

THE MUNICIPALITY OF THE DISTRICT OF SHELBURNE
FINANCE DEPARTMENT
136 Hammond Street, PO Box 280 Shelburne, NS B0T 1W0
Phone: (902) 875-3544 – Fax: (902) 875-1278
www.municipalityofshelburne.ca

Municipality of the District of Shelburne
AUDIT AND INTERNAL CONTROL COMMITTEE MEETING
MINUTES

Wednesday, July 7, 2021

10:00 am

A meeting of the Audit and Internal Control Committee was held on Wednesday, July 7, 2021, via Microsoft Teams.

Present:

Larry Pelletier, Chairperson (Public Member)
Sandy Hood, Vice Chair (Public Member)
Trudy Payne, CAO
Michelle Williams, Director of Finance
Gloria Banks, CPA, CA, Grant Thornton
Jessica Clahane, CPA, CA, Grant Thornton

Councillor Terry McIntyre
Councillor Ron Coole
Councillor Sherry Thorburn Irvine
Ryan Jamieson, Waste Diversion Officer
Michelle Mitchell, Finance Clerk

Regrets:

Erin Hartley, Director of Corporate Services
Adam Dedrick, Director of Recreation

1. Call to Order

The meeting was called to order at 10:00 am by Chairperson, Larry Pelletier.

2. Amendments/Approval of Agenda

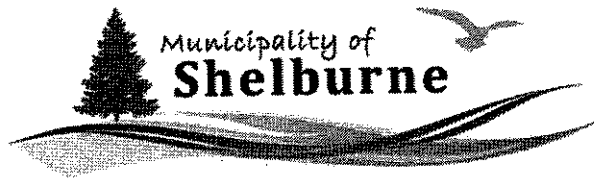
Being duly moved and seconded, be it resolved that the Agenda of July 7, 2021 be approved as circulated.

3. Approval of Minutes

Being duly moved and seconded, be it resolved that the Minutes of February 16, 2021 be approved as circulated.

4. Business Arising

There was no business arising.



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5. Presentation from Grant Thornton – 2020/2021 Audit

Gloria Banks, CPA, CA, Grant Thornton LLP and Jessica Clahane, CPA, CA, Grant Thornton LLP, presented the Audit and Internal Control Committee with a draft of the Municipality's Financial Statements for the 2020/2021 fiscal, the 2020/2021 Audit Report - results from the Audit, and the Management and Internal Control letters. Ms. Banks and Ms. Clahane will also present at the next Council meeting scheduled for July 14, 2021.

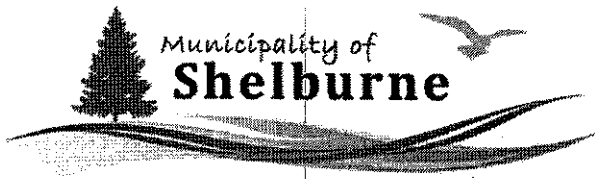
Councillor Sherry Thorburn Irvine asked for clarification about the cash and cash equivalents where it was mentioned in the assets and liabilities – she asked if this is tax sale revenue that sits in the tax sale surplus account. Ms. Banks clarified that if a piece of property is sold on tax sale, if there is a surplus from the sale (the property sold for more than what the receivable on the account is outstanding) then the surplus is kept in the tax sale surplus account for 20 years as per the Department of Municipal Affairs, if the money is not claimed within the 20 years then the surplus can be moved to the Capital Reserve Account and used by the Municipality. Councillor Sherry Thorburn Irvine asked that on the Financial Statements where it states our COMFIT project that this is the wind turbine at the end of Sandy Point Road, Ms. Banks verified that this is what it is referring to. Ms. Irvine also asked for clarification of what the cost is that is on this line. Ms. Banks stated that the number associated with the COMFIT project is the value that has been assigned to that asset which is the value of what the Municipality has spent over time to purchase and develop that asset.

Trudy Payne, CAO asked if the figure for the General Operating Surplus included the money for the Municipality's Safe Restart Program because she thought there was a separate reserve set up for this. Ms. Williams clarified that there is a separate reserve, and the money is transferred ahead of time, so the General Operating surplus does not include the Safe Restart Program money.

Councillor Terry McIntyre asked how the Municipality of Shelburne is looking from a financial viewpoint. Ms. Banks stated that the Municipality is in a very strong financial position.

Councillor Terry McIntyre asked Ms. Payne for clarification that the Municipality now has a Cyber Security Insurance Policy. Ms. Payne clarified that the Municipality has purchased Cyber Insurance as well as we have a contract for IT services through the Municipal Joint Services Board that also does monitoring and training for the Municipality.

Councillor Sherry Thorburn Irvine asked what the Municipality's bill from Grant Thornton typically is on a year-to-year basis. Michelle Williams, Director of Finance stated that we are in a 5-year quote with Grant Thornton for around \$25,000 per year.



