



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council **File No.:** 0550.20
From: Chief Administrative Officer **Date:** June 24, 2019
Subject: Draft Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”

PURPOSE:

To provide Council draft Terms of Reference to be discussed, approved and assigned to the “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”.

CAO RECOMMENDATIONS:

That based on the June 24th 2019 staff report “Draft of Terms of Reference (ToR) – “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”, Council approve OPTION 1 and hereby create the subject Select Committee;

That the attached Terms of Reference apply to the functioning of the Committee; and

That committee membership will be assigned by Resolution as per the Terms of Reference.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

Council’s 2015 Asset Management Policy “sets guidelines for implementing organization-wide Asset Management processes to meet the asset-intensive Sustainable Service Delivery needs of the City.” The Policy includes in part, that the needs will be met by “ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by: g) Providing those we serve with services and levels of service for which they are willing to pay”.

Recognizing the significance of the Policy, at its Regular Council Meeting March 4th 2019 Resolution 8.01 was adopted:

Moved by Cole-Hamilton and seconded by Morin that

Whereas the City of Courtenay practices Asset Management in order to ensure that it provides services in a financially sustainable manner; and,

Whereas a Bylaw which requires consideration of the full life-cycle costs of all asset renewals, upgrades and acquisitions would serve to consolidate and strengthen the City's Asset Management policy and practice;

Therefore be it resolved that Council direct staff to draft an Asset Management Bylaw which incorporates the existing Asset Management Policy and which would require taking into account full life-cycle costs when making decisions regarding renewal, upgrade and acquisition of Tangible Capital Assets; and,

That full life-cycle costs are considered to include the planning, procurement, creation, operation, maintenance, renewal and decommissioning of Tangible Capital Assets.

Carried

To date, the drafting of the intended bylaw is nearing completion and, given its sweeping and innovative nature, will be submitted for a preliminary legal review prior to submission for First Reading. It is anticipated this bylaw will be put before Council in early July. Therefore it will be available to the Select Committee to aid in their discussions.

Furthermore, in recognition of the consequential financial implications of the Asset Management Policy (and those of the proposed bylaw), at its Regular Council Meeting of April 15, 2019 Resolution 8.01 was adopted:

Moved by Hillian and seconded by Cole-Hamilton that:

Whereas Courtenay will require significant capital expenditures in the next five years to maintain essential municipal infrastructure; and

Whereas, those expenditures will necessitate borrowing; and

Whereas these requirements along with ongoing operating costs may unduly increase the tax burden on Courtenay taxpayers;

Therefore, be it resolved that Council direct staff to prepare a staff report by June 24, 2019 recommending Terms of Reference for a Select Committee to investigate and recommend to Council, potential alternative funding sources and Level of Service and Policy options that would meet these forthcoming obligations and align with Courtenay taxpayers' willingness to pay.

Carried

DISCUSSION:

Staff have conducted a thorough analysis of these two guiding Resolutions and, in particular, refined the two premises of the Resolution to create this subject Select Committee: identify potential alternative funding sources that would minimize the impact of assuming new long-term capital debt; and identify Level of Service options that would align with taxpayers' willingness to pay.

So, in summary, the forthcoming Asset Management Bylaw will contain the same principles as the present Asset Management Policy with added emphasis on life-cycle costing and Level of Service implications. By its nature, this bylaw will provide greater strength in its applicability than a Policy. Concurrently, the activities of the Select Committee will investigate and recommend to Council, practical policy steps to implement these refined more consequential Asset Management principles.

FINANCIAL IMPLICATIONS:

None anticipated beyond the opportunity cost of senior and other staff support.

ADMINISTRATIVE IMPLICATIONS:

Staff time will be required to support the select committee, prepare agendas and minutes, and undertake research on issues within the committee mandate. The number and complexity of meetings and research will define the extent of support. The CAO must be consulted in the allocation of this staff capacity as the responsibility to meet all other operational capacity needs resides with him.

ASSET MANAGEMENT IMPLICATIONS:

The potential exists for substantial impact upon the Asset Management program and the long-term financial sustainability of the City. The extent will be a function of the committee recommendations to Council and their subsequent decisions.

STRATEGIC PRIORITIES REFERENCE:

This has the potential to have a positive impact on most strategic priority themes while remaining within the bounds of existing capacity and financial resources.

