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The Municipalities of Annapolis and Kings and the Towns of Annapolis Royal, Berwick, Kentville, Middleton and Wolfville: Partners in Waste Reduction

**Valley Region Solid Waste-Resource Management Authority  
Regular Monthly Meeting  
June 21, 2017  
8:30am  
Valley Waste-Resource Management Office – Boardroom**

**Attendees**

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**Members: Wendy Elliott, Martha Roberts, Jane Bustin, Brian Hirtle, John Kinsella and Craig Gerrard**

**Alternates Present:**

**Staff: Ross Maybee, Jeff Martin, Andrew Garrett (for part of meeting), Glenda Clark, Grace Proszynska and Brenda Davidson**

**Guests:**

**From the Municipality of the District of Chester for presentation:**

**Warden Allen Webber**

**CAO Tammy Wilson**

**Solid Waste Manager Bruce Forest**

**Director of Finance Malcolm Pitman**

**From Levy Casey Carter MacLean for presentation of Audited Statements:**

**David McKenna**

**Regrets: Eric Bolland, Gail Smith**

**Agenda Item No. 1 - Call to Order**

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Chair Bustin welcomed everyone calling the meeting to order at 9:00am. A round table of introductions was held in recognition of the attendance of Warden Allen Webber, CAO Tammy Wilson, Solid Waste Manager Bruce Forest and Director of Finance Malcolm Pitman, representing the Municipality of the District of Chester who will be providing a presentation to the Authority during the meeting today. The presentation is intended to raise awareness with regard to operations and the business plan at the Kaizer Meadow Landfill as they relate to the contract currently in place between the Authority and the Municipality of the District of Chester for landfill disposal services.

**Agenda Item No. 2 – Approval of Agenda**

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**MOVED BY BRIAN HIRTLE AND SECONDED BY WENDY ELLIOTT THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE AGENDA, AS CIRCULATED.**

**MOTION CARRIED.**

**Agenda Item No. 3 – Approval of the May 17, 2017 Draft Minutes**

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**ON MOTION OF JOHN KINSELLA AND SECONDED BY BRIAN HIRTLE THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE MINUTES OF MAY 17, 2017, AS CIRCULATED.**

**MOTION CARRIED.**

**Agenda Item No. 4 – General Manager’s Report**

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**Agenda Item No. 4.1 – Municipality of the District of Chester Presentation**

General Manager Maybee took the floor expressing his great pleasure in welcoming the contingent from the Municipality of the District of Chester for the purpose of providing a presentation to the Authority regarding initiatives and business plan at the landfill and the agreement in place between the Authority and their Municipality for landfill disposal services. Mr. Maybee further noted that the Authority continues to experience success with the Municipality of the District of Chester under the agreement reminding the Authority that the Agreement for this service has recently been extended for an additional 10 years to 2036 which will allow the Authority and Chester to plan for long-term savings and help to facilitate future exciting initiatives in waste management at the landfill.

CAO Tammy Wilson and Solid Waste Manager Bruce Forest took the floor providing the Authority with a comprehensive and informative presentation, as circulated and attached to these minutes. The presentation provided a clear overview of current activities and future plans for the landfill and how those plans will impact the Authority. It was stressed that an attempt was made to coordinate a meeting with all partner CAO’s in advance of the Authority meeting today for the purpose of providing the same presentation; however, the meeting, originally scheduled for June 19, had to be cancelled as a number of CAO’s were unavailable to attend due to other commitments.

Ms. Wilson and Mr. Forest provided the Authority with an in-depth explanation of their plans under the Sustane Technologies initiative and how those plans will impact the Authority’s agreement into the future.

A full explanation of the underfunded Closure and Post Closure Funds required to be held by Chester was provided with Chester indicating that they are willing to fund the account to acceptable levels at this time based on the funds being repaid by partner site users such as the Authority over the coming years. Taking this approach will allow Chester to immediately address the identified deficiency in funding enabling them to immediately meet regulatory requirements while at the same time avoiding spikes in funding requirements for landfill users into the future. It was further noted that interest would not be applied to the funds over the coming years as they are paid back by the Authority. It was further

noted that it is not anticipated that the underfunding issue will arise again based on the Sustane technologies model in operation at the landfill as it is Chester's intent to complete the landfill cell now under construction, and that future cell construction and the associated capital funding requirements will not be required for many, many years to come. The Closure and Post Closure Fund requirements are carefully examined by an external engineer every 5 years.

