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Date: Wednesday, June 9, 2021  
Time: 4:00pm  
Location: Zoom

Attendance: John Wink, Chair  
Wayne Olson, Councillor  
Michael Cottenden  
Bill Crumm  
David Cribbs, CAO  
Teresa Quinlin, Director of Corporate Services/Treasurer  
Charlotte Tunikaitis, Deputy Treasurer  
Belinda Ravazzolo, Secretary

Regrets: Ron Kore, Councillor

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**1. Call to Order and Declaration of Quorum**

Noting that quorum was present, Chair Wink called the meeting to order at approximately 4:02pm.

**2. Approval of Agenda**

Councillor Olson requested that an item be added to the agenda under New Business regarding internal controls surrounding government grants and the allocation of funds to projects including the eventual approval by Council.

**Moved by** Bill Crumm

**Seconded by** Michael Cottenden

**THAT the agenda for the June 9, 2021 regular meeting of the Pelham Finance and Audit Committee be adopted as amended.**

**Carried**

**3. Declaration of Pecuniary Interest and General Nature**

None.

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**4. Approval of Minutes**

The Committee approved the minutes from the May 5<sup>th</sup> Pelham Finance and Audit Committee meeting.

**Moved by** Michael Cottenden

**Seconded by** Bill Crumm

**THAT the minutes of the May 5, 2021 Pelham Finance and Audit Committee be approved.**

**Carried**

**5. Business Arising from Minutes****6. New Business****6.1. Draft 2020 Annual Report**

The Treasurer informed the Committee that this is the second year that the Town has produced the Annual Report with a new addition this year highlighting the services that each department provides, priorities, statistics as well as achievements under a new section titled "Department Highlights".

The Financial overview and Financial Statements have already be reviewed by the Pelham Finance and Audit Committee at last month's meeting as an accompaniment to the financial statements. The Treasurer indicated that the draft will be going to Council on June 21<sup>st</sup> and will also be submitted for the GFOA Award again, which the Town received last year for it's first report. The Treasurer asked the Committee if they had any questions or recommendations to the report before going to Council.

Mr. Cottenden felt that this report incorporated the Committee's previous years ask of showing a better balance in terms of an annual report and not too heavy on the financial side.

Councillor Olson agreed with Mr. Cottenden stating that he read the report in detail and compared it to other annual reports. He could see the improvements of this year's report and considered it a "home run".

Mr. Crumm felt that the report was very well done and wouldn't be surprised if another award is coming again this year.

Chair Wink wanted to congratulate the Treasurer, Deputy Treasurer and send along congratulations to the Corporate Services staff who also worked on the report. He informed the Committee that the Town of Pelham was the first municipality in the Niagara Region to file their financial information return giving accolades.

Councillor Olson feels that peer evaluations are very important and felt that the Corporate Services department is succeeding in succession planning with staff working on their accreditations setting a good model for the future. The Treasurer noted that Victoria Emslie, Tax Clerk and Jonathan Witzke, Staff Accountant and Payroll Clerk are both working towards their CPA designations. She is mindful of the work that they are given so that they have the experience that they need to achieve the objectives of a CPA. The Deputy Treasurer noted that Victoria Emslie was very instrumental in putting the report together. Chair Wink added mentoring staff to move them along is a sign of a good manager. The CAO indicated that the team has worked really hard and deserve the recognition that they are receiving.

**Moved by** Wayne Olson  
**Seconded by** Bill Crumm

**THAT the Committee received the Draft 2020 Annual Report for information.**

**Carried**

## **6.2. 2022 Budget Schedule**

The Treasurer outlined the proposed 2022 Budget Schedule that is going to Council on June 27<sup>th</sup>. Most dates are in line with last year. The Treasurer asked the Committee members if binders were still required or if they preferred electronic versions. Chair Wink prefers binders as does Councillor Olson.

The Treasurer stated that it was decided to follow the same approval process as last year, to wait to the new year in case of any additional COVID funding. She indicated that the team has already started the budget process for this year and with the help of Questica, the new budget software, it will make the process that much easier.



Mr. Cottenden asked if it was normal practice to finalize the budget at the beginning of the year. The Treasurer said that prior to her starting at the Town the budgets were approved at various times. Her goal is to have the budgets approved before the year starts as it was last year but was asked by Council to put it on hold due to the COVID funding. Because the first water/wastewater billing in January pertains to November and December rates, it doesn't affect the budget. The next bill isn't until March when the new rate would apply. The Deputy Treasurer said that the only consideration is when it's an election year, then it can't be approved until the new term of Council in January.

