



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

Present:	G. Cochrane	Chair
	R. Dauphinee	Warden
	S. Pineo	Councillor
	R. Matheson	Councillor
	T. Brown	Councillor
	J. Daniels	Councillor
	V. Swinamer	Councillor
	R. Allen	Councillor
	R. Zwicker	Councillor
	C. Osborne	CAO
	M. Laycock	Director of Finance
	K. Kehoe	Director of Recreation
	R. Sherrard	Director of Public Works
	J. Bourque	Planner
	R. Brown	Municipal Clerk
	J. Woodman	Administrative Assistant
Regrets:	K. Dempsey	Vacation
Guests:	Geraldine Miller	
	Erica McCurdy	Deloitte
	Keith MacDonald	Deloitte
	Duane Saulnier	Grant Thornton
	George Earnst	Grant Thornton

There were 83 members of the public in attendance.

1. Call to Order
2. Announcements

Chair Cochrane reviewed the fire regulation procedures for the Council Chambers.

3. Warden Dauphinee announced the U-16 Bantam Boys Eastern Canadian Softball Championship will be held this weekend at the Ste. Croix Ball field with teams U16 Boys Eastern Canadian Softball Championship coming from Ontario, New Brunswick, Newfoundland and Labrador, and parts of Nova Scotia. He indicated games start on August 27 at 1:00 p.m. and end on August 30. Approval of Agenda, including additions or deletions



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

Additions:

- 11 (d) – Notification of a Special Council meeting – August 31, 2015 at 5:00 p.m.
- 11 (e) – Notification of a recommendation to enter into a development agreement.
- Correspondence – (g) – August 21,2015 – Municipal Affairs – Windsor Fire Services
- Correspondence – (h) – August 21,2015 – Municipal Affairs – Sherry Keen – Windsor Elms

MOVED and SECONDED that the agenda be approved as circulated, noting the additions

Motion Carried.

4. Approval of Minutes – July 28, 2015

MOVED and SECONDED that the minutes of July 28, 2015 be approved as circulated, noting any errors or omissions.

Motion Carried.

5. Presentation (s)

Geraldine Miller – Windsor Fire Department

Ms. Miller introduced herself and thanked Council for the opportunity to address them and indicated that she was speaking on behalf of many people.

She advised they have watched, for several years, West Hants Council's disregard for following the wishes of citizens in the area served by the Windsor Fire Department. She and many people felt that Council never intended to reach a settlement and information has been non-existent or misleading and failure was certain. She pointed out that Council's motion to build a new fire department was never rescinded which they felt showed the direction the negotiations would follow. She noted that citizens are concerned that Council and the CAO publicly tried to make it seem like the Windsor Fire Department is at fault in failing to reach a solution.

She reported on August 18 during an "in camera" session, a decision was made to move forward with a creating a new fire department.

She indicated that citizens would like the following concerns addressed:



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

1. That Council and Municipal staff guarantee that their fire insurance rates will not increase as a result of this action. She noted that extra fire insurance costs are forecasted. And made reference to June 2014 when Mr. John Redden, the public specialist at the Fire Underwriters Survey for the Atlantic Region said fire “grades” are going to negatively change with any new fire department. When that happens, he estimated fire insurance costs increases would exceed 220%. She noted that residents feel that Council is blind to the impact of this change and refuse to acknowledge that professional opinion. She indicated that residents want a guarantee of no home or business fire insurance cost increases or at least show the goals and plans to address this concern.
2. A request was made to see all the confidential data presented to Council by the negotiating team, and make it public in order for them to make their own opinions.
3. It was noted that Vaughan has a large level of residential assets and that South West Hants Fire Society in Vaughan has always been interconnected with the WFD. She clarified the Fire Society in Vaughan is not a firefighting company but has the support of the WFD and leadership. She cautioned the current station lease could be lost with this new situation. She confirmed the 10 fire service volunteers are not qualified to lead a station, and felt this is only one of many issues that need to be resolved.
4. Some residents felt past presentations by Council on costs of a new fire department were not accurate. They are requesting new cost estimates, properly done and presented in a timely fashion.
5. She noted in 60 days, a lower cost fire service, without longer term future insurance rates, which citizens must pay, cannot happen. She suggested that they want citizens, businesses, and residential senior’s homes to be able to negotiate with the Windsor Fire Department for fire service coverage. These contracted fire services costs or a part of them should be deducted from the portion of the Municipal Fire Service tax.

