



**AUDIT & FINANCE STANDING COMMITTEE
MINUTES
July 20, 2016**

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

STAFF: Ms. Amanda Whitewood, Chief Financial Officer
Ms. Karen Brown, Acting 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 Standing Committee are available online: <http://www.halifax.ca/boardscom/SCfinance/160720afsc-agenda.php>

The meeting was called to order at 10:00 a.m., and recessed at 12:00 p.m. the Standing Committee and reconvened at 12:05 p.m. the Standing Committee adjourned at 12:41 p.m.

1. CALL TO ORDER

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

2. APPROVAL OF MINUTES – May 11 & June 15, 2016

MOVED by Councillor McCluskey, seconded by Councillor Karsten

THAT the minutes of May 11 & June 15, 2016 be approved as presented. MOTION PUT AND PASSED.

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

Additions: None

MOVED by Councillor Karsten, seconded by Councillor McCluskey

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

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 Budget Increase to CV000004 – Transit Support Vehicle Replacement

The following was before the Standing Committee:

- *A staff recommendation report dated June 13, 2016*

MOVED by Councillor Karsten, seconded by Councillor McCluskey

That the Audit & Finance Standing Committee recommend that Halifax Regional Council:

1. **Approve a budget increase of \$29,200 to Project Account CV000004 – Transit Support Vehicle Replacement**
2. **Approve an unbudgeted withdrawal in the amount of \$1,488 from General Fleet Reserve Q204, as outlined in the Financial Implications section of the staff report dated June 13, 2016.**

MOTION PUT AND PASSED.

12.1.2 Long-term Fiscal Strategy – Reserve Review

The following was before the Standing Committee:

- *A staff recommendation report dated June 28, 2016*
- *A staff presentation dated July 20, 2016*

Ms. Amanda Whitewood, Chief Financial Officer and Mr. Louis De Montbrun, Manager of Financial Reporting provided a presentation in relation to the Long Term Fiscal Strategy Reserve Review. Councillor Mosher thanked Ms. Whitewood, Mr. De Montbrun and Mr. Fisher for their presentation.

MOVED by Councillor Karsten, seconded by Councillor McCluskey

That the Audit & Finance Standing Committee recommend that Halifax Regional Council approve the proposed reserves as presented in Attachment 1 of the staff report dated June 28, 2016.

MOTION PUT AND PASSED.

12.1.3 Administrative Order 2016-005-ADM - Procurement Policy

The following was before the Standing Committee:

- *A staff recommendation report dated July 13, 2016*
- *A staff presentation dated July 20, 2016*

Ms. Jane Pryor, Manager of Procurement, Mr. Stephen Terry, Senior Procurement Consultant, and Mr. Colin Taylor, Solicitor provided a presentation on the procurement policy. Councillor Mosher thanked Ms. Pryor, Mr. Terry and Mr. Taylor for their presentation and requested questions of clarification from members of the Audit & Finance Standing Committee.

MOVED by Councillor McCluskey, seconded by Mayor Savage

THAT the Audit and Finance Standing Committee recommend to Halifax Regional Council:

- a) **The repeal of Administrative Order #35 Procurement Policy and**
- b) **The adoption of Administrative Order #2016-005-ADM - Procurement Policy as outlined in Appendix A of the staff report dated July 13, 2016**

In response to questions from the Standing Committee, staff provided the following commentary:

- The proposed process should help mitigate delays in relation to the award of tenders.
- The policy does not specifically relate to Halifax Water.
- The purpose of the proposed administrative order is to streamline processes and to gain efficiencies. Staff had studied other municipality's procurement processes and examined best practices as part of the proposal.

In response to the commentary from the Standing Committee regarding Council's oversight of the procurement process, Ms. Whitewood noted the policy is intended to work with Council's capital

budgeting process to set a framework for procurement which is intended to carry out the work as directed by Council as budgeted. She further noted that the policy will allow the CAO to delegate their full award authority to the Business Units if the project budget has been approved by Council and the low bid is within 10 percent of the pre-tender estimate.

In response to a follow up question, Ms. Jane Fraser, Acting Deputy Chief Administrative Officer commented that obtaining approvals for the awarding of tenders with approved project budgets does not typically cause delays, but rather the process that is currently in place which requires a staff report to be produced and placed on a Council agenda.

