



Minutes of the Audit Committee Meeting

Place: Oxford Town Hall, Council Chambers
Date: Tuesday, April 27, 2021
Chairperson: Councilor Carla Black
Members Present: Councilors: Paul Jones and Chrystal McNutt
Public Appointee: Dave Clark

Regrets: Public Appointee, Tracy Black

A quorum was present throughout the meeting.

Staff present: Senior Accountant - Ruthann Brookins and 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.

2. Approval of Agenda

It was moved and seconded that the agenda of the Audit Committee Meeting for April 27, 2021 be approved, as presented.

Motion Carried

3. New Business

4.1 Draft General Operating and Capital Budgets – presentation and discussion

Highlights of the Discussion are listed below.

- a. **Overview of preparation process**
- b. **Debt Affordability Model** – Paul Wills from Municipal Finance Corporation is working on this.

- c. **Status of Capital Funding Sources** – Announcements have not been released regarding Capital Funding Sources. PSAP, Gas Tax and Building Canada Fund.
- d. **10-Year Projected Capital Budget** – provides a road map for Council referencing the long-term financial needs of the community.
- e. **Year-end Financial Statement Process** – the staff would like to have an auditor in place in June to prevent late Year-end Financial Statements.
- f. **Operational Budget** – Ruthann and Ken have done a lot of work on this.
- g. **Overview of Capital Debt & Reserves** – Currently the Town of Oxford's reserves are below what the Province would expect. There are two ways to build this. 1. Have an operational surplus at the end of the year to transfer to reserves. 2. Transfer from the operation budget. The targeted amount for reserves is between 30% and 40% of your operational revenue. The Town of Oxford's target is \$450,000.
- h. **Financial Opportunity/Challenges Considerations**
 - **Arena Operation** – this is a significant cost, if the Town runs it. The Town of Shelburne's arena is run by a volunteer group (Shelburne Arena Association). It was recommended by Mr. Smith that we should be looking at the cost-effective hours to run the arena. Oxford may want to revisit the contract between the County of Cumberland and Oxford.
 - **Town Hall** – There will be a lot of investment required for the Town Hall due to maintenance required.
 - **Sewer Rates** – depreciation on Oxford's sewer lines and the plant will need to be considered. A lot of Towns now are increasing their sewer charges to cover their operation and potential capital costs in the future.
 - **Fire and Arena Services to surrounding areas** – The fire department is a significant expense due to our population base. Oxford does service the surrounding areas. It was recommended to revisit the contract between the County of Cumberland and Oxford for fire service. Question asked from Audit Committee: **When is the County and Oxford agreement up for renewal and what percentage of the Fire budget is it?** *Mr. Smith replied that we would need more of an analysis of this. Is Oxford a first call for any surrounding areas? Or does Oxford attend as a mutual aid? It is about 35% of the budget. March 31, 2023 the contract with the County of Cumberland expires. The cost of fire trucks should be considered when renewing the contract.*
 - **Planning for Major Capital Projects/Funding** – referring to the 10-year Capital plan, Council can see what is coming up. Council is interested in building up the reserves. Mr. Smith recommended to contact Bob Funkey when analyzing the infrastructure. He is a retired engineer.
 - there was a general discussion on the Oxford Pioneer Heritage Hall. The hall needs repair.

Draft 2021/2022 General Operating Budget

It was moved and seconded to recommend to the Oxford Town Council to direct the Fire Department and Public Work to scale back their expenses to balance with 2% more than last year's budget.

ALSO, the audit committee recognizes how important the breathing apparatuses are and if the Town of Oxford and the Oxford Volunteer Fire Department could come to an agreement where the Town will finance three of the breathing apparatuses for them with the understanding that they would repay the Town over a two- or three-year term.

Motion Carried

With discussion, it was moved and seconded to rescind the previous motion.

Motion Carried

It was moved and seconded that the draft 2021/2022 General Operating Budget presented to the Oxford Town Council reflects closure of the Oxford Arena and leaves the Recreation Director and Community Economic Development Officer positions vacant for one year. Also, the Audit Committee presents the draft budget with consideration that the Fire Department reduce their expenditures to \$268,000 and the Public Works Department reduce their expenditures in transportation to \$350,000.

Motion Carried

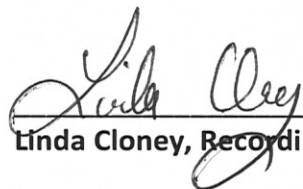
4. Adjournment

At 9:43 pm, it was moved and seconded that the meeting be adjourned.

Motion Carried.



Carla Black, Chairperson



Linda Cloney, Recording Secretary

