



Town of Amherst
Audit Committee

Agenda

Date: Thursday, January 7, 2021
Time: 4:00 pm
Location: Zoom Virtual Meeting

	Pages
1. CALL TO ORDER	
2. APPROVAL OF AGENDA	
3. APPROVAL OF MINUTES	2 - 4
4. ELECTION OF CHAIR AND VICE-CHAIR	5 - 7
5. PRESENTATION OF SECOND QUARTER FINANCIAL RESULTS	8 - 24
6. CAPITAL BUDGET - ACTUALS-TO-DATE	25 - 27
7. APPOINTMENT OF AUDITOR	28 - 28
8. ADJOURN	

**Town of Amherst
Audit Committee
Minutes**

Date: September 14, 2020
Time: 4:00 pm
Location: Zoom Virtual Meeting

Members Present David Kogon, Council representative, Chair
Darrell Jones, Council representative, Vice-Chair
Sheila Christie, Council representative
Wayne MacKenzie, Council representative
Terry Rhindress, Council representative
Vince Byrne, Council representative
Jeff Brennan, Citizen representative

Members Absent Rob Small, Citizen representative

Staff Present Greg Herrett, Chief Administrative Officer
Shelley Rector, Chief Financial Officer
Sarah Wilson, Manager of Financial Services
Kimberlee Jones, Municipal Clerk
Natalie LeBlanc, Deputy Clerk
Tom McCoag, Corporate Communications Officer

Due to the COVID-19 pandemic and the requirement for physical distancing, this was a virtual meeting held via Zoom.

1. CALL TO ORDER

Mayor Kogon called the meeting to order at 4:00 p.m.

2. APPROVAL OF AGENDA

Moved By Councillor Jones
Seconded By Councillor Byrne
To approve the agenda as circulated.

Motion Carried

3. APPROVAL OF MINUTES

3.1 August 10, 2020

Moved By Deputy Mayor Christie
Seconded By Councillor Rhindress
To approve the minutes of the August 10, 2020 Audit Committee meeting as circulated.

Motion Carried

4. PRESENTATION OF AUDITED FINANCIAL STATEMENTS

4.1 Town of Amherst

The CFO reviewed the Town of Amherst audited financial statements as included in the agenda package. Information item; no direction given or action required.

4.2 Amherst Water Utility

The CFO reviewed the Amherst Water Utility audited financial statements as included in the agenda package. Information item; no direction given or action required.

4.3 Audit Findings Letter - To be distributed

Mr. Milner reviewed the audit findings letter as distributed. Information item; no direction given or action required.

5. ACCEPTANCE OF FINANCIAL STATEMENTS

5.1 Recommendation to Accept Town Statements

**Moved By Deputy Mayor Christie
Seconded By Councillor Rhindress**

That the Audit Committee recommend to Town Council the acceptance of the Audited Consolidated Financial Statements for the Town of Amherst for the fiscal year ended March 31, 2020, which have been audited by the firm Jorgensen and Bickerton.

Motion Carried

5.2 Recommendation to Accept Water Utility Statements

**Moved By Councillor Byrne
Seconded By Councillor MacKenzie**

That the Audit Committee recommend to Town Council the acceptance of the Audited Non Consolidated Financial Statements for the Amherst Water Utility for the fiscal year ended March 31, 2020, which have been audited by the firm Jorgensen and Bickerton.

Motion Carried

6. OTHER

6.1 First Quarter Report

The Manager of Financial Services reviewed the first quarter report as included in the agenda package. Information item; no direction given or action required.

6.2 Capital Budget Actuals-to-Date

The Manager of Financial Services reviewed the capital budget actuals-to-date as included in the agenda package. Information item; no direction given or action required.

7. **ADJOURN**
Moved By Councillor Rhindress
Seconded By Councillor Byrne
To adjourn the meeting at 5:15 p.m.

Motion Carried

Kimberlee Jones
Municipal Clerk

David Kogon, MD
Mayor

DRAFT

DEPARTMENT: Council and Corporate Services

TITLE: Audit Committee Terms of Reference

Minutes reference date: 29 March 2016 27 February 2017

Purpose

1. The Audit Committee (the "Committee") assists Town Council ("Council") in fulfilling its oversight responsibilities relating to finance and audit matters delegated to management by Council.
2. In particular, the Committee assists Council by reviewing:
 - a. Key financial information that will be provided to the province or made public;
 - b. Compliance with strategic financial plans, operating and capital budgets;
 - c. External and/or internal audit activities;
 - d. The system of internal controls, risk management and financial information technology;
 - e. Cash and investment management activities;
 - f. Insurance coverage of significant risks and uncertainties;
 - g. Financial Condition Indicators.

Composition, Operations and Accountability

3. The Committee shall be comprised of all members of Council plus two citizen appointments. The Committee shall be appointed by Council.
4. The initial citizen appointments (effective November 1, 2016) will be for one-year terms, as a transitional measure, and subsequent citizen appointments will be for two-year terms. Citizen appointees shall possess knowledge and understanding of financial and investment matters.
5. The Chief Administrative Officer (CAO) of the Town or his or her appointee shall be the secretary of the Committee
6. The Chief Administrative Officer, Treasurer and Accountant shall be non-voting members of the Committee.
7. The Chair shall be a member of Council and shall be elected annually by the Committee.
8. The Committee shall meet at least four times each year. The Committee Chair will make periodic reports to Council on matters relating to the Committee's duties and responsibilities.
9. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of Council.
10. Through the CAO the Committee may request members of the Town's senior management to attend meetings of the Committee as deemed necessary.
11. The Committee provides open avenues of communication among management, employees, external auditors and Council.

