

AUDIT & FINANCE STANDING COMMITTEE

MINUTES

March 21, 2012

PRESENT: Councillors Russell Walker, Chair  
Barry Dalrymple, Vice-Chair  
Tim Outhit  
Linda Mosher  
Deputy Mayor Bill Karsten

REGRETS: Councillors Gloria McCluskey  
Sue Uteck  
Steve Adams

STAFF: Mr. Louis de Montbrun, Manager, Financial Reporting  
Mr. Jerry Blackwood, Manager of Revenue  
Mr. Greg Keefe, Acting Director, Finance  
Mr. Richard Butts, Chief Administrative Officer  
Ms. Chris Newson, Legislative Assistant

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## Table of Contents

1.	CALL TO ORDER.....	3
2.	APPROVAL OF MINUTES – February 15, 2012.....	3
3.	APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS.....	3
4.	BUSINESS ARISING OUT OF THE MINUTES.....	3
	4.1 Memorandum – Attendance Support Strategies.....	3
5.	MOTIONS OF RECONSIDERATION – NONE.....	3
6.	MOTIONS OF RESCISSION – NONE.....	3
7.	CONSIDERATION OF DEFERRED BUSINESS - NONE.....	3
8.	CORRESPONDENCE, DELEGATIONS.....	3
	8.1 Correspondence – NONE.....	3
	8.2 Delegations.....	4
	8.2.1 KPMG - Audit Planning and Financial Statements of the Sackville Sports Stadium.....	4
9.	REPORTS.....	4
	9.1 STAFF.....	4
	9.1.1 Write-off of Uncollectible Accounts.....	4
	9.1.2 Investment Activities - Quarter Ending December 31, 2011.....	5
	9.1.3 Marketing Levy Special Events Reserve Revisions.....	5
	9.2 ENVIRONMENT AND SUSTAINABILITY STANDING COMMITTEE.....	6
	9.2.1 Disposal of Surplus HRM Assets.....	6
	9.3 MEMBERS OF THE STANDING COMMITTEE - NONE.....	6
	9.4 OFFICE OF THE AUDITOR GENERAL - NONE.....	6
	9.5 SUB-COMITTEES.....	6
	9.5.1 Grants Committee – NONE.....	6
	9.5.2 Investment Policy Advisory Committee.....	6
	9.5.3 Special Events Advisory Committee – NONE.....	6
10.	MOTIONS – NONE.....	6
11.	ADDED ITEMS.....	7
	11.1 Councillor Outhit – Metro Transit - Next Steps.....	7
12.	NOTICES OF MOTION - NONE.....	7
13.	IN CAMERA.....	7
	13.1 Approval of In Camera Minutes – January 19, March 10, March 16, April 20, May 18, September 21 and November 16, 2011.....	7
14.	DATE OF NEXT MEETING – April 18, 2012.....	7
15.	ADJOURNMENT.....	7

**1. CALL TO ORDER**

Councillor Walker, Chair, called the meeting to order at 10:11a.m. in the Council Chamber, 3<sup>rd</sup> Floor City Hall, 1841 Argyle Street, Halifax.

**2. APPROVAL OF MINUTES – February 15, 2012**

**MOVED by Deputy Mayor Karsten, seconded by Councillor Outhit that the minutes of February 15, 2012, as presented, be approved. MOTION PUT AND PASSED.**

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

Additions; Councillor Outhit – Metro Transit – Next Steps

Councillor Mosher entered the meeting at 10:12 a.m.

Deputy Mayor Karsten - Information Item 1(d) re: Disposal of Surplus HRM Assets – to be dealt with under Item 9.2.1

**MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymple that the agenda, as amended, be approved. MOTION PUT AND PASSED.**

**4. BUSINESS ARISING OUT OF THE MINUTES**

**4.1 Memorandum – Attendance Support Strategies**

A Memorandum dated xx was before the Standing Committee. This is for information purposes only; no further action required.

**MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymple that the Memorandum – Attendance Support Strategies be accepted as presented. MOTION PUT AND PASSED.**

**5. MOTIONS OF RECONSIDERATION – NONE**

**6. MOTIONS OF RESCISSION – NONE**

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

**8. CORRESPONDENCE, DELEGATIONS**

**8.1 Correspondence – NONE**

## **8.2 Delegations**

### **8.2.1 KPMG - Audit Planning and Financial Statements of the Sackville Sports Stadium.**

The KPMG Audit Planning and Financial Statements report for the Year Ending March 31, 2012 was before the Committee.

Mr. Louis de Montbrun, Manager, Financial Reporting, introduced Mr. Gordon Moore, KPMG, External Auditor. Mr. de Montbrun noted that the actual body that oversees the financial aspect for the Sackville Sports Stadium is the Audit and Finance Standing Committee as there has not been a Board of Directors for the facility in approximately eight years.

Mr. Gordon Moore, FCA, Audit Engagement Partner, KPMG, presented the Audit Planning Report for the Year Ending March 31, 2012 for the Sackville Sports Stadium. He noted the report was being done earlier to match HRM's budget timelines; the audit report is expected to be before the Standing Committee for the June meeting. As part of the Canadian Auditing Standards, he was required to ask that he be advised prior to the commencement of the audit work, of any fraud / risk of fraud to the Sackville Sports Stadium.

In response to a concern raised by Deputy Mayor Karsten, Ms. Denise Schofield, Manager, Community Services and Partnerships, explained that the Multi District Facility project includes analysis of governance models for facilities. The issue of governance, lack of a governing Board for the Sackville Sports Stadium, is one aspect of the project. The Multi District Facility project is being done in phases with the first phase centered on reporting; a report will be before Regional Council in a few months. She confirmed that there has not been a Board of Directors for the Sackville Sports Stadium for seven to eight years.

Councillor Walker, Chair, thanked Mr. Moore for his presentation.

## **9. REPORTS**

### **9.1 STAFF**

#### **9.1.1 Write-off of Uncollectible Accounts**

The February 22, 2012 report was before the Standing Committee.

Mr. Jerry Blackwood, Manager, Revenue, presented the report. He then responded to questions from Members of the Standing Committee.

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**MOVED by Deputy Mayor Karsten, seconded by Councillor Mosher that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve that:**

- 1. the Business Occupancy Tax accounts in the amount of \$192,525.37 comprised of \$150,981.57 principal and \$41,543.80 interest as detailed in Schedule 2 of the February 22, 2012 staff report, be formally written out of the books of account.**
- 2. the General Revenue accounts in the amount of \$38,672.58 comprised of \$34,991.83 principal and \$3,680.75 interest as detailed in Schedule 3 of the February 22, 2012 staff report, be formally written out of the books of account.**
- 3. the Real Property Tax accounts in the amount of \$16,707.08 comprised of \$11,518.56 principal and \$5,188.52 interest as detailed in Schedule 4 of the February 22, 2012 staff report, be formally written out of the books of account.**

**MOTION PUT AND PASSED.**

#### **9.1.2 Investment Activities - Quarter Ending December 31, 2011**

The February 22, 2012 staff report was before the Standing Committee.

Mr. Derek Tynski, Deputy Treasurer, Co-Chair, Investment Policy Advisory Committee, explained that the Investment Policy Advisory Committee has reviewed the report and recommended that it be forwarded on to Regional Council as an Information Item.

**MOVED by Councillor Outhit, seconded by Deputy Mayor Karsten that the Audit and Finance Standing Committee accept the report as presented and recommend that it be forwarded to Halifax Regional Council as an Information Item. MOTION PUT AND PASSED.**

#### **9.1.3 Marketing Levy Special Events Reserve Revisions**

The January 23, 2012 staff report was before the Standing Committee.

