

# **CITY OF WHITEHORSE – STANDING COMMITTEES**

Monday, June 17, 2019 – 5:30 p.m.

Council Chambers, City Hall

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## **CALL TO ORDER**

## **ADOPTION OF AGENDA**

## **PROCLAMATIONS**

## **DELEGATES**

Erica Dee Mah – Green New Deal  
Barbara Drury – Single Use Plastic Bags

## **COMMUNITY SERVICES COMMITTEE**

1. 2018 Transit Master Plan – For Information Only
2. New Business

## **PUBLIC HEALTH AND SAFETY COMMITTEE**

1. 2018 Bylaw Services Review – For Information Only
2. New Business

## **DEVELOPMENT SERVICES COMMITTEE**

1. Councillor Roddick's Notice of Motion – For Discussion
2. New Business

## **CORPORATE SERVICES COMMITTEE**

1. 2018 Audited Financial Statements
2. Budget Amendment – Marwell Lift Station Pump Replacement
3. Budget Amendment and Contract Award – SCADA Software Upgrade
4. New Business

## **CITY PLANNING COMMITTEE**

1. New Business

## **CITY OPERATIONS COMMITTEE**

1. Operations Building – Contract Extension Claim
2. Contract Extension – Landfill Operations
3. New Business

**CITY OF WHITEHORSE  
COMMUNITY SERVICES COMMITTEE**

Date: Monday, June 17, 2019

Location: Council Chambers, City Hall

Chair: Jan Stick      Vice-Chair: Jocelyn Curteanu



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1. <b>2018 Transit Master Plan - For Information Only</b>	1 - 2
2. <b>New Business</b>	

## **ADMINISTRATIVE REPORT**

<b>TO:</b> Community Services Committee
<b>FROM:</b> Administration
<b>DATE:</b> June 17, 2019
<b>RE:</b> 2018 Transit Master Plan – For Information Only

### **ISSUE**

Update for Council regarding implementation of the Transit Master Plan.

### **REFERENCES**

Transit Master Plan (2018) <https://www.whitehorse.ca/home/showdocument?id=10014>  
Whitehorse Sustainability Plan (2015)  
Whitehorse Transportation Demand Management Plan (2014)  
Whitehorse Downtown Parking Management Plan (2011)

### **HISTORY**

Transit Services is a City of Whitehorse department focussed on providing safe, efficient transportation services to all citizens. The department consists of a 19 full time equivalent driver positions, one customer service representative, one co-ordinator, two servicepersons, an operations supervisor and a manager.

In July 2018 the Transit Master Plan was accepted as a guiding document by Council. The plan was completed by Stantec Consulting Ltd. As part of developing the plan, a review was conducted which involved interviews with various stakeholders including First Nation governments, local secondary schools, Yukon College, Government of Yukon (YG) as well as various City employees and the public. This review provided numerous recommendations for Council and Administration consideration. The following are examples of recommendations contained within the 2018 Transit Master plan:

- Institute technology on-board, real-time scheduling and mobile fare payment on-board in all vehicles.
- Improve the overall efficiency and cost of the Handy Bus program.
- Improve existing route alignment and scheduling to better match demand.

Council accepted the Transit Master Plan as a guiding document in June 2018.

### **ANALYSIS AND NEXT STEPS**

1. Technology On-Board. The use of technology is evolving rapidly in public transportation. Technology has made public transportation more effective and efficient and is enabling riders to personalize their transit experience. The next generation of Whitehorse Transit requires cost-effective technology solutions that continually enhance the rider experience to grow ridership while providing data and data analytics to help make Whitehorse Transit services sustainable, both financially and environmentally.

Fare payment technology has evolved in favour of user-friendly smartcard and electronic payment solutions, which appeal to a technology-reliant ridership base. In addition, Whitehorse Transit does not offer real-time scheduling to its riders.

The City of Whitehorse issued an RFI (Request for Information) for this technology in April 2019. Three companies responded to the RFI and will be contacted as part of a forthcoming RFP (Request for Proposals) anticipated for release in July 2019.

2. Improve the overall efficiency of the Handy Bus program. Cost management is a primary challenge of the Handy Bus program. The cost-per-trip and cost-per-hour make it one of the most expensive specialized transit services in its category. The Handy Bus cost-per-hour is 94-percent higher than other specialized transit services. This is a concern for the financial sustainability of the program. Within the Transit Master Plan Stantec suggested that Whitehorse Transit may wish to explore the creation of a 3<sup>rd</sup> party to deliver specialized transit trips with the current Handy Bus vehicles redeployed as Home to Hub or micro-transit vehicles to serve lower density areas of the city (more discussed below).

YG has historically funded approximately 75% of the operating cost of the Handy Bus service. YG has indicated a need to consider alternative funding arrangements regarding the Handy Bus service. Initial discussions are underway between Administration and senior staff within the Department of Health and Social Services in this regard. An interim funding agreement is in place until December 2019.

3. Improve existing route alignment and scheduling to better match demand. This recommendation is very comprehensive and suggests a change to the full transit schedule and routes. This new system will have three main hubs for passengers to transfer or continue on to their final destination. The first hub would be Yukon College/University; with the addition of a transit-way area to support large numbers of people taking transit. The second location would be the Canada Games Centre where an average of 2,000 citizens use the facility daily. The third hub would continue to be downtown near 2<sup>nd</sup> Avenue and Steele Street where some form of transit “comfort station” is envisioned.

The rationale supporting a new route structure is based on increasing the frequency of transit service in core areas of the community, thus leading to more spontaneous use (as opposed to planned use) of transit, and an overall increase in transit ridership.

The addition of the “home-to-hub” concept for extremely low ridership neighbourhoods is also part of this recommended route structure. To ensure that the home-to-hub service remains a more cost-effective alternative compared to fixed route service operation, the Transit Master Plan recommends that Whitehorse Transit offer the home-to-hub service on a subscription basis.

These three recommendations are the first priorities for implementation of the Transit Master Plan. Other recommendations regarding branding, snow bike compatible racks on buses, wi-fi onboard, mobile app development, developing performance indicators, etc. will be pursued in the future as budgets permit.

A complete overview of all the recommendations are contained within the Transit Master Plan which is available on the City of Whitehorse public website.

**CITY OF WHITEHORSE  
PUBLIC HEALTH AND SAFETY COMMITTEE**

Date: Monday, June 17, 2019

Location: Council Chambers, City Hall

Chair: Jocelyn Curteanu Vice-Chair: Stephen Roddick



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1. <b>2018 Bylaw Services Review - For Information Only</b>	1 - 3
Presented by Doug Spencer	
2. <b>New Business</b>	

## **ADMINISTRATIVE REPORT**

**TO:** Public Health & Safety Committee  
**FROM:** Administration  
**DATE:** June 17<sup>th</sup>, 2019  
**RE:** 2018 Bylaw Services Review – For Information Only

### **ISSUE**

Update regarding planned implementation of recommendations arising out of 2018 Bylaw Services Review.

### **REFERENCES**

2011 Downtown Parking Management Plan

2018 Bylaw Services Review <https://www.whitehorse.ca/home/showdocument?id=10104>

### **HISTORY**

Bylaw Services is the City department tasked with the public education and enforcement of City bylaws. The department consists of 2.5 meter attendant positions, one traffic constable, one shelter and trail constable, two animal control and three general duty constables, one education constable, one administrative assistant, an operations supervisor, and a manager. The majority of investigative work is complaint driven (approximately 2,500 files per year) and the majority of complaints relate to the Maintenance Bylaw, Animal Control Bylaw, and summer and winter trail patrol.

In July 2018, the ‘Operational Review of Bylaw Services’ was accepted as a guiding document by the previous Council. This review was completed by Performance Concepts Consulting, and included interviews with various stakeholders including Kwanlin Dün First Nation and Ta’an Kwäch’än Council, Whitehorse Chamber of Commerce, Mae Bachur Animal Shelter, as well as various City employees. This review provided numerous recommendations for Council and Administration consideration. The following recommendations were contained within the 2018 Bylaw Services Review:

- Downtown parking technology upgrades & initiatives
- Animal shelter consolidation & partnership with Humane Society
- First Nation partnership – shared bylaw officer
- New caseload management tool & key performance indicators
- Option for technology driven enforcement of moving violations
- Drone pilot project for trail enforcement

### **ANALYSIS AND NEXT STEPS**

Bylaw Services has reviewed these recommendations, giving consideration to operational efficiencies and client service delivery, and anticipates proceeding with implementation as follows:

1. Humane Society / Mae Bachur partnership: Preliminary dialogue has taken place with the executive director of the Humane Society who is supportive of this recommendation.

Implementation of this recommendation would see the permanent closure of the City operated shelter. Any animals found running at large and subsequently impounded would be taken directly to Mae Bachur Animal Shelter, which would provide 24/7/365 availability/access if the owner is not immediately located. Chip scanning and tag owner information would continue to be a priority by Bylaw Services officers to facilitate the quickest available return of pets to their owners.

It was identified in the Review that the current City animal shelter (*circa 1993*) does not conform to minimum standards of ‘Canadian Shelter Veterinarians Guidelines’ for standards of care – this is mainly a result of floor slope, animal run square footage, quarantine availability, and sporadic staff coverage.

The Mae Bachur Animal Shelter is clearly superior to the City shelter from a design and functional perspective. It meets/exceeds Canadian Shelter Veterinarians Guidelines, and benefits from technically qualified staff and a cadre of dedicated volunteers.

Operationally, this partnership would significantly lessen the risk associated with the amount of time that seized animals are in custody and free-up shelter cleaning duties being done by Bylaw Services staff. The Review estimated that the time saved equates to approximately 1,000 working hours, which could be re-deployed to meet existing pressures around complaint-driven investigations. The space available in the City owned shelter would be vacated by Bylaw Services and freed up for potential use by other city departments.

Humane Society staff advise that facility expansion would be required to incorporate Bylaw Services into their business model and work is currently being conducted on acquiring anticipated costs for consideration. However, the Humane Society continues to express their continued support in working together towards implementation of this recommendation.