Ms. Miller ended her presentation by thanking the Windsor Fire Department for their dedication and many years of fine and courageous fire service in the areas.

MOVED and SECONDED that Geraldine Millers Report regarding Windsor Fire Department be received and placed on file.

Motion Carried.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

Year End Financials – Deloitte

Erica McCurdy introduced herself as the manager on the audit file for the Municipality as well as Keith MacDonald. She noted she circulated a copy of the year end communication, audit results report to Council last week for review. She thanked Martin Laycock, Director of Finance and his team for assisting through the audit. She noted the audit went very smoothly and he and his staff were very helpful.

She indicated when the report was circulated last week there were four outstanding items, adding as of today everything is complete with the exception of the subsequence events review and the receipt of the signed management letter which it is customary to do both of these items after the Council meeting.

She confirmed during the proceeds of their audit they did not become aware of any fraud or illegal acts.

She noted there were a few recurring misstatements and referred to page 6 of the report. She advised the first is an understatement of vacation liability as well as an unrecorded pension liability which relates to two former employees. She added the next is an uncollected receivable that was not written off. She pointed out the next is a credit balance and accounts receivable which is purely a presentation error and would have no impact on the financial statements. She stated the next is a correction of opening surplus which is an entry to balance opening surplus due to historic and material variances between the internal and external financial record. She reported the last is the carry over effect of prior misstatements, which were errors noted in the prior year that have an impact on the current year. She confirmed they concluded the errors are not material individually.

She confirmed they also review the disclosures in the notes to the financial statements, and there were two disclosure deficiencies noted and referred to on page 7 of the report. She clarified the first is relating to tangible capital assets and the second relating to the statement of financial operations. She confirmed both were deemed to be individually not material.

She advised after considering the disclosure deficiencies and errors they believe the financial statements are in accordance with public sector accounting standards and they intend to issue an unmodified opinion on the financial statements.

She confirmed the materiality they used for the financial statement was \$388,000 and clarified they did not encounter any difficulties conducting their audit and had no disagreements with management. She indicated in preparing the financial statements there



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

are judgments in estimates that management does use and in the Auditor's judgment the significant accounting judgment and policies are in accordance with standard practices. She confirmed they didn't note any legal or regulatory issues and there were no subsequent events that they are aware of.

She reported the management representation letter will be signed once the statements are approved. She confirmed there were two audit risks noted; the first being with revenue recognition with a presumed risk of fraud relating to revenue and specifically identified overstatement of revenue, accuracy of revenue and classification of revenue as significant risks. She explained they have reviewed the controls relating to revenue as well as journal entries relating to revenue transactions. She confirmed based on their procedures revenue does not appear to be misstated. She advised the last significant risk they identified is management override of controls, however she clarified they have no reason to presume that there were any incidences of management override. It is none the less a presumed risk in their audits because management is in a unique position to directly or indirectly manipulate records.

She confirmed their response to this risk is to perform journal entry testing to obtain an understanding of the significant and unusual transactions and to review accounting estimates. She concluded based on these procedures there were no incidences of management override controls identified. She referred to the recommendations letter explaining it is a summary of both internal control items and general business observations for the Municipality.

She observed the first item relates to the reserve positions. During the course of the audit management identified several deficiencies with the various reserve funds which did not have adequate resources to meet their obligations. She advised in order to fund these reserve balances management transferred cash resources from various funds to the deficient reserve, however had no impact on the consolidated financial statements as a result of these transfers.

She indicated that management prepared a report titled Cash and Reserve Position which served as a basis for these transfers which was reviewed and approved by Council and Deloitte has reviewed the report and agreed with the transfers made. She explained they have recommended Management monitor the reserve balances to ensure they remain funded.

When asked about investment practices, she reported the Municipality has over 6 million in cash on hand in various operating and reserve accounts and all the cash is required to be liquid in order to fund ongoing operations there are other investing tools that can be used to generate a higher rate on return. She indicated that they are recommending that



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

management explore the high interest savings account and short term investment to achieve a better return on their assets while in the investing guidelines of the province.

