Ave Parkade	200,000	9,242	190,758
Civic Facility Accessibility	100,000	75,166	24,834
CARIP – Energy/GHG Reduction	191,444	84,636	106,808
Downtown Creative Arts Hub	5,620,000	0	5,620,000
Mobile Equipment Replacement	6,922,625	5,361,449	1,561,176
Mobile Equipment Replacement - Sewer	623,939	139,273	403,773*
Mobile Equipment Replacement - Water	671,926	113,020	338,773*
Fire Srv – Breath Apparatus Replace	543,000	495,738	47,262
Total in Reserve	\$81,678,437	\$31,345,910	\$48,553,918

*remaining amounts were relinquished

SUMMARY AND CONCLUSION:

This report has been prepared for the Committee’s information and discussion.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: [2021/05/31]

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 26, 2021

TO: STANDING COMMITTEE ON FINANCE AND AUDIT

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Financial Report on Significant Capital Projects

ATTACHMENT(S): 2020 Significant & Debt Funded Capital Projects

RECOMMENDATION(S):

THAT the Standing Committee on Finance and Audit receive for information, the report dated May 26, 2021 from the Director of Finance titled “Financial Report on Significant Capital Projects”.

PURPOSE:

The purpose of this report is to update the Finance and Audit Committee on the progress of the City’s significant capital projects.

STRATEGIC PRIORITIES:

This report supports Council’s priorities of Sustainable Fiscal Management, Sustainable Infrastructure and Organizational Excellence.

BACKGROUND:

Attached to this report, Administration has prepared a list of active capital projects that have a budgeted or actual spending of \$1 million or more. This list also includes any debt-funded projects with no applied threshold. Going forward in 2021, it will include any spending in the “Emergency Infrastructure Reinvestment” capital project with no applied threshold, as per Council resolution.

SUMMARY AND CONCLUSION:

This report informs the Committee of the City’s budget-compared-to-actual performance for its major capital projects in 2020.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: [2021/05/31]

