

Cape Breton Regional Municipality

Special Council Meeting

AGENDA

FRIDAY, NOVEMBER 1, 2024

1:30 P.M.

Council Chambers
2nd Floor, City Hall
320 Esplanade, Sydney, NS

Cape Breton Regional Municipality

Special Council Meeting

Friday, November 1, 2024
1:30 p.m.

AGENDA ITEMS

Land Acknowledgement

Roll Call

1. **Approval of Agenda:** (Motion Required)
2. **Municipal Affairs Performance Audit:** Mayor Cecil P. Clarke (see page 3)
3. **Outstanding Issue Papers:** Mayor Cecil P. Clarke (see page 9)
4. **Election of Deputy Mayor:** Christa Dicks, Municipal Clerk (see page 10)

ADJOURNMENT



City Hall
320 Esplanade
Sydney, NS B1P 7B9

Councillor Agenda Request Form

Included on Agenda
(Submitted to Municipal Clerk's Office by 4:30 pm seven days before the meeting)

Late Item
(Submitted to Municipal Clerk's Office by Noon the day before the meeting)

Request from the Floor:
(New Business)
- Announcement
- Referral
- Submit Petition
- Notice of Motion

Date of Council Meeting: November 1st, 2024

Subject: Municipal Affairs Performance Audit

Motion for Council to Consider:

That Council request the Department of Municipal Affairs and Housing to conduct a performance audit of the financial management and budgetary practices of the Cape Breton Regional Municipality (CBRM).

Rationale:

CBRM has historically faced challenges in achieving fiscal balance. Recent debates surrounding the new service agreement and its implications for ongoing operating funding have highlighted concerns regarding CBRM's financial sustainability. Moreover, CBRM currently falls into the high-risk category within the Department of Municipal Affairs and Housing's annual Financial Condition Indicators, underscoring the need for a comprehensive review.

Outcome Sought:

To confirm that CBRM has an effective financial structure and robust budgetary controls to support accountability and long-term financial sustainability.

*Mayor Cecil P. Clarke
October 30, 2024*

*Received by Clerk's Department (date):
October 30, 2024*

Cape Breton Regional Municipality

Financial Sustainability

Statement of Work

Developed for XXX
Issued on [Date]

I. Background

The Cape Breton Regional Municipality (CBRM) was formed in 1995 through an amalgamation of 8 former Municipal Units. CBRM has faced many challenges and has often struggled to remain fiscally balanced. Historically, CBRM has received over half the total in the annual municipal financial capacity operating grant, and the funding allocations for the operating grant were frozen nearly a decade ago to ensure the CBRM share did not decrease.

Recently, CBRM council temporarily rejected federal funding for housing projects and expressed significant dissatisfaction with a provincial program that provided \$3M in funding to help offset capital costs last fiscal year.

Most recently, CBRM has been vocal about their opposition to a new service exchange agreement, primarily because the new agreement does not include additional ongoing operating funding. CBRM argues a doubling of their historic operating funding levels, from \$15M to \$30M is required in order to remain fiscally viable. CBRM fell into the high-risk category of the Department's annual Financial Condition Indicators (FCIs), the results of which were released in early 2023. The department requested that CBRM submit an action plan to address their FCIs, but remains concerned this trend may continue.

II. Objectives

The Department of Municipal Affairs and Housing (DMAH) has concerns about the CBRM's capacity to appropriately plan, forecast and manage its fiscal affairs. DMAH wants to support the CBRM in achieving organizational sustainability and views that an independent party can provide a balanced approach to creating a sustainable CBRM for the future.

The objective of this engagement is to ensure that CBRM has the right financial structure and budget controls in place to be accountable and financially sustainable for the future. Specifically, the objective of the review will:

- Determine if CBRM has the appropriate financial human resources to provide timely, accurate financial reporting and analysis to Council and provide recommendations to address any deficiencies.
- Determine if CBRM has the right structure and reporting mechanisms to effectively and efficiently support the current and future reporting and analysis requirements of CBRM and provide recommendations to address any deficiencies.