She next reported on the understatement of the vacation accrual which was an error noted in the current and prior year. She noted during the testing of accrued liabilities vacation accrual was understated which represents the excessive of vacation hours earned compared to hours taken. They recommended an adjustment to the vacation accrual be made in future years to accurately represent the outstanding liability to be incorporated into the budget.

She reported on the uncollected balances and accounts receivable for the water utilities where they noted during the audit several incidences of accounts receivable balances that bare collection risk. She advised that \$38,000 was deemed uncollectable and an entry was made to correct this. Moving forward they recommend that water receivables specifically be continually monitored and if there are any collection risks that they are allowed for.

She reported the last item relates to the capitalization threshold which was an observation in the prior year relating to the threshold that's used to capitalize assets. She advised they noted in the current year the threshold that is recommended by the province is not being used when considering capitalizing or expensing an asset.

MOVED and SECONDED that the report regarding Year End Financials from Deloitte be received and placed on file.

Motion Carried.

Hantsport Financials – Grant Thornton

Martin Laycock, Director of Finance mentioned that the former interim CAO Brian Smith of Hantsport was present to answer any questions.

Duane Saulnier introduced himself as a partner with Grant Thornton Chartered Accountants and with him was George Earnst, Senior Manager who was involved with the preparation of the accounts this year for the Town of Hantsport.

Mr. Earnst reported the audit is substantially complete and their intention is to issue a clean audit report pending the outstanding items listed. He noted it now requires approval by Council, a review of the internal control letter, receipt of the legal letter and the signed management letter. He confirmed once these have all been received then the final audit and statements can be released.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

He pointed out there was a million dollar write down of the original assets that were previously recorded in prior years which are primarily related to the condition of the streets, sidewalks and sewers. He clarified it is an estimate with various inputs that were obtained from an engineering firm.

He mentioned there was a \$217,000 payment to the Municipality of Kings for the sharing of costs towards the UV treatment plant which is an asset of the Municipality of Kings which was brought forward by management at the Town of Hantsport and was mistakenly capitalized in prior years. He clarified it should have been a contribution to the Municipality of Kings as it owns and operates the assets and collects a fee for operating and capital expenditures from the Town.

He noted the Town of Hantsport entered into a new gas agreement effective April 1, 2014, adding the terms and conditions around those under this new agreement is not as stringent as prior year agreements and revenue that had been previously deferred in prior years was recognized in the current year with no current gas tax funds carried forward.

Mr. Saulnier reported as of March 31, 2015 the total consolidated revenue for this period was \$3,480,684. He confirmed the main increase is from dissolution monies received from the province which offset with an expenditure and also the gas tax which was budgeted lower than what came in which is being treated as revenue versus deferred revenue.

He explained the consolidated expenditures came in significantly higher noting a majority had to do with the million dollar write down of those capital assets as a result of the Opus data. He advised for the fiscal 2015 year they are showing a loss of \$163,572 on the consolidated statements and confirmed the accumulated surplus at the end of the year. He indicated they will conduct a three month audit up to the end of June and at that point there will be a rollover of the data into West Hants.

MOVED and SECONDED that the two financial documents regarding Hantsport's financials be received and placed on file.

Motion Carried.

Martin Laycock, Director of Finance expressed his gratitude towards Grant Thornton Accounting for their assistance during a difficult process and looked forward to working with them on the three month audit.

Mr. Saulnier thanked Brian Smith for his dedication this year during the dissolution process.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

6. Hearing (s) – Dangerous & Unsightly – None

There were no hearings.

7. Business Arising from the Minutes

There was no business arising from the Minutes.

8. Reports of the CAO

a) West Hants Municipal Energy Emission for 2014

Rhonda Brown, Municipal Clerk reported that annually the Municipality assesses energy bills and the information is used to input into a spreadsheet for UNSM to determine if the carbon footprint is decreasing. She confirmed during the past year it has decreased by 11.05% from the previous year with significant decreases found in the building sector. She cautioned next year the report will likely show a significant increase in all sectors with the dissolution of Hantsport and its assets being transferred into West Hants.

MOVED and SECONDED that the correspondence regarding West Hants Municipal Energy Emission for 2014 be received and placed on file.