2. KDFN Community Safety Officer (CSO) / Bylaw Constable Hybrid position: Kwanlin Dün First Nation (KDFN) currently employs four community safety officers whose aim is to provide a culturally-sensitive and preventative approach to community safety on KDFN lands. CSOs often provide support to Bylaw Services in relation to citizen complaints of violations of the *Animal Control Bylaw* or *Maintenance Bylaw*. The Review recommendation provides for a hybrid position which combines the statutory authority of a City bylaw officer with the community trust and legitimacy of a CSO.

Initial discussions have taken place with KDFN justice manager who is supportive of the spirit and intent of this initiative. Further dialogue is necessary to develop a regulatory framework and determine the model this hybrid position would take.

If implemented, this would build KDFN capacity and support the ‘Administration of Justice’ provisions of the 2005 KDFN Self-Government Agreement. Furthermore, implementation of this recommendation would significantly demonstrate the principles

and spirit of partnership as contained within the ‘*Declaration of Commitment*’ of June, 2018 among the City, KDFN and Ta’an Kwäch’än Council.

3. Downtown Parking Enforcement: This review recommendation is very comprehensive and suggests a wholesale change to the look and feel of how downtown parking is utilized by our clients and how enforcement activities might be conducted.

Included within this recommendation are:

- Implementation of ‘Virtual City Hall’ which allows for on-line ticket payment;
- A cellular telephone ‘App’ to improve customer service aspects of the metered parking experience;
- Hand-held ticketing; and
- Downtown meter replacement utilizing kiosk technology.

In 2011, the Downtown Parking Management Plan included meter technologies in its list of recommendations and the updated 2019 draft plan does so also. Among the concerns raised in the 2011 report, which remain equally valid today, was that existing meters clutter the sidewalk, require frequent collections, require ongoing maintenance, and are powered by batteries that require frequent replacement during the colder months. The 2011 report outlines advantages of kiosk-style meter technologies as being a more efficient system whereby one kiosk can replace up to 10 conventional meters reducing sidewalk clutter and provide greater flexibility in payment options.

One advantage highlighted in the report, which has particular relevance over the last few months is that kiosks store fewer coins, which reduces the risk of theft. The recent rash of meter thefts (over 50 meters) has highlighted the \$1,500 per meter replacement cost along with the fact that our meters are older technology and that parts manufacturers could very soon end production of internal components required to accept 25 cent coins.

From the Review, one concern identified and associated with this recommendation was the opinion that the City “*does not appear to have the in-house IT capacity to project manage/implement online payment, kiosk rollout, or a phone app*” and that contracted IT resources/expertise should be considered to ensure timely deployment of these industry standard customer service improvements.

Three other options are not being prioritized at this time:

- Workflow management software – this recommendation was acted upon in the first instance and the procurement process has proceeded to the RFP stage. Work is continuing but this is not being given priority attention;
- Commercial ‘aerial drone technology’ for trail enforcement - this received a strong negative response when it was identified in the Review findings last year and Bylaw Services has removed this from consideration; and
- Moving violation enforcement – this is not being considered at this time, however as potential changes to the new *Yukon Motor Vehicle Act* become identified and closer to reality, this may be revisited for consideration in the coming years.

**CITY OF WHITEHORSE  
DEVELOPMENT SERVICES COMMITTEE AGENDA**

Date: Monday, June 17, 2019

Location: Council Chambers, City Hall

Chair: Laura Cabott      Vice-Chair: Dan Boyd



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2. New Business	

## NOTICE OF MOTION – Councillor Roddick

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At the regular council meeting on June 10, 2019 Councillor Roddick gave notice that he would bring the following motion forward on June 24, 2019:

WHEREAS the City of Whitehorse has taken important action to reduce carbon emissions and build resilience to climate change, and has developed a solid foundation of plans, strategies, and actions that address these challenges; and

WHEREAS the North is experiencing unprecedented and accelerating climate change that contributes to wildfires, extreme weather events and long-term impacts that affect municipal infrastructure and threatens the health, well-being, and property of Whitehorse residents; and

WHEREAS growing recognition of the urgency, severity, and financial costs of climate change for municipalities has galvanized cities across Canada to formally declare climate change emergencies as a means of acknowledging, enhancing and accelerating climate action;

BE IT RESOLVED THAT the City of Whitehorse officially declares a climate change emergency for the purpose of enhancing and accelerating action on our commitment to protect our community, economy, and ecosystems from the impacts of climate change as we advance our strategic priorities; and

BE IT RESOLVED THAT administration be directed to enhance the City's response to current and future impacts of climate change by:

- (1) Improving coordination of actions that reduce our vulnerability to climate change by establishing an internal climate change adaptation task force; and
- (2) Within council's strategic priorities, identifying actions that accelerate the implementation of existing climate plans and strategies, and developing new budgetary proposals to advance this work for council's consideration in the 2019-2020 budget cycle; and

BE IT RESOLVED THAT administration be directed to enhance municipal efforts to increase energy efficiency and reduce carbon emissions by:

- (1) Improving accountability for the 2019 – 2021 budget cycle by including a 'carbon budget' that identifies, where applicable, the carbon emissions associated with each capital budget line item and the total relative impact of the capital budget on the City's emission reduction goals;
- (2) Continuing and focusing engagement on climate change with the Government of Yukon and the Whitehorse business community to explore opportunities for ambitious new collaborative actions through the forthcoming *Yukon Climate Change, Energy and Green Economy Strategy*.

**CITY OF WHITEHORSE  
CORPORATE SERVICES COMMITTEE AGENDA**

Date: Monday, June 17, 2019

Location: Council Chambers, City Hall

Chair: Samson Hartland      Vice Chair: Laura Cabott



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Presented by Geoff Quinsey	
<b>4. New Business</b>	

## ADMINISTRATIVE REPORT

**TO:** Corporate Services Committee  
**FROM:** Administration  
**DATE:** June 17, 2019  
**RE:** 2018 Financial Statements

### ISSUE

Approval of the 2018 Financial Statements

### REFERENCE

2018 Financial Statements – Appendix A

2018 Financial Analysis – Appendix B

### HISTORY

Council adopted an operating and capital budget for 2018 totalling \$161,015,973. This includes the initially adopted budget plus Council-approved amendments made during the course of the year. Internal reports were made available for management to measure progress against the budget throughout the year, and quarterly variance reports were presented to Council after both the second and third quarters.

Per the *Municipal Act*, at year end the final statements are audited and must be forwarded to Council and then on to the Government of Yukon prior to June 30 annually.

### ALTERNATIVES

1. Approve the 2018 Financial Statements
2. Refer the 2018 Financial Statements back to Administration

### ANALYSIS

The City's Auditors have completed their review of the attached statements, schedules, and notes (Appendix A). They confirm that these statements present fairly the financial position of the City of Whitehorse as at December 31, 2018.

At the end of 2018 the City's overall financial position has improved, with the accumulated surplus increasing by \$32,572,734 to \$488,676,392.

	2018	2017	Change
Financial assets	\$ 77,287,260	\$ 75,836,633	\$ 1,450,627
Liabilities	30,881,059	26,984,404	3,896,655
Net financial assets	\$ 46,406,201	\$ 48,852,229	\$ (2,446,028)
Non-financial assets	442,270,191	407,251,431	35,018,761
Accumulated surplus	\$ 488,676,392	\$ 456,103,660	\$ 32,572,734

The accumulated surplus is explained in Note 10 of Appendix A, with a breakdown of reserves, tangible capital asset investment and general surplus. This clearly shows that

while the City's reserves hold over \$40 million, the bulk of the accumulated surplus is already spent and has been invested in infrastructure known as tangible capital assets. The City's total reserve and general surplus levels are within acceptable ranges given the extent of the City's overall financial framework.

Total Reserves	\$ 40,456,685
Surplus	
Invested in tangible capital assets	441,139,236
Long-term liabilities	(7,632,718)
Net investment in tangible capital assets	\$ 433,506,518
General surplus	14,713,189
Accumulated surplus	\$ 488,676,392

### **Water and Sewer Utility**

As the Water and Sewer Services of the City are operated as a separate utility, it is necessary to break out the operating costs as shown in Schedule 2 of Appendix A. The schedule shows a surplus of \$708,005 which, in order to maintain the separation between taxpayer funded activities and the operations of the utility, must be returned to rate payers. This is done by a transfer to the Water and Sewer Reserve in 2019. The balance in this reserve as of December 31, 2018 is \$8.7 million.

It should be noted that at this time the surplus allocated to rate payers is the surplus arising before depreciation and gain/loss on disposal which, when added in, create a utility's deficit of \$3,943,832. Depreciation is not included as part of the deficit funding calculation at this time, as the City does not currently raise revenues to fund the City's overall depreciation amount of \$16,556,950.

### **Management Letter**

As part of their engagement, the City's Auditors annually provide suggestions for improvements to the City's financial control systems. No items of concern were brought forward, but the Auditors made three new recommendations for future attention. These are:

- 1 Consider updating the three-year actuary report for employee benefits when major changes to the employment contracts occur.
- 2 Develop a corporate process for recognizing donated assets.
- 3 Commence a corporate wide project for new Public Sector Accounting Board Standard in regards to Asset Retirement Obligations.

### **ADMINISTRATIVE RECOMMENDATION**

THAT Council approve the audited City of Whitehorse 2018 Financial Statements as presented, and

THAT the Water and Sewer Fund surplus of \$708,005 be transferred to the Water and Sewer Reserve.