An explanation of the per-tonne tip fee was provided with it being noted that at present a Host Community Fee forms part of the per-tonne costs and at present that part of the fee is currently \$4.90 which Chester will reduce to \$2.00 per tonne once the Sustane Technologies project is underway. It is anticipated that the Sustain Technologies operation will begin in the late fall of 2017 with construction of the facility now underway.

In response to the question, it was noted that there is the possibility of mining existing landfill cells if taking that measure that will be of value in ensuring the maximization of Sustane's operations.

It was noted that the Municipality of the District of Chester is seeking 2 key decisions from the Authority with regard to current and future operations under the agreement for landfill services as follow:

1. That the surplus from 2016-2017 in the amount of \$336,786 be directed to the Landfill Closure Reserve to reduce the unfunded liability and future repayments.
2. That the Authority consider whether they wish to move forward by paying per-tonne tip fees as calculated based on 5-year averaging or based on actual landfill costs – if the averaging option is selected, an amendment to the current agreement for landfill services will be required.

It was noted that the presentation provided to the Authority today was provided during the recently held Landfill Consultation Committee with Chair Bustin and Brian Hirtle in attendance. It was again indicated that it is fully anticipated that the planned meeting with partner CAO's will be coordinated soon for the purpose of providing the presentation to raise awareness and understanding. It was also noted that the averaging approach on per-tonne tipping fees offers the Authority the opportunity to move forward avoiding major increases or fluctuations in per-tonne disposal rates into the future. It was also noted that a response regarding the use of the surplus funding for the purpose of offsetting the identified underfunding of the required Closure and Post-Closure Fund at Chester requires attention more urgently than the second question regarding the preferred approach in the future to the per-tonne tip fee.

Chester representatives left the meeting at 10:12am.

A lengthy discussion ensued where it was the consensus to postpone the decision making regarding the decisions that Chester is seeking until after the presentation of the Audited Statements for the period ending March 31, 2017, as the auditor is aware of the Chester issue and will be in the position to address questions that may prove to be of great benefit in the decision making process.

Craig Gerrard left the meeting at 10:24am.

#### **Agenda Item No. 4.2 – Presentation of 2016-2017 Audited Statements**

General Manager Maybee welcomed David McKenna CPA CA, Senior Manager, Levy Casey Carter MacLean, who took the floor for the purpose of reviewing the Draft Audited Statements for the year ending March 31, 2017, including the Management Letter dated June 21, 2017, the Financial Statements for the 2016-2017 fiscal year and the Statement of Compensation for the year ended March 31, 2017, all as circulated and attached to these minutes.

Mr. McKenna reviewed the statements in their entirety noting that the statements being presented are as carefully scrutinized and approved for Authority review and approval by the Authority's Audit Committee consisting of John Kinsella, Gail Smith, Chair Bustin with support from senior Authority staff. The statements being presented include addressing one question for which Chester is seeking a formal response that being that the Authority's surplus from landfill operations for the 2016-2017 fiscal year be returned to Chester to offset part of the underfunded liability for Landfill Closure and Post Closure costs. With that in mind, Mr. McKenna noted that he is specifically seeking the Authority's endorsement of moving forward in that way as well as the endorsement of the management of the surplus funds from the Authority's operations during 2016-2017 as indicated in Note 6 on page 11 of the Financial Statements. Mr. McKenna stressed that the Auditors remain indifferent and do not want to be seen as contributing to the decision making process regarding the manner in which the Authority moves forward, however, the statements cannot be finalized until the Authority makes a final decision. It was further noted that in previous years, any surplus realized by the Authority due to operations at the Kaizer Meadow Landfill have been included in the Authority's operating budget for that year ultimately off-setting expenses and contributing to year end surplus. Mr. McKenna noted that the Authority should be very pleased with the results of the Audit and that he is always impressed with the Authority's professionalism in financial management and the Authority's response to any suggestions for improvements as indicated in the Audit Management letters.

