



**AUDIT AND FINANCE STANDING COMMITTEE
MINUTES
November 15, 2017**

PRESENT: Councillor Bill Karsten, Chair
Councillor Lorelei Nicoll, Vice Chair
Councillor Russell Walker
Councillor Stephen D. Adams
Councillor Steve Craig
Mayor Mike Savage

REGRETS: Councillor Matt Whitman

STAFF: John Traves, Municipal Solicitor
Jerry Blackwood, A/CFO/Director of Finance and Asset Management
Sheilagh Edmonds, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

The agenda, reports, supporting documents, information items circulated, and video (if available) are online at halifax.ca.

The meeting was called to order at 10:03 a.m. and moved into an In Camera (In Private) session at 11:20 a.m. and reconvened at 11:38 a.m. The Standing Committee adjourned at 11:39 a.m.

1. CALL TO ORDER

The Chair called the meeting to order at 10:03 a.m.

2. APPROVAL OF MINUTES – October 18, 2017

MOVED by Councillor Nicoll, seconded by Councillor Walker

THAT the minutes of October 18, 2017 be approved.

MOTION PUT AND PASSED.

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

Additions:

There were no additions or deletions to the agenda.

MOVED by Councillor Walker, seconded by Councillor Nicoll

THAT the agenda be approved as amended.

MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES - NONE

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

10.1 Correspondence - None

10.2 Petitions - None

10.3 Presentation - None

11. INFORMATION ITEMS BROUGHT FORWARD – NONE

12. REPORTS

12.1 FINANCE AND RISK MANAGEMENT

12.1.1 Second Quarter 2017-18 Financial Report

The following was before the Audit and Finance Standing Committee:

- A staff recommendation report dated November 7, 2017.
- A Presentation entitled, Second Quarter Report

Louis de Montbrun, Manager, Financial Reporting provided the presentation on the second quarter 2017-18 Financial Report and responded to questions.

MOVED by Councillor Walker, seconded by Councillor Nicoll

THAT the Audit and Finance Standing Committee forward the Second Quarter 2017/18 Financial Report to Regional Council for information.

MOTION PUT AND PASSED.

12.2 INVESTMENT REPORTS: NONE

12.3 AUDITOR GENERAL:

Evangeline Coleman-Sadd, Auditor General, and Paul Flinn, Audit Director presented their reports on Halifax Water's processes to manage risks to provide safe drinking water, and HRM's management of surplus buildings and land, as follows, and responded to questions.

12.3.1 Halifax Water – Management of Drinking Water Safety

The following was circulated to the Audit and Finance Standing Committee:

- A report outlining the audit of Halifax Water – Management of Drinking Water Safety dated November 10, 2017.

The Auditor General advised that their audit resulted in nine recommendations and management agrees with all nine.

Summarizing the recommendations, the Auditor General advised that Halifax Water carries out day to day activities to address risks to drinking water safety. Improvements should be made to capture all risks in a central location so they can be tracked and prioritized by management. Halifax Water completes monitoring to comply with drinking water regulations but needs to clarify which samples must be reported to Nova Scotia Environment. Management also needs to monitor whether all scheduled water samples were completed. The Auditor General found Halifax Water manages its drinking water infrastructure, but more work is needed on long-term capital projections.

12.3.2 Management of Surplus Buildings and Land

The following was circulated to the Audit and Finance Standing Committee:

- A report outlining the audit of Management of Surplus Buildings and Land dated November 10, 2017.

The Auditor General advised that their audit resulted in eight recommendations and management agrees with all eight.

Summarizing their recommendations, the Auditor General advised that there are opportunities for Halifax Regional Municipality to improve its process for surplus buildings and land and achieve better value-for-money. While individual business units do a good job of determining which buildings and land they do not need, HRM does not regularly review all municipal-owned properties to identify surplus properties.

Information provided to Regional Council could be improved by including all key areas, such as environmental risks, and by providing regular updates on ongoing operating costs of surplus buildings and land.

