

AUDIT AND FINANCE STANDING COMMITTEE
MINUTES

January 17, 2014

PRESENT: Councillor Russell Walker, Vice Chair
Mayor Mike Savage
Councillor Barry Dalrymple
Councillor Gloria McCluskey
Councillor Stephen Adams
Councillor Tim Outhit

REGRETS: Councillor Bill Karsten, Chair
Councillor Lorelei Nicoll
Councillor Linda Mosher

STAFF: Mr. Bruce Fisher, Manager of Planning and Policy, Finance
Mr. Derek Tynski, Deputy Treasurer
Mr. John Traves, Municipal Solicitor
Mr. Liam MacSween, Legislative Assistant

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1. CALL TO ORDER

The Chair called the meeting to order at 10:00 a.m. in Council Chambers, City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF MINUTES – NONE

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

There were no additions to the agenda.

MOVED by Councillor McCluskey and seconded by Councillor Adams that the agenda be approved as presented. 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

8.2 Petitions

8.3 Presentation

9. REPORTS

9.1 STAFF

9.1.1 Q317 Titanic Commemorative Reserve Withdrawal

The following was before the Committee:

- A staff report dated, December 10, 2013

MOVED by Councillor McCluskey and seconded by Councillor Dalrymple that the Audit & Finance Committee recommend that Halifax Regional Council approve:

- 1. The amended text to the two Titanic Interpretive Panels located in the Fairview Lawn Cemetery be corrected, and approve the whitening and**

cleaning of 110 Titanic monuments that are located in the Fairview Lawn Cemetery as outlined in the December 10, 2013 staff report; and

- 2. Approve the withdrawal of up to \$5,100.00 from the Titanic Reserve, Q317 to cover these costs.**

MOTION PUT AND PASSED.

9.1.2 Investment Activities – Quarter Ending September 30, 2013

The following was before Committee:

- A staff report dated, December 17, 2013

MOVED by Councillor Adams and seconded by Councillor Dalrymple that the Audit and Finance Standing Committee forward the December 17, 2013 staff report to Halifax Regional Council as an information item.

Mr. Bruce Fisher, Manager of Policy and Planning stated that this item is essentially an amalgam of housekeeping measures relating to investment activities.

Councillor McCluskey asked if the change in the U.S. dollar has an impact on HRM's investment activities.

Mr. Derek Tynski, Deputy Treasurer stated that there is no direct impact of the dollar on returns. He noted potential impacts in the future in terms of managing the mandate of inflation.

Councillor McCluskey inquired about late payments of grants in lieu of taxes from the federal government and whether HRM has received any money for the Citadel.

Mr. Tynski stated that the payments for grants in lieu of taxes were a slightly late but have been received. With respect to the Citadel, he noted that work is still ongoing on that matter.

Mayor Savage inquired about how the HRM's investment performance over the past 5 years.

Mr. Tynski stated that HRM is around the medium level with respect to investments when compared to the institutional money management firms. He noted that in doing the comparison with these firms, HRM saves \$200,000 to \$250,000 in investment fees that would be paid to investment companies. He noted that HRM has complete control over the investments that HRM owns or purchases.

Councillor Outhit entered the meeting at 10:07 a.m.

MOTION PUT AND PASSED.

9.1.3 Amended Investment Policy

The following was before the Committee:

- A staff report dated, January 2, 2014.

MOVED by Councillor Outhit and seconded by Councillor McCluskey that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve the amended Investment Policy as recommended by the Investment Policy Advisory Committee.

MOTION PUT AND PASSED.

9.2 MEMBERS OF THE STANDING COMMITTEE - NONE

9.3 OFFICE OF THE AUDITOR GENERAL – NONE

9.4 GRANTS COMMITTEE – NONE

9.5 INVESTMENT POLICY ADVISORY COMMITTEE

9.5.1 Investment Activities – Quarter Ending September 30, 2013

The following was before the Committee:

- A staff report dated, January 2, 2014

MOVED by Councillor Outhit and seconded by Councillor Dalrymple that the Audit and Finance Standing Committee forward the January 2, 2014 staff report to Regional Council as an information item.

Mayor Savage inquired as to what extent HRM uses local investment companies for investment activities.

Mr. Derek Tynski, Deputy Treasurer noted that HRM generally deals with the money market best institutions, the big six Canadian banks. He noted that new bank accounts are being opened with local branches of the remainder of the big 5 Canadian institutions.

MOTION PUT AND PASSED.

9.5.2 Amended Investment Policy

The following was before the Committee:

- A staff report dated, January 2, 2014.

Councillor Outhit commented that it is important to recognize the sound financial advice of the local volunteers that sit on the Investment Policy Advisory Committee. He noted that HRM is lucky to have their input and commended the work of Mr. Derek Tynski and his role on that Committee.

MOVED by Councillor Outhit and seconded by Councillor Adams that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve the amended Investment Policy attached as appendix A of the January 2, 2014 staff report.

Councillor McCluskey requested further information with respect to the proposal of a new sector weight schedule.

Mr. Derek Tynski, Deputy Treasurer noted that the sector weight schedules help put limitations on how much can be invested in certain sectors of the economy. He commented that the new schedule shows the total portfolio and the total investment fund, which the committee and staff wanted to include in the policy.

MOTION PUT AND PASSED.

10. MOTIONS
11. ADDED ITEMS
12. IN CAMERA - NONE
13. NOTICES OF MOTION
14. NEXT MEETING DATE – February 21, 2014
15. ADJOURNMENT

The meeting adjourned at 10:15 a.m.

Liam MacSween
Legislative Assistant