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## Independent Auditor's Report

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To the Mayor and Council of the City of Whitehorse

### Opinion

We have audited the financial statements of the City of Whitehorse (the "City") which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2018 and its results of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Whitehorse, Yukon  
June 17, 2019

CITY OF WHITEHORSE  
Statement of Financial Position  
as at December 31, 2018



	2018	2017
<b>Financial assets</b>		
Cash	\$ 54,504,673	\$ 62,868,523
Accounts receivable	5,271,140	5,700,080
Government transfers receivable		
Government of Yukon	16,378,638	6,590,265
Other due from government		
Government of Canada	8,217	5,890
Government of Yukon	1,020,487	570,570
First Nation Governments	74,992	66,002
Other financial assets	29,113	35,304
<b>Total financial assets</b>	<b>\$ 77,287,260</b>	<b>\$ 75,836,633</b>
<b>Liabilities</b>		
Accounts payable	\$ 13,275,190	\$ 9,749,992
Employee future benefits (Note 2)	3,200,700	2,973,400
Landfill closure & post closure liability (Note 3)	2,335,370	1,783,158
Deferred revenue (Note 4)	1,601,669	1,590,033
Deposits	2,835,412	2,704,922
Long term debt (Note 5)	7,632,718	8,182,899
<b>Total liabilities</b>	<b>\$ 30,881,059</b>	<b>\$ 26,984,404</b>
<b>Net financial assets</b>	<b>\$ 46,406,201</b>	<b>\$ 48,852,229</b>
<b>Non-financial assets</b>		
Tangible Capital Assets (Note 9)	\$ 441,139,236	\$ 405,966,569
Land for resale	201,101	46,048
Inventory	779,266	598,779
Prepaid expenses	150,588	640,034
<b>Total non-financial assets</b>	<b>\$ 442,270,191</b>	<b>\$ 407,251,431</b>
<b>Accumulated surplus (Note 10)</b>	<b>\$ 488,676,392</b>	<b>\$ 456,103,660</b>

The accompanying notes are an integral part of these financial statements

Approved by:

Valerie Braga, MPA, CPA, CGA  
Director, Corporate Services

CITY OF WHITEHORSE  
Statement of Operations  
for the year ended December 31, 2018



	2018 Budget Note 12	2018 Actual	2017 Actual
<b>Revenues</b>			
Taxes and payments in lieu of taxes	\$ 39,369,318	\$ 39,455,282	\$ 37,891,151
Government transfers	48,319,238	31,272,348	15,309,492
Sales of goods and services	17,934,018	18,717,446	17,581,303
Licenses, permits, penalties and fines	2,836,675	2,820,775	2,861,753
Developers' contributions	451,652	845,315	519,151
Investment income	425,000	1,125,916	724,267
Other revenues	3,574,376	4,613,305	2,944,593
Donated assets (Note 9)	-	12,873,993	274,787
<b>Total revenue</b>	<b>\$ 112,910,277</b>	<b>\$ 111,724,380</b>	<b>\$ 78,106,498</b>
<b>Expenses (Schedule 1)</b>			
General government services	\$ 16,350,307	\$ 14,268,096	\$ 11,795,400
Protective services	9,767,435	9,540,886	8,802,916
Transportation services	22,258,774	20,838,678	20,094,043
Environmental services	16,718,867	16,399,478	14,862,239
Public health services	479,009	445,636	263,903
Community development services	2,396,138	2,126,925	1,821,424
Recreation and cultural services	15,694,677	15,531,949	14,354,984
<b>Total expenses</b>	<b>\$ 83,665,207</b>	<b>\$ 79,151,648</b>	<b>\$ 71,994,909</b>
<b>Annual surplus</b>	<b>\$ 29,245,070</b>	<b>\$ 32,572,732</b>	<b>\$ 6,111,588</b>
Accumulated surplus at beginning of year	\$ 456,103,660	\$ 456,103,660	\$ 449,992,071
<b>Accumulated surplus at end of year</b>	<b>\$ 485,348,730</b>	<b>\$ 488,676,392</b>	<b>\$ 456,103,660</b>

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE  
Statement of Change in Net Financial Assets  
for the year ended December 31, 2018



	2018 Budget Note 12	2018 Actual	2017 Actual
<b>Annual surplus</b>	\$ 29,245,070	\$ 32,572,732	\$ 6,111,588
Net acquisition of tangible capital assets	\$ (77,265,658)	\$ (51,954,523)	\$ (15,584,563)
Depreciation of tangible capital assets	16,556,950	16,556,950	16,236,893
Loss on disposal of tangible capital assets	-	10,006	373,753
Proceeds on disposal of tangible capital assets	-	214,901	82,040
	<u>\$ (60,708,708)</u>	<u>\$ (35,172,667)</u>	<u>\$ 1,108,123</u>
Acquisition of inventories of supplies	\$ -	\$ (779,266)	\$ (598,779)
Acquisition of prepaid expense	-	(150,588)	(640,034)
Reduction of land for sale inventory	-	(155,053)	256,425
Consumption of supplies inventories	-	598,779	626,358
Use of prepaid expense	-	640,034	919,282
	<u>\$ -</u>	<u>\$ 153,906</u>	<u>\$ 563,253</u>
Change in net financial assets	\$ (31,463,638)	\$ (2,446,029)	\$ 7,782,964
Net financial assets at beginning of year	\$ 48,852,229	\$ 48,852,229	\$ 41,069,266
<b>Net financial assets at end of year</b>	<u>\$ 17,388,591</u>	<u>\$ 46,406,200</u>	<u>\$ 48,852,229</u>

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE  
Statement of Cash Flows  
for the year ended December 31, 2018



	2018 Actual	2017 Actual
<b>Operating transactions</b>		
Annual surplus	\$ 32,572,732	\$ 6,111,588
Items not utilizing cash		
Depreciation	\$ 16,556,950	\$ 16,236,893
Loss on disposal of tangible capital assets	10,006	373,753
Donated assets	(12,873,993)	(274,787)
Change in non-cash operating balances		
Accounts receivable	428,940	(600,437)
Government transfers and other due from government	(10,249,607)	(3,510,877)
Other assets	6,191	6,014
Accounts payable	3,525,198	612,222
Employee future benefits	227,300	278,500
Landfill closure liability	552,212	176,749
Deposits	130,490	220,916
Deferred revenue	11,636	376,704
Inventory	(180,487)	27,578
Prepaid expenses	489,446	279,249
<b>Cash provided by operating transactions</b>	<u>\$ 31,207,014</u>	<u>\$ 20,314,066</u>
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	\$ (39,080,530)	\$ (15,309,776)
Proceeds on disposal of tangible capital assets	214,901	82,040
Proceeds from Land for resale	(155,053)	256,425
<b>Cash applied to capital transactions</b>	<u>\$ (39,020,683)</u>	<u>\$ (14,971,311)</u>
<b>Financing transactions</b>		
Debt repayment	(550,181)	(523,763)
<b>Cash applied to financing transactions</b>	<u>\$ (550,181)</u>	<u>\$ (523,763)</u>
<b>Increase in cash</b>	<b>\$ (8,363,850)</b>	<b>\$ 4,818,992</b>
Cash at beginning of year	\$ 62,868,523	\$ 58,049,530
<b>Cash at end of year</b>	<u><b>\$ 54,504,673</b></u>	<u><b>\$ 62,868,523</b></u>

The accompanying notes are an integral part of these financial statements

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**1. Significant Accounting Policies**

**Basis of presentation**

The Financial Statements of the City of Whitehorse are prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**Reporting entity**

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the City. There are no external organizations that currently meet the criteria of forming part of the reporting entity.

All inter-fund balances and transactions are eliminated.

**Basis of accounting**

Revenues and expenses are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**Budget figures**

Budget figures have been provided for comparison purposes. Given differences between the funding model and generally accepted accounting principles for local governments established by Canadian Public Sector Accounting Standards, certain budgeted amounts have been reclassified to reflect the presentation adopted under Canadian Public Sector Accounting Standards (Note 12).

**Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating useful life of tangible capital assets, valuation of contributed assets, collectability of accounts receivable, provisions for accrued liabilities, in performing actuarial valuations of employee future benefits, landfill closure and post closure costs and liabilities for contaminated sites.

Actual results could differ from these estimates.

**Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital assets, excluding land are depreciated on a straight line basis over their estimated useful lives as follows:

Asset	Rate
Land improvements	10 – 99 years
Buildings	10 – 60 years
Equipment	3 – 30 years
Linear Assets	10 – 80 years

Depreciation is charged in the year of acquisition and in the year of disposal. Assets under construction are not depreciated until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

**Natural resources**

Natural resources that have not been purchased are not recognized as assets in the financial statements.

**Works of art and cultural and historic assets**

Works of art and cultural and historic assets are not recorded as assets in these financial statements. No significant works of art or cultural and historic assets are held by the City of Whitehorse.

**Land for resale**

Land for resale is carried at cost. Cost includes capitalized carrying costs other than interest. Land for resale is written down to the extent that it exceeds estimated future net realizable value. To date, no write downs have been made.

**Interest capitalization**

Interest costs associated with the acquisition or construction of a tangible capital asset are not capitalized.

**Leased tangible capital assets**

Leases which transfer substantially all the benefits and risks incidental to ownership of the property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**Inventories of supplies**

Inventories of supplies held for consumption are recorded at cost and are written down when obsolete.

**Employee future benefits**

Future benefits are comprised of severance payments based on an employee's years of service as detailed in Note 2. The most recent actuarial valuation of the City's future benefit obligations was completed as at December 31, 2017 and extrapolated to December 31, 2018.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

There is no pension liability recorded as the City contributes to a defined contribution registered retirement savings on behalf of its employees as detailed in Note 7.

**Taxation revenue**

Property taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Property taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Through the Yukon's appeal process, property taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes to the extent that they exceed initial estimates are recognized at the time they are awarded.

**Government transfers**

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

The most significant government transfer relates to the Comprehensive Municipal Grant received from the Yukon Government (\$7,070,589 recognized in 2018). Other grant amounts consist of \$23,987,664 in capital project grants primarily administered through the Yukon Government, and \$214,095 provided as annual operating grants.