OFFICIAL COMMUNITY PLAN REFERENCE:

The OCP contains no direct references

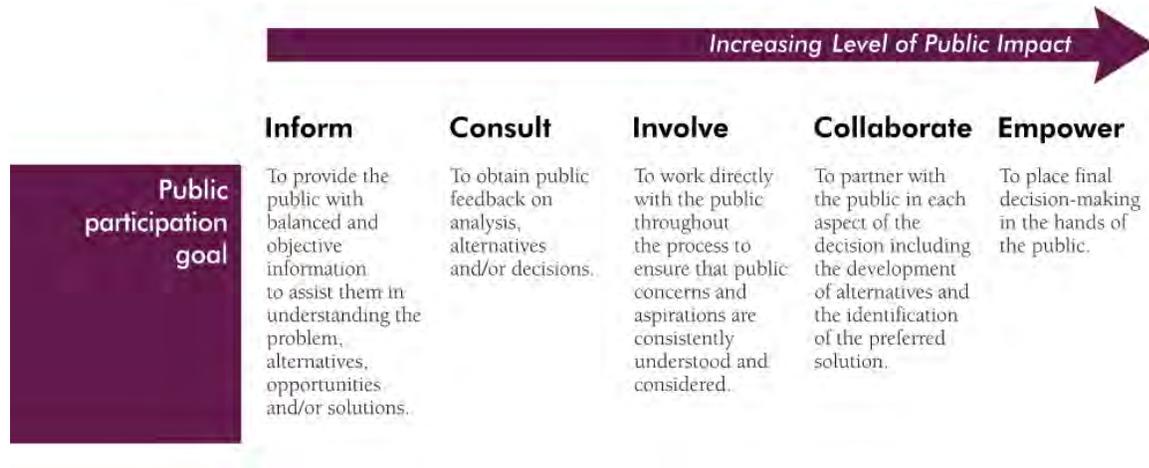
REGIONAL GROWTH STRATEGY REFERENCE:

The RGS contains no direct references

CITIZEN/PUBLIC ENGAGEMENT:

Select Committee meetings must be open to the public with the same exceptions imposed upon Council meetings. The periodic committee reports and its final recommendations would Inform the public based on the IAP2 Spectrum of Public Participation:

http://c.ygcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



OPTIONS:

1. Hereby create the “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options”;
That the attached Terms of Reference apply to the functioning of the Committee; and
That committee membership will be assigned by Resolution as per the Terms of Reference.
(Recommended)
1. That Council defers consideration of creating “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options” to a future meeting;
2. That Council amend the Terms of Reference to the proposed “Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options” as it sees fit.

Prepared by:

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Section: 5 - Finance	Policy # 1670.00.02
Subject: Asset Management Policy	Revision #

PURPOSE

This Policy sets guidelines for implementing organization-wide Asset Management processes to meet the asset-intensive Sustainable Service Delivery needs of the City.

POLICY

Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

The City's Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- a) Ensuring that Courtenay's capital assets are provided in a manner that respects cultural, economic and environmental sustainability;
- b) Meeting all relevant legislative and regulatory requirements;
- c) Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
- d) Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them;
- e) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- f) Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and
- g) Providing those we serve with services and levels of service for which they are willing to pay.

AUTHORIZATION: 	DATE: June 15, 2015
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Section: 5 - Finance	Policy # 1670.00.02
Subject: Asset Management Policy	Revision #

SCOPE

This policy applies to all City of Courtenay departments, officers, employees and contractors.

RELATED DOCUMENTS

- a) *Community Charter* s. 7(c) [Municipal purposes] “The purposes of a municipality include providing for stewardship of the public assets of its community”;
- b) City of Courtenay Official Community Plan (OCP);
- c) The “Regional Context Statement” of the OCP;
- d) “Asset Management for Sustainable Service Delivery: A BC Framework”; and
- e) “International Infrastructure Management Manual, International Edition, 2011” and its supplementary Practice Notes.

RESPONSIBILITY

City of Courtenay council members are responsible for adopting policy and ensuring that sufficient resources are applied to manage the City’s capital assets.

The Chief Administrative Officer has responsibility for Asset Management plans, strategies and procedures as well as reporting to Council on the effectiveness of Asset Management practices and their outcomes. Asset Management activities may be assigned or delegated internally at the discretion of the Chief Administrative Officer.

