



**EXECUTIVE STANDING COMMITTEE  
MINUTES  
March 30, 2015**

**PRESENT:** Mayor Savage, Chair  
Deputy Mayor Nicoll, Vice Chair  
Councillor Bill Karsten  
Councillor Jennifer Watts  
Councillor Russell Walker  
Councillor Steve Craig  
Councillor Linda Mosher

**OTHERS PRESENT:** Councillor Matt Whitman

**STAFF:** Mr. Richard Butts, Chief Administrative Officer  
Mr. John Traves, Director of Legal Services  
Ms. Cathy Mellett, Municipal Clerk  
Ms. Phoebe Smith, Legislative Assistant

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

*The agenda, supporting documents, and information items circulated to the Executive Standing Committee are available online: <http://www.halifax.ca/boardscom/SCadmin/ESC150330Agenda-HRM.php>*

*The meeting was called to order at 10:08 a.m., and recessed at 10:54 a.m. to convene into an In Camera session. The Standing Committee reconvened at 11:18 a.m. and adjourned at 11:20 a.m.*

**1. CALL TO ORDER**

The Chair called the meeting to order at 10:08 a.m.

**2. APPROVAL OF MINUTES – February 23, 2015**

Councillor Craig noted that it was he and not Councillor Karsten who asked for the correction to the January 26, 2015 minutes, and he asked that the February 23, 2015 minutes be revised to reflect this.

**MOVED by Councillor Walker, seconded by Councillor Watts that the minutes of the February 23, 2015 meeting of the Executive Standing Committee be approved, as amended. MOTION PUT AND PASSED.**

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

Councillor Karsten requested that the following item be deferred to the next meeting of the Executive Standing Committee, to which the Standing Committee agreed:

9.1.2 FCM resolution – Nomination of Councillor Karsten

**MOVED by Councillor Walker, seconded by Deputy Mayor Nicoll that the agenda be approved, as revised. MOTION PUT AND PASSED**

**4. BUSINESS ARISING OUT OF THE MINUTES - NONE**

**5. MOTIONS OF RECONSIDERATION – NONE**

**6. MOTIONS OF RESCISSION – NONE**

**7. CONSIDERATION OF DEFERRED BUSINESS – NONE**

**8. CORRESPONDENCE, PETITIONS & DELEGATIONS**

**8.1 Correspondence – NONE**

**8.2 Petitions – NONE**

**8.3 Presentation – NONE**

**9. REPORTS**

**9.1 STAFF**

**9.1.1 Halifax Water Commission Governance**

The following was before the Executive Standing Committee:

- A staff recommendation report dated March 23, 2015, with attached staff recommendation report dated August 25, 2014 and correspondence from the Board of the Halifax Regional Water Commission (HRWC) dated March 11, 2015.

**MOVED by Councillor Walker, seconded by Deputy Mayor Nicoll that Executive Standing Committee recommend to Regional Council that Regional Council:**

- 1. Request that the Province amend the Halifax Water Commission Act to:
  - a. Make HRM Council the sole shareholder of HRWC with authority to****

- i. Approve Issuance, purchase, sale, hold, transfer, vote, manage and all dealings with capital stock,
    - ii. Approve wind-up or dissolution, subject to Provincial legislative approval,
    - iii. Appoint the Board of Directors, and,
    - iv. Receive the Annual report.
  - b. Further, define the scope of authority by and accountability to shareholders by allowing HRM Council to approve and direct:
    - i. new lines of business,
    - ii. services to new areas outside HRM,
    - iii. formal partnerships,
    - iv. the long-term strategic plan, to ensure alignment with the Regional Plan
    - v. the annual business plan with regards to alignment with HRM's annual priorities. For greater clarity, this does not include the HRWC Budget, and
    - vi. the debt policy and any guarantees
- 2. Direct Staff to develop an Administrative Order outlining
  - a. Competency requirements for appointment to the Board of Directors,
  - b. The review of annual financial statements,
  - c. Required annual performance metrics as agreed between HRWC Board and HRM Council,
  - d. The process for review of the annual business plan, including timing of presentation to HRWC Board, UARB and HRM Council, and defined scope of review and approval to avoid duplication with the HRWC Board and the UARB review and approval.
  - e. The review of the HRWC Employees Pension Plan Financial Statements, and,
  - f. Other matters as required or allowed by the Halifax Water Commission Act.

Mr. Greg Keefe, Chief Financial Officer, responding to a question from Councillor Watts, confirmed that under the Halifax Water Act, the HRWC must have new lines of business approved by Council. He noted, and Mr. Richard Butts, Chief Administrative Officer, agreed, that the reasoning behind this is primarily about risk management.

Councillor Craig requested comment from Mr. Keefe on the view by Mr. Carl Yates, General Manager of HRWC that HRWC has a traditional composition involving shareholders and a Board of Directors. He noted that a representative of HRM on the Board of Directors has the fiduciary responsibility to represent the interest just of that Board and not of Council.

Mr. Keefe responded that HRWC is a corporation established by legislation with no shareholders, and Council appoints the entire Board of Directors, so it must be treated as a controlled entity. He noted that a conflict of interest can arise when a Councillor sits on the Board of Directors between fiduciary responsibilities to both Council and HRWC. Staff recommends the City of Halifax be made the sole shareholder to create an official mechanism for Council to give direction to the HRWC without this conflict.

Councillor Karsten noted that the recommendation set out HRM Council as the sole shareholder, which raised a governance question. Mr. Keefe agreed that the language of the recommendation was problematic because Council is not a legally constituted body.