12.4 STAFF:

12.4.1 Dartmouth Sportsplex – Public Art Funding Transfer

The following was before the Audit and Finance Standing Committee:

- A staff report dated November 6, 2017.

MOVED by Councillor Nicoll, seconded by Councillor Walker

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

- 1. Direct staff to transfer public art funding in the amount of \$225,000 allocated for the Dartmouth Sportsplex Renovation Project from the 2017/18 operating budget (Cultural Development -C764) to the General Contingency Reserve, Q421, and**
- 2. Commit the \$225,000 as a withdrawal from the General Contingency Reserve to fund the operating expense in Cultural Development -C764 for the project costs to be incurred in 2018/19, as outlined in the Financial Implications section of the November 6, 2017 staff report.**

MOTION PUT AND PASSED.

12.4.2 Request for New Capital Project (Fuel Systems Upgrade)

The following was before the Audit and Finance Standing Committee:

- A staff report dated November 8, 2017.

MOVED by Councillor Walker, seconded by Councillor Nicoll

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

- 1. Approve a budget reduction of \$165,000 from project account CMU00982, Transit Security; and,**
- 2. Increase the capital budget for a new capital project 'Fuel System Upgrade' in the amount of \$165,000, as outlined in the Financial Implications Section of this report.**

MOTION PUT AND PASSED.

12.5 GRANTS COMMITTEE:

12.5.1 Tax Relief for Non-Profit Organizations: Proposed Renewal of Tax Relief for Leases Removed from AO 2014-001-ADM Schedules

The following was before the Audit and Finance Standing Committee:

- A staff report dated November 6, 2017.

MOVED by Councillor Craig, seconded by Councillor Walker

THAT the Audit and Finance Standing Committee recommend Regional Council approve a grant for the (7) organizations listed in Table 1 of The August 14, 2017 staff report for fiscal year 2017-18, effective April 1, 2017, unless otherwise stated, at an estimated combined cost of \$104,047 from Account M311-8006 (Grants & Tax Concessions).

MOTION PUT AND PASSED.

12.6 SPECIAL EVENTS ADVISORY COMMITTEE: NONE

12.7 COMMITTEE MEMBERS:

12.7.1 Councillor Karsten – Potential Changes to the Audit and Finance Standing Committee Member Composition

The following was before the Audit and Finance Standing Committee:

- A *Request for Audit and Finance* form submitted by Councillor Karsten

MOVED by Councillor Nicoll, seconded by Councillor Walker

THAT the Audit and Finance Standing Committee request Regional Council request a staff report considering potential changes to the member composition of the Audit and Finance Committee to include one or two members of the public.

In response to a question, Councillor Karsten advised that provincial legislation appears to be moving in this direction and other jurisdictions have carried this out, therefore, it would be beneficial to receive a staff report on the matter.

MOTION PUT AND PASSED.

13. MOTIONS - NONE

14. IN CAMERA (IN PRIVATE)

14.1 Personnel Matter – Nominations to the Grants Committee

The Standing Committee convened in camera at 11:20 a.m. and reconvened at 11:38 a.m. to ratify the following motion:

MOVED by Councillor Walker, seconded by Councillor Adams

THAT the Audit and Finance Standing Committee

1) Recommend Regional Council approve the three nominations to the Grants Committee, for a term to November 30, 2019, as recommended in the in camera (in private) session held on this date.

2) recommend that the November 8, 2017 Private and Confidential staff report not be released to the public.

MOTION PUT AND PASSED.

15. ADDED ITEMS - NONE

16. NOTICES OF MOTION - NONE

17. PUBLIC PARTICIPATION

No one came forward to address the Committee during public participation.

18. DATE OF NEXT MEETING – December 20, 2017

19. ADJOURNMENT

The meeting adjourned at 11:39 a.m.

Sheilagh Edmonds
Legislative Assistant