

**FINANCE STANDING COMMITTEE**  
**Tuesday, July 14, 2020**

A Regular Meeting of the Finance Standing Committee convened on Tuesday, July 14, 2020 at 9:03 a.m. in the Council Chambers, City Hall, 3000 Guildford Way, Coquitlam, BC with the following persons present:

COMMITTEE MEMBERS:

- Mayor Richard Stewart
- Councillor Brent Asmundson
- Councillor Craig Hodge
- Councillor Steve Kim
- Councillor Trish Mandewo
- Councillor Dennis Marsden
- Councillor Teri Towner
- Councillor Chris Wilson
- Councillor Bonita Zarrillo (arrived at 9:21 a.m.)

STAFF:

- Peter Steblin, City Manager
- Raul Allueva, Deputy City Manager
- Jaime Boan, General Manager Engineering and Public Works
- Michelle Hunt, General Manager Finance and Technology
- Donnie Rosa, General Manager Parks, Recreation and Culture Services
- Stephanie James, Director Legal and Bylaw Enforcement
- Gorana Cabral, Manager Financial Planning
- Sean O'Melinn, Legislative Services Manager
- Kate Nasato, Legislative Services Clerk

**CALL TO ORDER**

**REPORTS OF STAFF**

**1. Report of the General Manager Finance, Technology and Police Services – 2020 City Asset Replacement Assessment & Funding Update**

The General Manager Finance, Technology and Police Services provided introductory comments regarding the 2020 City Asset Replacement Assessment and Funding Update, highlighted the City's award winning Asset Management Funding Framework, and provided information regarding the need to update the Asset Replacement Funding Policy.

The Financial Planning Manager provided an onscreen presentation entitled "City Asset Replacement Assessment and Funding Update" with slides titled as follows:

- Agenda
- Sustainable Asset Management History
- Municipal Services
- Sustainable Asset Management Funding Framework
- Assessment Management Funding Methodology

- Asset Replacement Funding
- 2020 Asset Assessment General Fund – 20 Years
- Asset Replacement Reserve Balance Projection – General Fund
- 2020 Asset Assessment Results Utility Funds – 40 Years
- Asset Replacement Reserve Balance Projection – Utility Funds
- 2020 Asset Assessment Update
- 2020 Update
- Next Steps
- Questions and Feedback

Discussion ensued relative to the following:

- The impact of COVID-19 on TransLink funding and casino revenues and how this may impact the City's budget and asset replacement funding
- The desire to consider different funding options for the backlog replacement of assets
- Concerns regarding the use of funding from the Land Sales Reserve Investment Fund to fund operational needs
- Clarification regarding whether the updated calculated Annual Average Target Investment includes new assets

The Manager Financial Planning provided information relating to the TransLink Major Road Network Operations and Maintenance Agreement. In response to a question from a member of the Committee, she provided information relating to the projected fire asset replacement reserve deficit.

The General Manager Finance, Technology and Police Services provided information relating to the impacts of COVID-19 on TransLink funding and casino revenues and how the City is adapting to reduced funding levels and clarified the use of funds from the Land Sales Reserve Investment Fund.

Councillor Marsden left the meeting at this time (9:36 a.m.) and returned at 9:37 a.m.

In response to a question from a member of the Committee, the Manager Financial Planning and the General Manager Finance, Technology and Police Services provided information relating to the City's award winning Asset Management Funding Framework and how it compares to other municipalities.

Discussion continued relative to the following:

- The efforts being proposed to extend the lifespan of existing assets and how they are being incorporated into the framework
- The understanding that municipalities across the country have significant infrastructure debt and the desire to take advantage of possible future federal and provincial funding for asset replacement when it is made available
- Options available to address the impacts of inflation on the operating costs associated with the ongoing operations and maintenance of assets

- Clarification regarding how depreciation is calculated for assets
- The belief that investing in infrastructure is a long-term policy that will support future generations of Coquitlam residents
- The desire to ensure that the public is aware of the City's efforts to develop a strong asset management framework
- The results of the 2019 Ipsos-Reid Citizen Satisfaction Survey relating to citizen's preference for tax increases over service cuts
- The importance of funding asset replacement

In response to questions from member of the Committee, General Manager Finance, Technology and Police Services provided further information relating to the updated Asset Replacement Funding Policy, how the annual increase in funding allocation is proposed to be funded, and how the City monitors the condition of assets.

The Committee directed staff to amend the draft policy in order to include an annual increase in the base budget to help address inflationary pressures.

The Committee received the report of the General Manager Finance, Technology and Police Services dated July 6, 2020 and entitled "2020 City Asset Replacement Assessment & Funding Update" for information.

#### **OTHER BUSINESS**

**NEXT MEETING DATE – Wednesday, October 21, 2020**

#### **ADJOURNMENT**

The meeting adjourned at 10:09 a.m.

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CHAIR

I hereby certify that I have recorded the Minutes of the Finance Standing Committee Meeting held Tuesday, July 14, 2020 as instructed, subject to amendment and adoption.

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Kate Nasato  
Legislative Services Clerk