Duties and Responsibilities

12. The Committee has the following responsibilities and will perform the following duties.

Financial Information

- a. The Committee will review the following financial information that will be provided to the Province or made public:
 - i. Annual audited financial statements;
 - ii. Management discussion and analysis that accompanies the audited financial statements
- b. Ensure that meaningful financial information regarding current financial results and up to date forecasts is received on a timely basis, and that it provides information required for decision making.
- c. Review quarterly internal financial reports.
- d. Review:
 - i. the appropriateness of accounting policies and financial reporting practices and any proposed changes thereto;
 - ii. any new or pending developments in accounting and reporting standards; and
 - iii. significant estimates contained in the financial statements and other financial information.
- e. The Committee will:
 - i. assess the performance of the external auditor;
 - ii. review and recommend that Council approve the engagement or reappointment of the external auditor as required;
 - iii. oversee the activities of the external auditor by:
 1. reviewing, assessing and receiving assurances as to the independence of the external auditor;
 2. reviewing the provision of non-audit services performed by the external auditor;
 3. reviewing the external audit plan including the engagement letter, materiality limits, staffing, timetable and proposed fees;
 4. if necessary, requesting to meet with the external auditor without management present;
 5. reviewing matters with respect to the conduct and reporting of the external audit with particular reference to any difficulties encountered or restrictions imposed by management; and
 6. receiving and reviewing the external auditor's:
 - a. audit report;
 - b. findings with respect to the appropriateness of accounting policies, management estimates and significant accounting and/or reporting issues;
 - c. management letter including managements responses thereto and the evaluation of the internal control system; and
 - d. other matters of relevance identified in the audit.

- f. The Committee will periodically evaluate the need for the establishment of an internal audit function and make appropriate recommendations to the Council.

Internal Control, Risk Management and Financial Information Systems

- g. The Committee will review:
- i. the system of internal control;
 - ii. financial policies;
 - iii. the strategic and financial risk assessment process to ensure that key strategic and financial risks are identified, assessed and risk mitigation strategies are implemented;
 - iv. financial information technology to ensure that it effectively supports or provides for current and future planning, financial activities;
 - v. the security of financial information, financial information technology and financial information disaster recovery plans; and
 - vi. compliance with financial statutory and regulatory obligations.

Investment Management Activity

- h. The Committee shall be responsible for the management of the Town's investment portfolio in accordance with paragraph 5 (c) of the Investment Policy, #03600-01.

Banking Services

- i. The Committee will periodically assess banking services and oversee the procurement of these services in accordance with Council policy.

Insurance Coverage of Significant Risks and Uncertainties

- j. The Committee will review the adequacy of insurance program and coverage for significant risks and uncertainties.

Terms of Reference for the Committee

13. The Committee will review its terms of reference annually.

MEMORANDUM

To: The Audit Committee

From: Michael Hunter, CPA, CA, Chief Financial Officer

Date: January 7, 2021

Subject: **YEAR TO DATE SURPLUS**

The 2nd quarter financial results reflect an operating surplus to September 30, 2020 of \$504,771. About \$325,000 of that can be attributed to increased deed transfer tax and reduced operating expenditures related to the pandemic that are not anticipated to continue year after year. The normalized surplus of \$179,696 is less than 1% of the total operating budget of \$18,358,000. It is also important to understand that full year results may differ – 2nd quarter results are not reflective of the whole year.

There are still two more quarters of financial transactions after the 2nd quarter results, which include the winter months where our expenses are normally higher resulting from costs for items like snow and ice removal which can fluctuate significantly from year to year based on the weather.

Historically operating surpluses have been used to help finance capital budget items and reduce the need for capital borrowing. While the existence of a surplus sometimes leads to a discussion about the appropriateness of tax rates, it's important to keep the issue in the proper perspective. So, while a 1% decrease in tax rates would potentially save a home owner who normally pays \$2,000 per year about \$20, it would reduce the fiscal capacity of the Town by \$88,869 annually.

Decreasing tax rate by 1% has minimal effect for an individual household but has a potentially significant impact on the Town's ability to deliver programs and finance capital projects internally without incurring interest costs.

POTENTIAL COVID EFFECT

Many commercial tax assessments are based on net income.

In the next couple of years there may well be a decrease in commercial tax assessments resulting from reduced business income due to COVID which could result in a reduction of commercial tax revenue for the Town.

Transferring the "covid surplus", should it exist, at year end to the operating reserve would reduce the risk of having to increase tax rates in the next year or two should tax revenue decline from reduced commercial assessments.

RECOMMENDATION

While no decision is necessary or even appropriate at this time because we don't have the benefit of the full year results yet, it is recommended that, at the year end, council consider transferring to the operating reserve, any surplus that is directly related to savings from covid and establish a reserve specifically for this purpose. The funds can then be used to smooth income a bit in the next couple of years, should there be a decline in tax revenue resulting from covid, with minimal effect to the tax rate.



SECOND QUARTER FINANCIAL REPORT

FOR THE PERIOD ENDED SEPTEMBER 30, 2020 (UNAUDITED)

Town of Amherst



INTRODUCTION

Quarterly financial reporting is being prepared by the Town of Amherst as a means of providing the community, council and the organization with a regular overview of financial and statistical information. Quarterly financial reporting is a strategic priority identified by council.

The primary information provided in the quarterly report is a comparison of the year to date budget amounts to actual revenues and expenditures for operating departments. All financial information is based on preliminary, unaudited information reported from the municipal finance system as of the report date. Seasonal variations in municipal operations may affect the proportion of revenues achieved or expenditures incurred to date.

This quarterly report provides information in seven parts:

Organizational Structure, page 3

- ℓ Hierarchy with departmental responsibilities.

