



**AUDIT AND FINANCE STANDING COMMITTEE
MINUTES
March 11, 2020**

PRESENT: Councillor Russell Walker, Chair
Councillor Lorelei Nicoll, Vice Chair
Mayor Mike Savage
Councillor Stephen Adams
Councillor Paul Russell
Councillor Matt Whitman

REGRETS: Councillor Bill Karsten

STAFF: John Traves, Municipal Solicitor
Jane Fraser, Chief Financial Officer
Evangeline Colman-Sadd, Auditor General
Paul Flinn, Audit Director
Robyn Dean, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

The agenda, reports, supporting documents, information items circulated, and video (if available) are online at halifax.ca.

The meeting was called to order at 10:01 a.m. The meeting adjourned at 11:07 a.m.

1. CALL TO ORDER

The Chair called the meeting to order at 10:01 a.m.

2. APPROVAL OF MINUTES – February 19, 2020

MOVED by Councillor Whitman, seconded by Councillor Adams

THAT the minutes of February 19, 2020 be approved as circulated.

MOTION PUT AND PASSED.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

MOVED by Councillor Russell, seconded by Councillor Whitman

THAT the agenda be approved as presented.

MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES – NONE

5. CALL FOR DECLARATION OF CONFLICT OF INTERESTS – NONE

6. MOTIONS OF RECONSIDERATION – NONE

7. MOTIONS OF RESCISSION – NONE

8. CONSIDERATION OF DEFERRED BUSINESS – NONE

9. NOTICES OF TABLED MATTERS – NONE

10. CORRESPONDENCE, PETITIONS & DELEGATIONS

10.1 Correspondence – None

10.2 Petitions – None

10.3 Presentations

10.3.1 Nancy Noble – Art Gallery of Nova Scotia

The following was before the Standing Committee:

- A presentation entitled “New Ways of Thinking”
- A booklet entitled “New Ways of Thinking”

Nancy Noble, Director and Chief Executive Officer (CEO) of the Art Gallery of Nova Scotia, gave a brief presentation on their funding request to HRM and responded to questions from the Standing Committee.

11. INFORMATION ITEMS BROUGHT FORWARD – NONE

12. REPORTS

12.1 AUDITOR GENERAL

12.1.1 Fleet Vehicle Use, Car Allowances, and Mileage Audit

The following was before the Standing Committee:

- A report dated March 2020
- A presentation entitled “Fleet Vehicle Use, Car Allowances, and Mileage Audit”

Evangeline Colman-Sadd, Auditor General, gave a brief overview of the audit conducted on fleet vehicle use, car allowances, and mileage. The Auditor General (AG) turned the floor over to Paul Flinn, Audit Director, who noted the following points:

- HRM and Halifax Water are not effectively managing the use of light-duty fleet vehicles
- HRM does not monitor mileage claims for compliance with policy
- Halifax Water does monitor mileage claims for compliance with policy
- HRM taxable benefits may not be recorded and it is unclear if employees who take fleet vehicles home on call should have a taxable benefit
- Halifax Water records the majority of taxable benefits
- Both HRM and Halifax Water's local travel policy does not ensure that the lowest-cost option is used
- HRM does not monitor mileage claims for compliance with policy, which creates a risk of noncompliance and led to overpayment of some employees
- Halifax Water does monitor mileage claims and car allowances for compliance with policy

The AG responded to questions from the Audit and Finance Standing Committee and noted that management at HRM and Halifax Water accepted the eight (8) recommendations that came out of the audit. It was also noted that follow-up will occur in eighteen (18) months as per policy.

The Committee expressed concern with the eighteen (18) month follow-up timeline and requested that the AG complete a follow-up within six (6) months. The AG clarified that this follow-up would have to be conducted by the Chief Administrative Officer (CAO).

MOVED by Councillor Adams, seconded by Councillor Nicoll

THAT the Chief Administrative Officer (CAO) follow-up with staff at HRM and Halifax Water on the eight (8) recommendations provided by the Office of the Auditor General within six (6) months.

MOTION PUT AND PASSED.

12.2 STAFF

12.2.1 Agreement between HRM and HRWC re: Grants in Lieu of Taxes and Dividends

The following was before the Standing Committee:

- A staff recommendation report dated February 25, 2020

MOVED by Councillor Russell, seconded by Councillor Adams

THAT the Audit & Finance Standing Committee recommend to Halifax Regional Council, for its approval:

- 1. The proposed three-year Agreement between HRM and Halifax Regional Water Commission (HRWC), shown in draft at Attachment 1 of the staff recommendation report dated February 25, 2020 and as may be further negotiated to the reasonable satisfaction of the Chief Administrative Officer (CAO), subject to the review and approval of certain amounts payable thereunder by the Nova Scotia Utility and Review Board ("NSUARB"); and**
- 2. That at least one-year prior to the renewal of the three-year Agreement HRM staff, in collaboration with HRWC staff, commence with the development of a long-term policy framework and formula to calculate payments of dividends and grants in lieu of taxes beyond the fiscal year 2022/2023.**

The Standing Committee discussed the possibility of removing the one percent cap on Halifax Water's annual increase dividend.

MOVED by Councillor Russell, seconded by Councillor Whitman

THAT the one percent cap to Halifax Water's annual increase dividend be removed.

MOTION TO AMEND PUT AND DEFEATED.

The question was called with respect to main motion:

MOTION PUT AND PASSED.

12.2.2 Contribution to Mobile Food Market Vehicle

The following was before the Standing Committee:

- A staff recommendation report dated February 25, 2020

MOVED by Mayor Savage, seconded by Councillor Whitman

THAT the Audit and Finance Committee recommend that Halifax Regional Council:

- 1. Authorize the Chief Administrative Officer (CAO) or designate to enter into a Contribution Agreement with MetroWorks Employment Association, as the designate member organization of the Mobile Food Market, defining HRM's requirements for the contribution, as outlined in the Discussion section of the staff recommendation report dated February 25, 2020; and**
- 2. Approve an unbudgeted reserve withdrawal in the amount of \$75,000 from the General Contingency Reserve Q421 for the purchase of a food distribution vehicle in 2020, replacing HRM's in-kind vehicular contributions, pending the CAO's approval of a contribution agreement with MetroWorks Employee Association.**

The Standing Committee discussed the report with Leticia Smillie, Planner III, Planning & Development, responding to questions. It was agreed that the Mobile Food Market Vehicle would be a good investment for HRM and many Councillors requested that the service be expanded to include more rural areas.

MOTION PUT AND PASSED.

12.2.3 New Funding Program Stream

The following was before the Standing Committee:

- A staff recommendation report dated March 5, 2020

MOVED by Councillor Adams, seconded by Councillor Whitman

THAT the Audit and Finance Committee request a staff report to amend the Administrative Order on Marketing Levy Special Events Reserve Grants to include a new Established Events funding program stream to bridge the funding gap between the New Events (Emerging) program and the Signature Events program.

The Standing Committee requested that the resulting staff report include a discussion on the possibility of extending one funding stream by two years instead of adding a third stream.

MOTION PUT AND PASSED.

12.3 GRANTS COMMITTEE – NONE

12.4 COMMITTEE MEMBERS – NONE

13. MOTIONS – NONE

14. IN CAMERA (IN PRIVATE) – NONE

15. ADDED ITEMS – NONE

16. NOTICES OF MOTION – NONE

17. PUBLIC PARTICIPATION

No members of the public came forward at this time.

18. DATE OF NEXT MEETING – April 15, 2020

19. ADJOURNMENT

The meeting was adjourned at 11:07 a.m.

Robyn Dean
Legislative Assistant