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The Municipalities of Annapolis and Kings and the Towns of Annapolis Royal, Berwick, Kentville, Middleton and Wolfville

Valley Region Solid Waste-Resource Management Authority
Friday, June 29, 2018
9:00am
Valley Waste-Resource Management Office – Boardroom

Attendees

Members Present: Wendy Elliott, Eric Bolland, Barry Corbin, Brian Hirtle, Gail Smith, John Kinsella

Alternates Present: Craig Gerrard, Michael Gunn, Anna Ashford-Morton, Martha Armstrong

CAO Group: Cathie Osborne-Consultant, Kevin Matheson-Consultant, Erin Beaudin-CAO Representative

STAFF: Jeff Martin, Andrew Garrett, Geoff McCain, and Brenda Davidson

Guests: Mark Phillips, CAO-Town of Kentville, Brian Smith, Acting CAO-Town of Middleton, Sandra Snow, Mayor-Town of Kentville, Timothy Habinski, Warden-Municipality of Annapolis County Peter Muttart, Mayor-Municipality of the County of Kings, Dawn Campbell, Director of Legislative Services-Municipality of Annapolis County

Public: none

Agenda Item No. 1 – Welcome and Call to Order

Chair Kinsella welcomed everyone calling the meeting to order at 9:00am.

Agenda Item No. 2 - Approval of the Agenda

ON MOTION OF BRIAN HIRTLE AND SECONDED BY WENDY ELLIOTT THAT THE AGENDA BE APPROVED WITH THE ADDITION OF THE ISSUE OF QUORUM IMMEDIATELY FOLLOWING THE APPROVAL OF THE MINUTES AND THE ADDITION OF THE 3-MONTH BUDGET PROPOSED BY THE MUNICIPALITY OF ANNAPOLIS COUNTY TO BE DEALT WITH DURING AGENDA ITEM NO. 5.1.3-PRESENTATION OF RE-DRAFTED 12-MONTH BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2019.

MOTION CARRIED.

Agenda Item No. 3 – Approval of the Minutes

Agenda Item No. 3.1 – Approval of the Draft Minutes from Regular Authority meeting held May 28, 2018

ON MOTION OF BARRY CORBIN AND SECONDED BY ERIC BOLLAND THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE MINUTES OF MAY 28, 2018, AS CIRCULATED.

MOTION CARRIED.

Agenda Item No. 3.2 – Approval of the Draft Minutes from Special Authority meeting held June 6, 2018

ON MOTION OF GAIL SMITH AND SECONDED BY ERIC BOLLAND THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE MINUTES OF THE SPECIAL MEETING HELD JUNE 6, 2018, AS CIRCULATED.

MOTION CARRIED.

Agenda Item No. 4 – CAO Committee Update

Agenda Item No. 4.1 – Next Steps – Post June 30, 2018 – General Manager Function and Support

Erin Beaudin addressed the Authority referring to the Memorandum to the Valley Waste Board of Directors, dated June 29, 2018, as circulated and attached to these minutes. Ms. Beaudin reviewed the Memorandum in its entirety resulting in the following motion:

ON MOTION OF BARRY CORBIN AND SECONDED BY ERIC BOLLAND THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY AUTHORIZE THE CONTINUATION OF THE PART-TIME CONSULTING SERVICE WITH CATHIE OSBORNE TO PROVIDE GENERAL MANAGEMENT SERVICES UNDER THE GUIDANCE OF THE VWRM CAO'S GROUP TO BE FUNDED WITHIN THE EXISTING BUDGET FOR THE GENERAL MANAGER POSITION.

It was noted Finance Consultant, Kevin Matheson, completed the tasks he was retained to complete including oversight of the development of the financial statements for the year ending March 31, 2018 and the development of the 12-month draft budget the Authority will discuss during this meeting. Therefore, today will be the last day Mr. Matheson will be performing duties on behalf of the Authority.

MOTION CARRIED. – One Nay Vote recorded – Michael Gunn

The Authority expressed appreciation for the work completed by Mr. Matheson.

Issue of Quorum

Mr. Corbin addressed the Authority regarding the current requirement for Authority meeting quorum noting that in light of the current situation and the Authority's responsibility to exercise a duty of care and fiduciary responsibility that amending the quorum requirements as stated in the Authority's Rules of Procedure may be in the best interest of the Authority into the future. A short discussion was held resulting in the following motion:

ON MOTION OF BARRY CORBIN AND SECONDED BY WENDY ELLIOTT THAT A QUORUM FOR MEETINGS OF THE BOARD OF THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY SHALL BE A SIMPLE MAJORITY OF THE MEMBERS WHICH SHALL INCLUDE MEMBERS REPRESENTING PARTIES WHOSE POPULATIONS COMPRISE AT LEAST 55% OF THE TOTAL POPULATION OF ALL THE PARTIES.

