



**AUDIT AND FINANCE STANDING COMMITTEE
MINUTES
October 18, 2017**

PRESENT: Councillor Bill Karsten, Chair
Councillor Lorelei Nicoll, Vice Chair
Councillor Russell Walker
Councillor Matt Whitman
Mayor Mike Savage

REGRETS: Deputy Mayor Steve Craig
Councillor Stephen D. Adams

STAFF: Martin Ward, Municipal Solicitor
Jerry Blackwood, A/CFO/Director of Finance and Asset Management
Sheilagh Edmonds, 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 10:00 a.m. and adjourned at 11:23 a.m.

1. CALL TO ORDER

The Chair called the meeting to order at 10:00 a.m.

2. APPROVAL OF MINUTES – September 20, 2017; and Special Meeting of September 19, 2017

MOVED by Councillor Nicoll, seconded by Councillor Walker

THAT the minutes of September 20, 2017 and Special Meeting of September 19, 2017 be approved.

MOTION PUT AND PASSED.

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

Additions:

15.1 Fall River Water Servicing – Municipal Contribution

Mayor Savage referred to Information Item 2 and suggested that was pertinent information that should be shared with Regional Council, to which the Committee agreed.

MOVED by Mayor Savage, seconded by Councillor Whitman,

THAT Information Item 2 be added to the regular agenda as item 15.2 in order that it could be referred to Regional Council

MOTION PUT AND PASSED.

MOVED by Mayor Savage, seconded by Councillor Whitman

THAT the agenda be approved as amended.

Two-third majority vote required.

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 - NONE

11. INFORMATION ITEMS BROUGHT FORWARD

11.1 MBNCanada Program Overview

The following was before the Standing Committee:

- An Information Report dated June 5, 2017.

This matter had been brought forward from the June 21, 2017 meeting, at the request of Councillor Whitman

Councillor Whitman noted that the information report pertaining to HRM joining the Municipal Benchmarking Network Canada was substantial, and this was an exciting program for the Municipality to be involved with. The Councillor added that it was a good investment for the Municipality and that HRM will benefit from not only being a participant but from the participation of the 14 other cities in the program.

Ed Thornhill, Manager of Corporate Planning, provided a brief overview of the information report and responded to questions. Key points of the overview were noted as follows:

- The biggest benefit is the costing models that HRM can use; the very extensive costing models can help HRM determine the cost of service delivery in a more accurate, consistent and comparable approach;
- The information it will provide will give HRM better cost of service information to compare ourselves to others but will also be used for ourselves to compare costs year over year.
- A spin-off benefit is that the Expert Panel model enables more information sharing among the participants.
- A cautionary note on this type of system is to keep in mind that it is only one piece of information.

12. REPORTS

12.1 FINANCE AND RISK MANAGEMENT

12.1.1 Write-off of Uncollectable Accounts – Sackville Sports Stadium

The following was before the Standing Committee:

- A staff recommendation report dated September 25, 2017.

MOVED by Mayor Savage, seconded by Councillor Walker

THAT the Audit and Finance Standing Committee

1. Recommend to HRM Regional Council that the total outstanding accounts receivable of the Sackville Sports Stadium in the amount of \$295,032.74 comprised of \$295,032.74 principal and \$0.00 interest be formally written out of the books of account; and

2. Forward the private and confidential In Camera report “Write-off of Uncollectible Accounts – Sackville Sports Stadium - Details” to HRM Regional Council as an In Camera Information Report, and that the report not be released to the public.

Jerry Blackwood, Acting Director of Finance, Brad Anguish, Director of Parks and Recreation, and Greg MacIsaac, General Manager Sackville Sports Stadium responded to questions.

A discussion ensued and Committee members expressed concern over the past policy of requiring members of the Sports Stadium to pay their full membership fee when they wanted to exit out of their contract early, and the practice of continuing to bill these members. In response to a question, staff clarified that the bulk of the \$295,032.74 proposed for write-off is due to this policy.

Brad Anguish advised that staff have reviewed this matter thoroughly to determine how the situation came to be and, in going forward, have taken steps to ensure that it this does not happen again at this or any other multi-district facility under HRM's jurisdiction. Brad Anguish noted the following points in this regard:

- Management has been switched at the Sackville Sports Stadium.
- Sackville Sports Stadium had been operating under a private sector business model and this is not good public practice.
- Sackville Sports Stadium is now inside the HRM Budget; staff have new agreements before the other multi-district facilities that would also bring them inside the HRM budget.
- Better accounting support and best practices are now in place.
- New policy of 'payment up-front', and a 30-day cancellation policy have been implemented
- In the near future, a new recreation software will be implemented that will link-in all multi-district facilities.
- The intent with the new multi-district facility agreements is to build transparency into the system -- the budgets will come before Council.

