



Minutes of the Audit Committee Meeting

Place: Oxford Town Hall, Council Chambers
Date: Thursday, March 4, 2021
Chairperson: Councilor Carla Black
Members Present: Councilors: Paul Jones and Chrystal McNutt
Public Appointees: Tracy Black and Dave Clark.

Regrets: Nil

A quorum was present throughout the meeting.

Staff present: Senior Accountant - Ruthann Brookins and A/Town Clerk - Linda Cloney
(recording secretary)

Guest: Financial Advisor – Ken Smith

1. Call to Order

Chairperson Black called the meeting to order at 6 pm. Chairperson Black then welcomed everyone to the meeting and conducted introductions.

2. Approval of Agenda

It was moved and seconded that the agenda of the Audit Committee Meeting for March 4, 2021 be approved, as presented.

Motion Carried

3. Approval of Previous Minutes

It was moved and seconded that the minutes of the Audit Committee Meeting for February 4, 2021 be approved, as presented.

Motion Carried

4. New Business

4.1 Budget Discussions with Ken Smith and Ruthann Brookins

Mr. Smith lives in Bridgewater, NS. He was the CAO for the Town of Bridgewater for 19

years before retiring. Mr. Smith also filled in as the CAO for the Municipality of the District of Shelburne and the Municipality of the District of Barrington. Currently he is finishing up with the Town of Shelburne as he was asked to stay on to assist them with their budget. Prior to his experience with municipal government, he was the VP of Finance for Island Beach Company and Fundy Textiles. Mr. Smith also worked in the public and private sector of Health Care.

Mr. Smith noted that the Town of Oxford and Town of Shelburne are in similar financial situations.

While studying the Town of Oxford, Mr. Smith commented that, like many small towns, Oxford has infrastructure and infrastructure debt. It is going to be important to have a strategy in place.

Mr. Smith had reached out to Paul Wills from the Municipal Finance Corporation (MFC) to discuss the Debt Affordability Analysis that was done in 2020. This report analyzes how much debt the Town of Oxford can take on.

Mr. Smith reviewed the financial condition indicators for the Town of Oxford. There are some that are good but, the same as the Town of Shelburne, the Operating Reserves, Capital Reserves, and the ability to take on debt are in high risk.

Mr. Smith reported to the Audit Committee that he reviewed the Auditor Management Letters for the past 3 – 4 years and it reflects that Oxford has not invested a lot in the Financial Staff. Internal controls also need attention.

Ken Smith handed out the Municipality Debt Affordability for the Town of Oxford. ***This report is filed with the package.***

Reviewing the Municipality Debt Affordability that was presented, Mr. Smith pointed out to the Committee that they really need to focus on the bottom numbers (as this is the outcome) and that they do not want to see anything above 15%. This report reflects that the first three years are high, but then it lowers considerably. This is because it is incomplete. Paul Wills will update the Municipality Debt Affordability when the past year audited operations figures, budget figures for this year and estimates on our Capital are provided to him.

An important question to consider is: How much does the Town of Oxford need to put in the reserves?

The Town of Oxford has an Action Plan – April 2020. The plan details that money needs to be put in reserves and to avoid increasing debt. ***A copy of this plan is filed with the package.***

Inter Fund Accounting is something that staff would like training on. This is required for Municipal Accounting Standards. We need someone that has experience and working knowledge of fund accounting and year-end journal entries.

Question from the Board: Why is there no training from the Province regarding Fund Accounting? If staff are required to know municipal financing or want a refresher, there should be training offered.

Staff noted that they plan to construct manuals with steps on how do the municipal finance for Oxford. The idea is that, in the case that finance staff is sick or leaves, someone could step in and get an understanding on how to manage the finances required.

The TownSuite finance modules were discussed. Staff have not implemented this yet as they need to be in a place they are caught up and at a good starting point. Staff will need resources to help with conversion because there will be obstacles.

The priority for staff is to finish the year-end.

The current water study for the Town of Oxford expires in 2022. Therefore, it is recommended that Oxford should conduct another water study to recover costs spent on the Watermain project on Duke Street and to plan for future projects.

4.2 Arena Proposed Budget – Councillor Jones

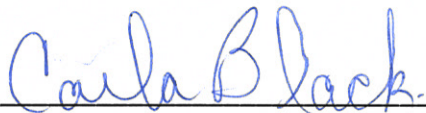
Councillor Jones presented to the Audit Committee to put \$50,000 in the budget for the arena as a grant to a society to run the Oxford Arena during ice season.

5. Adjournment

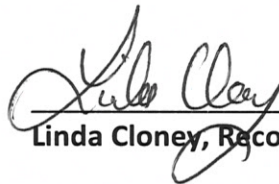
Next meeting is tentatively set for the end of April, 2021 pending on the readiness of the draft budgets with the intent to present to Council in May, 2021.

At 7:30 pm, it was moved and seconded that the meeting be adjourned.

Motion Carried.



Carla Black, Chairperson



Linda Cloney, Recording Secretary