Government transfers related to contributions from gas tax collected by the Federal Government are deferred until spent on eligible projects. The following summarizes the changes in the grant balances included in deferred revenue (note 4):

<b>Gas Tax</b>	<b>2018</b>	<b>2017</b>
Opening balance of unspent funds	\$ 442,130	\$ -
Opening reserve balance	36,311	34,521
Add:		
Amount received during the year	139,483	3,373,792
Interest earned	-	1,789
Less:		
Amount allocated to projects	361,562	2,967,973
Closing balance of unspent funds	\$ 220,051	\$ 442,130
<b>Other government transfers</b>	211,044	93,330
<b>Total deferred government transfers</b>	<b>\$ 431,095</b>	<b>\$ 535,460</b>

**Liability for Contaminated Sites**

Under PS3260, governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for the remediation, future economic benefits will be given up and a reasonable estimate can be made. No liability has been recognized as at December 31, 2018.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**2. Employee future benefits**

The City provides severance benefits to employees leaving the service of the City, based upon employees' years of service as detailed in the various employment agreements. Information with respect to the City's employee future benefits obligation is as follows:

	<b>2018</b>	<b>2017</b>
Accrued severance obligation, beginning of year	\$3,725,000	\$3,434,700
Service cost	320,000	289,000
Interest Cost	125,100	116,400
Benefits paid	(389,800)	(285,800)
Actuarial loss	-	169,700
Accrued severance obligation, end of year	\$3,780,300	\$3,725,000
Unamortized actuarial gain (loss)	(579,600)	(751,600)
Accrued employee future benefits liability	\$3,200,700	\$2,973,400

The significant actuarial assumptions adopted in measuring the City's accrued severance obligations are as follows:

	<b>2018</b>	<b>2017</b>
Discount rates	3.25%	3.25%
Expected future inflation rates	2.25%	2.25%
Expected wage and salary increases	3.00%	3.00%

The actuarial loss is the predicated accrual deficit at December 31, 2018; in order to meet the severance obligation, this amount is amortized over a period equal to the employee's average remaining service lifetime of 13 years.

**3. Landfill closure and post closure liability**

The City has estimated that the remaining life of its landfill is 33 years based on present annual use and incorporating medium population growth projections. The estimate of closure costs in 2018 was \$6 million. Using a 2.0% annual inflation rate, closure costs were estimated at \$32.8 million in 2051. Approximately 31% (2017 – 31%) of the capacity of the landfill has been used as at December 31, 2018.

A liability has been established to address future closure and reclamation of the City's landfill, the liability's present value is estimated to be \$2.3 million (2017 - \$1.7 million). The remaining liability amount to be recognized is calculated at \$32.9 million. Post-closure care is expected to continue for 25 years past the end of the useful life of the landfill.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**4. Deferred revenue**

Deferred revenue includes government transfers, prepaid frontage tax received from property owners, business license revenue, Parks & Recreation Facility fees and trust accounts. The current year's portion of these items is calculated on a straight-line basis and recognized as revenue.

	Balance December 31, 2018	Amounts Received	Revenue Recognized	Balance December 31, 2017
Prepaid Local Improvement Charges	293,113	-	(32,765)	325,878
Government Transfers	431,095	\$ 377,095	\$ (481,460)	\$ 535,460
Business Licenses	36,096	43,698	(36,791)	29,188
Prepaid Leases	-	-	-	-
Parks & Recreation Facility Fees	397,496	1,676,165	(1,647,340)	368,671
Trust Accounts	443,870	116,034	(3,000)	330,837
	<b>\$ 1,601,669</b>	<b>\$2,212,992</b>	<b>\$ (2,201,356)</b>	<b>\$ 1,590,033</b>

**5. Long Term Debt**

Long-term debt is issued on the credit and security of the City of Whitehorse.

	<b>2018</b>	<b>2017</b>
Balance as at January 1	\$8,182,899	\$8,706,662
Less: Principal Repayments	(550,181)	(523,763)
Balance as at December 31	<b>\$ 7,632,718</b>	<b>\$ 8,182,899</b>

It is composed of debentures payable to the Yukon Government and loans payable to the Royal Bank and CMHC with various interest rates from 2.720 % to 6.375% as shown below

	<b>Principal debt outstanding</b>	<b>Interest Rate</b>
<b>Yukon Government</b>		
2007-10 Black St. Roads	\$ 164,766	6.375%
2010-29 Black St. Reconstruction	305,503	3.260%
2011-07 Marwell East Reconstruction	1,215,802	3.260%
2013-46 Ogilvie St. West (Phase 1)	394,934	2.720%
<b>Royal Bank</b>		
2009-14 Public Safety Building	4,957,851	6.290%
2010-21 Hanson Street Reconstruction	65,997	4.000%
<b>Canada Mortgage &amp; Housing Corporation</b>		
2008-58 Takhini North	527,865	3.990%
	<b>\$ 7,632,718</b>	

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**5. Long Term Debt: (continued)**

Current debt load is 8.90% of the statutory limit as stipulated in the *Municipal Act, R.S.Y. 2002*.

Retirement requirements for the next twenty years are as follows:

	<b>Principal</b>	<b>Interest</b>
2019	\$ 578,058	\$ 398,244
2020	607,476	368,826
2021	638,527	337,774
2022	671,307	304,995
2023	705,919	270,383
2024-2038	4,431,431	889,599
<b>TOTAL</b>	<b>\$ 7,632,719</b>	<b>\$ 2,569,821</b>

**6. Financial Instruments**

The City's financial instruments consist of cash, accounts receivable, government transfers receivable, other due from government, other financial assets, accounts payable, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**7. Pension Liability**

Currently, employees contribute to a privately managed registered retirement savings plan. The plan is a defined contribution plan to which the City contributes bi-weekly, based on various employment agreements, and therefore has no liability.

**8. Contingent Liabilities**

At December 31, 2018, contingent liabilities exist related to legal actions pending against the City. The amount of the liability cannot be estimated at this time. The amount of any loss that may result from these claims will be recorded in the period that the amount becomes determinable.

The City recognizes environmental liabilities when they are known and can be reasonably estimated. At this time the City is not aware of any significant liabilities.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. Tangible Capital Assets**

2018 Consolidated Schedule of Tangible Capital Assets – by Category

<b>Category</b>	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance End of Year</b>
Land	18,745,348	15,621	(165,197)	<b>18,595,772</b>
Land improvements	12,133,398	892,847	(227,063)	<b>12,799,182</b>
Buildings	120,296,455	3,966,423	-	<b>124,262,878</b>
Equipment	41,526,559	3,814,068	(504,113)	<b>44,836,515</b>
Linear Assets	464,556,710	22,074,936	(1,016,730)	<b>485,614,917</b>
Assets under construction	15,462,792	25,287,566	(4,096,938)	<b>36,653,420</b>
<b>Total</b>	<b>\$ 672,721,263</b>	<b>\$ 56,051,461</b>	<b>\$ (6,010,041)</b>	<b>\$ 722,762,682</b>

**Accumulated Amortization**

Land	-	-	-	-
Land improvements	4,622,638	541,337	(177,018)	<b>4,986,957</b>
Buildings	50,412,438	4,107,761	-	<b>54,520,200</b>
Equipment	24,406,882	3,048,942	(504,113)	<b>26,951,712</b>
Linear Assets	187,312,736	8,858,910	(1,007,066)	<b>195,164,580</b>
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 266,754,698</b>	<b>\$ 16,556,950</b>	<b>\$ (1,688,196)</b>	<b>\$ 281,623,448</b>

**Net Book Value**

<b>Category</b>	<b>Net Book Value December 31, 2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>Net Book Value December 31, 2018</b>
Land	18,745,348	15,621	(165,197)	<b>18,595,772</b>
Land improvements	7,510,760	351,510	(50,045)	<b>7,812,225</b>
Buildings	69,884,017	(141,337)	-	<b>69,742,680</b>
Equipment	17,119,677	765,126	-	<b>17,884,802</b>
Linear Assets	277,243,974	13,216,025	(9,664)	<b>290,450,335</b>
Assets under construction	15,462,792	25,287,566	(4,096,938)	<b>36,653,419</b>
<b>Total</b>	<b>\$ 405,966,569</b>	<b>\$ 39,494,510</b>	<b>\$ (4,321,844)</b>	<b>\$ 441,139,236</b>

In 2018 assets with a total value of \$12,873,993 were donated to the City. Of that, assets valued at \$12,608,924 were donated by the Government of Yukon and consist of linear assets in the Whistle Bend subdivision for the 3A and 3C section developments and the Porter Creek Watermain. In addition to government donations, linear assets from a privately developed lot were donated to the City with at a value of \$265,069.

In total, 183 parcels of land designated as buffer, park, public utility or roadway are recognized as capital assets at a nominal value of \$1 each.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**9. Tangible Capital Assets (continued)**

2017 Consolidated Schedule of Tangible Capital Assets – by Category

<b>Category</b>	<b>Restated Balance Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance End of Year</b>
Land	18,463,480	281,869	(1)	<b>18,745,348</b>
Land improvements	11,378,634	767,159	(12,395)	<b>12,133,397</b>
Buildings	120,448,274	581,454	(733,273)	<b>120,296,455</b>
Equipment	41,322,850	2,275,801	(2,072,092)	<b>41,526,559</b>
Linear Assets	461,846,041	3,136,146	(425,478)	<b>464,556,710</b>
Assets under construction	6,920,658	16,631,419	(8,089,285)	<b>15,462,792</b>
<b>Total</b>	<b>\$ 660,379,938</b>	<b>\$ 23,673,848</b>	<b>\$(11,332,523)</b>	<b>\$ 672,721,262</b>

**Accumulated Amortization**

Land	-	-	-	-
Land improvements	4,107,726	520,696	(5,784)	<b>4,622,638</b>
Buildings	46,652,046	4,048,229	(287,837)	<b>50,412,438</b>
Equipment	23,512,209	2,966,765	(2,072,092)	<b>24,406,882</b>
Linear Assets	179,033,265	8,701,203	(421,732)	<b>187,312,736</b>
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 253,305,249</b>	<b>\$ 16,236,893</b>	<b>\$(2,787,445)</b>	<b>\$ 266,754,693</b>

**Net Book Value**

<b>Category</b>	<b>Net Book Value December 31, 2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Net Book Value December 31, 2017</b>
Land	18,463,480	281,869	(1)	<b>18,745,348</b>
Land improvements	7,270,908	246,463	(6,611)	<b>7,510,760</b>
Buildings	73,796,228	(3,466,774)	(445,436)	<b>69,884,017</b>
Equipment	17,810,642	(690,964)	-	<b>17,119,677</b>
Linear Assets	282,812,776	(5,565,057)	(3,745)	<b>277,243,974</b>
Assets under construction	6,920,659	16,631,419	(8,089,285)	<b>15,462,792</b>
<b>Total</b>	<b>\$ 407,074,692</b>	<b>\$ 7,436,955</b>	<b>\$(8,545,078)</b>	<b>\$ 405,966,569</b>

In 2017, assets with a total cost of \$298,690 were donated to the City. These assets consist of a park, parking lot and all accessories for the park which was built by the Yukon Government. Of the \$298,690 donated, \$274,787 was capitalized as tangible capital assets, \$237,742 in land improvements and \$37,045 in linear assets. The balance of \$23,903 was recorded as a grant from the Yukon Government as the asset values did not meet the threshold for capitalization.

