

Cape Breton Regional Municipality

Audit Committee Minutes

**Tuesday,
July 6, 2021
10:00 a.m.**

Via Videoconference

Deputy Mayor Earlene MacMullin called the meeting to order.

Present: Deputy Mayor Earlene MacMullin, Chair
Councillor Glenn Paruch
Councillor Steve Parsons, Vice-Chair
Councillor Lorne Green
Mark Galley, Citizen Appointee
Rakesh Kochhar, Citizen Appointee

Staff: Marie Walsh, Chief Administrative Officer
Jennifer Campbell, Chief Financial Officer
Deborah Campbell Ryan, Municipal Clerk
Adam MacNeil, Manager of Finance
Angela Ross, Clerk's Department
Sharon MacSween, Recording Secretary

Absent: Councillor Cyril MacDonald (Regrets)

Also Attending: Councillor Eldon MacDonald

Summary of Decisions

Roll Call

1. Approval of Minutes:

Motion to approve the Audit Committee Minutes of:

- May 11, 2021

Motion Carried.

2. Approval of Agenda:

Motion to approve the July 6, 2021 Audit Committee agenda as circulated. **Carried.**

3. Presentation:

A presentation was provided by Archway Insurance regarding the Cape Breton Regional Municipality Insurance and Risk Management Program.

For Information Only.

4. Banking Services Agreement – Request for Proposals:

Motion that a recommendation be made to Council that RFP P08-2021 – Banking Services be awarded to the Bank of Montreal. **Carried.**

Adjournment

Roll Call

1. Approval of Minutes:

Motion:

Moved by Councillor Green, seconded by Citizen Galley, approval of the Audit Committee Minutes of:

➤ **May 11, 2021**

Motion Carried.

2. Approval of Agenda:

Motion:

Moved by Citizen Kochhar, seconded by Councillor Paruch, approval of the July 6, 2021 Audit Committee Agenda as circulated.

Motion Carried.

3. Presentation:

a) Archway Insurance:

Keith MacDonald, Commercial Lines Manager with Archway Insurance Brokers, and Gwen Tassone, VP Public Sector Practice Leader from Marsh Canada, provided a presentation on the Cape Breton Regional Municipality Insurance and Risk Management Program.

Keith MacDonald discussed:

- Uncertainty in the municipal landscape
- Overview of Leading Public Entity Organization action
- Municipal Insurance – Challenging class of business
- Risk Strategies
- Purpose of Insurance Program – Financial protection and access to expertise
- Insurance Program Consisting of Various Insurance Policies (Casualty {Liability} Property / Equipment Breakdown, Crime, Auto, Accident Benefits and Cyber Insurance)

Gwen Tassone highlighted:

- Insurance Program Coverage Highlights – Canadian Councils Liability Policy
- Insurance Program Coverage Requirements
- Casualty Market – Canadian Overview
- Property Market – Canadian Overview

Continued...

Presentation - Archway Insurance (Cont'd):

Keith MacDonald then reviewed:

- Strategies to improve renewal results regarding:
 - Property
 - Liability
 - Automobile
 - Crime
- Claims Process Overview

Following the presentation, an opportunity for questions was provided. Discussion took place regarding the following:

- Annual insurance premium increases can range from 25 to 35%, however the increase for CBRM was 15% as of March 31;
- This year, the driving force of insurance premium increase was due to liability policy, however traditionally, annual increases are usually split between evenly due to liability and property policies;
- Importance of training for staff due to the direct correlation of potential future losses as a result of incidents i.e. accidents,
- Longevity relationships with an insurer impact premiums, as do claims;
- Asset upgrades and additions impact annual premiums, i.e. Glace Bay Arena, Boardwalk extension, new and fire station under constructions in Sydney, 2nd Berth;
- Identifying risks and engaging with the municipality to mitigate and ensure protections are in place regarding potential risks, i.e. cyber security, which can include recommendations such as cyber audits;
- Cyber Insurance Policies consist of the traditional insurance coverage as well as risk, prevention and mitigation tools.

Deputy Mayor MacMullin thanked Keith MacDonald and Gwen Tassone for their presentation.

For Information Only.

4. Banking Services Agreement – Request for Proposals:

Jennifer Campbell, Chief Financial Officer (CFO) reviewed her Memo which was included in the agenda package.

In response to a question by Councillor Parsons, the Chief Financial Officer advised that a net of 0.5% savings was realized from BMO as a long-standing service provider to CBRM.

Continued...

Banking Services Agreement – Request for Proposals (Cont'd):

Deputy Mayor MacMullin advised the Committee if there are any other questions regarding the RFP responses that may require more detail than provided, to contact the CFO she will provide that additional information.

There was discussion regarding the transition costs during the last RFP process. The CFO advised that for this RFP, CBRM wanted to ensure that any transition costs were quoted in their bid. The CFO advised that all financial institutions were offering almost identical services, and that the most important factor from a finance perspective is that there are significant line items in our budget for short term interest.

Marie Walsh, Chief Administrative Officer, advised that the recommendation was mostly based on the rate of return. She further advised that when the transition to BMO took place a number of years ago, transition costs were not included as part of the RFP.

The following motion was then put forward:

Motion:

Moved by Councillor Parsons, seconded by Councillor Green, that a recommendation be made to Council that RFP P08-2021 – Banking Services be awarded to the Bank of Montreal.

Motion Carried.

Meeting Adjourned at 10:45 a.m.

Deputy Mayor Earlene MacMullin
Chair
/slm

Deborah Campbell Ryan
Municipal Clerk