Commentary, page 4

- ℓ Charts and comments

Schedules of Operations, pages 5-7

- ℓ Schedule of Operations – General Operating Fund – Revenues & Expenditures
- ℓ Schedule of Operations – General Operating Fund – Departmental & Mandatory Expenditures
- ℓ Schedule of Operations – Water Operating Fund – Revenues & Expenditures

Statement of Financial Position, page 8

- ℓ Consolidated Statement of Financial Position

Capital Budget, pages 9-11

- ℓ 2020/21 Capital budget with actual and committed costs

Tax Rates, pages 12-13

- ℓ General
- ℓ Mandatory Provincial Contribution Area Rate
- ℓ Community Support Area Rate

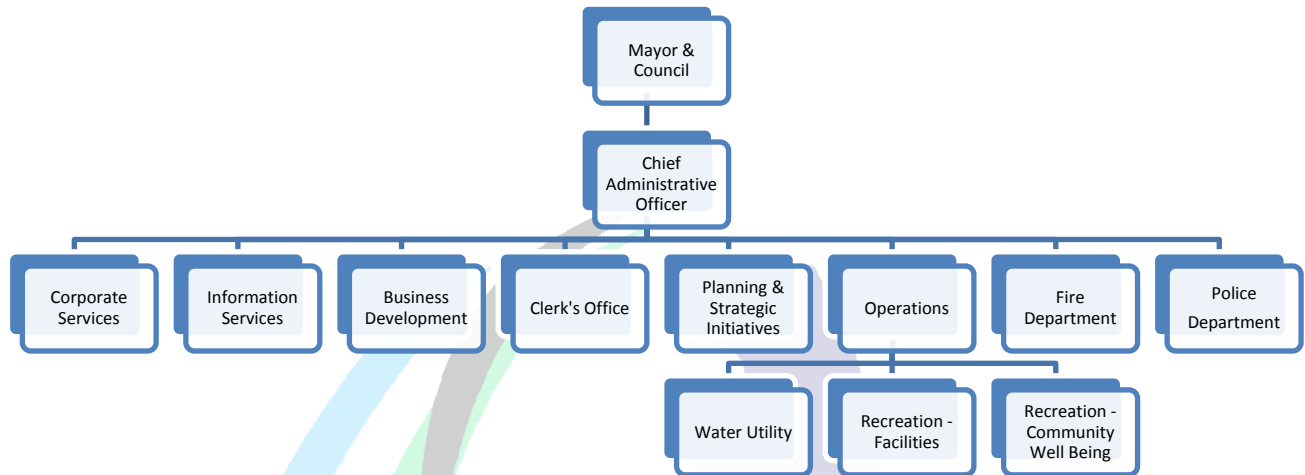
Other Rates, pages 14 - 15

- ℓ Deed Transfer Tax
- ℓ Uniform Charge – Solid Waste
- ℓ Sewer Rates
- ℓ Uniform Charge – Wastewater Treatment Facility
- ℓ Water Utility Rates

Quarterly financial reporting follows the fiscal year of the municipality which is April 1 through March 31.

ORGANIZATIONAL STRUCTURE

Below is the organizational structure of the Town of Amherst with a brief description of each departments responsibilities.



Corporate Services

- ✔ Finance
- ✔ Fiscal Planning
- ✔ Human Resources
- ✔ Tax & Water/Sewer Billing
- ✔ Collections
- ✔ Procurement

Information Services

- ✔ Information Services Management

Business Development

- ✔ Investment Attraction
- ✔ Business Retention Expansion

Clerk's Office

- ✔ Council & Committee Liaison
- ✔ Records Management

Planning & Strategic Initiatives

- ✔ Planning / Development
- ✔ Strategic Initiatives / Projects

Fire Department

- ✔ Fire Rescue
- ✔ Hazmat

Operations

- ✔ Inspections / Permits
- ✔ Solid Waste
- ✔ Engineering
- ✔ Public Works
- ✔ Sewer
- ✔ Water

Recreation - Facilities

- ✔ Stadium
- ✔ Parks / Playgrounds
- ✔ Robbs

Recreation – Community Well Being

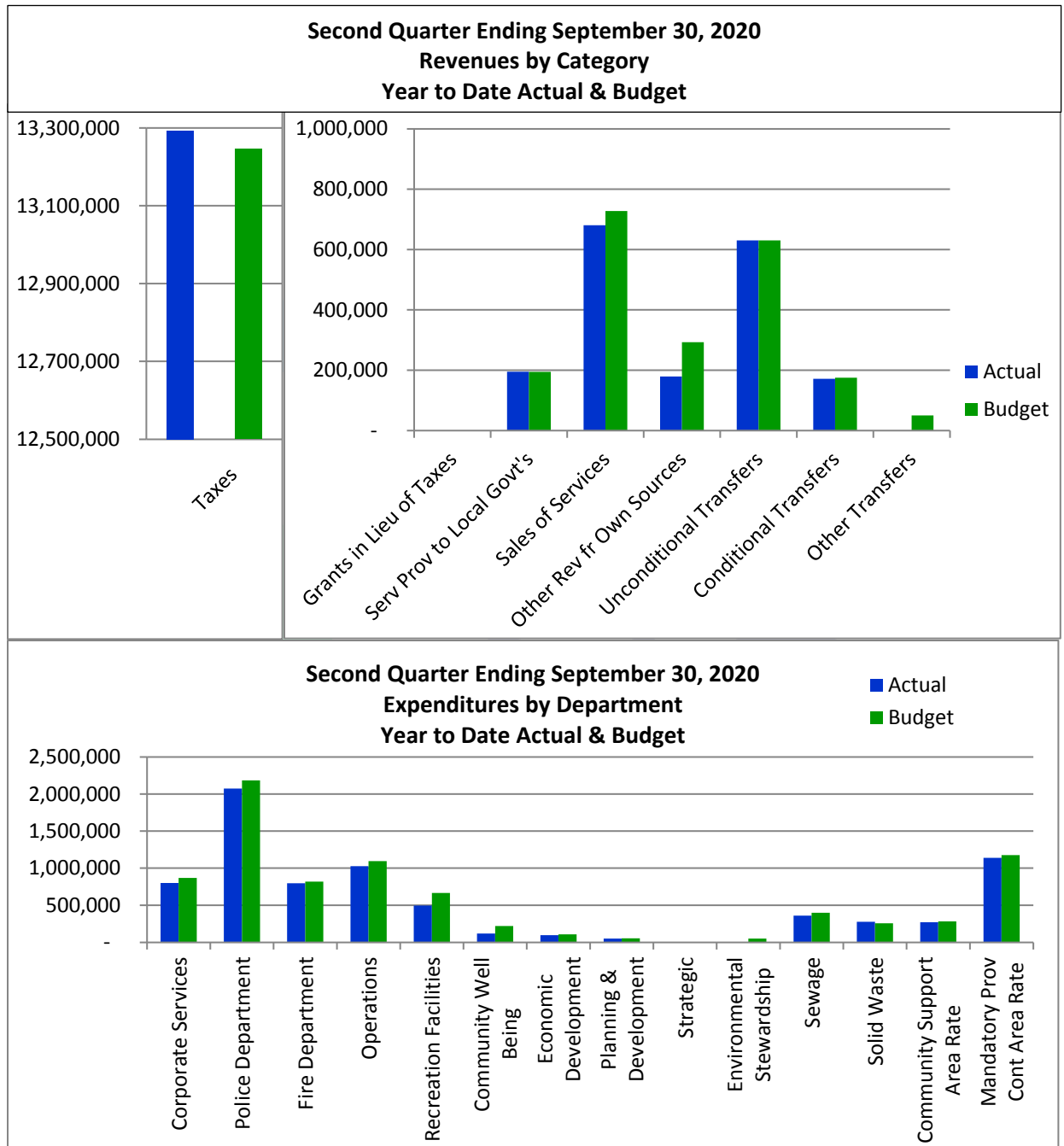
- ✔ Wellness
- ✔ Programming
- ✔ Community Events
- ✔ Tourism