Councillor Olson spoke to the theory that the earlier the Capital Budget was approved, the better the "deals" the Town would receive on RFPs. He asked staff if there was any truth to this. The CAO indicated that Port Colborne is not doing any capital projects this year. The third shut down really impacted the Town and didn't get the RFPs out any earlier than normal although it was the intended purpose. This model proposes that the Capital be passed in December and Operating and Water/Wastewater in January allowing RFPs to go out as early as possible. The CAO also stated that Pelham is one of the few municipalities in the Region who pass their budgets early in the year allowing for RFPs to go out before others.

The Treasurer indicated that the Pelham Street project just closed roughly \$300,000 under budget being awarded to Rankin Construction. Other municipalities are not going full swing with their capital projects as is Pelham. The Town currently has \$5 million dollars of capital carried forward from last year and another \$8 million of new capital this year.

Councillor Olson stated that he supposes that it makes the work easier if the projects could be divided up throughout the year. The Treasurer indicated that once projects are approved over multiple years, the Town can move a little bit quicker.

### **6.3. Review of 2021 PFAC Meeting Dates – July 28, 2021 & November 24, 2021**

The Treasurer noted that the next Pelham Finance and Audit Committee meeting is not scheduled until October 27<sup>th</sup>. Seeing that the Budget Schedule has been revised, she suggested revising that meeting date to July 28<sup>th</sup> to bring the RFP for the Audit Services to the Committee for approval and to also bring the report for the reserves for review.

The Deputy Treasurer explained that even though the Committee had previously discussed adding the target values to the reserve summary, she noted that the reserve summary that is sent to Council at the end of the year is based on the actual balances in

the financial statements and it excludes the commitments and the projects which have already been approved. Therefore, the team decided to work on an additional report that would look at actuals versus target values and then include the commitments and compare that to the targets to get the full picture. If this is found useful, this could be implemented every year. Mr. Crumm feels that this would be very informative and good to see the progress and also what is still needed to achieve.

The Treasurer suggested to keep the November 24<sup>th</sup> meeting date and drop the October 27<sup>th</sup> meeting date. She asked the Committee if they could accommodate that change. Mr. Cottenden stated that moving forward it would be beneficial for the Committee to accommodate zoom meetings even when in-person meetings resume. The CAO indicated that the Town Clerk is currently writing a report to support a hybrid system going into the future.

Mr. Crumm indicated to the Committee that he will not be available for the July 28<sup>th</sup> date as proposed and therefore will not be able to participate. Mr. Cottenden suggested that having Mr. Crumm attend the meeting is ideal and moving the meeting to another date would be better. The Treasurer suggested moving the date to August 4<sup>th</sup> instead.

**Moved by** Wayne Olson

**Seconded by** Michael Cottenden

**THAT the Committee change the 2021 meeting dates to August 4<sup>th</sup> and November 24<sup>th</sup> for the Pelham Finance and Audit Committee meetings.**

**Carried**

#### **6.4. Internal Controls Surrounding Government Grants**

Councillor Olson wanted to discuss the internal controls surrounding government grants and the allocation of funds to projects including the eventual approval by Council; specifically referring to the canopy installed at the MCC. The Treasurer stated that quite a few reports have been going to Council prior to grant application that have Town dollars associated with it for approval by Council. She said that with regards to this particular project, the Seniors received special capital grant of \$11,000 and the Director of RCW received feedback from the Seniors Committee as to where to spend that money. Together with the grant and some parks money went towards putting up the



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canopy to allow for socializing through outdoor gatherings as COVID has limited numbers with indoor gathering.

The CAO added that Pelham's approach falls within the municipal norm. Stating that there are 2 types of grants, one is the big structural pieces that the Town anticipates every year that are built into the budget which Council prioritizes into different projects. The other type are ones that the federal government offers up giving municipalities weeks to fill out applications. For those type of grants, if the timing allows staff will come to Council, keeping in mind the publish deadline that the Clerk's Office have. He stated that when the grant is structural staff always brings it to Town for their decision making and when ad hoc, it is brought to Council when possible, but it is not always possible. The Treasurer added that the Committee of the Whole report always lists the grants that the Town applies for.

Councillor Olson noted that the MCC only has 3 handicap parking spaces and feels that the canopy is taking up space that could be used for additional spots. The Treasurer added that the courtyard that the canopy is on is the Pelham Minor Hockey Courtyard who donated \$100,000 for that space and therefore could not be used for parking. Chair Wink added that Council is still waiting on the parking study to be completed which would address the accessible parking issue.

## **7. Audit**

None.

## **8. Operating Financial Report to April 30, 2021**

The Treasurer gave an overview of the actuals for the first 4 months of the year. This will be going to Council on June 21<sup>st</sup> requiring approval for a budget transfer from the working fund reserves for \$535,000 to reflect the Safe Restart funding that was carried forward to 2021.