In total, 162 parcels of land designated as buffer, park, public utility or roadway are recognized as capital assets at a nominal value of \$1 each.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**10. Accumulated Surplus**

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2018	Appropriations		2017
		to reserves	from reserves	
Reserves:				
Area Development Scheme Reserve	\$ 44,385	\$ -	\$ (27,870)	\$ 72,255
Building Replacement Reserve	2,592,137	339,457	(600,000)	2,852,680
Capital Reserve	11,005,112	3,535,295	(1,297,445)	8,767,263
Cash In Lieu of Municipal Reserve	761,443	-	(15,600)	777,043
Cemetery Perpetual Care Reserve	168,926	10,055	-	158,871
Computer Equipment Reserve	386,550	117,281	(70,000)	339,269
Contingency Reserve	1,159,106	500,000	-	659,106
Development Cost Charge (DCC) Reserve	4,834,024	897,029	(597,227)	4,534,222
DCC: Rec Facility Replacement	2,176,201	224,257	-	1,951,944
Environmental Protection Reserve	(200,721)	158,520	(23,776)	(335,465)
Equipment Reserve	(1,214,732)	1,222,565	(1,686,194)	(751,102)
Gas Tax Reserve	36,311	-	-	36,311
General Fund Reserve	3,730,667	2,345,618	(3,187,657)	4,572,705
Land Bank Reserve	(686,227)	1,930,963	(6,424,453)	3,807,262
Parking Development Reserve	3,229,626	314,642	(58,031)	2,973,016
Recreation Facilities Reserve	531,323	145,000	(72,022)	458,345
Recreation Grant Reserve	1,500	-	-	1,500
Sister Cities Reserve	3,000	-	-	3,000
Snow & Ice Control Reserve	5,301	-	-	5,301
Tire Disposal Reserve	96,097	7,040	(2,460)	91,517
Transit Equipment Reserve	3,083,635	472,869	(13,230)	2,623,995
Water and Sewer Replacement Reserve	8,713,021	1,886,327	(694,149)	7,520,843
Total reserves	\$ 40,456,685	\$14,106,918	\$ (14,770,114)	\$ 41,119,880
Surplus:				
Invested in tangible capital assets	\$ 441,139,236			\$ 405,966,569
Long-term liabilities	(7,632,718)			(8,182,899)
Net investment in tangible capital assets	\$ 433,506,518			\$ 397,783,670
General Surplus	\$ 14,713,189			\$ 17,200,110
Accumulated surplus	\$ 488,676,392			\$ 456,103,660

**11. Segmented Information**

The City of Whitehorse is a diversified municipal government institution that provides a range of services to its citizens such as transit, fire, water, and sewer. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government is comprised of the administrative operations of the municipality including the City Manager's office, all Directors, and the departments of Business & Technology Systems, Engineering Services, Financial Services, Human Resources, Legislative & Administrative Services, Strategic Communications and a portion of the Operations department. Business & Technology Systems maintains the City's computer infrastructure. Engineering facilitates the planning, design, and construction of the City's

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**11. Segmented Information (continued)**

infrastructure. Financial Services is responsible for the financial reporting and control services of the municipality. Human Resources facilitate staff recruitments, provide staff relations advice and present staff development opportunities. Legislative & Administrative Services coordinates the flow of information to and from Council and Committee meetings. Strategic Communications works with all departments to ensure clear communication to the citizens of Whitehorse. The General Government portion of the Operations department is responsible for building maintenance functions.

Protective Services is comprised of Building Inspections function from the Land & Building Services department, Bylaw Services, and Fire plus the safety and emergency services function. Building Inspections is responsible for the enforcement of building and construction codes within the City. Bylaw Services educates and resolves infractions against City bylaws while also performing animal control responsibilities. The Fire department is responsible for providing fire suppression and rescue service, fire prevention programs, training and education as well as assistance in emergency preparedness. Safety services facilitate necessary worker safety programs and inspections.

Transportation Services is made up of the balance of the Operations department and Transit. This part of Operations is responsible for the maintenance of all roads within City limits including snow and ice control, maintaining traffic lights and signs, line painting, and insect control, as well as fleet and equipment maintenance. The Transit department provides a Handybus service, which is a service for persons with disabilities in addition to the regular transit service.

Environmental Services is made up of the Environmental Sustainability function from the Planning & Sustainability department and the Water & Waste Services department. Environmental Sustainability focuses on integrating sustainability initiatives, providing guidance on environmental issues and managing environment-related programs and projects. Water & Waste Services encompasses the water, sewer and garbage services of the municipality.

Public Health Services consists of the operation of the two cemeteries.

Community Development is made up of the Planning Services and Economic Development functions from the Planning & Sustainability department and the Land Services function from the Land & Building Services department. Planning is responsible for the long-range planning of the municipality in consultation with the community ensuring a consistent application of the City's Official Community Plan, Zoning Bylaw, and other legislation in order to protect the natural and developed areas of the City. Economic Development is intended to be the first point of contact within the municipality for those interested in doing business in Whitehorse.

Recreation and Cultural Services is made up of the departments of Parks & Trails and Facility Operations. They are responsible for the operations and maintenance of a variety of recreation facilities including the Canada Games Centre and approximately 33 neighborhood outdoor rinks, over 7,000 hectares of greenspace, numerous trails and parks, leisure programs, and special events.

**CITY OF WHITEHORSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**12. 2018 Budget Adjustments**

The budget amounts presented throughout these financial statements are based on the Capital Expenditure Program (Capital) approved by Council December 11, 2017 and the Operating and Maintenance (O&M) Budget approved by Council on February 26, 2018. Capital re-budgets and other projects which do not impact the property tax rate are also included in the pre-finalization adjustment column below.

	Original	Pre-finalization adjustments	Final approved budget
<b>Revenues</b>			
Capital Revenues	\$ 10,822,735	\$ 71,742,923	\$ 82,565,658
O & M Revenues	77,287,926	1,162,389	78,450,315
	<u>\$ 88,110,661</u>	<u>\$ 72,905,312</u>	<u>\$ 161,015,973</u>
<b>Expenses</b>			
Capital expenses	\$ 10,822,735	\$ 71,742,923	\$ 82,565,658
O & M expenses	77,287,926	1,162,389	78,450,315
	<u>\$ 88,110,661</u>	<u>\$ 72,905,312</u>	<u>\$ 161,015,973</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The table below shows the adjustments made to the 2018 budget values for the use of surpluses accumulated in previous years, debt transactions, depreciation expenses, tangible capital asset transactions and the accumulation of surpluses in the current year. The Adjusted Budget values are then comparable to the 2018 actual values, and are the budget values shown in the Statement of Operations.

	Final approved budget	Borrowing proceeds	Use of / transfers to accumulated surplus	Debt Principal payments	Depreciation expense	TCA expenditures	Adjusted Budget
<b>Revenues</b>							
Capital Revenues	\$ 82,565,658	\$ (19,621,026)	\$ (21,368,836)	\$ -	\$ -	\$ -	\$ 41,575,796
O & M Revenues	78,450,315	-	(7,115,834)	-	-	-	71,334,481
	<u>\$ 161,015,973</u>	<u>\$ (19,621,026)</u>	<u>\$ (28,484,670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,910,277</u>
<b>Expenses</b>							
Capital expenses	\$ 82,565,658	\$ -	\$ -	\$ -	\$ -	\$(82,565,658)	\$ -
O & M expenses	78,450,315	-	(15,531,296)	(1,110,761)	16,556,949	5,300,000	83,665,207
	<u>\$ 161,015,973</u>	<u>\$ -</u>	<u>\$ (15,531,296)</u>	<u>\$ (1,110,761)</u>	<u>\$ 16,556,949</u>	<u>\$ (77,265,658)</u>	<u>\$ 83,665,207</u>
	<u>\$ -</u>	<u>\$ (19,621,026)</u>	<u>\$ (12,953,374)</u>	<u>\$ 1,110,761</u>	<u>\$ (16,556,949)</u>	<u>\$ 77,265,658</u>	<u>\$ 29,245,070</u>

**13. Other information**

The City began work on a major project in 2015 to replace its existing building infrastructure. This project has an estimated cost in excess of \$50 million and is expected to be incurred over a period of time ending in 2019. Funding will come from a variety of sources including reserves, debt financing and federal funding.



