
ATTENDING

- Chair – Councillor Jodi MacKay
- Councillor Mercedes Brian
- Gordon Joice
- Frank Lussing
- Director Finance Mike MacLean, and
- Recording Secretary Dan Stovel

ABSENT WITH REGRETS

- Mayor Jeff Cantwell
- Chief Administrative Officer Erin Beaudin

CALL TO ORDER

Chair, Councillor MacKay, called the Audit Committee meeting to order at 9:00 am

Agenda Item	Discussion and Decisions
1. Approval of Agenda	MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AGENDA BE APPROVED AS CIRCULATED CARRIED
2. Approval of Minutes October 20, 2017	MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF OCTOBER 20, 2017 BE APPROVED AS CIRCULATED CARRIED
3. Question Period	No questions were presented to the Audit Committee
4. New Business	
a. 2017/2018 3rd Quarter Financial Update and Year End Forecast	<ul style="list-style-type: none">• The quarterly financial update is intended to provide the Audit Committee and Council with an overview of how the Town’s financial results are doing in comparison to the budgeted expectations up to the most recent quarter end• Financial updates include:<ul style="list-style-type: none">○ December 31/17 Financial Variance Report, including Y/E Forecast –Town Operating Fund○ December 31/17 Capital Project Summary – Town Capital Fund○ December 31/17 Financial Variance Report, including Y/E Forecast – Water Utility○ Summary of Significant Variances by Division – Town Operating Fund – due to time constraints this analysis is not available this quarter• The key to this year’s report is the forecast surplus, which is expected to be just over \$317,000. A surplus of this size equates

Agenda Item

Discussion and Decisions

to a 3.2% variance from budget overall

- As a comparison, a year ago the Town was looking at a forecast surplus of less than 1% (\$83,200), and two years ago it was more than 3% (\$341,000).
- The forecast surplus is a result of both revenues (expected to end year \$143,700 more than budget) and expenditures (expected to end year \$165,000 less than budget)
- A Summary of larger areas of Variance from Budget was provided to the Committee and included:

Revenues

- Taxes and Grants In lieu of Taxes – Forecast to end the year \$120,000 more than budget
 - Deed Transfer Tax accounts for \$100,000
 - Property taxes (residential and commercial levies) – forecast to exceed budget by \$13,100
 - Provincial Grant in Lieu of Taxes (related to Acadia University) will be \$6,700 more than budget
- Conditional Grants – forecast to end year \$16,000 more than budget. Reflects staff efforts to obtain additional grants throughout the year
- Interest on Overdue Taxes – Expected to end year \$15,000 more than budget. Although this contributes more to the bottom line than budget, it reflects that the balance of arrears has increased. Nine properties were identified earlier in the year for the Tax Sale process, with six of these properties being sent for title searches as the next step in that process
- Building Inspection Sale of Service Revenue – expected to end the year \$27,000 less than budget. Part way through the year the Town ceased providing Building Inspection Services to the Town of Windsor

Expenditures

In terms of expected savings, the variances have occurred in a number of expense line items, including:

- Salary and wages – Finance will end the year \$15,900 under budget with a portion related to a staff position vacant for two months of the year, and the other half related to an allowance

Agenda Item

Discussion and Decisions

covering a staff position moving from 3 days/week to 4 days/week (which did not occur)

- Professional Development – Fire Department spending expected to be \$9,000 under budget by March 31st. The Department continues to provide training to it's members, but much of the training has come at no monetary cost or has been funded by other organizations
- Repairs and maintenance – forecast to end year \$20,600 under budget
- Telecommunications – savings of \$15,800 forecast. The Town accessed new agreement for cell service thru the Province's Standing Offers, resulting in significant savings
- Vehicle Fuel – should end the year \$14,100 under budget with savings in several departments
- Meetings, Meals & Travel expected to end year \$10,000 under budget

In addition to savings there were a couple areas where actual expenses will exceed budget by year end. These include:

- Insurance – Expected to end the year \$21,600 over budget. As reported earlier in the year, the budget estimate for premiums did not properly reflect changes/additions made to the insurance program in previous fiscal year. In addition, there have been a number of claims submitted this year, many of which have required all/or portion of the \$5,000 deductible to be spent investigating the claims
- Partner Contributions forecast to end year \$13,800 over budget. Overages will occur in Transit and possibly Regional Housing. Kings Transit audit resulted in adjustments to prior year results and unexpected cost sharing of the resulting deficits. Housing Authority year end forecast based on previous year results which were higher than budget estimate

Water Utility Update

- Overall the Utility has a negative variance at December 31st compared to budget and this is forecast to be the case by year-end. Current financial forecast shows the Utility ending the year with a small deficit of \$3,100. This compares to a budgeted

Agenda Item

Discussion and Decisions

surplus of \$79,900

- Even with the small deficit forecast for the year, the Utility is financially healthy with over \$900,000 in Accumulated Surplus

Town Accounts Receivable - Taxes

- As noted earlier in the year, a review of March 31st tax arrears resulted in 9 properties being identified for potential tax sale
- Preliminary Tax Sale notices were issued to each of the property owners indicating that their arrears had fallen within the Town's Tax Sale Policy provisions
- A deadline of October 31st was set to have the accounts paid in full or payment plans (acceptable to Town staff) in place to pay the accounts in full by March 31/18
- If any of the owners pay their accounts in full prior to the actual Tax Sale date (likely to be late April), then their properties will come off the tax sale list
- Owners are responsible for the costs of the Tax Sale Process as it relates to their properties, including the cost of the title searches currently being undertaken

Other Updates

- The Workers Compensation Board (WCB) audit of payroll records for the years 2014, 2015, & 2016 has been completed. No significant variances were identified. Appropriate treatment of honorariums/stipends paid to Wolfville Volunteer Fire Dept executive members was clarified
- The Utility and Review Board (UARB) annual filing requirements were submitted in October
- Fees Policy – potential review and input from Audit Committee now moved to 2018/19 year. Many of the fees listed that may benefit from updating, require staff research before bringing to the Audit Committee and/or Council. This work will occur in the coming year
- Highlights of the Capital project budget were reviewed with the Committee (page 50 of the Audit Committee Meeting Agenda Package)
- Given the current forecast of a year-end surplus, no financial

Agenda Item

Discussion and Decisions

implications are applicable at this stage for the 2017/18 fiscal year

- The financial update will be forwarded to Committee of the Whole to complete the process of update through to Council

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE 3RD QUARTER FINANCIAL UPDATE (AS AT DECEMBER 31, 2017) TO THE FEBRUARY 6, 2018 COMMITTEE OF THE WHOLE MEETING

CARRIED

5. Adjournment to In-Camera

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE MEETING BE ADJOURNED AT 10:10 AM TO AN IN-CAMERA MEETING UNDER THE MUNICIPAL GOVERNMENT ACT, SECTION 22(2)(E) – CONTRACT NEGOTIATIONS

CARRIED

6. Adjournment

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE IN-MEETING AND REGULAR MEETINGS OF THE AUDIT COMMITTEE BE ADJOURNED AT 10:38 AM

CARRIED

Approved at the May 18, 2018 Audit Committee Meeting.

As recorded by Dan Stovel, Town Clerk/AA Corporate Services