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Being duly moved and seconded, The Audit and Internal Control Committee recommends the following motions:

1. Recommends that the Council of the Municipality of the District of Shelburne adopts the financial statements as presented for the 2020/2021 fiscal year.
2. Recommends that the Council of the Municipality of the District of Shelburne transfer the surplus of \$646,914 for the 2020/2021 fiscal year to the Operating Reserve Fund.

Gloria Banks and Jessica Clahane left the meeting at 11:12am.

6. Discussion Regarding MFC Presentation on Debt Affordability – CAO, Trudy Payne

The committee discussed the information they received about the debt affordability model in the previous meeting and the costs that are going to be associated with the building and what their recommendation is going to be to Council as to where they want to take the money from for the \$3,500,000 budgeted in the 2021/2022 budget.

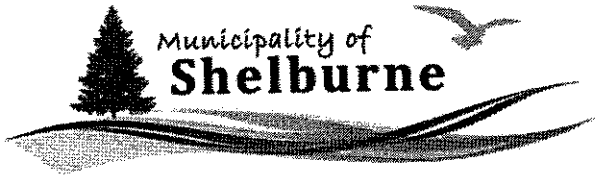
Being duly moved and seconded, The Audit and Internal Control Committee recommends the following motion:

1. Recommends that the Council of the Municipality of the District of Shelburne use a total of \$2,500,000 from reserves, specifically \$1,500,000 to come from Operating Reserve and \$1,000,000 from Capital Reserves and borrow the remaining \$1,000,000 for a total of \$3,500,000 that was budgeted in the Capital Plan for the 2021/2022 fiscal for the new Municipal Building.

7. C&D Scavenger Staff Report – CAO, Trudy Payne and Waste Diversion Officer, Ryan Jamieson

Ryan Jamieson, Waste Diversion Office, reviewed the main topics of the C&D Scavenger Staff Report for the committee.

Councillor Terry McIntyre asked Mr. Jamieson if he is suggesting that scavenging be cancelled permanently from the C&D site, Mr. Jamieson confirmed that yes that is what he is suggesting. Larry Pelletier asked Mr. Jamieson for clarification where it was mentioned in his report there was a scavenger that asked a crewman operating an excavator crushing material on the C&D site to stop operating the heavy equipment and then proceeded to get into the pile to get something. Mr. Jamieson confirmed that this did indeed happen and there was also another comment made by a scavenger that on the days of scavenging, those crewmen should not be working, and that they should have to come back on non-scavenging days.



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Being duly moved and seconded, The Audit and Internal Control Committee recommends the following motions:

1. Recommends that the Council of the Municipality of the District of Shelburne discontinue scavenging at the RMRF site immediately to mitigate risk to the Municipality and site users.
2. Recommends that the Council of the Municipality of the District of Shelburne remove all references to scavenging from policy #48 – Regional Materials Recovery Facility Disposal Policy.

Ryan Jamieson left the meeting at 11:52am.

8. Implementation Report – CAO

Trudy Payne, CAO, reviewed the topics of the implementation report.

9. Year to Date Audit and Internal Control Report to Council – CAO

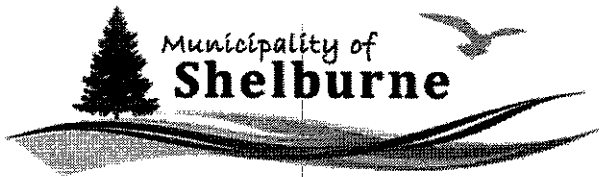
Trudy Payne, CAO, reviewed the Year to Date Audit and Internal Control Report, this will be presented at council by a Councillor on the committee.

10. Reporting Motions to Council – Larry Pelletier

1. Recommends that the Council of the Municipality of the District of Shelburne adopts the financial statements as presented for the 2020/2021 fiscal year.
2. Recommends that the Council of the Municipality of the District of Shelburne transfer the surplus of \$646,914 for the 2020/2021 fiscal year to the Operating Reserve Fund.
3. Recommends that the Council of the Municipality of the District of Shelburne use a total of \$2,500,000 from reserves, specifically \$1,500,000 to come from Operating Reserve and \$1,000,000 from Capital Reserves and borrow the remaining \$1,000,000 for a total of \$3,500,000 that was budgeted in the Capital Plan for the 2021/2022 fiscal for the new Municipal Building.
4. Recommends that the Council of the Municipality of the District of Shelburne discontinue scavenging at the FMRF site immediately to mitigate risk to the Municipality and site users.
5. Recommends that the Council of the Municipality of the District of Shelburne remove all references to scavenging from policy #48 – Regional Materials Recovery Facility Disposal Policy.

11. Next Meeting

Next meeting to be determined.



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12. Adjournment

There being no further business, the meeting adjourned at 12:04 pm.

Michelle Mitchell, Finance Clerk
Recording Secretary

Michelle Williams, Director of Finance

Larry Pelletier, Chairperson

