



**AUDIT & FINANCE STANDING COMMITTEE  
MINUTES  
April 16, 2014**

- PRESENT:** Councillor Bill Karsten, Chair  
Councillor Russell Walker, Vice Chair  
Councillor Barry Dalrymple  
Councillor Lorelei Nicoll  
Councillor Gloria McCluskey  
Councillor Linda Mosher  
Councillor Tim Outhit
- REGRETS:** Mayor Mike Savage  
Councillor Steve Adams
- GUEST:** Councillor Steve Craig
- STAFF:** Mr. John Traves, Municipal Solicitor  
Mr. Greg Keefe, Chief Financial Officer  
Mr. Richard Butts, 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/index.html>*

*The meeting was called to order at 10:00 p.m., the Standing Committee moved into an In Camera session at 11:50 a.m. and reconvened at 12:14 p.m. the Standing Committee adjourned at 12:15 p.m.*

**1. CALL TO ORDER**

The Chair called the meeting to order at 10:00 a.m. in Council Chambers, 3<sup>rd</sup> Floor 1841 Argyle Street.

**2. APPROVAL OF MINUTES – None**

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

There were no additions/deletions to the agenda.

**MOVED by Councillor Walker, seconded by Councillor Mosher that the agenda be approved as presented. 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**

**9. REPORTS**

**9.1 STAFF**

**9.1.1 Award Quotation No. 13M145, Canada Games Centre Solar Heating System**

The following was before the Audit & Finance Standing Committee:

- *A staff recommendation dated February 12, 2014.*

**MOVED by Councillor Dalrymple, seconded by Councillor Nicoll that the Audit & Finance Standing Committee:**

- 1. Recommend that Regional Council approve an increase to Project No. CB000002 – Major Facilities Upgrades, by \$87,500.00 (HST fully rebated), with funding from the Sustainable Communities Reserve. Q127; and**

- 2. Recommend that Regional Council approve Award of Quotation No. 13M145, Canada Games Centre Solar Heating System, for a total tender price of \$87,500.00 (HST fully rebated), with funding from Project No. CB000002 - Major Facilities Upgrades, as outlined in the Financial Implications section of the staff report dated February 12, 2014.**

Councillor Dalrymple noted his support for the staff recommendation and stated that there are many benefits associated with the solar heating system. He commented that the heating system is linked with the Solar City program and that staff quickly found out that the benefits of moving to this type of system are greater than expected. He further commented on future savings which will be realized as a result of the change.

Councillor Nicoll stated that she views the solar heating systems for the Canada Games Centre as very positive news and commented that she would like to see all major facilities across HRM move to efficient and environmentally friendly heating systems such as this.

**MOTION PUT AND PASSED**

**9.1.2 Award – RFP No. P14 – 101 - Digital Video Based Driver Training Solution**

The following was before the Audit & Finance Standing Committee:

- *A staff recommendation/information report dated April 1, 2014*

**MOVED by Councillor Nicoll, seconded by Councillor McCluskey that the Audit & Finance Standing Committee recommend that Regional Council:**

- 1. Approve an increase to project No. CV010002 – Fire Service Driving Testing System, in the amount of \$24,934.63 through a transfer from Project No. CVJ01088 – Fire Fleet Apparatus**
- 2. Award RFP No. P14 – 101 for two (2) Digital Video Based Driver Training Solutions to the only proponent Trackit LLC Inc., for a total price of \$124,934.63 (net HST included) with funding from Project No. CV01002 – Fire Services Driving Testing System, as outlined in the Financial Implications section of the staff report dated April 1, 2014.**

Councillor Nicoll commented that she was surprised at the amount of motor vehicle collisions with Emergency vehicles that take place in the run of a year. She noted that it is unfortunate that these situations happen and that the use of the Digital Video Based Driver Training Solution will likely assist in mitigating the number of Motor Vehicle collisions.

Councillor McCluskey inquired if some of the accidents are caused by other motorists not yielding to Fire Trucks. She commented that very often people do not yield to emergency vehicles when it is necessary to do so.

Deputy Chief Roy Hollett, Fire and Emergency Services replied in the affirmative and noted that there were accidents where fault was on both sides. He commented that there are many factors which cause of accidents such as improperly plowed streets, poor driving conditions, and heavy traffic.

Councillor Dalrymple noted that it is very difficult to maneuver a heavy fire truck through heavy traffic and that the driver training solution will assist in mitigating the frequency of accidents.