Ms. Denise Schofield, Manager, Community Services and Partnerships, presented the report advising that it was in regard to housekeeping amendments for the administration of the Marketing Levy Special Event Reserve Fund.

**MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymlpe that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve the Revised Marketing Levy Special Event Reserves Business Case as**

**outlined in Attachment 1 of the January 23, 2012 staff report. MOTION PUT AND PASSED.**

## **9.2 ENVIRONMENT AND SUSTAINABILITY STANDING COMMITTEE**

Information Item 3 was added to the agenda during the approval of the agenda to be dealt with in relation to Item 9.2.1.

### **9.2.1 Disposal of Surplus HRM Assets**

The March 8, 2012 Environment and Sustainability report was before the Committee.

The March 6, 2012 Information Report from staff was before the Standing Committee.

Ms. Anne Feist, Operations Manager, Procurement, responded to questions of clarification from Members of the Standing Committee. She advised that a staff report outlining proposed amendments to the Procurement Policy, in keeping with the provincial Procurement Act requirements, will be provided for the Standing Committee's April 18<sup>th</sup> meeting agenda.

**MOVED by Deputy Mayor Karsten, seconded by Councillor Mosher that the Disposal of Surplus HRM Assets matter be deferred to the April 18, 2012 meeting pending receipt and review of a staff report on proposed Procurement Policy amendments. MOTION PUT AND PASSED.**

### **9.3 MEMBERS OF THE STANDING COMMITTEE - NONE**

### **9.4 OFFICE OF THE AUDITOR GENERAL - NONE**

### **9.5 SUB-COMITTEES**

#### **9.5.1 Grants Committee – NONE**

#### **9.5.2 Investment Policy Advisory Committee**

##### **(i) Quarter Ending December 31, 2011**

**MOVED by Councillor Outhit, seconded by Deputy Mayor Karsten that the Audit and Finance Standing Committee recommend that the Investment Policy Advisory Committee Quarter Ending December 31, 2011 report be forwarded to Halifax Regional Council as an Information Item. MOTION PUT AND PASSED.**

#### **9.5.3 Special Events Advisory Committee – NONE**

## **10. MOTIONS – NONE**

**11. ADDED ITEMS**

**11.1 Councillor Outhit – Metro Transit - Next Steps**

In response to concerns raised by Councillor Outhit in regard to the recent transit strike and how to mitigate or reduce the risk for future strikes, Mr. Richard Butts, Chief Administrative Officer, offered to meet with Councillor Outhit to discuss his concerns. Mr. Butts advised that there is a Council approved five year business plan for Metro Transit.

Councillor Outhit agreed to meet with Mr. Butts in regard to this matter.

**12. NOTICES OF MOTION - NONE**

**13. IN CAMERA**

**13.1 Approval of In Camera Minutes – January 19, March 10, March 16, April 20, May 18, September 21 and November 16, 2011.**

**MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymple that the Audit and Finance Standing Committee approve, as circulated, the In Camera minutes of January 19, March 10, March 15, April 20, May 18, September 21 and November 16, 2011. MOTION PUT AND PASSED.**

**14. DATE OF NEXT MEETING – April 18, 2012**

**15. ADJOURNMENT**

The meeting was adjourned at 10:56 a.m.

Chris Newson  
Legislative Assistant

## INFORMATION ITEMS

1. Upcoming Agenda Items
  - 1.1 Community Facilities Master Plan – Funding Strategies - **early spring 2012**
  - 1.2 Long Term Capital/Project Budget Pressures Review – ***This item to be removed from the Audit and Finance Standing Committee agenda as updates will be provided to Halifax Regional Council.***
  - 1.3 Administrative Order 35 – Procurement Policy –**April 2012**
  - 1.4 Administrative Order 18 - Revenue Collections - **April 2012**
2. Work Plan for the Implementation of Recommendations Resulting from the Auditor General's Report on Concerts on the North Commons.
3. Disposal of Surplus HRM Assets (*See also Item 9.2.1*)