CITY OF WHITEHORSE  
 Schedule 1 - Statement of Financial Activities - by Segment  
 for the year ended December 31, 2018

	Total All Funds							
	General Gov't Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Community Development	Recreation & Cultural Services	Consolidated
<b>Revenues</b>	segments detailed in Note 11							
Taxes & Payments In Lieu Of Taxes	\$ 39,455,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,455,282
Government Transfers	28,529,709	52,800	15,166	2,003,987	-	248,854	421,830	31,272,348
Sales Of Goods And Services	65,400	151,560	1,404,015	12,985,660	58,466	45,440	4,006,905	18,717,446
Licenses,Permits, Penalties & Fines	144,622	2,391,466	4,300	153,194	-	127,194	-	2,820,775
Developers Contributions	-	-	-	-	-	845,315	-	845,315
Investment Income	1,125,916	-	-	-	-	-	-	1,125,916
Other Revenue	3,734,743	21,116	198,005	535,968	-	15,600	107,873	4,613,305
Donated Assets	-	-	12,873,993	-	-	-	-	12,873,993
<b>Total:</b>	<b>\$ 73,055,672</b>	<b>\$ 2,616,942</b>	<b>\$ 14,495,480</b>	<b>\$ 15,678,809</b>	<b>\$ 58,466</b>	<b>\$ 1,282,403</b>	<b>\$ 4,536,608</b>	<b>\$ 111,724,380</b>
<b>Expenses</b>								
Salaries & Benefits	\$ 7,041,892	\$ 7,848,027	\$ 8,001,136	\$ 4,521,355	\$ 211,892	\$ 1,506,799	\$ 8,298,299	\$ 37,429,400
Materials & Supplies	2,087,315	568,988	4,537,522	3,133,208	82,611	47,414	3,443,676	13,900,734
Professional Services	2,696,734	154,982	226,045	2,175,421	98,570	329,433	867,627	6,548,812
Public Relations	1,141,401	19,445	11,004	28,509	-	13,346	98,299	1,312,004
Community Grants	568,361	-	-	193,276	-	229,934	302,081	1,293,652
Interest	-	321,083	88,874	13,271	-	-	-	423,228
Depreciation	553,365	556,362	8,013,877	4,899,477	52,562	-	2,481,307	16,556,950
Other	179,029	72,000	(39,780)	1,434,962	-	-	40,660	1,686,870
<b>Total:</b>	<b>\$ 14,268,096</b>	<b>\$ 9,540,886</b>	<b>\$ 20,838,678</b>	<b>\$ 16,399,478</b>	<b>\$ 445,636</b>	<b>\$ 2,126,925</b>	<b>\$ 15,531,949</b>	<b>\$ 79,151,648</b>
<b>Annual Surplus / (Deficit)</b>	<b>\$ 58,787,576</b>	<b>\$ (6,923,944)</b>	<b>\$ (6,343,199)</b>	<b>\$ (720,669)</b>	<b>\$ (387,170)</b>	<b>\$ (844,522)</b>	<b>\$ (10,995,341)</b>	<b>\$ 32,572,732</b>



CITY OF WHITEHORSE  
 Schedule 1 - Statement of Financial Activities - by Segment  
 for the year ended December 31, 2017

	Total All Funds							
Restated - Note 2	General Gov't Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Community Development	Recreation & Cultural Services	Consolidated
<b>Revenues</b>	segments detailed in Note 11							
Taxes & Payments In Lieu Of Taxes	\$ 37,891,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,891,151
Government Transfers	13,934,539	50,000	48,050	72,666	-	180,451	1,023,785	15,309,492
Sales Of Goods And Services	64,599	147,678	1,362,028	12,107,758	54,454	44,828	3,799,958	17,581,303
Licenses,Permits, Penalties & Fines	155,151	2,452,506	2,800	148,473	-	102,823	-	2,861,753
Developers Contributions	-	-	-	-	-	519,151	-	519,151
Investment Income	724,267	-	-	-	-	-	-	724,267
Other Revenue	2,289,883	445	195,662	386,143	-	-	72,461	2,944,593
Donated Assets	-	-	-	-	-	-	274,787	274,787
<b>Total:</b>	<b>\$ 55,059,590</b>	<b>\$ 2,650,629</b>	<b>\$ 1,608,539</b>	<b>\$ 12,715,041</b>	<b>\$ 54,454</b>	<b>\$ 847,254</b>	<b>\$ 5,170,991</b>	<b>\$ 78,106,498</b>
<b>Expenses</b>								
Salaries & Benefits	\$ 7,081,298	\$ 7,286,262	\$ 8,393,270	\$ 4,469,536	\$ 169,988	\$ 1,462,424	\$ 7,981,405	\$ 36,844,184
Materials & Supplies	2,080,816	449,554	3,186,686	2,289,078	41,353	87,366	2,921,729	11,056,582
Professional Services	1,522,381	80,887	185,271	1,123,426	-	45,983	557,419	3,515,366
Public Relations	102,165	20,544	11,442	42,604	-	4,123	134,338	315,215
Community Grants	481,223	-	-	182,794	-	216,050	317,000	1,197,066
Interest	-	337,408	97,627	14,625	-	-	-	449,660
Depreciation	525,856	556,262	7,910,314	4,755,517	52,562	-	2,436,382	16,236,893
Other	1,661	72,000	309,432	1,984,660	-	5,480	6,710	2,379,943
<b>Total:</b>	<b>\$ 11,795,400</b>	<b>\$ 8,802,916</b>	<b>\$ 20,094,043</b>	<b>\$ 14,862,239</b>	<b>\$ 263,903</b>	<b>\$ 1,821,424</b>	<b>\$ 14,354,984</b>	<b>\$ 71,994,909</b>
<b>Annual Surplus / (Deficit)</b>	<b>\$ 43,264,190</b>	<b>\$ (6,152,288)</b>	<b>\$ (18,485,503)</b>	<b>\$ (2,147,198)</b>	<b>\$ (209,449)</b>	<b>\$ (974,171)</b>	<b>\$ (9,183,993)</b>	<b>\$ 6,111,588</b>

CITY OF WHITEHORSE  
 Schedule 2 - Water & Sewer Utility  
 for the year ended December 31, 2018



	2018 Budget	2018 Actual	2017 Actual
<b>Revenue</b>			
Administration			
Miscellaneous income	\$ 221,500	\$ 308,172	\$ 250,042
	<u>\$ 221,500</u>	<u>\$ 308,172</u>	<u>\$ 250,042</u>
Water and Sewer Supply			
Flat rate sales	\$ 5,882,560	\$ 6,036,770	\$ 5,739,810
Metered rate sales	3,078,337	3,385,139	2,875,139
	<u>\$ 8,960,897</u>	<u>\$ 9,421,909</u>	<u>\$ 8,614,949</u>
Water and Sewer Other			
Frontage charges	\$ 53,000	\$ 53,000	\$ 53,456
Penalties	118,000	136,605	132,654
Recoveries	319,016	277,868	-
	<u>\$ 490,016</u>	<u>\$ 467,473</u>	<u>\$ 186,110</u>
<b>Total revenue</b>	<b>\$ 9,672,413</b>	<b>\$ 10,197,554</b>	<b>\$ 9,051,101</b>
<b>Expenses</b>			
Administration	\$ 2,322,455	\$ 2,174,653	\$ 2,090,215
Water system operations	3,759,639	3,640,692	3,497,665
Sewage collection and disposal	1,685,805	1,633,277	1,593,537
Water and sewer debt charges	13,783	13,271	14,626
	<u>\$ 7,781,682</u>	<u>\$ 7,461,893</u>	<u>\$ 7,196,043</u>
Transfers to reserves			
Current year transfer	\$ 1,851,515	\$ 2,027,656	\$ 1,841,741
	<u>\$ 1,851,515</u>	<u>\$ 2,027,656</u>	<u>\$ 1,841,741</u>
<b>Total expenses</b>	<b>\$ 9,633,197</b>	<b>\$ 9,489,549</b>	<b>\$ 9,037,784</b>
<b>Surplus/(deficit) before depreciation &amp; gain/loss on disposal</b>			
	\$ 39,216	\$ 708,005	\$ 13,317
Depreciation	\$ -	\$ 4,642,710	\$ 4,502,299
Gain/loss on disposal	-	9,127	449,181
<b>Surplus/(deficit) after depreciation &amp; gain/loss on disposal</b>	<b>\$ 39,216</b>	<b>\$ (3,943,832)</b>	<b>\$ (4,938,163)</b>

## Appendix B

### 2018 Financial Analysis

#### Statement 1 – Statement of Financial Position

The Public Sector Accounting Board puts a greater emphasis on the Statement of Financial Position, which shows the long-term fiscal health of the municipality, as opposed to a traditional operating statement or, in the case of public sector organizations, the Statement of Operations, which reflects a more short-term perspective.

The City's 2018 Statement of Financial Position shows the overall financial position has improved over 2017's. While financial assets have increased by \$1,450,627, liabilities have also increased by \$3,896,655 resulting in a decrease in net financial assets. However, non-financial assets, which are primarily composed of tangible capital assets, have increased by \$35,018,761 as capital improvements are being completed or under construction. Overall, the City's accumulated surplus has increased by \$32,572,734.

	2018	2017	Change
Financial assets	\$ 77,287,260	\$ 75,836,633	\$ 1,450,627
Liabilities	30,881,059	26,984,404	3,896,655
Net financial assets	\$ 46,406,201	\$ 48,852,229	\$ (2,446,028)
Non-financial assets	442,270,191	407,251,431	35,018,761
Accumulated surplus	\$ 488,676,392	\$ 456,103,660	\$ 32,572,734

The accumulated surplus of \$488,676,392 is further explained in Note 10, with the following breakdown of reserves, tangible capital asset investment and general surplus:

Total Reserves	\$ 40,456,685
Surplus	
Invested in tangible capital assets	441,139,236
Long-term liabilities	(7,632,718)
Net investment in tangible capital assets	\$ 433,506,518
General surplus	14,713,189
Accumulated surplus	\$ 488,676,392

This clearly shows that while the City's reserves hold over \$40 million, the bulk of the City of Whitehorse's accumulated surplus is already spent and has been invested in tangible capital assets. The City's reserve and general surplus levels are within acceptable ranges given the extent of the City's overall financial framework.

One of the financial benchmarks used to evaluate the financial health is a measure of the City's liquidity or ability to pay its obligations. Using data from the Statement of Financial Position the 2018 result is 1.765 with an acceptable range of 1.00 – 2.50.

The 2018 cash balance is 15% lower than 2017's due to the usage of City cash to fund the large Operations building project; this has caused a weakening in the results of this financial test but

was anticipated in the planning of this project.