Police Department

- ✔ Crime
- ✔ Major Crime
- ✔ Street Crime
- ✔ Crime Prevention
- ✔ Community Partnerships

COMMENTARY

Six months into the 2020/21 fiscal year the general operating fund has a surplus of \$504,771 compared to budget. The Town’s operating revenues are \$15,150,114 compared to the budgeted amount of \$15,316,336. The Town’s expenditures at the end of the second quarter are \$7,503,620 compared to the budgeted amount of \$8,174,613.



SCHEDULE OF OPERATIONS

Town of Amherst
Schedule of Operations - General Operating Fund
For the Six Months Ended September 30, 2020

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
Revenues				
Taxes	\$ 12,909,719	\$ 13,293,809	\$ 13,245,996	\$ 47,813
Grants in Lieu of Taxes	-	-	-	-
Services Provided to Other Local Govt	192,194	195,304	194,851	453
Sales of Services	713,728	680,214	727,612	- 47,398
Other Revenue from Own Sources	279,709	179,218	292,686	- 113,468
Unconditional Transfers	630,192	630,192	630,191	1
Conditional Transfers	198,300	171,377	175,000	- 3,623
Other Transfers	9,744	-	50,000	- 50,000
Total Revenues	14,933,586	15,150,114	15,316,336	- 166,222
Expenditures				
Wages & Benefits	4,189,397	3,780,412	4,219,790	- 439,378
Administrative Costs	348,512	318,479	375,371	- 56,892
Building & Facility Costs	335,437	302,825	328,815	- 25,990
Vehicle & Equipment Costs	138,909	184,967	206,358	- 21,391
Materials & Supplies	258,591	265,321	269,331	- 4,010
Grants to Organizations	163,836	124,283	135,975	- 11,692
Other Municipal Costs	579,855	453,002	527,055	- 74,053
Fiscal Services	1,709,696	1,599,171	1,638,525	- 39,354
Fire Protection Charge	353,274	353,272	353,273	- 1
Tax Exemptions	127,352	144,582	134,440	10,142
Cost Recovery	- 117,811	- 22,694	- 14,320	- 8,374
Total Expenditures	8,087,048	7,503,620	8,174,613	- 670,993
Surplus	6,846,538	\$ 7,646,494	\$ 7,141,723	\$ 504,771

SCHEDULE OF OPERATIONS (cont'd)

Town of Amherst
Schedule of Operations - General Operating Fund
Departmental and Mandatory Expenditures
For the Six Months Ended September 30, 2020

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
Departmental Expenditures				
Corporate	\$ 868,460	\$ 800,576	\$ 867,909	-\$ 67,333
Police	2,147,280	2,072,378	2,183,517	- 111,139
Fire	791,255	796,848	818,059	- 21,211
Operations	1,102,800	1,027,216	1,094,958	- 67,742
Recreation Facilities	505,337	496,188	665,967	- 169,779
Community Well Being	353,990	118,938	219,766	- 100,828
Economic Development	89,308	96,581	107,537	- 10,956
Planning & Development	56,454	49,528	54,396	- 4,868
Environmental Stewardship	-	-	50,000	- 50,000
Strategic	1,176	-	-	-
Sewage	390,243	359,951	398,853	- 38,902
Solid Waste	270,399	276,676	255,961	20,715
Community Support Area Rate	300,686	270,524	281,681	- 11,157
Total Departmental Expenditures	<u>6,877,388</u>	<u>6,365,404</u>	<u>6,998,604</u>	<u>- 633,200</u>
Mandatory Expenditures				
Assessment Services	58,630	58,167	59,568	- 1,401
Corrections	56,206	55,114	57,106	- 1,992
Housing	248,767	195,599	230,000	- 34,401
Education	799,692	798,426	798,425	1
Regional Library	46,365	30,910	30,910	-
Total Mandatory Expenditures	<u>1,209,660</u>	<u>1,138,216</u>	<u>1,176,009</u>	<u>- 37,793</u>
Grand Total Expenditures	<u>\$ 8,087,048</u>	<u>\$ 7,503,620</u>	<u>\$ 8,174,613</u>	<u>-\$ 670,993</u>

SCHEDULE OF OPERATIONS (cont'd)

Compared to budget, the Water Operating Fund is showing a surplus of \$55,651 at the end of the second quarter. Revenues are over budget by \$15,773 and expenditures are under budget by \$39,878.