REVIEW DATE

This policy has an intended life of 4 years, or less, at the discretion of sitting Council of-the-day.

AUTHORIZATION: 	DATE: June 15, 2015
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Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

Reference: http://www.bclaws.ca/civix/document/id/complete/statreg/03026_00

Division 3 — Open Meetings

General rule that meetings must be open to the public

89 (1) A meeting of a council must be open to the public, except as provided in this Division.

(2) A council must not vote on the reading or adoption of a bylaw when its meeting is closed to the public.

Meetings that may or must be closed to the public

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;

(b) personal information about an identifiable individual who is being considered for a municipal award or honour, or who has offered to provide a gift to the municipality on condition of anonymity;

(c) labour relations or other employee relations;

(d) the security of the property of the municipality;

(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;

(f) law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment;

(g) litigation or potential litigation affecting the municipality;

(h) an administrative tribunal hearing or potential administrative tribunal hearing affecting the municipality, other than a hearing to be conducted by the council or a delegate of council;

(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;

Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

(j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the [Freedom of Information and Protection of Privacy Act](#);

(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public;

(l) discussions with municipal officers and employees respecting municipal objectives, measures and progress reports for the purposes of preparing an annual report under section 98 [*annual municipal report*];

(m) a matter that, under another enactment, is such that the public may be excluded from the meeting;

(n) the consideration of whether a council meeting should be closed under a provision of this subsection or subsection (2);

(o) the consideration of whether the authority under section 91 [*other persons attending closed meetings*] should be exercised in relation to a council meeting.

(2) A part of a council meeting must be closed to the public if the subject matter being considered relates to one or more of the following:

(a) a request under the [Freedom of Information and Protection of Privacy Act](#), if the council is designated as head of the local public body for the purposes of that Act in relation to the matter;

(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party;

(c) a matter that is being investigated under the [Ombudsperson Act](#) of which the municipality has been notified under section 14 [*Ombudsperson to notify authority*] of that Act;

(d) a matter that, under another enactment, is such that the public must be excluded from the meeting;

(e) a review of a proposed final performance audit report for the purpose of providing comments to the auditor general on the proposed report under section 23 (2) of the [Auditor General for Local Government Act](#).

(3) If the only subject matter being considered at a council meeting is one or more matters referred to in subsection (1) or (2), the applicable subsection applies to the entire meeting.

Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

Other persons attending closed meetings

91 (1) If all or part of a meeting is closed to the public, the council may allow one or more municipal officers and employees to attend or exclude them from attending, as it considers appropriate.

(2) If all or part of a meeting is closed to the public, the council may allow a person other than municipal officers and employees to attend,

(a) in the case of a meeting that must be closed under section 90 (2), if the council considers this necessary and the person

(i) already has knowledge of the confidential information, or

(ii) is a lawyer attending to provide legal advice in relation to the matter, and

(b) in other cases, if the council considers this necessary.

(3) The minutes of a meeting or part of a meeting that is closed to the public must record the names of all persons in attendance.

Requirements before meeting is closed

92 Before holding a meeting or part of a meeting that is to be closed to the public, a council must state, by resolution passed in a public meeting,

(a) the fact that the meeting or part is to be closed, and

(b) the basis under the applicable subsection of section 90 on which the meeting or part is to be closed.

Application of rules to other bodies

93 In addition to its application to council meetings, this Division and section 133 [*expulsion from meetings*] also applies to meetings of the following:

(a) council committees;

(b) a municipal commission established under section 143;

(c) a parcel tax roll review panel established under section 204;

(d) a board of variance established under Division 15 of Part 14 of the [Local Government Act](#) ;

Excerpt: Community Charter

[SBC 2003] CHAPTER 26

Part 4 — Public Participation and Council Accountability

- (e) an advisory body established by a council;
- (f) a body that under this or another Act may exercise the powers of a municipality or council;
- (g) a body prescribed by regulation.

Division 4 — Committees, Commissions and Other Bodies

Select committees of council

142 (1) A council may establish and appoint a select committee to consider or inquire into any matter and to report its findings and opinion to the council.

(2) At least one member of a select committee must be a council member.

(3) Subject to subsection (2), persons who are not council members may be appointed to a select committee.