

**Minutes of the Operational Review Committee
Meeting Held
Monday, August 22, 2016**

Present:

Councillor Maroosis, Committee Chair
Councillor Anthony, Committee Member
Councillor King, Committee Member
Councillor Serran, Committee Member
Mayor McDonald, Committee Member
Councillor Forgette
Councillor Mayne
Councillor Vrebosch (4:45 p.m. to 5:40 p.m.)
Councillor Shogren (5:05 p.m. to 5:40 p.m.)
Lea Janisse, Interim Chief Administrative Officer
John Severino, Managing Director Community Services
Margaret Karpenko, Chief Financial Officer
Greg Saunders, Interim Fire Chief
Adam Lacombe, Senior Capital Project Engineer
Jaclyn Bucik, Communications Officer

Regrets:

Councillor Bain, Committee Member
David Euler, Managing Director of Engineering, Environmental Services and Works
Gord Mulcahey, Executive Member North Bay Professional Firefighters' Association
Brian Phillips, President CUPE Local 122

Special Review Committee Chair, George Maroosis, called the meeting to order at 4:35 p.m.

1. Adoption of Minutes:

Page 3, bullet 3 the following is to be added:

- Different levels have different authority

The Amended Minutes of August 8, 2016 were approved by the Committee and will be presented to Council on September 6, 2016.

2. Business Arising from Minutes:

- The Purchasing Manager is the point of contact for information (or complaints) regarding tenders.
- The cost of MERX is \$250.00 per year or \$45.00 per tender.
- Have conducted research of municipalities and have not been able to find a "buy local" policy.
- For purchases under \$25,000.00, three quotes must be obtained these quotes are usually received from local businesses.
 - On the purchasing local – three quotes is there a way or a mechanism that you can use if someone is in the habit of going to ABC to try some other quotes as well as giving others a chance?
 - The City is currently consolidating contracts, an example would be for the purchase of tires. An RFP was created and the City

now uses one vendor for the purchase of tires. This is a cost savings to the City. Sometimes local isn't always financially viable.

- Think of smaller providers, not a bulk purchase, can other vendors be given a chance? How do smaller vendors get to do business with the City?
 - The City had a Purchasing Open House at Memorial Gardens with information regarding how the City does business. Smaller vendors can call the Purchasing Manager to see what is going on in the City and make those connections.
- Is the information that was provided at the open house available on the City's website.
 - Currently it is not. We will look into this.

3. Operational Review of Corporate Services.

- Margaret Karpenko re: Financial Services. Copies of the presentations were provided to the Committee.
- Continuation of Purchasing Presentation:
- Challenges and Opportunities:
 - The Bellamy Report has given Municipalities the opportunity to enhance the way the City carries out purchasing.
 - Council establishes the policy and the framework – it is staff’s responsibility to carry it out.
 - Other Municipalities have established a Purchasing Delegation By-Law this enables contracts to move faster through the process, they would have to meet the following criteria:
 - Annual base budget for contracts
 - Budget spending authority
 - Normal course of business
 - Council would be provided with a quarterly report regarding the contracts that have been awarded.
 - This process would be held to the highest integrity.
 - All of the criteria would be set out in the by-law:
 - Within budget
 - RFP criteria
 - Contracts, WSIB, Insurance
 - The Chief Financial Officer will need to conduct more research and provide a fulsome report to Council regarding this process.
 - The thresholds would be the decision of Council.
 - How much time might it save by going this new route?
 - Two weeks bare minimum.
- Taxation and Assessment Management
- Internal
 - Water Clerks will be discussed at a separate presentation.
 - Municipal Facilities – play a critical role – By-Laws, Municipal Act requirements.
 - Affordable Housing – work with Planning prepare By-Laws, review agreements for tax incentives.
 - Legal – critical to the transfer of information to MPAC.
 - Building – all permits must be sent to MPAC – monitor building permits up to \$50,000.00.
 - Section 357/368 – accept applications, provide to MPAC for input, prepare Report to Council.
 - Tax Collection – provide three warnings, try to resolve issues before tax sale commence, payment schedule, tax extension agreements. Very prescriptive process.
 - Vacancy Rebates - accept applications, do site inspections, provide tax credit.
 - There has been a tremendous lag from MPAC in assessing properties, is there any improvement in this area?

- Yes – it is much more current there is an average of a 6 to 8 month turnaround. That is from the date of the occupancy permit not the building permit.
 - We have revamped our relationship with MPAC.
 - There is electronic data transfer between MPAC and the City.
- Provincial Offences – new legislation has given the City the ability to add POA fines to tax accounts. To-date this has only been done twice by the City. The reason for this is that the ownership must be identical to the person who received the POA fine.
- Lockbox payments are payments received that have been paid through a financial institution – there is no actual cash handling in this circumstance.
- Assessment Growth – this is a continuous process – not just at budget time.
 - How does land use changes and assessments play into, for example, a school being sold and made into a new use, such as an office space – is there a way to avoid that tax hit?
 - It is the purchase transaction that flips the class. MPAC’s default is commercial. It is up to the owner to provide the information to MPAC.
 - Tracking assessment growth – when we have appeals – what are the risks?
 - MPAC on an annual basis had provided homeowners until February of each year to appeal. They have now introduced staggered deadlines. Homeowners now have 120 days from the date of their assessment to appeal. The City uses the Minister of Finances OPTA tool to assess risks. For the City’s Financial Statement we use a five year average.
 - Is the City at the table during these appeals?
 - Absolutely.
- External
 - Day to day customer service – ranges from I don’t understand my bill to MPAC questions.
 - Jack Garland Airport is one assessment with 33 commercial leases. These leases must be broken out manually to be billed.
 - Work with Economic Development regarding potential tax sales and the impact they might have.
 - My question is regarding the vacancy rates within the City and whether it is possible to find out what they are at any given time?
 - The City has no indication from the bank if the bank takes over the property.
 - Have we put anymore thought into getting this information from different sources?
 - DNSAAB has looked into this matter and unfortunately it seems to be next to impossible to find out this information. GEO Warehouse does not provide information as to whether or not a property is vacant. This would be very valuable information but we would need the co-operation of different organizations.

- The City participated in a pilot project regarding rapid results mediation. The City resolve 9/10 appeals in this process. The City has had a strong voice in this legislation and the tools going forward.
- The City participates in quarterly meetings with MPAC as part of the Municipal Liaison Group.
- The City is highly respected in the assessment world. The City's Assessment Specialist is currently being mentored to become an expert witness.
 - If a business is going through undue hardship can they appeal their taxes?
 - The City only has a vacancy rebate. This is 30% of the taxes.
 - Can Council create a policy?
 - Will have to get back to you.

4. Action Items:

- (i) Provide a link to the City of North Bay Purchasing By-Law.
- (ii) Add information from the Purchasing Open House to the City's website.

Next Meeting: Tuesday, September 6, 2016– 5:15 p.m.
Agenda Item: Financial Services

Meeting adjourned at 5:40 p.m.

Councillor George Maroosis
Chair Operational Review Committee

Karen McIsaac
City Clerk