Town of Amherst
Schedule of Operations - Water Operating Fund
For the Six Months Ended September 30, 2020

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
Revenues				
Sale of Services	\$ 1,306	\$ 1,279	\$ 1,557	-\$ 278
Interest on o/s Water A/R	2,054	1,713	2,250	-
Misc Rev & Inc fr Other Non Utility	1,328	50	960	-
Metered Sales	608,415	637,269	621,136	16,133
Flat Rate Sales	83,160	83,101	83,160	-
Bulk Water Sales	6,900	8,925	7,500	1,425
Fire Protection	454,209	454,207	454,208	-
Private Hydrants	13,500	14,750	14,750	-
Sprinkler Service	13,150	13,750	13,750	-
Total Revenues	1,184,022	1,215,044	1,199,271	15,773
Expenditures				
Wages & Benefits	363,915	326,965	351,684	-
Administrative Costs	32,559	40,788	47,439	-
Building & Facility Costs	120,063	142,163	143,160	-
Vehicle & Equipment Costs	22,541	23,195	23,735	-
Materials & Supplies	88,959	85,852	87,593	-
Other Municipal Costs	127,900	121,379	125,246	-
Fiscal Services	22,851	23,290	23,159	131
Cost Recovery	-	8,222	-	-
Total Expenditures	770,566	762,138	802,016	- 39,878
Surplus	\$ 413,456	\$ 452,906	\$ 397,255	\$ 55,651

STATEMENT OF FINANCIAL POSITION

Town of Amherst
Consolidated Statement of Financial Position
As at September 30, 2020

	<u>As at September 30, 2020</u>	<u>As at September 30, 2019</u>
Financial Assets		
Cash and cash equivalents	\$ 11,037,105	\$ 10,483,820
Receivables	3,580,848	3,130,034
	<u>14,617,953</u>	<u>13,613,854</u>
Liabilities		
Accounts payable and accrued liabilities	1,932,350	2,358,721
Deferred revenue	326,005	825,409
Long term debt	8,142,995	8,846,708
	<u>10,401,350</u>	<u>12,030,838</u>
Net assets (debt)	<u>4,216,602</u>	<u>1,583,017</u>
Non-financial assets		
Prepaid expenses	30,624	25,942
Inventories of supplies	98,037	101,755
Capital assets (net of accumulated amortization)	64,409,887	62,677,764
Capital work in progress	1,991,080	3,143,868
	<u>66,529,628</u>	<u>65,949,329</u>
Accumulated surplus	<u>\$ 70,746,231</u>	<u>\$ 67,532,345</u>

Note: The Consolidated Statement of Financial Position does not include Cumberland Joint Services Management Authority.

CAPITAL BUDGET

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at Sept 30, 2020	2020/21 Budget
WATER CAPITAL BUDGET		
Monitoring Wells <i>(carry over)</i>	-	40,000
Albion Street ~ Croft to Queen - water main replacement	433,247	433,000
Wellfield Generator	-	240,000
New Truck - 4x4 - 4 Door 1/2 Ton replace 2006 1/2 Ton Service Truck	37,309	40,000
Spring Street - design	6,120	-
Central Avenue - design	16,320	-
WATER CAPITAL BUDGET TOTAL	492,996	753,000
GENERAL CAPITAL BUDGET		
OPERATIONS (TRANSPORTATION & PUBLIC WORKS)		
EQUIPMENT		
Asphalt Hot Patcher	-	60,000
New Truck - 1 Ton 4x4 4 Door- replace 2011 Ford 1 Ton Service Truck	46,162	50,000
Subtotal	46,162	110,000
BUILDINGS / LAND		
Library Heating Issues <i>(carry over)</i>	91,596	100,000
Net Zero Energy - recommendation from feasibility study <i>(carry over)</i>	-	50,000
Solar for Community Buildings - Stadium <i>(carry over)</i>	5,173	259,491
Town Hall - Server / network storage - replacement	18,560	23,000
Police Dept - Server / network storage - replacement	13,643	23,000
Fire Station Bldg Repairs - installation of card access system	-	48,000
Works Garage - Security Doors	-	15,000
Town Hall Council Chamber Upgrades	-	30,000
Works Garage - New Security Gates	-	5,000
Solar for Community Buildings - Fire Hall	-	183,414
Solar for Community Buildings - Police Station	-	184,537
Subtotal	128,972	921,442
LARGE MULTI - CATEGORY PROJECTS		
Albion Street ~ Croft to Queen - Paverize and Pave	141,506	250,000

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at Sept 30, 2020	2020/21 Budget
STREETS		
Academy Street ~ Queen to Spring (pulverize and pave)	61,141	60,000
West Pleasant Street - Subway - asphalt and storm sewer upgrades	13,160	40,000
Clifton (Pulverize and Pave)	29,081	30,000
Pinehurst (Overlay)	9,029	15,000
Edgewood (Overlay)	30,372	30,000
Chamberlain ~ CNR to Newton (Overlay)	25,575	25,000
Tupper ~ Northern Town Boundary to TIR Office Driveway (Overlay)	12,090	100,000
Flemming - Curb and Pave - requires work on other streets	183,461	155,000
Senator (Ovelay)	9,413	18,000
Smith (Overlay)	14,854	30,000
Mission (Overlay)	36,614	50,000
Clifford ~ Rupert to Clarence (Overlay)	8,568	20,000
Agnew ~ Rupert to Clarence (O)	11,051	25,000
Centennial (overlay)	20,161	20,000
Acadia ~ Agnew to Prince Arthur (Overlay)	19,257	25,000
Townsvievw (overlay)	20,095	20,000
Subtotal	503,921	663,000
<i>RC = Reconstruction and paving; CM = Cold mill and Paving; P = Pulverize and paving; O = Asphalt Overlay</i>		
STORM / SANITARY SEWER		
Racetrack Road - Pump Station Upgrades (Surcharge Tank) (<i>carry over</i>)	-	50,000
Wastewater Treatment plant and Lift Stations (SLI report) Laplanche River Upgrades to reduce clogging (<i>carry over</i>)	129,441	125,000
Willow Street Trail - East to Abbey (under new trail) - new sanitary sewer main (Town Crew)	18	50,000
Academy Street ~ Spring to Queen - replace corrugated storm sewer (Town Crew)	13,951	10,000
Subtotal	143,410	235,000
SIDEWALKS		
Robert Angus Drive ~ Dairy Queen to Church - widen asphalt sidewalk (<i>Active Transportation Plan</i>) (<i>carry over remaining budget</i>)	23,981	30,941
Academy Street ~ Spring to Queen (Town Crew)	7,549	10,000
Dickey Brook Trail ~ Donald to Charles - Gravel Trail (<i>Active Transportation Plan</i>) (Town Crew)	18	10,000
Upper Church Street ~ Robert Angus to Town Boundary - sidewalk (<i>Active Transportation Plan</i>) (Town Crew)	30,870	50,000
Willow Street Trail - East to Abbey - Gravel Trail (<i>Active Transportation Plan</i>) (Town Crew)	-	50,000
Hickman Street ~ West Pleasant to Park (Town Crew)	21,905	50,000
Park Street ~ Patterson to Mission (Town Crew)	-	15,000
Subtotal	84,322	215,941