MOTION PUT AND PASSED.

12.2 INVESTMENT REPORTS

12.2.1 Investment Policy Advisory Committee Report – Quarter ending June 30, 2017

The following was before the Standing Committee:

- A recommendation report dated September 26, 2017 from the Co-chairs of the Investment Policy Advisory Committee.

MOVED by Councillor Nicoll, seconded by Councillor Walker

THAT the Audit and Finance Standing Committee forward this report to Halifax Regional Council as an information item.

MOTION PUT AND PASSED.

12.2.2 Investment Activities – Quarter ending June 30, 2017 (Staff Report)

The following was before the Standing Committee:

- A staff recommendation report dated September 26, 2017.

MOVED by Councillor Nicoll, seconded by Councillor Walker

THAT the Audit and Finance Standing Committee forward this report to Halifax Regional Council as an information item.

MOTION PUT AND PASSED.

12.3 AUDITOR GENERAL: NONE

12.4 STAFF:

12.4.1 WE Day Atlantic Funding Source Confirmation

The following was before the Standing Committee:

- A staff recommendation report dated October 4, 2017.

MOVED by Mayor Savage seconded by Councillor Nicoll

THAT the Audit and Finance Committee recommend Halifax Regional Council:

1. Approve funding in the amount of \$27,500 from the General Contingency Reserve, Q421, for 2017/18 to maintain the total grant amount of \$65,000 for WE Day Atlantic; and
2. Approve funding in the amount of \$27,500 from the General Contingency Reserve, Q421, for 2018/19 to maintain the total grant amount of \$65,000 for WE Day Atlantic.

Denise Schofield, Manager, Program Support Services responded to questions.

Councillor Walker advised that it would be helpful to have information on the full budget and other partners that are involved in the event. Denise Schofield indicated that this information would be provided.

MOTION PUT AND PASSED.

12.4.2 Halifax Community Road Train Funding

The following was before the Standing Committee:

- A staff recommendation report dated October 4, 2017.

MOVED by Councillor Walker, seconded by Councillor Whitman

THAT the Audit and Finance Standing Committee recommend to Regional Council that the Halifax Regional Municipality use funds from M310 - 8004 to provide a grant of \$50,000 to the Halifax Community Road Train Society to support the 2017 operation of the Community Road Train service.

Maggie MacDonald, Managing Director, Government Relations and External Affairs, and Bruce Fisher, Manager, Financial Policy and Planning responded to questions.

Committee members were generally supportive of the Community Road Train service and in supporting the grant request. It was suggested that when the matter goes to Regional Council, it would be beneficial for Council to receive all the financial information that was submitted, so Council will have a complete picture on the matter.

MOTION PUT AND PASSED.

12.5 GRANTS COMMITTEE: NONE

12.6 SPECIAL EVENTS ADVISORY COMMITTEE: NONE

12.7 COMMITTEE MEMBERS: NONE

13. MOTIONS - NONE

14. IN CAMERA (IN PRIVATE) - NONE

15. ADDED ITEMS

15.1 Fall River Water Servicing – Municipal Contribution

The following was before the Standing Committee:

- A staff recommendation report dated October 10, 2017.

MOVED by Councillor Nicoll, seconded by Mayor Savage

THAT the Audit & Finance Standing Committee recommend Halifax Regional Council:

- 1) Include the Gordon R. Snow Community Centre and (Fire) Station 45, both at 1359 Fall River Road, and the Seniors Friendly Centre, at 1018 Fall River Road, in the LIC calculation for the Fall River Water Servicing project approved by Regional Council on July 18th, 2017, and
- 2) Fund the payment of the LICs for these two municipal properties, estimated at \$119,000, from the General Contingency Reserve (Q421), as described in the Financial Implications section of this report.

MOTION PUT AND PASSED.

15.2 Information Item 2: Budget and Forecast Process – Office of the Auditor General

The following was before the Standing Committee:

- A submission entitled, *Office of the Auditor General – Halifax Regional Municipality Budget and Forecast Process*

MOVED by Mayor Savage, seconded by Councillor Nicoll

THAT the information item, *Office of the Auditor General – Halifax Regional Municipality Budget and Forecast Process* be forwarded to Regional Council for information.

MOTION PUT AND PASSED.

16. NOTICES OF MOTION - NONE

17. PUBLIC PARTICIPATION

No one came forward during public participation

18. DATE OF NEXT MEETING – November 15, 2017

19. ADJOURNMENT

The meeting adjourned at 11:23 a.m.

Sheilagh Edmonds
Legislative Assistant