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Minutes: Finance and Administration Committee

MEETING DATE: June 11, 2013
MEETING TIME: 1:00 p.m.
LOCATION: Town Hall Council Chambers
PREPARED BY: Stephen Keast, Administrative Assistant

A. Call to Order

Chair Halos called the meeting to order with all designated members in attendance. Councillor Martin was also in attendance.

Also in attendance were Director of Finance & IT Services Robert Cummings, Manager of Revenue Ruth Prince, Financial Accountant Renee Ouellette and Manager of Information Technology Cathy Bailey.

The Committee then dealt with the following Resolution:

Moved by: Gail Ardiel Seconded by: R.J. Gamble

THAT the Agenda of June 11, 2013 be approved as circulated, including any items added to the Agenda, Carried.

Chair Halos then noted Agenda Item D.2, Comparative Council Remuneration Review had been slightly revised and was pre-circulated and posted on the Town website.

No member present declared a potential pecuniary interest with any matter as listed on the Agenda.

The Committee then dealt with the following Resolutions:

Moved by: John McKean Seconded by: Gail Ardiel

THAT the Consent Agenda of June 11, 2013, be approved as circulated, less any items requested for separate review and discussion, being Agenda Item D.2, Comparative Council Remuneration Review, unanimously Carried.

Moved by: John McKean Seconded by: R.J. Gamble

THAT the minutes of May 14, 2013, be approved as circulated, including any revisions to be made, Carried.

B. Deputations / Presentations

None

C. Staff Reports as circulated

C.1 Castle Glen Thunder Hill Development Summer and Winter Maintenance Cost Recovery By-law, FIT.13.31

Ruth then reviewed the Report, noting the Town completing winter and summer maintenance on a cost-recovery basis had been previously approved by Council and a By-law to recoup the total 2012-2013 maintenance costs in the amount of $34,396.73 was now recommended.

The Committee then dealt with the following Recommendation:

Moved by: John McKean Seconded by: R.J. Gamble

THAT Council receive Staff Report FIT.13.31 “Castle Glen Thunder Hill Development Summer and Winter Maintenance Cost Recovery By-law”;

AND THAT Council enact a “By-law to Impose a Charge for Summer and Winter Maintenance Services (Castle Glen Thunder Hill Development)”.

In speaking to the Motion, Chair Halos questioned if any comments had been received from ratepayers in the area, Ruth replying yes, there had been a question about a levy on an easement property.

Joe then noted he believed the maintenance costs appeared reasonable, adding summer maintenance costs may reduce in the future following some one-time work being completed. Joe then questioned what the residents had paid in maintenance costs in the past, Ruth replying she did not know.

Councillor Ardiel then questioned if there was only one easement parcel, Ruth replying yes, a walkway, Gail questioning if the Town owned the parcel, Ruth replying not, Castle Glen owned it together with 23 vacant residential properties of the 87 total benefitting properties.

The Committee then voted on the Recommendation, unanimously Carried.

C.2 Town Web Site Security Enhancement, FIT.13.33

Chief Administrative Officer Troy Speck then attended the meeting.

Cathy then reviewed the Report, noting an auditing firm had been previously hired to perform a network security assessment during September and October of 2012 and this is the only outstanding recommendation from their report not yet implemented.

It is now staff’s intent to remove as many individual employees e-mail addresses as possible from the Town website and reduce the total from 120 to approximately 20.

Councillor Gamble then questioned if someone wished to send an e-mail to an individual within a Department how will the messages be directed to the intended recipient, Cathy replying Senior Management Team would decide and some names will continue to remain.

Bob then noted he did have a question from the public as to how messages would be directed, Rob replying Town employees are responsible to direct the message to the proper location. Rob further noted generic e-mails will be monitored and directed and nothing should change in moving forward.

Councillor Ardiel then questioned if the Town is responsible for website security or a contractor, Cathy replying the Town is responsible and that is why auditors were hired. Cathy then noted the Report Recommendation is intended to limit and reduce the amount of spam sent to individuals.

Gail then questioned if the Town website calendar and other information could be hacked, Cathy replying there are constant attempts and there are many layers of security on the server.

Chair Halos then questioned if there were any statistics on how often hacks are attempted, Cathy replying the Town has never actually been hacked but attacks are continuous, adding e-mails received by staff represent approximately 10% of what hits the firewall.

Joe then note the only drawback to the proposal was that you would not be able to contact an individual directly, Cathy replying everyone would still have an e-mail address for direct contact.

Troy then noted when the auditors first came in they sent some test e-mails asking the user to verify their user name and password and this what hackers do to enter the system.

Councillor Martin then noted some spam cannot be deleted and the message appears as an internal e-mail, Cathy replying that is an attempted hack. Michael then questioned if Council e-mail addresses will remain on the website, Cathy replying yes.

Michael then noted perhaps the Town could move to general e-mail and ask that it be re-directed internally to protect the system better, Rob replying that is a suggestion that Council could implement.

Bob then noted e-mail messages from off-shore accounts offering funds would be eliminated in this scenario, Cathy replying they would still be received by e-mail addresses shown on the website.

Councillor McKean then noted he would not support removing direct Council contact from the website as users could apply due diligence to monitor suspect messages and he saw the removal of the contact information as a form of censorship. Gail then concurred with John, noting members of Council can monitor their own e-mails.

The Committee then dealt with the following Recommendation:

Moved by: Gail Ardiel Seconded by: John McKean

THAT Council receive Staff Report FIT.13.33 Town Web Site Security Enhancement and;

THAT COUNCIL authorize Information Technology (IT) staff in consultation with the Senior Management Team (SMT), to reduce the number of staff email addresses on the Town web site and provide a generic email address for those staff contacts that remain on the site, unanimously Carried.

