



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

**PRESENT:** Councillor Bill Karsten, Chair  
Councillor Gloria McCluskey  
Councillor Reg Rankin  
Councillor Steve Craig  
Mayor Mike Savage

**REGRETS:** Councillor Linda Mosher, Vice-Chair  
Councillor Barry Dalrymple

**STAFF:** Ms. Amanda Whitewood, Chief Financial Officer  
Ms. Karen Brown, Solicitor  
Mr. John Traves, Acting Chief Administrative Officer  
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/151216afsc-agenda.php>

*The meeting was called to order at 10:00 a.m. The Standing Committee moved into an In Camera (In Private) session at 11:29 a.m. and reconvened at 11:39 a.m. The Standing Committee adjourned at 11:41 a.m.*

**1. CALL TO ORDER**

Councillor Bill Karsten, Chair called the meeting to order in Council Chambers, 1841 Argyle Street, Halifax.

**2. APPROVAL OF MINUTES – NONE**

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

Additions: None

MOVED by Councillor Rankin, seconded by Councillor Craig

**THAT the agenda be approved as presented.**

**MOTION PUT AND PASSED.**

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

**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 – NONE**

**12. REPORTS**

**12.1 STAFF**

**12.1.1 Investment Activities - Quarter Ending September 30, 2015**

The following was before the Standing Committee:

- *A staff recommendation report dated December 4, 2015*

MOVED by Councillor Rankin, seconded by Councillor McCluskey

**THAT the Audit & Finance Standing Committee forward the December 4, 2015 staff report to Halifax Regional Council as an information item.**

**MOTION PUT AND PASSED.**

**12.1.2 Support for Destination Eastern and Northumberland Shores (DEANS)**

The following was before the Standing Committee:

- *A committee recommendation report dated November 20, 2015*
- *An information report dated December 10, 2015*

MOVED by Councillor McCluskey, seconded by Mayor Savage

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

- 1. A grant of \$6400 per year, renewable annually for up to five years, be paid to Destination Eastern and Northumberland Shores (DEANS) beginning in the 2015-2016 fiscal years and continuing through 2020-2021 fiscal year;**
- 2. The grant be paid through Destination Halifax; and**
- 3. Destination Halifax and DEANS sign an agreement on how the grant gets spend and reported on.**

Several members of the committee spoke in favour of the recommendation to support Destination Eastern and Northumberland Shores.

**MOTION PUT AND PASSED.**

#### **12.1.3 2016 Proposed Meeting Schedule**

The following was before the Standing Committee:

- *The 2016 Proposed Audit & Finance Standing Committee meeting schedule*

MOVED by Councillor Rankin, seconded by Craig

**THAT the Audit & Finance Standing Committee adopt the proposed 2016 meeting schedule.**

**MOTION PUT AND PASSED.**

## **12.2 OFFICE OF THE AUDITOR GENERAL**

### **12.2.1 Follow-Up Review of Halifax Regional Municipality Overtime©**

The following was before the Standing Committee:

- *A auditor general report dated December 16, 2015*

Mr. Larry Munroe, Auditor General provided a presentation regarding a Follow-Up Review of Halifax Regional Municipality Overtime.

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

In response to a follow up question from Councillor Rankin, Mr. Munroe noted that the overtime follow up process provides insights as to why the use of overtime has occurred. He advised that his office was tasked establishing the theory behind budgeting for overtime and encouraging administration to provide a breakdown in absolute dollars as to the rational for its usage.

Councillor McCluskey expressed her concern regarding the amount of overtime being utilized throughout the organization. She advised that she is dismayed that only three of the ten recommendations provided in the previous report from the Office Auditor General on this matter had been addressed by staff.

In response to follow up questions from Mayor Savage, Mr. Munroe advised that the report did not focus on any instances of fraud and did not specifically address instances of overtime caused for snow and ice removal.

Councillor Craig advised that overtime costs are part of conducting business and advised that staff needs to be more cognizant of the manner in which overtime costs are reflected in the budgeting process. He further noted that staff needs to be more accurate in its budgeting for overtime and inquired if there are tools available to help manage overtime costs.

Mr. Munroe agreed with Councillor Craig's assessment and advised that there are many tools available that can assist in managing overtime costs.

In response to a comment from Deputy Mayor Whitman, Mr. Munroe stated that he does not believe that the municipality is out of control with respect to overtime costs. He advised that staff can pay more attention to accurately predicting the expensing of overtime costs.

Further discussion ensued with Mr. Munroe acknowledging staff at the Office of the Auditor General for their work on delivering the report and presentation.

### **12.3 INVESTMENT POLICY ADVISORY COMMITTEE**

#### **12.3.1 Investment Policy Advisory Committee - Quarter Ending September 30, 2015**

The following was before the Standing Committee:

- *A committee report dated December 3, 2015*

MOVED by Councillor Craig, seconded by Councillor McCluskey

**THAT the Audit & Finance Standing Committee forward the Investment Policy Advisory Committee report dated December 3, 2015 to Halifax Regional Council as an Information Item.**

Councillor Craig provided commentary with respect to concerns raised by the Investment Policy Advisory Committee in relation to instances where variances in the Investment Policy Sector Weight guidelines took place over the summer. He advised that this discussion is noted in the report. He advised that the committee did not feel as though the variances would constitute a material increase in risk to the Investment portfolio and the matter has been brought to the attention of staff.

### **MOTION PUT AND PASSED.**

#### **12.4 GRANT COMMITTEE – NONE**

#### **12.5 SPECIAL EVENTS ADVISORY COMMITTEE – NONE**

#### **12.6 MEMBERS OF THE AUDIT & FINANCE STANDING COMMITTEE – NONE**

### **13. MOTIONS**

#### **14. IN CAMERA (IN PRIVATE)**

##### **14.1 Property Matter**

##### **14.1.1 Property Acquisition – West Bedford Transit Terminal and Park & Ride Facility**

This matter was dealt with during an In Camera (In Private) session. The following motion was ratified in public session:

MOVED by Councillor Rankin, seconded by Mayor Savage

**The Audit and Finance Standing Committee recommend that Halifax Regional Council:**

1. **Approve an increase to the budget of the newly established Project CM000010 – West Bedford Transit Terminal/Park and Ride for the purchase of land to be funded from Halifax Transit’s 2015/16 projected surplus, in operating account M701, as detailed in the Financial Implications of the private and confidential staff report dated November 4, 2015.**
  2. **Authorize the Mayor and Municipal Clerk to execute an Agreement of Purchase and Sale with West Bedford Holdings Limited (henceforth WBH) for an 8.27 acre parcel of land from PID 41324443, located along Innovation Drive in Halifax for the purpose of siting a transit terminal and park & ride facility, as per the terms and conditions outlined in the private and confidential staff report dated November 4, 2015 and Table 1; and as per the financial implications section of private and confidential staff report dated November 4, 2015.**
  3. **It is further recommended that this report not be released to the public until the transaction has closed**
15. **ADDED ITEMS**
  16. **NOTICES OF MOTION**
  17. **DATE OF NEXT MEETING – January 15, 2016**
  18. **ADJOURNMENT**

The meeting adjourned at 11:41 a.m.

Liam MacSween  
Legislative Assistant