



**AUDIT & FINANCE STANDING COMMITTEE
MINUTES
September 16, 2015**

PRESENT: Councillor Bill Karsten, Chair
Councillor Linda Mosher, Vice-Chair
Councillor Barry Dalrymple
Councillor Gloria McCluskey
Councillor Reg Rankin
Mayor Mike Savage

REGRETS: Councillor Steve Craig

STAFF: Ms. Amanda Whitewood, Chief Financial Officer
Mr. John Traves, Municipal Solicitor
Mr. Liam MacSween, 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 Audit & Finance Standing Committee are available online: <http://www.halifax.ca/boardscom/SCfinance/150916afsc-agenda.php>

The meeting was called to order at 10:02 a.m. and moved into an In Camera session at 12:01 p.m. The reconvened at 12:31 p.m. and adjourned at 12:33 p.m.

1. CALL TO ORDER

Councillor Bill Karsten, Chair called the meeting to order in Council Chambers, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF MINUTES – July 15, 2015

MOVED by Councillor McCluskey, seconded by Councillor Rankin.

THAT the minutes of July 15, 2015 be approved as presented. MOTION PUT AND PASSED.

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

Additions:

12.1 Councillor Rankin – In Camera Personnel Matter.

12.2 Councillor Mosher – In Camera Personnel Matter.

12.3 Councillor Karsten – In Camera Personnel Matter.

MOVED by Councillor Rankin, seconded by Councillor Mosher,

THAT the agenda be approved as amended.

Two-Third Majority Vote Required

MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES

5. MOTIONS OF RECONSIDERATION – NONE

6. MOTIONS OF RESCISSION – NONE

7. CONSIDERATION OF DEFERRED BUSINESS – NONE

8. CORRESPONDENCE, PETITIONS & DELEGATIONS – NONE

9. REPORTS

9.1 STAFF

9.1.1 First Quarter 2015/2016 Financial Report

The following was before the Standing Committee:

- *A staff recommendation report dated August 31, 2015*

Mr. Louis de Montbrun, Manager of Financial Reporting, provided a brief presentation with respect to the First Quarter 20/16 Financial Statements.

Councillor Karsten thanked Mr. de Montbrun for his presentation and requested questions of clarification from members of the Audit & Finance Standing Committee.

Councillor McCluskey requested further information with respect to the amount of overtime accrued for Fire Services Personnel as well as an update on staff's planning for vacancy management within that department.

Mr. de Montbrun commented that the vast majority of overtime for Fire Services is paid at straight time. He further advised that he does not have specific details with respect to Fire Services vacancy management plan but would request the information from Fire Services.

In response to a follow up question from Councillor McCluskey, Mr. de Montbrun noted that that staff is continuing to monitor the progress on Capital Cost Contributions (CCC's) for the Mount Hope connector project. He advised that as developers move projects forward they are required to pay CCC's at that time.

Councillor McCluskey requested further information with respect to outstanding assessment appeals.

Mr. Jerry Blackwood, Manager of Revenue noted that the schedule referenced in the report represents assessment appeals as of June 2015. He advised that the appeal loss ratio has decreased in August and that staff is projecting a small surplus in the account which has been budgeted for assessment appeals.

MOVED by Councillor McCluskey, seconded by Councillor Mosher

**THAT the Audit & Finance Standing Committee forward the First Quarter 2015/2016
Financial Report dated August 31, 2015 to Regional Council as an information item.**

In response to a question from Councillor Mosher, Mr. Richard Butts, Chief Administrative Officer noted that there is a long training period associated with hiring new fire fighters. He advised that Fire Services is currently training an entire class of individuals and noted that staff is on track to achieve the necessary staffing levels as determined by Regional Council earlier in the year.

In response to a follow up question from Councillor Mosher, Mr. Butts advised that in an organization as large as HRM there will always be a certain level of turnover. He commented that people join and leave the organization for a myriad of reasons and noted that a typical turn-over rate for an organization such as HRM is in the two to three percent range, which is where HRM currently stands. He further advised that staff is very cognizant of this reality and that his office consistently reviews staffing levels to ensure that all departments are adequately staffed.

Further discussion ensued.

MOTION PUT AND PASSED.

9.1.2 Investment Activities – Quarter Ending March 31, 2015

The following was before the Standing Committee:

- *A staff recommendation report dated August 14, 2015*

MOVED by Councillor Rankin, seconded by Councillor McCluskey

**THAT the Audit & Finance Standing Committee forward the staff report dated August 14,
2015 to Regional Council as an information item.**

MOTION PUT AND PASSED.

9.1.3 Administrative Order 2015-003-OP: Proposed Halifax Explosion 100th Anniversary Grants Program

The following was before the Standing Committee:

- *A staff recommendation report dated August 18, 2015*
- *A Revised copy of attachment 2 of the staff report dated August 18, 2015*

MOVED by Mayor Savage, seconded by Councillor McCluskey

THAT the Audit & Finance Standing Committee the Audit and Finance Standing Committee recommend that Regional Council:

- 1. Approve Administrative Order Number 2015-003-ADM, the Halifax Explosion 100th Anniversary Grant Program as outlined in the revised copy circulated at the Audit and Finance Standing Committee meeting on September 15, 2015;**
- 2. Approve funding in the amount of \$100,000 from Account M311-8004 for implementation of the Halifax Explosion 100th Anniversary Grants Program in fiscal year 2015-16; and**
- 3. Direct the Special Advisory Committee on the 100th Anniversary of the Halifax Explosion to make recommendations to the Grants Committee in regards to funding applications for the Halifax Explosion 100th Anniversary Grants Program.**

Ms. Peta-Jane Temple, Team Lead, Grants & Contributions provided background information with respect to proposed Administrative Order. She advised that the grant value of \$100,000 was determined by staff as an appropriate number, in consultation with the Special Advisory Committee on the 100th Anniversary of the Halifax Explosion. She further noted that that Council will have the ability to make adjustments to the grant program in 2016.