C.3 Allocation of the 2012 General Fund Surplus, FIT.13.37

Renee then reviewed the Report, noting the 2012 audit revealed a General Fund accumulated surplus in the amount of $252,801. Renee further noted staff are recommending the surplus be used to fund and extinguish the 2011 and 2012 cemetery debt, replenish the Human Resource reserve for 2012 and 2013 one-time expenditures including contractual and pay equity and replenish the Working Capital reserve for 2012 draws.

Councillor Ardiel then then questioned if the cemetery deficit was the result of recent software purchase, Renee replying the cemetery does not generate revenue sufficient to cover costs.

Councillor McKean then questions other potential uses for the surplus, Renee replying additional funds for the Police reserve to support higher contract service costs in the

future and a Zoning By-law update, the funding options being recommended requiring immediate cash flow.

Chair Halos then noted the 2012 property tax increase was approximately 2.5 to 3% which is roughly the amount of the surplus to be, adding it was wise to have the surplus place it back in reserves, further noting it might be good to flag some of these items so we would not have a surplus versus one-time adjustments.

Renee then noted one-time adjustments come from analysis of accounts over time with approximately $100,000 identified in 2012 and reversal of an accrual for audit costs and recovery identified in a sales tax audit.

Renee further noted staff continue to examine all accounts and continually question if there should be adjustments, adding there should be consistency in accounting methods in terms of one-time adjustments.

Councillor Gamble then referred to the cemetery accumulated deficit and noted each year tax levy is required to fund operations and questioned if it was time the cemetery was considered an operating entity that must break even each year with operations funded by taxation.

Rob then noted the cemetery is considered separately for audit purposes and staff will do a better job of making it an annual review, adding there was a deficit in 2011 as well as 2012.

Gail then questioned how the cemetery deficit could be controlled each year, adding she recalled cemetery operations used to break even. Rob then suggested the question could be transferred to the annual Budget process, adding the Town can only increase fees based on a legislated amount, further adding the cemetery may have been breaking even previously with a reduced level of service.

Gail then questioned if cemetery operations could be a part of the Budget process together with a service level review, Rob replying the matter could be reviewed at any time.

Councillor McKean then noted with the deficit increased to $76,000 and a lot of new residents who may not utilize the facility, perhaps the situation could be examined will before Budget time.

The Committee then dealt with the following Recommendation:

Moved by: John McKean Seconded by: R.J. Gamble

THAT Council receive Staff Report FIT.13.37 “Allocation of the 2012 General Fund Surplus” for information, and,

THAT Council allocate the 2012 General Fund surplus amount to fund the following:

Cemetery accumulated deficit	$76,745
HR Reserve (Pay equity & other)	$140,000
Working Capital Reserve (remaining balance)	$36,056

, unanimously Carried.

In speaking to the Recommendation, Gail questioned if the Committee could request Troy to have cemetery staff attend a future Committee meeting to review the level of services and operating practices, the Committee concurring.

Bob then noted one of the projects leading to the deficit was the purchase of the columbarium and it will take time to achieve revenue.

D.1 2012 Municipal Performance Measurement Results, FIT.13.36

Previously approved in the Consent Agenda.

D.2 Comparative Council Remuneration Review, FIT.13.35

Rob then reviewed the Report, noting it attempts to compare apples to apples, the same comparator municipalities used in salary comparison. Rob further noted such information is not prescriptive and some benefits reported in some municipalities were not found in others.

Rob then reviewed the base salary comparison, noting the Town rates are very close to the average of the group. Ron further noted Saugeen Shores Council receive per diems per meeting, with Town Council being on salary, adding Lambton Shores is the lowest in salary but higher in expense payments.

Rob then reviewed the salary, benefits and allowance analysis, noting some information provided was from 2012, some from 2013.

The Committee then dealt with the following Recommendation:

Moved by: R.J. Gamble Seconded by: Gail Ardiel

THAT Council receive Staff Report FIT.13.35, “Comparative Council Remuneration Review”, for information purposes.

In speaking to the Motion Councillor McKean requested “and this issue will not be revisited by Council during the remainder of this term of Council” be added, the Mover and Seconder concurring.

The Committee then voted on the revised Recommendation:

Moved by: R.J. Gamble Seconded by: Gail Ardiel

THAT Council receive Staff Report FIT.13.35, “Comparative Council Remuneration Review”, for information purposes and this issue will not be revisited by Council during the remainder of this term of Council, unanimously Carried.

D.3 Monthly Financial Report – May 2013, FIT.13.38

Previously approved in the Consent Agenda.

Councillor Gamble then noted although Agenda Item D.1, 2012 Municipal Performance Measurement Results, FIT.13.36, had already been approved, he questioned if the information would be made available to the public through the media or advertising it on the Community Page as there may be residents who find the information interesting.

Chair Halos then noted most of the measures show the Town is doing quite well on them.

Rob then noted in the past the Town has provided the measures in the Community Pages and staff could insert a reference the document is available.

Councillor McKean then noted a single incident in Fire Services and Police Services measures can skew the numbers and result in unfavourable, Renee agreeing and noting a single fatality in one year with none the previous year changes status and may be a result of conditions beyond the control of the Town.

D. Correspondence

None

E. New and Unfinished Business

None

F. Adjournment

As there was nothing further before the Chair the Committee then dealt with the following Resolution:

Moved by: John McKean Seconded by: R.J. Gamble

THAT this meeting does now adjourn at 1:50 p.m. to meet again in the Council Chamber on July 9, 2013, at 1:00 pm, or at the call of the Chair, Carried.