**MOTION PUT AND PASSED.**

**9.1.3 Budget Increase – Project Account No. CE010001**

The following was before Audit & Finance Standing Committee:

- *A staff recommendation/information report dated January 29, 2014*

**MOVED by Councillor McCluskey, seconded by Councillor Nicoll that the Audit and Finance Standing Committee recommend that Halifax Regional Council approve an increase to Project Account CEO 1000 I - Fire Services Equipment Replacement, in the amount of \$400,000 with funding from Fire Services Operating account FIIO-6701, Operations - Equipment Purchases.**

**MOTION PUT AND PASSED.**

**9.1.4 Facility Development Project Funding**

The following was before the Audit & Finance Standing Committee:

- *A staff recommendation/information report dated February 24, 2014*

**MOVED by Councillor Nicoll, seconded by Councillor McCluskey that the Audit and Finance Standing Committee recommend that Regional Council approve the following project budget increases:**

- 1. CBX01154, Accessibility – HRM Facilities, for 2014/15 in the amount of \$125,000, with funding from Cappool, as per the Financial Implications section of the staff report dated February 21, 2014; and**
- 2. CB000026, Dartmouth Ferry Terminal Building Renewal, for 2014/15 in the amount of \$520,000, with funding from Cappool, as per the Financial Implications section of the staff Report dated February 21, 2014; and**
- 3. CBX01046, City Hall and Grand Parade Renewal, for 2014/15 in the amount of \$600,000, with funding from Crespool, as per the Financial Implications section of the staff report dated February 21, 2014**

Councillor Nicoll inquired about the elevator project at City Hall and when it is anticipated to be completed.

Ms. Jane Fraser, Director of Planning and Infrastructure, noted that the tender for that project has been out and has come back. She noted that staff is currently reviewing the tender and have identified that as a priority project.

Councillor McCluskey commented that the washroom facility upgrade at Albro Lake Beach has gone \$140,000 over budget and requested further information.

Ms. Fraser stated that the cost over-run is a combination of two projects related to facilities upgrades, Albro Lake and Chocolate. With respect to Albro Lake Beach, Ms. Fraser commented that staff ran in to problems relating to soil conditions, more specifically rock. She commented that a geotechnical survey was conducted and extra resources had to be put in place to deal with the excess rock.

Councillor Mosher stated that she would like to see some consistency in the reporting regarding the Memorial Towner in Sir Stanford Fleming Park. She commented that the community worked very hard with the federal government to have designated as a National Historic Site. She commented that she would like to thank Planning and Infrastructure staff on behalf of the community for the facility upgrades at Chocolate Lake. She noted that the upgrades are greatly appreciated as 850 people per day use those facilities. Councillor Mosher further commented that she would like to see more resources placed in to esthetics for future projects. She stated that she is using District Capital Funds to plant trees around the newly upgraded facility.

Councillor Dalrymple stated that on page five of the staff report, the first twelve projects that are listed are all projects which have been completed and came in under budget. He commented that it is very important to point out that there are sixteen projects are coming forward and that all are currently under budget. He noted that this allows staff to allocate funds to other projects that may run in to unforeseen difficulties.

Councillor Nicoll commented that she hopes to see the theme of staff continuing to bring projects in under budget.

**MOTION PUT AND PASSED.**

#### **9.1.5 Investment Activities – Quarter Ending December 31, 2013**

The following was before Audit & Finance Standing Committee:

- *A staff recommendation report dated March 20, 2014*

**MOVED by Councillor Nicoll, seconded by Councillor McCluskey that the Audit and Finance Standing Committee forward the staff report dated March 20, 2014 to Regional Council as an Information Item.**

**MOTION PUT AND PASSED.**

## **9.2 OFFICE OF THE AUDITOR GENERAL**

### **9.2.1 A Performance Review of Employee Absence Leave**

The following was before Audit & Finance Standing Committee:

- *A report from the Office of the Auditor General dated April 16, 2014*
- *A presentation entitled “A performance Review of Employee Absence Leave” dated April 16, 2014.*

The Chair invited Mr. Larry Munroe, Auditor General, to give his presentation.

Mr. Munroe gave a presentation regarding a Performance Review of Employee Absence Leave. The report and presentation is on file and can be accessed online at <http://www.halifax.ca/boardscom/SCfinance/140416afscAgenda.html>.

Councillor Nicoll thanked Mr. Munroe commented that the Auditor General’s findings are not surprising. She provided commentary with respect to mental health and the role of physical activity to improve overall health. She further commented that HRM has much work to do with respect to improving the management of employee absences.

Mr. Munroe commented that he has had discussions with the Chief Administrative Officer and the Director of Human Resources. He stated that there is recognition of the issues that he has illustrated and he is confident that they will continue to provide leadership in these areas.