Motion Carried.

b. Snow and Ice Removal Tender – PW-44- Results

Rick Sherrard, Director of Public Works reported in recent months there have been questions regarding what roads the Municipality are responsible for and he provided additional background information in the report.

MOVED and SECONDED that the correspondence regarding the Snow and Ice Removal Tender – PW15-44 – Results be received and placed on file.

Motion Carried.

MOVED and SECONDED that a recommendation be made to Council to accept the tendered prices of Windsor Landscaping for all sections of Tender PW15-44 as shown in the tender summary.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

Motion Carried.

CAO Osborne reported the tender document also included a per hour fee for equipment should it snow outside the period tender in order to have a clear understanding of the costs the Municipality will be required to pay.

d. Director of Finance Report

MOVED and SECONDED that the Director of Finance Report be received and placed on file.

Motion Carried.

Martin Laycock, Director of Finance reported he had Hantports Financials complete however didn't have it time to include in his report but verified there is nothing significant within the report.

He confirmed he is projecting a \$37,000 surplus, adding there were some changes with revenue, specifically deed transfer tax and suggesting this is difficult to predict and he had to lower it by approximately \$40,000 and noted it could change. He pointed out the Host Community Landfill Fees is something he knew would increase and confirmed currently it is at \$50,000. He added the HST Offset was more than budgeted, but is also difficult to predict.

9. Reports of Other Committees

Police Advisory – Nova Scotia Association of Police Governance Correspondence

MOVED and SECONDED that a recommendation be made to Council that the Municipality of West Hants pays a membership to the Nova Scotia Association of Police Governance for the 2015/2016 year.

Motion Carried.

10. Correspondence

a. August 2, 2015 – Natasha Williamson



**MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers**

MOVED and SECONDED that the correspondence dated August 2, 2015, – Natasha Williamson be received and placed on file.

Motion Carried.

b. August 10, 2015- Annapolis Valley Regional Library

MOVED and SECONDED that a recommendation be made to Council that the Municipality of West Hants pay the increase funding to the Annapolis Valley Regional Library in the amount of \$46.00 for the 2013/14 budget year and \$46.00 for fiscal year 2014/15.

Motion Carried.

c. August 17, 2015 – Pat Porter

MOVED and SECONDED that the correspondence dated August 17, 2015 – Pat Porter be received and placed on file.

Motion Carried.

CAO Osborne reported this is a complaint being raised by an individual who had an interest in working the recent by-election. She confirmed the letter has gone to the municipal advisor, Elections Nova Scotia and she will be conducting an internal review into the matter which will be circulated to Council.

d. August 18, 2015 – Kevin E. Arenburg – Fire Protection Agreement

MOVED and SECONDED that the correspondence dated August 18, 2015 – Kevin E. Arenburg be received and placed on file.

Motion Carried.

Councillor Swinamer declared a conflict of interest and advised he would not be voting.

e. August 19, 2015 – Tim & Jennifer Bayers – Windsor Fire Department

MOVED and SECONDED that the correspondence dated August 19, 2015 – Tim & Jennifer Bayers received and placed on file.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

Motion Carried.

Councillor Swinamer declared a conflict of interest and advised he would not be voting.

f. August 2015 – Avon River Days – Thank you

MOVED and SECONDED that the correspondence dated August 2015 – Avon River Days be received and placed on file.

Motion Carried.

g. Municipal Affairs – August 21, 2015 – Re – Windsor Fire Services

This letter will be circulated at the September 22, 2015 Council meeting.

h. Municipal Affairs – August 21, 2015 – Letter to Sherry Keen – Windsor Elms Village

MOVED and SECONDED that the correspondence from Municipal Affairs – August 21, 2015 – Letter to Sherry Keen – Windsor Elms Village be received and placed on file.

Motion Carried.

CAO Osborne reported a copy of the letter Ms. Keen wrote to the minister has been included but the response from the Minister was not received in time to add to the agenda but was circulated and will be added to the next agenda to be received formally.

11. Miscellaneous/New Business

a. Public Information Meeting Request – Councillor Daniels

Councillor Daniels explained during the August 11 Council meeting there was a brief discussion around the opportunity to have the Municipal Advisor come in and discuss the different options of governance available in Nova Scotia's municipalities. She indicated this was an invitation through a letter from Minister Furey.