	Benchmark	2018	2017	2016	2015	2014
Cash & Invest./Fin. Liabilities	<b>1.00 - 2.50</b>	1.765	2.330	2.246	2.095	1.607

A second benchmark evaluated using data from both this statement and the Statement of Operations considers the ability of the organization to meet short-term obligations with the normal flow of revenues. The results of this test shows general liabilities as a ratio of operating revenue is not within the acceptable range, however the 2018 result is 0.254 just slightly above the benchmark range of 0.125 – 0.250.

	Benchmark	2018	2017	2016	2015	2014
Gen. Liabilities/Oper. Revenue	<b>.125 - .250</b>	0.254	0.256	0.240	0.215	0.246

The next benchmark utilizing the data on this statement is the per capita debt calculation. These results show that per capita debt remains well within the maximum stipulated in the City's Debt Management Policy. The Municipal Act establishes a maximum debt level for the City at approximately \$2,967 per capita (based on December 31, 2018 assessments and population) while the City's policy further restricts the amount of per capita debt unless expressly approved by Council. The 2018 result is \$240 with a maximum allowable under the policy of \$500 per capita.

	Benchmark	2018	2017	2016	2015	2014
Long term debt/Population	<b>0 - 500</b>	\$240	\$302	\$326	\$352	\$362

## Statement 2 - Statement of Operations

This statement compares the year's actual expenses to the final approved 2018 budget and provides a summary of the sources, allocation and use of the financial resources administered during the year. The budget numbers combine both Capital and Operating approved amounts and restate them in accordance with PSAB standards as shown in Note 12 of the statements.

Total 2018 revenue was 1% below budget. Notable deviations include higher than planned Investment Income and Developer Contributions due to interest earned on the City's cash balance and an increase in development in Whistle Bend. Government Transfers did not meet planned levels as capital projects were not completed as originally planned.

On the expense side, costs came in 5% below budget with all areas operating within their established budgetary limitations.

Overall, these results show that the annual surplus was planned to be \$29,245,070 compared to an actual surplus of \$32,572,731. Surplus in the sense of these statements does not equate to profit for the year. It instead refers to the excess of revenues over expenses, not including investments in tangible capital assets.

One of the benchmarks used to evaluate the data in this statement measures operating revenue as a ratio of total revenue. Total revenue is calculated without capital grants and donated capital assets in order to better reflect day-to-day operations. Results within the benchmarked range reflect that the City is relying less on funding from senior government than in prior years

and is now in a position more comparable with other jurisdictions. The 2018 result is 0.917, within an acceptable range of 0.798 – 0.972.

	Benchmark	2018	2017	2016	2015	2014
Own Source Rev./Total Revenue*	<b>.798 - .972</b>	0.917	0.882	0.897	0.897	0.886

Data from this statement and Note 10 of the financial statements are used to measure the City's ability to overcome a temporary shortfall of revenue. The 2018 result is 0.198 with an acceptable range being 0.101 – 0.358. Uncommitted reserves are our Capital, Contingency and General Fund reserve. The strategy approved by Council to build reserves for the Building Consolidation Project has resulted in these reserves increasing in the past five years however the decrease this year is indicative of the usage of these reserves as we near completion of the project.

	Benchmark	2018	2017	2016	2015	2014
Uncommitted Res./Oper. Rev.	<b>.101 - .358</b>	0.198	0.223	0.175	0.134	0.098

### Statement 3 – Statement of Changes in Net Financial Assets

This statement reflects the changes in physical assets which occurred via the purchase, amortization and disposition of assets throughout the year. \$51,954,523 was invested in the acquisition of new tangible capital assets in 2018 and \$16,556,950 was amortized over the same period. Included in the \$51,954,523 acquisition of assets the City received donated assets totalling \$12,873,993 in relation to the Whistle Bend subdivision. An investment level in assets that exceed the cost of using existing assets is generally a healthy sign for a municipality. This is the first year in six years where this investment has been made. Given Council's strategy to reduce capital investment to build up reserves for the consolidated building project in previous years, the increase this year was expected as the project nears completion.

### Statement 4 – Statement of Cash Flows

This statement shows how the City financed its activities and met its cash requirements during the year. These activities resulted in a decrease in cash of \$8,363,850 primarily due to an increased investment in the acquisition of tangible capital assets arising from the noted strategy to fund the building consolidation project.

## **ADMINISTRATIVE REPORT**

<b>TO:</b>	Corporate Services Committee
<b>FROM:</b>	Administration
<b>DATE:</b>	June 17, 2019
<b>RE:</b>	Budget Amendment – Marwell Lift Station Pump Replacement

### **ISSUE**

A budget amendment is needed for the Marwell Lift Station Pump Replacement project

### **REFERENCE**

2019-2022 Capital Expenditure Program  
Purchasing and Sales Policy (2011)

### **HISTORY**

The Marwell Lift Station (LS) is one of two primary collection points in Whitehorse's waste water collection system (along with the Porter Creek Flush system). It receives waste water from all serviced areas south of Porter Creek and Whistle Bend, and pumps the waste water via force main 7.5 km to the waste water treatment facility, the lagoons at the Livingstone Trail Environmental Control Facility.

One of the challenges at a central collection point is the quantity of sand and grit which is entrained with the waste water. In the City's system, this problem is most acute at Marwell LS. There is a sand & grit separator, but some nonetheless reaches the pumps. Waste water pumps have a normal life expectancy of 15 years, however, normal life expectancy is impacted by duty considerations, and sand and grit is a "severe duty" condition.

In 2019, the primary pumps P1 and P2 (both 6 years old) have started exhibiting premature wear, and have both required emergency maintenance. They are backed up by the diesel-driven pumps P3 and P4, which are in place for power outages but which cannot be relied on for long term operation due to overheating. Given those factors, it was determined to be urgent that a backup to P1 and P2 be ordered to ensure continuity of service and avoid the environmental risks that would result from full pump failures. The supply time for replacement pumps from ordering is 16-18 weeks.

The cost of supply and delivery of one new pump is \$100,000. The Purchasing and Sales Policy authorizes the city manager to approve capital expenditures up to \$100,000 and authorizes waiver of a competitive bidding process in the event of a bone fide emergency, which includes situations that pose a danger to public health. Approval for a sole source procurement was authorized by the city manager, and the order has been placed with the pump supplier.

### **ALTERNATIVES**

1. Amend the capital budget and approve creation of a new capital project for procurement of a standby waste water pump for the Marwell Lift Station Pump Replacement project.
2. Do not amend the capital budget.

### **ANALYSIS**

Options to increase the robustness of Marwell LS and mitigate risk are available. Operational efforts to maximize the effectiveness of the existing sand and grit removal system are already underway. Additional options that should be explored are:

- Modifications to P3 and P4 could increase their ability to operate for longer periods.
- The design of the sand and grit removal system can be assessed for available upgrades.

These changes will help but not suffice on their own. It is reasonable and advisable to augment P1 and P2 by having one additional pump available on reserve. The purchase of a second pump in 2019/2020, for a total of two duty pumps and two standby pumps should be contemplated in light of the environmental risk associated with Marwell LS.

The project budget is proposed to be funded externally from the Gas Tax fund, and a proposal required funding will be duly submitted upon approval of the project.

### **ADMINISTRATIVE RECOMMENDATION**

THAT Council amend the 2019-2022 capital budget and approve the creation of a new capital project for procurement of a standby waste water pump, “Marwell Lift Station Pump Replacement Project”, in the amount of \$100,000, funded by Gas Tax.

## **ADMINISTRATIVE REPORT**

<b>TO:</b> Corporate Services Committee
<b>FROM:</b> Administration
<b>DATE:</b> 17 June 2019
<b>RE:</b> Budget Amendment and Contract Award – SCADA Software Upgrade

### **ISSUE**

Budget amendment and contract award for SCADA Software Upgrade

### **REFERENCE**

RFP 2019-048 SCADA Upgrade  
Council Policy: Consulting Services Selection Procedures  
2019-2022 Capital Expenditure Program, 650c00518 SCADA Software Replacement

### **HISTORY**

The City's SCADA (supervisory control and data acquisition) system is the neural system of the water and wastewater infrastructure, integrating the automatic controls of pump houses, lift stations and reservoirs, and coordinating their operation. The current software application was developed in the 1990's and deployed in early 2000's. As with other computer systems, running out-of-date software results in unexpected failures, incompatibility with new software and hardware, and lack of technical support. In July 2017, a SCADA Assessment was performed and a new software implementation was recommended, to address the current failures and concerns.

A request for proposals (RFP) for the development and migration to a new SCADA software (SCADA Upgrade) was released on April 18, 2019 and closed on May 23, 2019. The RFP was advertised on the City's website and in local newspapers. The RFP documents were made available via the City's e-procurement platform [www.whitehorse.bonfirehub.ca](http://www.whitehorse.bonfirehub.ca).

The City received three compliant proposals:

- CIMA+
- MPE Engineering
- Viva Automation

One additional submission was found to be non-compliant and was therefore rejected.

The bids were reviewed by an internal evaluation team composed of personnel from Water & Waste Services, Business & Technology Services, and Financial Services. The evaluation team followed the Consulting Services Selection Procedures policy.

### **ALTERNATIVES**

1. Amend the capital budget and authorize Administration to award the contract as recommended
2. Refer the proposed award back to administration for further analysis.

## **ANALYSIS**

The proposals were evaluated in accordance with criteria established in the Council Policy on Consulting Services Selection Procedures, as follows:

1. Project Team
2. Methodology & Approach
3. Past Relevant Experience & Performance
4. Project Schedule
5. Adjusted Fees
6. Local Preference

The analysis of proposals is a two-step process where all proposals are first evaluated on the first four technical criteria. Proposals that score at least 80% on these criteria move on to the second stage of evaluation.

The highest scoring proposal was submitted by Viva Automation of Vancouver, BC.

The fees for consulting services (inclusive of travel, disbursements, not including GST) are as follows:

Viva Automation: \$168,560 not including GST.

The review committee agreed that the low bidder is familiar with the scope of work and has the knowledge and experience to complete the work successfully, and the prices submitted are reasonable.

The budget approved for this project in the 2018-2021 Capital program was \$200,000, based on the estimate provided in the 2017 assessment. In June 2018, the City received a Gas Tax transfer payment agreement from the Yukon government in the amount of \$200,000 to conduct this project.