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at Sept 30, 2020	2020/21 Budget
FIRE DEPARTMENT		
Fire Station Bldg Repairs - Repair floor and wall finishes in south entrance <i>(carry over)</i>	-	7,000
Fire Station Bldg Repairs - Replace the two main exterior entrances <i>(carry over)</i>	899	18,000
New Pumper - replace engine # 2 <i>(carry over)</i>	599,645	600,000
Fire Station Bldg Repairs - concrete ramp and stairs remove & replace <i>(carry over)</i>	-	25,000
Replacement structural firefighting bunker gear (6-9 sets)	-	20,000
Replacement - Self Contained Breathing Apparatus (SCBA) (Qty 8) (HAZMAT OPS)	-	72,000
Subtotal	<u>600,544</u>	<u>742,000</u>
POLICE DEPARTMENT		
Patrol Vehicle # 6 <i>(carry over)</i>	5,945	55,000
Fibre Communications between APD and Town Hall <i>(carry over)</i>	17,694	34,500
SCEU Vehicle	-	45,000
Ballistic Helmets - Carbine	-	10,000
In Car Video - WatchGuard x 2	14,328	18,000
Subtotal	<u>37,967</u>	<u>162,500</u>
RECREATION		
Purchase Outdoor Skating Rink (Victoria Street)	-	65,000
Self Watering Hanging Baskets	-	22,500
Former Tennis Courts - Resurface for Multi Use Recreation Facility	27,878	25,000
Vehicle -Electric Car/SUV plus Charging Station (Replace for Ranger) 35,000 less 10K in rebates	-	25,000
Sprinkler System Back Flow Preventor	-	5,000
Christie Park - Replace Foot Bridge	-	12,500
Decorative Lighting Phase #3-R#4	-	30,000
Stadium - Ice Compressor Motor Repair	-	8,000
Robbs - Dugout Protective Fence	5,885	8,000
Robbs - Batting Cage	1,877	20,000
Robbs - Installation of grass infields at all three fields	-	30,000
Subtotal	<u>35,640</u>	<u>251,000</u>
GENERAL CAPITAL BUDGET TOTAL	<u>1,722,445</u>	<u>3,550,883</u>

GRAND TOTAL WATER & GENERAL CAPITAL BUDGETS	2,215,441	4,303,883
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TAX RATES

There are three different tax rates: general, mandatory provincial contribution area rate and the community support area rate. These tax rates are established annually for residential, commercial and resource properties. Tax bills are issued bi-annually. The interim billing is 50% of the total prior year's bill and is due May 29, 2020. The final billing takes into consideration the accounts new assessment, the current year tax rate and uniform charges then deducting the interim billing. The final bill is due September 30, 2020.

Tax Rates

1. General – this rate is used to pay for services provided by the Town to residents of the Town. These services include; fire, police, planning, transportation and public works, economic development, recreation, as well as internal services performed by the Corporate Services department. The general operations rate increased by eight tenths of one cent (\$0.008) for fiscal 2020/21.
2. Mandatory Provincial Contributions Area Rate - the cost for provincial services the province charges the municipality for. Any changes in these costs are mandated by the Province and passed on to the municipalities to collect on their behalf. In 2020/21 the Town decreased the Mandatory Provincial Contribution Area Rate by eight tenths of one cent (\$0.008). This rate includes the following provincial services:
 - ⌘ Education
 - ⌘ The Town is required to provide funding to the Chignecto Central Regional Centre for Education under the Education Act. This mandatory education contribution is set by the Province of Nova Scotia and is based on the Town's share of the Uniform Assessment.
 - ⌘ Property Valuation Services Corporation (Assessment)
 - ⌘ The Town is required to provide funding to pay a share of the cost of operating the provincial assessment system. The Town pays a portion of the total Property Valuation Services Corporation costs, based on the Town's share of the Uniform Assessment and the Town's share of assessment accounts across the province.
 - ⌘ Correction Services
 - ⌘ The Town is required to make a mandatory contribution to the province to fund the cost of correctional services. The contribution is set by the Province of Nova Scotia and is based on the Town's share of the Uniform Assessment and the Town's share of dwelling units across the province.

TAX RATES (cont'd)

🌿 Housing

🌿 The Cobequid Housing Authority administers and manages public non-profit housing for seniors and families on low incomes within the Town. The Town is required to fund a portion of the prior year deficit of the Cobequid Housing Authority annually.

🌿 Regional Library

🌿 The Town is required to fund the Cumberland Public Library pursuant to a formula determined by the Province of Nova Scotia. The Town does not share in any surplus or deficits. In addition, the Town provides funds for the operating and maintenance of the library building which is included in the General Rate.