She reminded that there are various municipalities who are proactively moving towards ways to address the many fiscal responsibilities being off loaded to the local government



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

while also overcoming the many challenges to strengthen the social, economic and environmental wellbeing of their communities.

She felt these healthy communities begin with the ability for not only us, but also community members to gain access to knowledge and expertise to help guide all of us on a journey to meet these common goals.

She advised after a year of deliberations, the mediator provided the Province, WFD and Council her report. She confirmed after reading the report she saw a venue, a document that would allow our communities within both municipalities to be able to move forward with progressive discussion. She felt this would be the most logical choice and suggested that the mediator did her job and was professional about it. She expressed frustration that only 3 parties have been privy to this information and not the community.

MOVED and SECONDED that Councillor Jennifer Daniels report is received and placed on file.

Motion Carried.

MOVED and SECONDED that a recommendation be made to Council to invite our Municipal Advisor to host a community forum to provide unbiased information on the opportunities available to the citizens of West Hants regarding municipal reform.

Councillor Matheson reminded that Council has rejected amalgamation and advised he would be voting against the motion. Councillor Daniels pointed out our constitution allows residents the right to information which is all she is requesting so everyone has an understanding of municipal reform and the community as a whole knows how the process works. Councillor Matheson reminded the information is available online for everyone. Councillor Pineo suggested that she had no issue with informing the public what options are available and clarified the Municipality is on record that it is against annexation not amalgamation.

CAO Osborne suggested this is not a Council meeting that Councillor Daniels is requesting and she felt it was well within any councillor's right to hold a public meeting in their area on any topic they choose. She felt Councillor Daniel was opening it up to others councillors who might wish to join her. She indicated that Councillor Daniels is being up front and requesting that everyone participate.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

Councillor Daniels advised she is encouraging Council to do this together and reminded it is only a public information session to provide the public with proper information directly from the government and give the public an opportunity to ask questions.

Motion Carried.

Councillors Matheson & Brown voted nay.

It was agreed staff would approach Municipal Affairs with a tentative date for a public session.

b. UNSM – Survey to Assess the Impact of the Municipal Sustainability Office’s Programs

MOVED and SECONDED that the correspondence regarding UNSM – Survey to Assess the Impact of the Municipal Sustainability Office’s Programs be received and placed on file.

Motion Carried.

CAO Osborne encouraged Council to participate in the link to the survey and provide their feedback.

c. RCMP Musical Ride – Request for Sponsorship

MOVED and SECONDED that a recommendation be made to Council that the Municipality of the District of West Hants sponsor a reception on September 9, 2015 on behalf of the members of the RCMP Musical Ride prior to the event to be held on September 10, 2015.

Motion Carried.

d. Special Council Meeting

August 31, 2015 at 5:00 p.m.

e. Development Agreement Notice



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

CAO Osborne advised the Municipality has been working towards the implementation to replace fire services currently being provided by the Windsor Fire Department. She confirmed a piece of property has been located that is believed to be suitable to house a substation. She added there is a requirement for a development agreement to be entered into with the property owner in order for it to be used as a substation. She advised that tonight notice needs to be provided of a public hearing.

Jeanne Bourque, Planner reported where the property is a privately owned parcel of land they require that a development agreement be undertaken to permit this. She pointed out through the MGA the Municipality is regulated in terms of how much notice is required to have a public hearing and then move forward with preparing the staff report to determine the policies which have to be met as well as write up a development agreement for approval.

MOVED and SECONDED that a recommendation be made to approve the application of Lawrence Hart to enter into a Development Agreement to enable a Municipal Fire Sub-station on 22 Tongue Hill Road, PIDs 45003878 and 45222957, Garlands Crossing, West Hants.

Motion Carried.

Councillor Swinamer voted nay.

12. In Camera Session

There were no in camera sessions.

13. Date of Next Meeting

The next meeting is scheduled for September 22, 2015 at 6:00 p.m.

14. Adjournment

MOVED and SECONDED that the meeting adjourn.

Motion Carried.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole
August 25, 2015 6:00p.m.
Sanford Council Chambers

The meeting adjourned at 7:20 p.m.

Gary Cochrane, Chair

Rhonda Brown, Municipal Clerk