2020 Significant & Debt-Funded Capital Projects

Project	Initial Approval Year	Original Budget	2019 & Prior				Total Budget	Total Actual	Variance	Percent Budget Used	Status	Completion or Expected Completion	Comments
			Council Amendments	Delegated Authority	Budget Adjustments								
Debt													
110443 - Mobile Equip Replacement*	Recurring	6,922,625				6,922,625	5,361,449	1,561,176	77.45%	Complete	31-Dec-20	annual recurring project	
115339 - 2nd Ave Parkade Upgrade	2016	2,725,000	2,444,446			5,169,446	4,428,380	741,066	85.66%	Complete	31-Dec-20		
115388 - Update Radio Communications	2017	700,000	162,611		(1)	862,610	862,610	0	100.00%	Complete	31-Dec-20		
115391 - PW Yard Development	2017	1,450,000	70,939		(1,450,000)	70,939	70,939	0	0.00%	Cancelled	n/a	project cancelled - new funding source required	
115403 - Hart Ind-Storm Drain Treatment	2017	1,470,000				1,470,000	74,197	1,395,803	5.05%	On Hold	see comments	Project on hold due to inability to acquire property from land owner, and is required to advance.	
115409 - FSLP Replacement	2017	35,000,000		750,000		35,750,000	10,371,588	25,378,412	29.01%	In Progress	Q3 2022	The \$750k delegated authority recognizes the Regional District's contribution to the project. The Council Approved Amendment amount is a ratification of delegated authority in 2020. Spending will continue in 2021 as remaining work to cover landscaping and performance period.	
115426 - Fire Hall 1 Replacement	2017	15,000,000	1,061,942	5,000		16,066,942	16,066,942	0	100.00%	In Progress	Q4 2021		
115443 - Kelly Rd North Culvert Replace**	2018	1,100,000				1,100,000	715,695	384,305	65.06%	Complete	31-Dec-20		
115458 - Fire Srv-Breath Apparatus Repl	2019	543,000				543,000	495,738	47,262	91.30%	In Progress	Q3 2021		
115459 - Bylaw Compliance Officer Truck**	2019	55,000				55,000	54,872	128	99.77%	Complete	31-Dec-20		
115460 - AQC-Swim Meet Equip Renewal**	2019	140,000				140,000	129,788	10,212	92.71%	Complete	31-Dec-20		
115462 - AQC-Mech/Bldg Envelope Upgrade	2019	8,580,000			(8,580,000)	0	0	0	0.00%	Not started	Q4 2025	project deferred in 2020 to 2021	
115463 - AQC-Building Components Renew	2019	1,011,000	60,195		(642,351)	428,844	428,844	0	100.00%	In Progress	Q4 2021	(642K) budget adjustment is a deferral to future years; project continues in 2021	
115464 - 14th Ave Upgrades - General	2019	1,200,000				1,200,000	1,064,302	135,698	88.69%	In Progress	Q4 2021	water service to Studio 2880 \$35,400 unbudgeted grant covered the variance, no amendment requested for 2020, project continuing in 2021 with landscaping and performance period but substantially complete	
115465 - Domano/St. Lawrence Signalizat	2019	500,000				500,000	514,395	(14,395)	102.88%	In Progress	Q4 2021		
115466 - Hwy16W Frontage-Heyer to Henry	2019	800,000	5,504			805,504	805,504	0	100.00%	Complete	31-Dec-20		
115467 - Road Foreman Fleet Trucks**	2019	115,000				115,000	51,556	63,444	44.83%	Complete	31-Dec-20	was for 2 trucks, but 2nd unit repurposed from spare unit. Project complete	
115468 - Goose Country Rd Culvert Replc	2019	1,100,000				1,100,000	414,811	685,189	37.71%	In Progress	Q1 2022	substantial completion, warranty period remaining	
115469 - Crit St Lt/Traffic Signal Repl	2019	5,000,000				5,000,000	195,315	4,804,685	3.91%	In Progress	Q4 2022	Program to end phase in 2022. multi -year started. 2021 & 2022 work to take place. 2020 design, tender in 2021 for 1st phase	
115470 - Mausoleum Expansion Phase 2	2019	1,400,000				1,400,000	593,253	806,747	42.38%	In Progress	Q1 2022	Building Open, seasonal deficiencies (landscaping) and warranty period to be completed	
115472 - Masich Stadn Amenities Refurb	2019	2,701,000				2,701,000	2,668,819	32,181	98.81%	In Progress	Q2 2022	substantial completion, warranty period remaining	
115473 - Ron Brent Pk Redevelop Ph 2&3	2019	1,675,000				1,675,000	1,642,348	32,652	98.05%	In Progress	Q1 2022	seasonal deficiencies (landscaping) and warranty period to be completed	
115474 - Civ Fac Roofs Replace 19 to 22	2019	4,670,450				4,670,450	937,912	3,732,538	20.08%	In Progress	Q4 2023	4-year Civic Facilities Roof Program including warranty period	
115494 - Parks Water Truck	2020	300,000				300,000	0	300,000	0.00%	In Progress	Q2 2021	Unit on order	
115495 - Civ Fac-General Maint Van	2020	70,000				70,000	0	70,000	0.00%	Cancelled	n/a	project cancelled	
115498 - Fire Srv-Rescue Watercraft	2020	35,000	3,458			38,458	38,458	0	100.00%	Complete	31-Dec-20		
115499 - FireSrv-Wildland/Resc Util Veh**	2020	65,000				65,000	46,911	18,089	72.17%	Complete	31-Dec-20		
115500 - Downtown Safety Cleanup Equip**	2020	216,000				216,000	196,272	19,728	90.87%	Complete	31-Dec-20		
314293 - Dunbar Place Sewer LAS	2018	0	162,000	145,897		307,897	278,798	29,100	90.55%	Complete	31-Dec-20	Complete	
Debt Total		94,544,075	3,971,095	900,897	(10,672,352)	88,743,715	48,509,696	40,234,020					
Non-Debt													
115190 - Road Rehabilitation	Recurring	5,650,000				5,650,000	5,145,958	504,042	91.08%	Complete	31-Dec-20	complete	
115272 - Library New Entrance	2014	2,472,000	1,609,344		(3)	4,081,341	4,081,341	0	100.00%	In Progress	Q4 2021	spending continues in 2021	
115353 - Airport Hill Drainage Control**	2018	4,000,000				4,000,000	3,707,377	292,623	92.68%	Complete	31-Dec-20	complete	
115420 - Downtown Util Relocation-Gen	2018	3,236,317	60,987	11,089		3,308,393	3,308,393	0	100.00%	In Progress	Q4 2021	2021 payment has exceeded 2020 accrual so there will be more costs on this covered by a 2021 budget amendment approved by Council- Parkade offsites	
115425 - George St Parkade Construction	2017	0	17,187,767	5,354,572	(1)	22,542,339	22,542,339	0	100.00%	Complete	31-Dec-20	The Council Approved Amendment amount is made up of the retroactive approval of the original estimate of \$12,613,000 in 2019, as well as a \$4,574,767 ratification of delegated authority in 2020	
115503 - Downtown Creative Arts Hub	2020	0	5,620,000			5,620,000	0	5,620,000	0.00%	Not started	Q4 2024	contingent on grant approval	
314229 - Danson Lagoon System Upgrade	2010	1,745,000		(64,759)		1,680,241	655,852	1,024,389	39.03%	On Hold	see comments	Project on hold until Sanitary Lagoon feasibility (operating) completed.	
314270 - Western Acre Lagoon Upgrade	2016	1,640,000				1,640,000	194,929	1,445,071	11.89%	In Progress	Q3 2021	New WSER regulation makes initial design insufficient to meet discharge requirements. Project will allow sanitary sewer to be conveyed to the existing sanitary sewer system and the Lansdowne WWTC for treatment. Project to be cancelled and handled through Sanitary Lagoon Rerouting project.	
314275 - BCR Gravity Sewer Upgrade	2013	4,375,000		277,818		4,652,818	4,473,677	179,141	96.15%	In Progress	Q3 2021	deficiency work to be completed	
314278 - SLS SCADA System Upgrade	2016	265,000	143,968	765,149	(1)	1,174,115	1,174,115	0	100.00%	Complete	31-Dec-20		
314294 - WWTC Renewal	Recurring	4,000,000				4,000,000	370,371	3,629,629	9.26%	In Progress	Q4 2021		
314296 - 14th Ave Upgrades - Sewer**	2019	250,000				250,000	117,039	132,961	46.82%	Complete	31-Dec-20		
411136 - PW660 to PW605 Water Connector	2014	3,045,000	875	646,251	(2)	3,692,124	3,692,124	0	100.00%	Complete	31-Dec-20		
411137 - Rec Place to Massey Looping	2014	1,345,000	10,550		(121,800)	1,233,750	1,233,750	0	100.00%	Complete	31-Dec-20	budget relinquished and then there was subsequent spending	
411141 - Water Main Twinning PW650-817	2011	3,400,000	2,800,000			6,200,000	5,630,611	569,389	90.82%	Complete	31-Dec-20		
411145 - PW615 Emergency Power Supply	2011	1,050,000	2,482,619	254,240	(2)	3,786,858	3,786,858	0	100.00%	Complete	31-Dec-20		
411161 - PW623 Booster Pump	2014	1,420,000		(170,000)		1,250,000	363,090	886,910	29.05%	In Progress	Q4 2021		
411164 - Western Acres Water System UG	2014	3,385,000	2,950,000			6,335,000	5,739,130	595,870	90.59%	In Progress	Q4 2021	System performance period, landscaping to be completed, record documentation in progress	
411166 - WPS SCADA System Upgrade	2016	265,000	740,071	574,603	(2)	1,579,672	1,579,672	0	100.00%	Complete	31-Dec-20		
411191 - Water Main Replacement	Recurring	2,000,000				2,000,000	1,024,772	975,228	51.24%	Complete	31-Dec-20	Development-related project did not occur in 2020.	
411196 - 14th Ave Upgrades - Water**	2019	250,000				250,000	244,709	5,291	97.88%	Complete	31-Dec-20		
411199 - PW660 Stage 2 Pump Upgrade	2020	1,500,000				1,500,000	6,088	1,493,912	0.41%	In Progress	Q4 2022		
Non-Debt Total		45,293,317	33,606,181	7,648,964	(121,811)	86,426,651	69,072,195	17,354,455					
Grand Total		139,837,392	37,577,276	8,549,861	(10,794,163)	175,170,365	117,581,891	57,588,475					