In response to a follow up question from Mayor Savage, Ms. Temple commented that the Capital Project for the memorial park will be a spate line item within the budget.

MOTION PUT AND PASSED.

9.2 OFFICE OF THE AUDITOR GENERAL

9.2.1 A Performance Review of Halifax Regional Municipality Building Standards – Permits and Inspections©

The following was before the Standing Committee:

- *A report from the Office of the Auditor General dated September 16, 2015*
- *A presentation dated September 16, 2015*

Mr. Larry Munroe Auditor General provided a presentation on the Performance Review of Halifax Regional Municipality Building Standards.

Councillor Karsten thanked Mr. Munroe for his presentation and requested questions of clarification from members of the Audit & Finance Standing Committee.

Councillor Rankin thanked Mr. Munroe for his presentation and noted his opinion that it would be beneficial for members of the Audit & Finance Standing Committee to receive reports from his office in advance of the meeting so that members may have time to review the material in advance to prepare better questions. He advised that Council typically receives staff reports in advance of the meeting, which are also posted online, at the same time for the public to view. He commented that having an opportunity to review the report in detail will likely facilitate better discussion at the committee level.

Councillor Karsten noted that Councillor Rankin had raised some valid points and noted that the Auditor General provides reports and presentations to the committee in a manner that was previously established. He commented that an opportunity could arise to review best practices and review changes to the Terms of Reference in this regard.

Mr. Munroe thanked Councillor Rankin and Karsten for their comments and noted that he would take the advice under consideration.

Councillor Dalrymple thanked Mr. Munroe for his report and advised that he would like to see more stringent controls in place with respect to follow up by supervisors to ensure that permitting and inspections are completed properly.

Councillor Mosher thanked Mr. Munroe and his staff for the report and presentation and provided commentary with respect to work being completed by staff to mitigate preventable risks. She advised that in some instances there have been a lack of clear process and standardized documentation used to facilitate the permitting process.

In response to a follow up question from Councillor Mosher, Mr. John Traves, Solicitor commented that Legal Services provides ongoing advice to operational departments with respect to risk management. He further noted that if there is an incident of risk which is prevalent in any given division or business unit of the municipality that legal services staff would provide advice on the matter.

Councillor McCluskey thanked Mr. Munroe and staff for the presentation and report. She requested further information with respect to liability on the part of the municipality if another deck collapse scenario were to take place.

Mr. Traves commented that every case has to be assessed on its own basis and advised that Building services must complete work with respect to inspections to a professional standard. He stated that there will always be exceptions which may or may not have a level risk associated with it which is carefully reviewed and managed by Legal Services staff.

Mr. Munroe concluded his presentation by thanking his staff in the Office of the Auditor General.

9.2.2 Update on Ongoing Follow-Up of Report Recommendations

The following was before the Standing Committee:

- *A report from the Office of the Auditor General dated September 16, 2015*
- *A presentation dated September 16, 2015*

The Audit & Finance Standing Committee agreed by consensus to move this item to the October 21, 2015 agenda.

9.3 INVESTMENT POLICY ADVISORY COMMITTEE

9.3.1 Investment Policy Advisory Committee Report – Quarter ending March 31, 2015

The following was before the Standing Committee:

- *A staff recommendation report dated July 6, 2015*

Councillor Karsten acknowledged and thanked members of the Investment Policy Advisory Committee for their work in bringing forward the report to the Audit & Finance Standing Committee.

MOVED by McCluskey, seconded by Councillor Rankin

THAT the Audit & Finance Standing Committee forward the Investment Policy Advisory Committee report dated July 6, 2015 to Halifax Regional Council as an Information Item

MOTION PUT AND PASSED.

10. MOTIONS

11. IN CAMERA

12. ADDED ITEMS

12.1 Councillor Rankin - In Camera – Personnel Matter.

This matter was dealt with In Camera.

12.2 Councillor Mosher – In Camera Personnel Matter.

This matter was dealt with In Camera.

12.3 Councillor Karsten – In Camera Personnel Matter

This matter was dealt with In Camera.

The Audit and Finance Standing Committee reconvened to public session and passed the following motion:

MOVED by Councillor Rankin, seconded by Councillor McCluskey

THAT the Audit & Finance Standing Committee ratify and confirm the recommendations to Halifax Regional Council with respect to the In Camera personnel matters.

MOTION PUT AND PASSED.

13. NOTICES OF MOTION – NONE

14. DATE OF NEXT MEETING – October 21, 2015

15. ADJOURNMENT

The meeting adjourned at 12:33 p.m.

Liam MacSween
Legislative Assistant