Councillor McCluskey thanked Mr. Munroe for his presentation and stated that she views sick leave as a privilege which should not be abused. She commented that there is plenty incentive to work at HRM such as work, good jobs with good pay. She commented that there is further work to be done with regard to managing employee absence leave. She inquired as to how many employees within the organization are over the age of 65.

Mr. Munroe responded by noting that there is 80 employees employed within the organization that are 65 and over.

Councillor Mosher thanked Mr. Munroe and his staff for the report. She commented that there needs to be a universal approach to attendance management and that value for money is not maximized to the extent that it should be. She inquired if other utilities across the country have Pre-Retirement Benefit programs comparable to Halifax Water.

Mr. Munroe commented that he and his staff did as much as they could to compare and contrast with other municipalities, which was a difficult task. He noted that this type of benchmarking would be beneficial for management to consider. He commented that it is the view of the OAG that there needs to be a change in policy to rethink the various Pre-Retirement Benefit programs with the organization.

Councillor Walker thanked the Auditor General and his staff for the report culture. He commented that there are many employees within HRM that do not miss any days. He further noted that there is a definite need to tighten up the management of employee absences in some areas and that it cannot be fixed overnight.

Councillor Dalrymple commented that he views the Auditor General's report as a fair bit of good news coupled with some concerning news. He reiterated that outside of two groups within HRM, all the rest of the Business Units are on par with that of the private sector in terms of employee absences, which is something HRM should be proud of. He further commented that there are some areas within the municipality will require extra attention to ensure that absences are managed more efficiently.

Councillor Craig thanked the Committee for allowing him to speak and thanked the Auditor General and his staff for the report and presentation. He stated that anything to do with employees is of particular interest to him. He commented that the Main theme that he has taken away from the presentation is that standardization across the organization with respect to managing employee absences is very important. He provided further commentary on the importance of a strong management function with respect to Pre-retirement benefits and stated that the OAG's report is very strong awareness tool.

Further discussion ensued.

The Chair thanked the Auditor General and his staff for the work that was undertaken to prepare the report and presentation.

Mr. Munroe thanked the Committee and commented the report was prepared to provide a balanced review of employee absence leave. He noted that it took considerable amount of time to write and that he and his staff received nothing but respect and accommodation from HRM staff. He further acknowledged staff members from the Office of the Auditor General who contributed to the project.

### **9.3 INVESTMENT POLICY ADVISORY COMMITTEE**

#### **9.3.1 Investment Policy Advisory Committee – Quarter ending December 31, 2013**

The following was before Audit & Finance Standing Committee:

- *A staff recommendation/information report dated March 6, 2014*

**MOVED by Councillor Walker, seconded by Councillor Nicoll that the Audit and Finance Standing Committee forward the staff report dated March 6, 2014 to Regional Council as an Information Item.**

**MOTION PUT AND PASSED.**

### **9.4 INVESTMENT POLICY ADVISORY COMMITTEE**

**9.4.1 Election of Chair – Special Events Advisory Committee**

The Chair opened the floor for nomination for the position of Chair of the Special Events Advisory Committee and recognized that the Committee members must be a member of the Special Events Advisory Committee as well as a member of the Audit and Finance Standing Committee.

The Chair opened the floor for nominations for the position of Chair of the Special Events.

**MOVED by Councillor Nicoll, seconded by Councillor Walker that Councillor Dalrymple be nominated Chair.**

It was noted that Councillor Dalrymple is the only member of the Audit and Finance Standing Committee who is also a member of the Special Events Advisory Committee.

The Chair called three more times for further nominations, there were none, it was **MOVED by Councillor McCluskey, seconded by Councillor Nicoll that nominations cease. MOTION PUT AND PASSED.**

Councillor Dalrymple was elected Chair of the Special Events Advisory Committee.

**MOTION PUT AND PASSED.**

**10. MOTIONS – NONE**

**11. IN CAMERA**

**11.1 Contract Negotiations**

**11.1.1 Legal Advice with respect to a Commercial Contract**

**MOVED by Councillor McCluskey, seconded by Councillor Walker that the Audit & Finance Standing Committee move to In Camera to discuss a contractual matter.**

**MOTION PUT AND PASSED.**

The Committee convened to an In Camera session at 11:50 a.m. The committee reconvened at 12:14 p.m. and ratified the following motion:

**MOVED by Councillor Walker, seconded by Councillor Nicoll that the Audit and Finance Standing Committee approve the recommendation as contained in the Private and Confidential staff report dated April 7, 2014.**

**MOTION PUT AND PASSED.**

**12. ADDED ITEMS**



**13. NOTICES OF MOTION**

**14. DATE OF NEXT MEETING – May 21, 2014**

**15. ADJOURNMENT**

The meeting adjourned at 12:15 p.m.

Liam MacSween  
Legislative Assistant