*Mobile equipment includes carry forward budget from 2019.

**Standing Committee on Finance and Audit
Work Plan
Year 2021**

Month	Date	Agenda Item Description
February	22 nd	<ul style="list-style-type: none"> • Review 2021 Audit Plan – KPMG LLP representatives to attend • Tax rate setting background information and options
May	10 th	<ul style="list-style-type: none"> • Options for independent review of the City’s cyber-security risk • Presentation by KPMG LLP of City of Prince George 2020 Financial Statements • Presentation of Other Controlled Entities 2020 Financial Statements (Public Library and Tourism PG)
May	31 st	<ul style="list-style-type: none"> • Report on Year 2020 investment results • Report on Reserve Funds • Report on 2020 Carry forwards • Progress and Financial Report on Significant Capital Projects
July	26 th	<ul style="list-style-type: none"> • Placeholder for potential agenda items
August	30 th	<ul style="list-style-type: none"> • Report on 2021 Budget Consultation Approach • Report on 2022 Recommended Permissive Tax Exemptions
December	6 th	<ul style="list-style-type: none"> • Progress and Financial Report on Significant Capital Projects • Report on Public Consultation Re: 2022 Budget Priorities • Report on 2022 - 2024 Operating Budget Guidelines • Draft Year 2022 Capital Expenditure Plan • Draft 2022 Committee Work Plan