- Determine if CBRM budgeting and accounting practices adhere to *Municipal Government Act* regulations including the Financial Reporting and Accounting Manual provide recommendations to address any deficiencies.
- Determine if there are any system (IT or HR) limitations in planning, forecasting, monitoring, accountability and reporting and provide recommendations to address any deficiencies.
- Determine if appropriate controls are in place and that purchases are aligned with a budget approval process and provide recommendations to address any deficiencies.
- Determine if appropriate controls are in place for the collection of all sources of revenue if not, provide records to address any deficiencies.
- Determine if appropriate capital planning processes and procedures are in place and a municipal infrastructure plan has been developed.
- Determine if budgets are aligned with capital planning, and ongoing operational requirements and provide recommendations to address any deficiencies.
- Examine how CBRM staff are positioned to support Council in an effort to achieve realistic financial budgets and on-going financial reporting of the organization and provide recommendations to address any deficiencies.
- Review the role of Council in the oversight of the financial management of the organization, including but not limited to, what financial review occurs monthly, what level of approval is provided, and audit committee engagement and provide recommendations to address any deficiencies.

III. Scope

The engagement will include a review of CBRM's budgets, as well as the review of its budget controls and decision-making approaches. The engagement will also consider if CBRM has an appropriate approval process in place that aligns with its budget to support CBRM's financial stability.

This engagement will be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Exclusions and Limitations of the Engagement

This engagement will not be designed to uncover fraudulent activity. However, if fraudulent activity is discovered during the normal course of the engagement, DMAH contact persons (as noted below) will be informed immediately.

IV. Methodology & Requirements

The methodology to be employed to meet the objectives of this review will include DMAH engaging and managing a third-party consultant to complete the review in a timely manner which will include the following:

1. Submitting a Proposal through the standing offer via Flextrack, which will be evaluated and awarded by the DMAH.

DMAH will manage the engagement to ensure compliance with the Terms of Engagement and the consultants Proposal.

2. The steps the external consultant is expected to take to complete this engagement are to:
 - submit a Project Plan to be approved by the DMAH management;
 - include as many steps in the methodology as necessary to satisfy the objectives of the engagement;
 - provide progress reports on a bi-weekly and/or on a required basis to DMAH;
 - prepare a draft report that will include a risk ranked summary of observations and recommendations;
 - conduct an exit meeting with DMAH to discuss observations and recommendations within two weeks of issuing the draft report;
 - incorporate feedback from DMAH on the draft report; and,
 - prepare and distribute a Final Report that will include an Executive Summary of observations and recommendations.
3. It is understood that no additional work will be undertaken without prior written approval from DMAH.
4. During the course of the engagement, the contact persons will be Rebecca Doucett, Director of Municipal Finance, DMAH; and Valerie Pottie Bunge, Associate Deputy Minister, DMAH.

V. Expected¹ Project Timing and Deliverable

Expected Planning Start Date: **XXX**

Expected Fieldwork Start Date: **XXX**

Expected Draft Deliverable Date: **XXX**

Expected Final Deliverable Date: **XXX**

The desired outcome is that CBRM is better positioned for financial sustainability to address forecasted pressures and improved financial controls and accountability to satisfy the Municipality's mandate.

VI. Project Cost

The anticipated cost for this assignment, including travel time and incidentals, is not to exceed \$**XXX**.

All engagements and payments will be facilitated through the Flextrack program as agreed in the Master Service Agreement.

VII. Project Submission

All proposals and payments will be facilitated through the Flextrack program as agreed in the Master Service Agreement.

¹ These timeframes are estimates only and based on obtaining required information in a timely manner.

The proposal should clearly show the estimated number of hours to complete the engagement as well as the service description for each member of the engagement team, including their name and related experience.

Proposals will be evaluated on the following criteria:

Criterion	Weight
Methodology	30
Qualifications/experience of the proposed team	20
Experience of the firm (i.e. required subject matter, government environment)	20
Confidentiality, integrity and availability of information <ul style="list-style-type: none">• Demonstrated experience with handling confidential information• Measures/controls and/or policies in place to protect data• Methods for secure file transfer	20
Cost	10
TOTAL	100%

The criteria must match those in the proposal submission evaluation form. Those listed in this template are mandatory minimums.

All questions are to be directed to **XXX**

Please submit your proposal through the Flextrack program no later than noon, **XXX**.

VIII. Report Distribution

Unless otherwise specified, the consultant will provide two electronic copies (PDF and Word format) of the final report to **XXX**, Department of Municipal Affairs and Housing who will then distribute the report.