The MCC being shut down for 4 out of the 5 months has had a big impact on the financials. Receiving the additional \$347,000 that wasn't in the budget at the beginning of the year will help the Town throughout the year. The third wave was not anticipated but staff is hopeful that the MCC will open near the end of July and start generating some revenues from the MCC with the two arenas open.

Staff is filing the Safe Restart grant funding that is due the end of June hoping to receive additional funding adding commentary about the cost of running the vaccination clinic at

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the MCC. The Town is being very careful with spending. Many of the purchases made last year do not have to be repurchased this year.

Councillor Olson asked about possible refunding to the Town with some other municipalities unwillingness to pay for the Emergency Communication System. The CAO informed the Committee that six municipalities want to move forward with the system and six do not. With the federal government eventually not supporting the analog systems, there is no reason as to not move forward with the investment with the digital system. Pelham has already made the first investment in this system and will be asking Council to move forward with the second part next year. He added that it is unknown who will be providing fire dispatch to those municipalities that do not join and that there will be no refunds for this. The CAO and Fire Chief will write a report to Council in the future.

Mr. Crumm asked staff if there was any additional risk to not achieving the budget position at this point. The Treasurer responded letting the Committee know that the MCC is expected to open for July 26<sup>th</sup> with ice in both arenas. With the revenue coming in from the ice rentals, the Town should be in a good position even though there is a commitment for the use of the gymnasium for the vaccination clinic until December 31, 2021. If there is a fourth wave, there may be a financial impact to the Town. Mr. Crumm feels that a good message to Council would be to let them know that based on some of the contingency, transfer from reserves and new grants that were not in the original budget, the Town is still on track to the approved budget.

**Moved by Bill Crumm**

**Seconded by Michael Cottenden**

**THAT the Committee received the April 30, 2021 Operating Financial Report for information.**

**Carried**

#### **9. MCC Operating Financial Report to April 30, 2021**

**Moved by Michael Cottenden**

**Seconded by Wayne Olson**

**THAT the Committee received the April 30, 2021 MCC Operating Financial Report for information.**



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**Carried****10. Transit Operating Financial Report****11. Capital Report****12. Reserves****13. Financial Risks****13.1. COVID-19 Update**

The Treasurer informed the Committee that while in lockdown, most staff was encouraged to work from home but as of Monday, June 14 after moving into Stage 1, staff will be working a 50/50 split shift; home and office.

Mr. Cottenden asked for clarification as to what the impact is to the Town in terms of the stages. The CAO informed the Committee that as it stands right now the MCC will open July 26<sup>th</sup> and the EOC will be working on a plan for the fall trying to target the first business day after Labour Day to reopen Town Hall to the public. He told the Committee about a policy that went to Council in February allowing for a future hybrid workforce in which the management team can enter into contracts with staff that will govern working from home to a maximum of 3 days per week but more likely 1 to 2 days. There are legal documents in place that will be executed with staff members after the pandemic to allow for this. The CAO added that allowing for workplace flexibility is one of the ways to help offset the Town's lower range of salaries for Pelham's municipal employees.

Chair Wink added that one of the benefits of entering Stage One is that the Town will be able to offer summer programs/camps for the kids with the pool being open as well, of course with limited numbers.

Chair Wink asked how long the Town is obligated for the use of the gymnasium for the vaccination clinic. The CAO informed him that the Town has signed a contract with the Region of Niagara to make the MCC available up to December 31, 2021. Anything beyond that will need to be brought to Council for approval. Right now, the gymnasiums will be made available upon reasonable request until the end of the



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year. As time is carrying on, the firm dates are coming in earlier allowing for better planning which may allow for use of the south half of the gym for rental use.

**14. Next Meeting – Wednesday, October 27, 2021 at 4:00pm**

The next meeting of the Pelham Finance and Audit Committee will be moved ahead to Wednesday, August 4<sup>th</sup>, 2021 at 4:00pm.

**15. Adjournment**

**Moved by** Bill Crumm

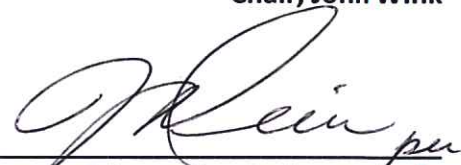
**Seconded by** Michael Cottenden

**THAT this Regular Meeting of the Pelham Finance and Audit Committee be adjourned at 5:09pm.**

**Carried**



**Chair, John Wink**



**Executive Assistant to CAO/Mayor, Belinda Ravazzolo**