MOTION CARRIED.

Agenda Item No. 5 – Staff Reports

Agenda Item No. 5.1 – Manager of Finance

Agenda Item No. 5.1.1 – Unaudited Revenue and Expense Statement-deferred

Agenda Item No. 5.1.2 – Presentation of Audited Financial Statements for the Fiscal Year ending March 31, 2018

Mr. Matheson addressed the Authority referring to the Financial Statement Summary Information (unaudited) sheet, the DRAFT Consolidated Financial Statements and the Draft Non-Consolidated Financial Statements for the fiscal year ending March 31, 2018, all as circulated and attached to these minutes. Mr. Matheson stressed the information is being presented for information only for use as it relates to the development of 12-month draft budget for the 2018-2019 fiscal year. The Statements are not to be considered final or circulated further at this time. It was indicated that work on the financial statements continues especially as it relates to the operations of the landfill at the Municipality of the District of Chester.

It was noted that an error in dealing with the Municipality of the District of Chester was identified where the Authority included surplus funds from landfill operations with the return of total surplus funds to parties based on the Authority's operations during 2016-2017. The Authority did not however receive the associated funds from the Municipality of the District of Chester. It was the consensus that the most effective way to manage this error is to make the appropriate adjustments in the records for the year ending March 31, 2018.

Mr. Matheson referred to the "ongoing concern" note included in the draft Audited Statements regarding cash flow, indicating that it is hoped the Authority will have put mechanisms in place to address this issue by the time the audited financial statements are finalized.

It was further noted that it is anticipated the Authority ended the 2017-2018 fiscal year in a deficit position, currently at \$147,060 as per Note 7 in the draft Consolidated Financial Statements; a large portion of which is related to the Kaizer Meadow Landfill operations. Once the deficit figure is finalized, parties will receive an invoice for the funds in keeping with the Authority's current policy.

Mr. Matheson again stressed that the financial statements reviewed today are not to be considered final and are only to be looked at in context with and to frame the discussions associated with the development of the 12-month budget. It was further noted the Audit Committee plans to discuss the final financial statements for the year ending March 31, 2018 on July 18, 2018 which is coincidentally the next Authority meeting date. The times for these two meetings will be confirmed as soon as possible with all to be advised.

Chair Kinsella thanked Mr. Matheson for the presentation.

Agenda Item No. 5.1.3 – Presentation of the Re-Drafted 12-Month Budget for the fiscal year ending March 31, 2019

Agenda Item No. 5.1.3.1 – Operating Budget

Mr. Matheson, referred to the Memo to Erin Beaudin, CAO Town of Wolfville and Acting GM VWRMA, dated June 28, 2018, the Budget to Budget comparisons statement, the Revised Starting Point document and finally the Draft Operating Budget for the Year ending March 31, 2019 based on revision date June 25, 2018, all as circulated and attached to these minutes. Mr. Matheson explained that he has reviewed the operating budget and further that the draft budget has been developed in consultation with the Authority's management team. A discussion arose regarding the options around a proposed increase to tipping fees as included in the Memo to Erin Beaudin, with it being indicated that full cost recovery for service is essentially a philosophical decision for individual councils. It was further noted that the 1% increase in pension contributions for the Authority's staffing complement as well as a 1.12% cost of living increase have been incorporated in the draft budget being presented today. The draft budget also includes a contribution to the capital reserve account in keeping with the Authority's current policy.

A discussion arose with several questions being raised and addressed.

ON MOTION OF ERIC BOLLAND AND SECONDED BY BARRY CORBIN THAT THE VALLEY REGION SOLID WASTE RESOURCE MANAGEMENT AUTHORITY FORWARD THE 12-MONTH 2018-2019 DRAFT OPERATING BUDGET TO THE PARTIES UNDER THE INTERMUNICIPAL SERVICES AGREEMENT FOR CONSIDERATION AND APPROVAL.

ON MOTION OF BRIAN HIRTLE AND SECONDED BY BARRY CORBIN THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY AMEND THE MOTION ABOVE TO INCLUDE THE AUTHORITY'S APPROVAL OF THE OPTION TO IMPLEMENT A \$121.00 PER TONNE RESIDUAL WASTE TIPPING FEE EFFECTIVE OCTOBER 1, 2018.

MOTION CARRIED. – NAY VOTE RECORDED BY MICHAEL GUNN

The question was called on the main motion.

MOTION CARRIED. – NAY VOTE RECORDED BY MICHAEL GUNN

It was indicated that based on the legal opinion received by the Authority the motions are valid by majority vote at this table.

Agenda Item No. 5.1.3.2 – Capital Budget

Mr. Matheson referred to the Summary of Proposed Capital Budgets for the year ending March 31, 2019, as circulated and attached to these minutes. A discussion arose during which it was the consensus of the Authority to remove the Rear Compactor Unit and Dry Storage Building.