3. Community Support Area Rate – a rate that provides funding for services that, in the opinion of Council, provide support to the community. In 2020/21 the Community Support Area Rate remained the same as the prior year. These include support to the following organizations/events:

🌿 Grants to Organizations

🌿 'A' Fresh Start Grants

🌿 Youth Free Ice Time

🌿 Cumberland YMCA

🌿 Tax Exemption Policy

🌿 Tax Reduction Policy

🌿 Community Events

In summary, all tax and area rates are per \$100 of Assessment. The rates are as follows:

Residential / Resource	<u>2019/20</u>	<u>2020/21</u>
🌿 Residential / Resource Tax Rate	\$1.179	\$1.187
🌿 Mandatory Provincial Contributions Area Rate	\$0.405	\$0.397
🌿 Community Support Area Rate	\$0.071	\$0.071
Commercial	<u>2019/20</u>	<u>2020/21</u>
🌿 Commercial Tax Rate	\$3.979	\$3.987
🌿 Mandatory Provincial Contributions Area Rate	\$0.405	\$0.397
🌿 Community Support Area Rate	\$0.071	\$0.071

OTHER RATES

1. Deed Transfer Tax

When land/property is sold a Deed Transfer Tax (DTT) may be applicable. The Deed Transfer Tax rate is set by the Town and the DTT payable is calculated based on the sale price of the property. Deed Transfer Tax is collected on behalf of the Town through the Land Registration Office when the deed is registered/recorded.

For the 2020/21 fiscal year the deed transfer tax will remain the same at 1.25%.

2. Uniform Charge

Solid Waste Management Uniform Charge

This uniform charge is levied on each dwelling unit within the boundaries of the Town of Amherst in residential premises with less than four such dwelling units.

The uniform charge for 2020/21 to be levied is \$185 (2019/20 - \$185).

3. Sewer Rates

Effective April 1, 2015 there was a sewer base charge added to the metered quarterly bills. This new base charge was implemented because of the removal of the uniform charge for the wastewater treatment facility. Sewer services in the Town of Amherst are billed through one of the following methods:

Sewer Metered – consumption volume is determined by the Amherst Water Utility

Sewer Consumption Rate (per cubic meter)

Residential - \$0.99 per cubic meter of metered water consumption

Commercial - \$0.49 per cubic meter of metered water consumption

Sewer Base Charges (Quarterly)

Size of Meter

5/8"	\$ 18.00
¾"	\$ 27.00
1"	\$ 43.75
1.5"	\$ 86.00
2"	\$ 136.25
3"	\$ 271.25
4"	\$ 500.00

Sewer Non-Metered Customers

For non-metered customers in unmetered mobile home parks, the park owner shall pay \$178.53 per dwelling unit per annum.

OTHER RATES (cont'd)

- a. Wastewater Treatment Facility Uniform Charge (this offsets expenses for sewer services for those not charged a sewer base charge).
 - ☞ As of April 1, 2015, the Town has removed the uniform charge for the Wastewater Treatment Facility for all assessments with the exception of unmetered mobile homes within a land leased community and replaced it with a base charge on the quarterly sewer bill.
 - ☞ The uniform charge for unmetered mobile homes within a land leased community for 2020/21 to be levied is \$72 (2019/20 - \$72).

4. Water Utility Rates

The Town of Amherst Water Utility is regulated by the Nova Scotia Utility and Review Board (NSUARB). The most recent water rate study was approved by the NSUARB on June 9, 2017 and expired on March 31, 2020. Special permission was approved by the NSUARB to extend the rates from 2019/20 to 2020/21 until a new water rate study can be completed. In accordance with the NSUARB Order for the 2019/20 fiscal year and extended to the 2020/21 fiscal year, the rates for 2020/21 are as follows:

Water Base Charges (Quarterly)

☞ Un Metered	\$ 83.16
☞ Size of Meter	
▪ 5/8"	\$ 31.11
▪ 3/4"	\$ 45.35
▪ 1"	\$ 73.83
▪ 1.5"	\$ 145.03
▪ 2"	\$ 230.47
▪ 3"	\$ 458.32
▪ 4"	\$ 714.65
▪ 6"	\$1,426.67
▪ 8"	\$2,565.90

Water Consumption Rate (per cubic meter)
 ☞ \$0.765 per cubic meter

The Town of Amherst bills water and sewer together quarterly. The fiscal year quarters are April to June, July to September, October to December and January to March.

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at January 4, 2021	2020/21 Budget
WATER CAPITAL BUDGET		
Monitoring Wells <i>(carry over)</i>	-	40,000
Albion Street ~ Croft to Queen - water main replacement	434,703	433,000
Wellfield Generator	-	240,000
New Truck - 4x4 - 4 Door 1/2 Ton replace 2006 1/2 Ton Service Truck	37,495	40,000
Spring Street - design	6,120	-
Central Avenue - design	16,320	-
WATER CAPITAL BUDGET TOTAL	494,638	753,000
GENERAL CAPITAL BUDGET		
OPERATIONS (TRANSPORTATION & PUBLIC WORKS)		
EQUIPMENT		
Asphalt Hot Patcher	58,296	60,000
New Truck - 1 Ton 4x4 4 Door- replace 2011 Ford 1 Ton Service Truck	46,348	50,000
Subtotal	104,644	110,000
BUILDINGS / LAND		
Library Heating Issues <i>(carry over)</i>	92,874	100,000
Net Zero Energy - recommendation from feasibility study <i>(carry over)</i>	-	50,000
Solar for Community Buildings - Stadium <i>(carry over)</i>	271,390	259,491
Town Hall - Server / network storage - replacement	18,250	23,000
Police Dept - Server / network storage - replacement	13,025	23,000
Fire Station Bldg Repairs - installation of card access system	-	48,000
Works Garage - Security Doors	4,737	15,000
Town Hall Council Chamber Upgrades	-	30,000
Works Garage - New Security Gates	-	5,000
Solar for Community Buildings - Fire Hall	-	183,414
Solar for Community Buildings - Police Station	-	184,537
Subtotal	400,277	921,442
LARGE MULTI - CATEGORY PROJECTS		
Albion Street ~ Croft to Queen - Paverize and Pave	141,994	250,000