Mr. John Traves, Acting Chief Administrative Officer noted that the proposed changes to the procurement policy is not intended to alter the authority of the approving body, but rather to strengthen openness and transparency and streamline the overall process. He advised that Council's obligation to municipal procurement standards and legislation remain the same regardless of what price level the CAO and staff can approve. He advised that staff have outlined the levels in the presentation and staff report and are seeking guidance from the Committee and Council with respect to what the threshold of those levels should be.

Further discussion ensued with the following motion being passed:

MOVED by Councillor McCluskey, seconded by Mayor Savage

THAT the Audit & Finance standing Committee recommend that Halifax Regional Council refer the staff report dated July 13, 2016 for consideration by Committee of the Whole.

MOTION PUT AND PASSED.

12.1.4 Halifax Regional Fire & Emergency Unmanned Aircraft Surveillance (Drones)

The following was before the Standing Committee:

- *A staff recommendation report dated June 20, 2016*
- *A staff presentation dated July 20, 2016*

MOVED by Councillor Craig, seconded by Councillor McCluskey

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

- 1. Approve a budget increase of \$60,000 to Capital Account CEO10001, Fire Services Equipment Replacement for the purchase of two unmanned aircraft surveillance drones.**
- 2. Approve an unbudgeted withdrawal in the amount of \$60,000 from Q206, Fire & Emergency Service Vehicle and Equipment Reserve, as outlined in the Financial Implications section of the staff report dated July 12, 2016.**

MOTION PUT AND PASSED.

Mayor Savage and Councillor Rankin left the meeting at 12:00 p.m.

12.2 OFFICE OF THE AUDITOR GENERAL

12.2.1 A Performance Review of the Management of Small Equipment - Halifax Regional Municipality©

The following was before the Standing Committee:

- *A staff report from the Office of the Auditor General dated June 20, 2016*

- *A presentation from the Auditor General dated July 20, 2016*

Mr. Larry Munroe, Auditor General provided a presentation with respect to a performance Review of the Management of Small Equipment. Councillor Mosher thanked Mr. Munroe for his presentation and requested questions of clarification from members of the Audit & Finance Standing Committee.

In response to a question from Councillor McCluskey, Mr. Munroe advised that the scope of the report did not include computers.

Further discussion ensued with Mr. Munroe thanking staff from the Office of the Auditor General for their participation in the report and presentation.

12.3 GRANT COMMITTEE

12.3.1 Tax Relief for Non-Profit Organizations: Proposed Renewal of Tax Relief for Leases Removed from Administrative Order 2014-001-ADM Schedules

The following was before the Standing Committee:

- *A report from the Grants Committee dated June 30, 2016*

MOVED by Councillor Dalrymple, seconded by Councillor Karsten

THAT the Audit & Finance Standing Committee recommend that Halifax Regional Council approve a grant for the nine (9) organizations/ten (10) properties listed in Table 1 of the committee report dated June 30, 2016 for fiscal year 2016-17, effective April 1, 2016 unless otherwise stated, at an estimated combined estimate cost of \$109,743 from Account M311-8006.

MOTION PUT AND PASSED.

12.4 INVESTMENT POLICY ADVISORY 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 Approval of In Camera Minutes – May 11, 2016

The following motion was passed in public session:

MOVED by Councillor Karsten, seconded by Councillor McCluskey

That the Audit & Finance Standing Committee approve the In Camera Minutes of May 11, 2016 as circulated.

MOTION PUT AND PASSED.

14.2 Property Matter

14.2.1 Ross Road Realignment Capital Budget

The following motion was passed in public session:

MOVED by Councillor Karsten, seconded by Councillor McCluskey

THAT the Audit & Finance Standing Committee recommend that Halifax Regional Council approve funding for the Ross Road Realignment project as outlined in the Financial Implications section of the private and confidential staff report dated May 25, 2016.

MOTION PUT AND PASSED.

15. ADDED ITEMS

16. NOTICES OF MOTION

17. PUBLIC PARTICIPATION

Councillor Mosher called three times for members of the public to address the Audit & Finance Standing Committee. There were no speakers present.

18. DATE OF NEXT MEETING – September 7, 2016

19. ADJOURNMENT

The meeting adjourned at 12:46 p.m.

Liam MacSween
Legislative Assistant