

AUDIT & FINANCE STANDING COMMITTEE  
MINUTES

October 19, 2011

PRESENT: Councillors: Gloria McCluskey, Chair  
Russell Walker, Vice-Chair  
Bill Karsten  
Barry Dalrymple  
Steve Adams  
Tim Outhit  
Linda Mosher  
Sue Uteck

OFFICE OF THE  
AUDITOR GENERAL: Larry Munroe, Auditor General  
Pauline Boudreau, Coordinator

STAFF: Mr. Mike Labrecque, Deputy Chief Administrative Officer  
Mr. Jim Cooke, Director, Finance  
Mr. Jerry Blackwood, Manager of Revenue  
Ms. Chris Newson, Legislative Assistant

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**1. CALL TO ORDER**

The Chair called the meeting to order at 10:10 a.m. in Halifax Hall, 2<sup>nd</sup> Floor City Hall.

**2. APPROVAL OF MINUTES – September 21, 2011**

This item was deleted from the agenda as the minutes were not available.

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

Deletion: Approval of the Minutes – September 21, 2011

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

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

**4.1 Update on Request for Budget Presentation from TCL, GHP and DH**

The Legislative Assistant advised that the tentative date for the budget presentations is December 14, 2011.

**5. MOTIONS OF RECONSIDERATION – NONE**

**6. MOTIONS OF RESCISSION – NONE**

**7. CONSIDERATION OF DEFERRED BUSINESS**

**7.1 Multi-District & Event Facilities**

The August 29, 2011 report was before the Committee.

Mr. Jim Cooke, Director, Finance, circulated a proposed revised Recommendation 1 for the Committee's consideration.

**MOVED by Councillor Walker, seconded by Councillor Karsten that Recommendation 1 be amended to read as follows:**

- 1. That until accountability and reporting processes are updated (as a result of the work in Phase 1 of the proposed project charter) no new additional major capital expansion would be approved in any HRM owned recreation facility. Further that no new subsidies or significant changes to existing subsidies be approved with a term of more than one year.**

Discussion ensued on the revised recommendation.

Mr. Cooke and Mr. Mike Labrecque, Deputy Chief Administrative Officer, responded to questions of clarification from members of the Standing Committee noting that:

- recapitalization could still proceed as long as it was not an addition
- the RFP for proposed work on the Dartmouth Sportsplex is underway, however; the capital budget will not be contemplated before November 2012
- information in regard to capital work for the Dartmouth Sportsplex would not be brought to Council until the first bids on this work are done.

**MOVED by Councillor Karsten, seconded by Councillor Walker that Recommendation 1 be further amended to include the wording “*with the exception of the Dartmouth Sportsplex*”. MOTION TO AMEND PUT AND PASSED.**

The revised recommendation will now read as follows:

1. **That until accountability and reporting processes are updated (as a result of the work in Phase 1 of the proposed project charter) no new additional major capital expansion with the exception of the Dartmouth Sportsplex would be approved in any HRM owned recreation facility. Further that no new subsidies or significant changes to existing subsidies be approved with a term of more than one year.**

It was then **MOVED by Councillor Walker, seconded by Councillor Karsten that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve:**

1. **That until accountability and reporting processes are updated (as a result of the work in Phase 1 of the proposed project charter) no new additional major capital expansion with the exception of the Dartmouth Sportsplex would be approved in any HRM owned recreation facility. Further that no new subsidies or significant changes to existing subsidies be approved with a term of more than one year.**
2. **The proposed two phased approach, focusing on accountability and reporting work in Phase 1 as the necessary preparation for the alignment work in Phase 2.**
3. **That HRM staff be directed to complete the Indicators (Appendix 6 of the Consultants Report) for the remaining Category 3 and 4 facilities to determine whether they should be included in the Phase 1 project plan.**
4. **That as part of Phase 2 (alignment), HRM repayment plans be developed for any outstanding capital or operating amounts owing from Multi-District Facilities (MDF) where no repayment plans exist at that time. Repayment**

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**plans should be in place by no later than November 2013, within one year of the proposed start of Phase 2. This does not preclude repayment plans being developed earlier.**

In response to a question by Councillor Outhit on whether or not other exceptions, in regard to Recommendation 1, should be considered as other projects may be underway, Mr. Labrecque emphasised that the accountability and reporting phase must be addressed prior to bringing anything forward in regard to the Dartmouth Sportsplex.