The need for increased funding to allow for creation of an updated estimate, detailed terms of reference for the RFP and market escalation was identified in early 2019, and on June 7, 2019 an amended transfer payment agreement to increase the project funding by \$80,000 to a total of \$280,000 was received. The increased funding will be sufficient to complete the project that, in addition to the software development contract includes inspection and monitoring of the new hardware and software as well as commissioning, testing and the final report

## **ADMINISTRATIVE RECOMMENDATION**

THAT the 2019 to 2022 capital expenditure program be amended by increasing the 2019 project number 650c00518 in the amount of \$80,000, funded by Gas Tax to cover the additional costs; and

THAT Council authorize Administration to award the contract for the SCADA Software Upgrade project to Viva Automation for a net cost to the City of \$168,560 plus GST.

**CITY OF WHITEHORSE  
CITY PLANNING COMMITTEE AGENDA**

Date: Monday, June 17, 2019

Location: Council Chambers, City Hall

Chair: Stephen Roddick                      Vice-Chair: Jan Stick



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**Pages**

**1. New Business**

**CITY OF WHITEHORSE  
CITY OPERATIONS COMMITTEE AGENDA**

Date: Monday, June 17, 2019

Location: Council Chambers, City Hall

Chair: Dan Boyd      Vice-Chair: Samson Hartland



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	<b>Pages</b>
<b>1. Operations Building - Contract Extension Claim</b>	<b>1 - 3</b>
Presented by Wayne Tuck	
<b>2. Contract Extension - Landfill Operations</b>	<b>4 - 5</b>
Presented by Geoff Quinsey	
<b>3. New Business</b>	

File #: 1065-01 Op B

## **ADMINISTRATIVE REPORT**

<b>TO:</b>	Operations Committee
<b>FROM:</b>	Administration
<b>DATE:</b>	17 June 2019
<b>RE:</b>	Operations Building – Delay Claim and Contract Extension

### **ISSUE**

Claim for construction costs for additional work days for Operations Building

### **REFERENCE**

2019 – 2022 Capital Expenditure Program 320c01810 Building Consolidation Project  
Contract for the Operations Building Construction with Ketz Construction

### **HISTORY**

A construction contract was awarded to Ketz Construction in July 2017. Ketz's bid price was the lowest of four bids at \$39,253,737.00 and came in under the consultant's estimated cost of \$43,075,000.

The Operations Building is a very large and complicated project, and normally on similar construction projects a contingency allowance is included within the overall project. Contingency allowances can range up to 5% of the tender amount.

In August 2018, Ketz submitted a claim to the City on behalf of themselves as the general contractor and a number of subcontractors for delays, in recognition that the originally submitted completion date of 31 January 2019 could not be met. The submitted claims identified that additional days have arisen due to changes in design details, lack of timeliness of responses by the design team on design issues, and an increase in the work that was not included in the original tendered documents. Consequently, the claim states that it has effected the construction time line and impacted their sequence of work.

Ketz submitted a claim requesting \$691,888.55 based on an additional 83 business days in addition to days included in approved Change Orders.

The delay claim as submitted was reviewed by RDHA and the consultant team on behalf of the City. Following that initial review, telephone discussions and meetings were held with Ketz in an effort to reach an agreement on their claim and to avoid a legal resolution through the courts where the Ketz claim for costs could be higher and the costs for the City, consultant team and the contractor would be much higher.

The two parties have reached an agreement on a revised completion date for the work, and have also reached an agreement on additional costs due the contractor for the additional time. The value of the agreed additional costs is \$540,960.55 inclusive of sub-trade costs, and subject to an agreement that there will be no further claims by subcontractors or by Ketz based on the work as currently identified. The number of

additional business days was 68 in addition to days already approved for a total of 154 days.

The tentative construction completion date is estimated as mid-September 2019.

To date, approved change orders have a value of \$2.5 million of which 79% of those costs are related to sub-contractors' work. Additionally, a number of proposed change orders have been identified but not yet approved. It is estimated that the value of those proposed change orders is approximately \$1.2 million.

		<b>ESTMATES</b>
<b>2017 ESTIMATED BUILDING COST</b>		<b>\$43,075,000</b>
KETZA TENDER PRICE	\$39,267,731	
Change Orders approved	\$2,543,000	
Change Orders pending (est.)	\$1,167,000	
Delay Claim as recommended	\$540,960.55	
<b>REVISED KETZA CONTRACT PRICE</b>	<b>\$43,518,691.55</b>	<b>\$43,519,000</b>
RDHA Consultant Budget	\$2,613,000	
PM, Misc., Off-site work,	\$3,415,000	
Building & Development Fees	\$233,000	
Paving and Fuel Depot	\$1,370,000	
Furnishings & Fit-out & Equipment	1,275,000	
<b>TOTAL MISC. PROJECT COST</b>		<b>\$8,906,000</b>
<b>TOTAL ESTIMATED PROJECT COSTS</b>		<b>\$52,425,000</b>
<b>APPROVED PROJECT BUDGET</b>		<b>\$54,940,000</b>
Budgeted funds transferred by Council to Fire Hall #1 construction		<b>(\$1,400,000)</b>
Total estimated project costs		<b>(\$52,425,000)</b>
<b>ESTIMATED BUDGET SURPLUS</b>		<b>\$1,115,000</b>

### **ANALYSIS**

The City Operations Building has been impacted by the changes to the work, increasing the number of construction days and the costs of the contract awarded to Ketzka. The value of these changes was not included in the submitted tender price.

In addition to direct costs borne by Ketzka and the sub-contractors, the scope of the changes has resulted in delayed completion of the project which in turn has resulted in costs to the contractors.

City Administration met with the Consultant and the Contractor to review and discuss the original Ketzra claim, the RDHA review of the submitted claim, and the revised claim as agreed.

Administration is satisfied that the additional costs to Ketzra are warranted and justified subject to the following terms:

1. Ketzra confirming that the costs are inclusive of all sub-contractor claims;
2. Ketzra confirming they have no additional claims for previous and existing changes; and
3. Ketzra confirming the payment will release the City, its staff, agents and consultants from all claims related to the project which are or have previously been covered by change orders issued or submitted to or by Ketzra.

The overall budget for the Operations Building Project has not been exceeded, and Administration estimates that the project will be under budget even with approval of these additional costs totalling \$540,960.55

#### **ADMINISTRATIVE RECOMMENDATION**

That Council approve the claim of \$540,960.55 due to Ketzra Construction subject to the negotiated terms; and

That Council approve an increase to the value of the Ketzra Construction contract by \$540,960.55.

## **ADMINISTRATIVE REPORT**

<b>TO:</b>	Operations Committee
<b>FROM:</b>	Administration
<b>DATE:</b>	June 17, 2019
<b>RE:</b>	Contract Extension – Landfill Operations

### **ISSUE**

Authorization to extend the existing contract agreement with Castle Rock Enterprises for Solid Waste Disposal Landfill Operations to November 30<sup>th</sup>, 2019

### **REFERENCE**

Operating Budget Job # 5003010 Landfill (Solid Waste)  
Council Policy: Purchasing and Sales  
2014 Solid Waste Disposal – Landfill Operations

### **HISTORY**

The approved 2019 operating budget includes funding for conducting the landfilling operations at the Waste Management Facility (WMF). Landfilling operations are, at their core, the work required to properly place, compact and cover landfilled waste in conformance with the City's Waste Management Permit and industry best practices as defined by the Solid Waste Association of North America and the City's Solid Waste Management Plan 2013 – 2023.

The landfill operations contract also includes management of the metals and tires stockpiled for recycling and other work within the WMF. Landfilling of special waste (asbestos, animal carcasses) is paid for using the contingency available in the current contract at rates agreed under the contract.

The existing contract began July 1, 2014, and is scheduled to expire on June 30, 2019, and renewal of the agreement was not provided for in the contract.

Water and Waste Services undertook a competitive process to achieve a new contract in place for the June 30, 2019 expiry. A consultant was retained for assistance in updating the contract requirements to reflect the changes in industry best practices and to address issues with the existing agreement as identified by the City and the contractor.

An expression of interest (EOI) was issued on March 7, 2019 to solicit interest in the upcoming tender. The EOI was issued in both local newspapers, the City's website and the City's e-procurement platform Bonfire. By the close date, 14 companies downloaded the document, 10 of which were local. On the close date of March 29, 2019, three local companies submitted information.

Following the EOI process, further procurement work has not progressed as expected. The tender document has not been finalized and issued in time to allow for award ahead of the expiry of the existing contract. In the interest of ensuring there is no gap in service,

a change order extending the contract to July 31, 2019 has been approved under the authority of the City Manager.

Water and Waste Services is proposing to extend the existing contract to November 30, 2019 to allow time for completion of the RFT updates and the tender process for the contemplated new five-year agreement.

### **ALTERNATIVES**

1. Authorize Administration to extend the contract as recommended
2. Do not approve and refer the matter back to Administration.

### **ANALYSIS**

This contract is one of the most expensive operational contracts that the City procures from private industry, and it is critical that the tender incorporate the additional information obtained through the EOI process and the recommendations by the consultant for the new contract period. The additional time is required because Water and Waste Services has failed to maintain the work plan established for this procurement. This reflects the small size and low flexibility of the administrative team supporting solid waste operations.

Landfill operations are paid on a monthly rate, and the total monthly cost is \$36,494.04 (including contingency, not including GST). This rate reflects yearly consumer price index (CPI) adjustments pursuant to the terms of the contract, and includes the 2019 CPI adjustment. The extension has been approved for July 2019 in this amount.

The value of the proposed change order to extend the contract for the period of August 1, 2019 to November 30, 2019 is \$145,976.16. The cost of this service has been accounted for in the approved 2019 operating budget.

### **ADMINISTRATIVE RECOMMENDATION**

THAT Council authorize Administration to extend the contract for the 2014 Solid Waste Disposal – Landfill Operations to Castle Rock Enterprises to November 30, 2019 for a net cost to the City of \$145,976.16 plus GST.