Mr. McKenna reviewed the Statements highlighting key areas with special focus on the surplus resulting from 2016-2017 operations as per Note 6 on Page 11 again indicating that he is looking for a decision by the Authority to approve the Statements as circulated based on the approval of how the surplus from 2016-2017 operations has been calculated to include the return of the Authority's share of the surplus realized by the Municipality of the District of Chester landfill operations to Chester with those funds to be used to reduce the underfunded liability toward the Closure and Post Closure costs for the Kaizer Meadow Landfill.

A discussion was held regarding not only the surplus from Chester operations during 2016-2017 but also the \$100,000.00 received from Divert NS that is being held out of the surplus to be returned to partners from the Authority's operations during 2016-2017 with General Manager Maybee reminding the Authority that they do have a policy associated with dealing with unanticipated revenues from Divert NS and/or the province in general.

A short discussion was also held regarding the note in the Management Letter referring to Debenture #32-A-1 that is maturing on November 9, 2017 with Glenda Clark noting that she fully anticipates that the Authority will receive a report with the Temporary Borrowing Resolution and associated Guarantee documents for partner municipalities during the July Authority meeting.

In response to the question, Brenda Davidson read an e-mail from Brian Bain from the Municipality of Kings explaining how back-ups are managed for Transact, the scalehouse software. With this response,

it was noted that recommendation in the Audit Management Letter dated June 21, 2017 can be considered fully addressed.

In response to the question, Mr. McKenna referred to the Statement of Compensation noting that the statement has been created and provided in keeping with Section 3 of the Public Sector Compensation Disclosure Act of the Province of Nova Scotia.

As the Authority had not yet made the decision regarding how best to manage the Chester surplus and the manner in which the Authority's overall surplus from 2016-2017 operations is to be managed, Mr. McKenna requested that the Authority return all copies of the statements that he had distributed during the meeting to avoid any opportunity for confusion in the future.

Chair Bustin and General Manager Maybee thanked Mr. McKenna for taking the time to present the audited statements to the Authority today.

Mr. McKenna left the meeting at 11:20am.

A short break was held at this time with the Meeting being called back to order at 11:28am.

A discussion arose resulting in the following 2 motions:

**ON MOTION OF BRIAN HIRTLE AND SECONDED BY MARTHA ROBERTS THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY DEFER THE APPROVAL OF THE AUDITED STATEMENTS FOR THE YEAR ENDING MARCH 31, 2017, UNTIL A CLARIFICATION REGARDING RESPONSIBILITY REGARDING APPROVAL AUTHORIZATION CAN BE RECEIVED.**

**MOTION DEFEATED.**

The vote on the motion resulted in Brian Hirtle and Martha Roberts for, with Wendy Elliott, John Kinsella and Chair Bustin against.

**ON MOTION OF WENDY ELLIOTT AND SECONDED BY JOHN KINSELLA THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE AUDITED STATEMENTS FOR THE YEAR ENDING MARCH 31, 2017 AS PRESENTED.**

**MOTION CARRIED.**

The vote on this motion resulted in Wendy Elliott, John Kinsella and Chair Bustin for, with Brian Hirtle and Martha Roberts against.

**Agenda Item No. 4.3 – Expense Oversight Report: May 2017**

This matter was not dealt with due to time constraints.

**Agenda Item No. 4.4 – Status Report: Follow-up to direction from Board regarding 2017-2018 Draft Operating and Capital Budget**

This matter was not dealt with due to time constraints

**Agenda Item No. 4.5 – 3<sup>rd</sup> Amending Agreement to Intermunicipal Services Agreement (outside legal opinion)**

This matter was not dealt with due to time constraints.