Councillors Uteck, Mosher, Dalrymple and Adams requested that consistent principles be developed for all the facility management Boards as some would appreciate more direction; a core group of directions is needed.

Councillor Dalrymple suggested that consideration be given during the review of the existing Management Agreements as to whether they are fulfilling the mandate or wishes of the community.

Councillor Uteck expressed concern with the lack of accountability for the area rate surpluses by some facilities as having a surplus was not the purpose of an area rate.

Councillors Mosher and Uteck suggested that an organization chart be available listing the staff contacts for the arenas/facilities as it should not be necessary to contact a number of people in regard to one facility.

In response to a concern raised by Councillor Adams, Mr. Labrecque explained that having a Board manage a facility could be advantageous as it provides autonomy, an arms length flexibility, and would/could be more costly if run by HRM.

In response to a concern raised by Councillor Uteck, Mr. Labrecque advised that Phase 1 will be less about the Boards and more about the organization (HRM) becoming more organized in regard to role clarity/alignment.

## **8. CORRESPONDENCE, PETITIONS, DELEGATIONS**

**8.1 Correspondence – NONE**

**8.2 Petitions - NONE**

**8.3 Delegations - NONE**

## **9. REPORTS**

**9.1 STAFF**

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

The August 25, 2011 report was before the Committee.

**MOVED by Councillor Karsten, seconded by Councillor Outhit that the Audit and**

**Finance Standing Committee recommend that the report, as presented, be forwarded to Halifax Regional Council. MOTION PUT AND PASSED.**

**9.1.2 Work Plan for the Implementation of Recommendations Resulting from the Auditor General's Report on Concerts on the North Commons**

The September 30, 2011 report was before the Committee.

**MOVED by Councillor Dalrymple, seconded by Councillor Karsten that the Audit and Finance Standing Committee forward the September 30, 2011 report, as presented, to Halifax Regional Council for their information. MOTION PUT AND PASSED.**

**9.1.3 Parking Enforcement Initiatives with Waterfront Development Corporation Limited and HRM**

The September 20, 2011 report was before the Committee.

Mr. Cooke and Mr. Jerry Blackwood, Manager, Revenue, responded to questions of clarification from members of the Standing Committee.

**MOVED by Councillor Walker, seconded by Councillor Dalrymple that the Audit and Finance Standing Committee recommend that the report, as presented, be forwarded to Halifax Regional Council. MOTION PUT AND PASSED.**

**9.2 OFFICE OF THE AUDITOR GENERAL - NONE**

**9.3 SUB-COMITTEES**

**9.3.1 Grants Committee – NONE**

**9.3.2 Investment Policy Advisory Committee - NONE**

**9.3.3 Special Events Advisory Committee - NONE**

**10. MOTIONS - NONE**

**11. ADDED ITEMS - NONE**

**12. NOTICES OF MOTION - NONE**

**13. DATE OF NEXT MEETING – November 16, 2011**

**14. ADJOURNMENT**

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

Chris Newson  
Legislative Assistant

**IN CAMERA ITEMS - NONE**

**INFORMATION ITEMS**

1. Upcoming Agenda Items
  - 1.1 Community Facilities Master Plan – Funding Strategies - *early spring 2012*
  - 1.2 Investment Policy Presentation – **November/December**
  - 1.3 Revised Special Events Granting Framework - **November**
  - 1.4 Long Term Capital/Project Budget Pressures Review Update – **December**
  - 1.5 Personnel Matter: Appointments to Boards/Committees – **November**
  - 1.6 Review of Existing Policies for District Activity and District Capital Funds - **November**