IX. Confidentiality Clause

The Final Report, which is accessible to the general public pursuant to and in accordance with the *Freedom of Information and Protection of Privacy Act* (FOIPOP Act), is prepared for DMAH and distributed at their discretion, subject to the FOIPOP Act and any other applicable law.

The third-party consultant shall be obligated by the Terms of the Master Service Agreement to observe strict confidentiality with respect to the project and any information acquired or provided in relation to it.

X. Conflict of Interest Information

The Supplier shall not permit an actual or potential conflict of interest to arise between its obligations to the Province under this Agreement and its obligations to any third party. The Supplier shall immediately notify the Province in writing if any such potential or actual conflict of interest

should arise at any time during the Term. Should the Province become aware of any conflict of interest following a proposal submission to a Statement of Work or engagement, the Province reserves the right to disqualify the proposal, stop work until the matter is resolved or cancel the work, at its discretion.

XI. Conflict of Interest Information Technology Security Compliance

The consultant must have measures, controls and policies in place to ensure the confidentiality, integrity and availability of the information is maintained. If a consultant is proposing to employ a third-party, all parties involved are expected to adhere to the same standards.



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Date of Council Meeting: November 1st, 2024

Subject: Outstanding Issue Papers

Motion for Council to Consider:

That Council rescind all outstanding issue papers currently in circulation and request that future items requiring Council review be submitted as formalized staff reports, prepared in alignment with Council's strategic priorities.

Rationale:

As this Council embarks on a new direction, it is essential that initiatives align closely with our priorities. Rather than revisiting all outstanding items, this approach allows staff to bring forward specific issues as needed, ensuring relevance and alignment.

Future requests will direct staff to provide detailed reports that include:

1. Solutions Assessment: Clear and feasible solutions to address each matter.
2. Budgetary Implications: Financial impact analysis, including costs and savings.
3. Risk Assessments: Identification of any potential risks or impacts to the community.

Each report will also follow a standardized template developed by the Clerk's Office, ensuring consistency, clarity, and a "taxpayer-first" perspective throughout the decision-making process.

Outcome Sought:

By adhering to this revised approach, staff reports will be in greater alignment with Council priorities, and each report will consistently incorporate a "taxpayer-first" community perspective, contributing to transparent and fiscally responsible governance.

*Mayor Cecil P. Clarke
October 30, 2024*

*Received by Clerk's Department (date):
October 30, 2024*



M·E·M·O

320 Esplanade

Sydney, Nova Scotia, B1P 7B9

902-563-5010

To: Mayor Cecil P. Clarke and Regional Councillors

From: Christa Dicks, Municipal Clerk

Date: November 1, 2024

Subject: Election of Deputy Mayor

Each year, the CBRM Council elects/selects a Deputy Mayor for a one-year term commencing November 1st.

As per the Deputy Mayor Policy (copy attached), all Councillors are eligible to run for the office on an annual basis, however the Deputy Mayor shall serve no more than two consecutive years.

This issue is on the agenda for the November 1st, 2024, meeting, at which time the Mayor will call for nominations from the floor.

Original Signed by _____

Christa Dicks

Municipal Clerk

Attachment

Policy Respecting the Deputy Mayor

STATEMENT OF POLICY:

- It is the policy of the Cape Breton Regional Municipality (CBRM) to select a Deputy Mayor on an annual basis.

1.0 TERM OF OFFICE:

- The term of office for the Deputy Mayor shall be for one year running from November 1st to October 31st and all Council members are eligible to run for the office on an annual basis. The Deputy Mayor shall serve no more than two consecutive years (for clarity, an example in a four year term, a Councillor could serve as Deputy Mayor in year one and two, but would be ineligible for the third consecutive year, and would be eligible again thereafter.)

2.0 REMUNERATION:

- The remuneration for the office of Deputy Mayor shall be \$5,000 per year.

3.0 ROLES AND RESPONSIBILITIES:

The Deputy Mayor, in addition to filling in when the Mayor is absent or incapacitated, shall:

- ◆ Be apprised of ongoing labour relations issues;
- ◆ May be Chairman of the Audit Committee;
- ◆ Be responsible for bringing the annual budget forward for Council perusal;
- ◆ Chair special committees as assigned by the Mayor or Council and report findings back to Council;

- ◆ Assume other duties assigned by the Mayor or Council.

Approved by Council: **January 20, 1998**

Amended by Council: **March 11, 2005**