ON MOTION OF WENDY ELLIOTT AND SECONDED BY ERIC BOLLAND THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY ADOPT THE PROPOSED CAPITAL EXPENDITURES AS PRESENTED.

ON MOTION OF BRIAN HIRTLE AND SECONDED BY GAIL SMITH THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE PROPOSED CAPITAL EXPENDITURES AS PRESENTED WITH THE FUNDS ASSOCIATED WITH THE DRY STORAGE BUILDING REMOVED.

MOTION CARRIED.

ON MOTION OF BARRY CORBIN AND SECONDED BY BRIAN HIRTLE THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY APPROVE THE PROPOSED CAPITAL EXPENDITURES AS PRESENTED WITH THE FUNDS ASSOCIATED WITH THE REAR COMPACTOR UNIT REMOVED.

MOTION CARRIED.

Discussion then turned back to the main motion as amended by the 2 motions above.

MOTION CARRIED – ONE NAY VOTE RECORDED BY MICHAEL GUNN.

Mr. Gunn then addressed the Authority putting forward the following motion:

ON MOTION OF MICHAEL GUNN AND SECONDED BY BRIAN HIRTLE THAT:

WHEREAS THE MUNICIPALITY OF THE COUNTY OF ANNAPOLIS PROPOSED A THREE-MONTH BUDGET THAT RECOGNIZED PAYMENTS FOR ALL SERVICES EXCEPT PAYMENTS FOR THE CONSULTING FEES; AND,

WHEREAS THE AUTHORITY IS CONCERNED ABOUT CASH FLOW, THAT PURSUANT TO SECTION 20(1) OF THE INTERMUNICIPAL SERVICES AGREEMENT (IMSA) THE AUTHORITY RECOMMEND THE TERMS OF THE THREE-MONTH OPERATING PLAN AND BUDGET PROPOSED BY THE MUNICIPALITY OF THE COUNTY OF ANNAPOLIS TO THE PARTIES OF THE IMSA.

MOTION DEFEATED.

ON MOTION OF MICHAEL GUNN IN RESPECT TO THE LETTER THAT WAS E-MAILED TO EACH OF THE BOARD MEMBERS AND THE GENERAL MANAGER ON JUNE 19, 2018 FROM THE ANNAPOLIS COUNTY WARDEN THAT THE AUTHORITY COMMENCE LEGAL ACTION AGAINST THE BOARD MEMBERS WHO VOTED IN FAVOUR OF ANY MOTION TO BORROW FROM THE CAPITAL RESERVE OF THE AUTHORITY.

MOTION DIED ON THE FLOOR – NO SECONDER HEARD

Agenda Item No. 5.2 – Operations Manager

No report to bring before the Authority at this time.

Agenda Item No. 5.3 – Office Manager

No report to bring before the Authority at this time.

Agenda Item No. 5.4 – Communications Manager/Regional Coordinator

Communications Manager Garrett reviewed the Report to Authority: Regional Coordinator Report, dated June 22, 2018, as circulated and attached to these minutes. Mr. Garrett highlighted the key items

addressed in the report including diversion credits, landfill audit results, ship-to-shore, paint cans and dairy stewardship also referring to the Final May 25, 2018 Provincial Summary of Milk Container Recycling Costs and Tonnages, as circulated and also attached to these minutes.

ON MOTION OF BRIAN HIRTLE AND SECONDED BY BARRY CORBIN THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY RECEIVE THE REGIONAL COORDINATOR REPORT TO THE AUTHORITY DATED JUNE 22, 2018.

MOTION CARRIED.

Agenda Item No. 6 – Committee Reports

There were no Committee Reports to bring before the Authority at this time; however all were reminded that the Audit Committee will be meeting on July 18, 2018 in advance of the Authority meeting to be held on that day. Times for both meetings will be confirmed as soon as possible.

Agenda Item No. 7 – Board Members

There were no items requested for discussion at this time.

Agenda Item No. 8 – New Business

There was no new business to bring before the Authority at this time.

Agenda Item No. 9 – Correspondence

Chair Kinsella referred to the June 19, 2018 letter from Warden Timothy Habinski, the June 21, 2018 letter to Warden Habinski from Mayor Peter Muttart and the June 22, 2018 e-mail from Warden Timothy Habinski, all as circulated and attached to these minutes, noting that the correspondence has been provided for information purposes.

Agenda Item No. 10 – Next Meeting

The next Regular Monthly meeting of the Valley Region Solid Waste-Resource Management Authority will be held on Wednesday, July 18, 2018

Agenda Item No. 11 - Adjournment

ON MOTION OF BRIAN HIRTLE THE JUNE 2018 REGULAR MONTHLY MEETING OF THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY ADJOURNED AT 11:00AM.

Respectfully Submitted,

Brenda Davidson
Office Manager
Valley Waste-Resource Management