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at January 4, 2021	2020/21 Budget
STREETS		
Academy Street ~ Queen to Spring (pulverize and pave)	61,141	60,000
West Pleasant Street - Subway - asphalt and storm sewer upgrades	38,114	40,000
Clifton (Pulverize and Pave)	29,081	30,000
Pinehurst (Overlay)	9,029	15,000
Edgewood (Overlay)	30,372	30,000
Chamberlain ~ CNR to Newton (Overlay)	25,575	25,000
Tupper ~ Northern Town Boundary to TIR Office Driveway (Overlay)	148,988	100,000
Flemming - Curb and Pave - requires work on other streets	183,461	155,000
Senator (Ovelay)	9,413	18,000
Smith (Overlay)	14,854	30,000
Mission (Overlay)	36,614	50,000
Clifford ~ Rupert to Clarence (Overlay)	8,568	20,000
Agnew ~ Rupert to Clarence (O)	11,051	25,000
Centennial (overlay)	20,161	20,000
Acadia ~ Agnew to Prince Arthur (Overlay)	19,257	25,000
Townsvievw (overlay)	20,095	20,000
Subtotal	<u>665,774</u>	<u>663,000</u>
<i>RC = Reconstruction and paving; CM = Cold mill and Paving; P = Pulverize and paving; O = Asphalt Overlay</i>		
STORM / SANITARY SEWER		
Racetrack Road - Pump Station Upgrades (Surcharge Tank) <i>(carry over)</i>	-	50,000
Wastewater Treatment plant and Lift Stations (SLI report) Laplanche River Upgrades to reduce clogging <i>(carry over)</i>	127,475	125,000
Willow Street Trail - East to Abbey (under new trail) - new sanitary sewer main (Town Crew)	18	50,000
Academy Street ~ Spring to Queen - replace corrugated storm sewer (Town Crew)	13,951	10,000
Subtotal	<u>141,444</u>	<u>235,000</u>
SIDEWALKS		
Robert Angus Drive ~ Dairy Queen to Church - widen asphalt sidewalk <i>(Active Transportation Plan) (carry over remaining budget)</i>	26,298	30,941
Academy Street ~ Spring to Queen (Town Crew)	7,549	10,000
Dickey Brook Trail ~ Donald to Charles - Gravel Trail (Active Transportation Plan) (Town Crew)	18	10,000
Upper Church Street ~ Robert Angus to Town Boundary - sidewalk (Active Transportation Plan) (Town Crew)	56,538	50,000
Willow Street Trail - East to Abbey - Gravel Trail (Active Transportation Plan) (Town Crew)	-	50,000
Hickman Street ~ West Pleasant to Park (Town Crew)	25,096	50,000
Park Street ~ Patterson to Mission (Town Crew)	9,979	15,000
Subtotal	<u>125,478</u>	<u>215,941</u>

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at January 4, 2021	2020/21 Budget
FIRE DEPARTMENT		
Fire Station Bldg Repairs - Repair floor and wall finishes in south entrance <i>(carry over)</i>	-	7,000
Fire Station Bldg Repairs - Replace the two main exterior entrances <i>(carry over)</i>	899	18,000
New Pumper - replace engine # 2 <i>(carry over)</i>	599,645	600,000
Fire Station Bldg Repairs - concrete ramp and stairs remove & replace <i>(carry over)</i>	-	25,000
Replacement structural firefighting bunker gear (6-9 sets)	19,241	20,000
Replacement - Self Contained Breathing Apparatus (SCBA) (Qty 8) (HAZMAT OPS)	-	72,000
Subtotal	<u>619,785</u>	<u>742,000</u>
POLICE DEPARTMENT		
Patrol Vehicle # 6 <i>(carry over)</i>	52,811	55,000
Fibre Communications between APD and Town Hall <i>(carry over)</i>	17,694	34,500
SCEU Vehicle	43,744	45,000
Ballistic Helmets - Carbine	-	10,000
In Car Video - WatchGuard x 2	14,328	18,000
Subtotal	<u>128,576</u>	<u>162,500</u>
RECREATION		
Purchase Outdoor Skating Rink (Victoria Street)	-	65,000
Self Watering Hanging Baskets	17,082	22,500
Former Tennis Courts - Resurface for Multi Use Recreation Facility	27,878	25,000
Vehicle -Electric Car/SUV plus Charging Station (Replace for Ranger) 35,000 less 10K in rebates	-	25,000
Sprinkler System Back Flow Preventor	-	5,000
Christie Park - Replace Foot Bridge	-	12,500
Decorative Ligthing Phase #3-R#4	27,270	30,000
Stadium - Ice Compressor Motor Repair	4,025	8,000
Robbs - Dugout Protective Fence	5,885	8,000
Robbs - Batting Cage	11,678	20,000
Robbs - Installation of grass infields at all three fields	13,013	30,000
Subtotal	<u>106,831</u>	<u>251,000</u>
GENERAL CAPITAL BUDGET TOTAL	<u>2,434,802</u>	<u>3,550,883</u>

GRAND TOTAL WATER & GENERAL CAPITAL BUDGETS	2,929,440	4,303,883
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INFORMATION MEMORANDUM

TO: Audit Committee
FROM: Michael Hunter, Chief Financial Officer
DATE: January 7, 2021
SUBJECT: Appointment of Municipal Auditor for 2020-21 Fiscal Year

Background

The Municipal Government Act, 42(1) says: *“The Council shall appoint a municipal auditor who is registered pursuant to the Act to be auditor for the Municipality.”* Last year, on the recommendation of the Audit Committee, Council appointed the chartered accountant firm Jorgensen & Bickerton to be the Town’s municipal auditor for the fiscal year that ended March 31, 2020.

Discussion

The Audit Committee makes a recommendation to Council each year on the appointment of an auditor for the Town.

The Audit Committee has two options for making this recommendation to Council for the 2020-21 fiscal year:

- (1) Appoint Jorgensen & Bickerton; or
- (2) Direct staff to issue a Request for Proposals for a municipal auditor. We do note that the timing would be challenging for conducting an RFP and appointing an auditor in a timely manner this late in the fiscal year. This could affect the timing of the presentation of our Financial Statements and reporting to the Province.

Conclusion

We would request a recommendation from the Audit Committee regarding the appointment of an auditor.

The motion for option (1) would be:

That the Audit Committee makes a recommendation to Council to appoint Jorgensen & Bickerton as the Municipal Auditor for the 2020-21 fiscal year.