**Agenda Item No. 4.6 – Temporary Borrowing Resolution 16/17-1: \$399,000.00**

General Manager Maybee took the floor referring to the Temporary Borrowing Resolution-\$399,000 Report to the Authority, dated June 21, 2017, with the accompanying Temporary Borrowing Resolution File No. 16/17-1, as circulated and attached to these minutes.

**ON MOTION OF JOHN KINSELLA AND SECONDED BY WENDY ELLIOTT THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE RENEWAL OF THE TEMPORARY BORROWING RESOLUTION FILE NO. 16/17-1 VARIOUS PURPOSES IN THE AMOUNT OF \$399,000.00 TO ENSURE PARTICIPATION IN THE FALL 2017 DEBENTURE ISSUE THROUGH THE MUNICIPAL FINANCE CORPORATION.**

A short discussion arose where it was indicated that this is simply the renewal of an existing temporary borrowing resolution in keeping with Municipal Finance Corporation requirements for 2016-2017 capital budget acquisitions that were not complete in time for the Authority to participate in the Spring 2017 debenture issue. It was further noted that approving the renewal will not have any additional effect on proposed budgets other than what has already been included.

**MOTION CARRIED.**

Chair Bustin and General Manager Maybee will execute the Temporary Borrowing Resolution on behalf of the Authority for forwarding to the Municipal Finance Corporation.

A discussion arose regarding the status of 2017-2018 operating and capital budget approval with it being stressed that while the Authority has passed a motion indicating that partners are to be invoiced based on 2016-2017 budget levels, more direction is required as staff do not have a line-by-line budget to work with only a final total number and that preparing a supplementary budget is a serious challenge without having a line-by-line budget to build upon. It was further stressed that while the final 2016-2017 total budget number is being used, the normal, anticipated increases in contracts must be taken into consideration.

General Manager Maybee noted that he and John Ferguson, CAO, Municipality of Annapolis County, met and had a meeting. Following that Rick Ramsay, Acting CAO, Municipality of the County of Kings released an e-mail suggesting that partner CAO's clearly explain their concerns with the budget and meet as a group with General Manager Maybee as soon as possible to enable this matter of critical importance to move forward. John Kinsella indicated that he will go back to his CAO and Council asking if there are any concerns to impede passing the budget as originally submitted to the Town and, if any, forward those to General Manager Maybee and all partner CAO's. Mr. Maybee noted that he had hoped to be able to take forward steps in follow-up to the meeting that was scheduled with partner CAO's for the purpose of receiving the Chester presentation, but as indicated earlier, unfortunately that meeting was cancelled.

John Kinsella indicated that due to another commitment he must leave the meeting.

Chair Bustin requested that the information be shared as per Mr. Ramsay's suggestion as soon as possible adding that a Special Authority meeting can be called if required for the purpose of continued discussions regarding approval of the budget.

**Agenda Item No. 4.7 – Status Report: Development and release of Request for Proposals for Organics and Recyclable Processing Services**

This matter was not dealt with due to time constraints

**Agenda Item No. 7.1 - Long Standing Service Awards Presentation**

Chair Bustin with General Manager Maybee noted that it was their great pleasure to present Glenda Clark with a well-past due 15-year Service Award and an up-to-date 17-year Service Award in recognition of her impending retirement from her position as Accountant with Valley Waste-Resource Management. Chair Bustin expressed her sincerest appreciation to Glenda for her work on behalf of the Authority over the past 17 years wishing her nothing but health and happiness into the future.

**Agenda Item No. 10 – Next Meeting**

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The next meeting of the Valley Region Solid Waste-Resource Management Authority will take place on July 19, 2017 unless it is decided that a Special Authority Meeting will be of benefit prior to that date.

**Agenda Item No. 11 – Adjournment**

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**ON MOTION OF BRIAN HIRTLE AND SECONDED BY JOHN KINSELLA THAT THE JUNE 2017 REGULAR MONTHLY MEETING OF THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY BE ADJOURNED AT 12:10AM.**

**MOTION CARRIED.**

Respectfully Submitted,

Brenda Davidson  
Office Coordinator  
Valley Waste-Resource Management