**MOVED by Councillor Karsten, seconded by Councillor Watts that the motion on the floor be amended to replace references to "HRM Council" with "Halifax Regional Municipality."**

**MOTION TO AMEND PUT AND PASSED.**

Councillor Craig indicated that he was prepared to support this motion, noting that although coordination with HRWC is excellent, the question of governance must be resolved. Councillor Craig read the motion as amended:

**MOVED by Councillor Craig, seconded by Councillor Watts That Executive Standing Committee recommend to Regional Council that Regional Council:**

- 1. Request that the Province amend the Halifax Water Commission Act to:**
  - a. Make Halifax Regional Municipality the sole shareholder of HRWC with authority to**
    - i. Approve Issuance, purchase, sale, hold, transfer, vote, manage and all dealings with capital stock,**
    - ii. Approve wind-up or dissolution, subject to Provincial legislative approval,**
    - iii. Appoint the Board of Directors, and,**
    - iv. Receive the Annual report.**
  - b. Further, define the scope of authority by and accountability to shareholders by allowing Halifax Regional Municipality to approve and direct:**
    - i. new lines of business,**
    - ii. services to new areas outside HRM,**
    - iii. formal partnerships,**
    - iv. the long-term strategic plan, to ensure alignment with the Regional Plan**
    - v. the annual business plan with regards to alignment with HRM's annual priorities. For greater clarity, this does not include the HRWC Budget, and**
    - vi. the debt policy and any guarantees**
- 2. Direct Staff to develop an Administrative Order outlining**
  - a. Competency requirements for appointment to the Board of Directors,**
  - b. The review of annual financial statements,**
  - c. Required annual performance metrics as agreed between HRWC Board and HRM Council,**
  - d. The process for review of the annual business plan, including timing of presentation to HRWC Board, UARB and HRM Council, and defined scope of review and approval to avoid duplication with the HRWC Board and the UARB review and approval.**
  - e. The review of the HRWC Employees Pension Plan Financial Statements, and,**
  - f. Other matters as required or allowed by the Halifax Water Commission Act.**

Councillor Karsten questioned how recommendation two would be implemented, to which Mr. Keefe responded that this has not yet been determined.

**MOTION PUT AND PASSED.**

Mayor Savage thanked Mr. Keefe, Mr. Butts, and Mr. Yates for their hard work and noted that the results will be useful to both Council and the HRWC.

**9.1.2 FCM resolution – Nomination of Councillor Karsten**

This item was deferred during the Approval of the Order of Business.

**9.2 MEMBERS**

**9.2.1 Standing Committee Updates**

The following was before the Executive Standing Committee:

- A memo from the Mayor's Office regarding adding a Standing Committee Update as a standing item on the Executive Committee agenda.

**MOVED by Deputy Mayor Nicoll, seconded by Councillor Watts that the Executive Standing Committee add a Standing Committee update as a standing item on the Executive Standing Committee agenda.**

Councillor Watts inquired how this information would come forward to the Committee, whether through a written submission or verbal update. Mayor Savage suggested that a verbal update may be the best option. Mr. Richard Butts, Chief Administrative Officer, noted that it should be an overview of significant items and ongoing issues, and he indicated that he would work with the Office of the Municipal Clerk to develop a framework.

Councillor Walker questioned the value of these updates and requested justification for adding this as a standing item on the agenda. Councillor Watts cautioned that this should not lead to lengthy discussions with no end results and recommended that in lieu of a verbal discussion, circulation of a short written piece may be the most expeditious way to keep the Executive Committee informed on high level issues.

Mayor Savage suggested the Committee come back to this matter at a later meeting for further discussion.

**Deputy Mayor Nicoll agreed to withdraw the motion.**

**10. MOTIONS – NONE**

**11. IN CAMERA**

Council may rise and go into a private In Camera session, in accordance with Section 19 of the Halifax Regional Municipality Charter, for the purpose of dealing with the following:

**11.1 Minutes – February 23, 2015**

**MOVED by Deputy Mayor Nicoll, seconded by Councillor Karsten that the Executive Standing Committee approve the In Camera minutes of February 23, 2015 as circulated.**

**MOTION PUT AND PASSED.**

**11.2 Personnel Matter**

A matter pertaining to a personnel matter about an identifiable individual/individuals or body with whom the municipality has a direct interest.

**MOVED by Councillor Walker, seconded by Deputy Mayor Nicoll to convene to an in-camera session to address personnel matters. MOTION PUT AND PASSED**

The Executive Standing Committee convened to an in-camera session at 10:54 a.m. to address the following matters:

**11.2.1 Appointments to Port Authority**

This matter was addressed during the in-camera session and ratified in the public session as follows:

**MOVED by Councillor Walker, seconded by Councillor Karsten that the Executive Standing Committee make a recommendation to Halifax Regional Council to approve the appointment of the candidate as recommended by the interview panel. MOTION PUT AND PASSED.**

**11.2.2 CAO Review (Update)**

This matter was dealt with during the in-camera session.

The Executive Standing Committee reconvened to public session at 11:18 a.m.

12. **ADDED ITEMS – NONE**
13. **NOTICES OF MOTION – NONE**
14. **DATE OF NEXT MEETING - Monday, April 27, 2015 at 10:00 a.m., Council Chambers**
15. **ADJOURNMENT**

The meeting was adjourned at 11:20 a.m.

Cathy Mellett  
Municipal Clerk