

EASTERN REGIONAL SERVICE BOARD

Minutes of Meeting #2

December 7, 2011

6:00 p.m.

Capital Hotel, St. John's

In Attendance

Ches Ash, Trinity Conception North
Bill Bailey, Clarendville & Isthmus
Walter Butt, Small Metro
Wally Collins, St. John's
Joy Dobbie, Trinity Bay South & Isthmus East
Shannie Duff, St. John's
Woodrow French, Conception Bay South
Frank Galgay, St. John's
Derrick Green, Bay Roberts
Sandy Hickman, St. John's
Harold Mallowney, Southern Shore
Sterling Willis, Paradise

Regrets

Dave Aker, Mount Pearl
Danny Breen, St. John's
Gerry Colbert, St. John's
Debbie Hanlon, St. John's
Tom Hann, St. John's
Sheilagh O'Leary, St. John's
Bruce Tilley, St. John's

Guests

Sarah Morgan, Bonavista Peninsula WMC
Kim Mercer, Southwest Avalon WMC
Ken Kelly, CAO, EWM
Kevin Power, Staff, EWM
Lynn Tucker, Staff, EWM & Recording Secretary

1. Call to Order

Mr. Harold Mallowney, Vice-Chairperson called the meeting to order at 6:05 p.m.

It was moved and seconded (S Willis/W Collins) to adopt the agenda as circulated.

MOTION 2011-006: Carried

2. Review of Minutes – November 9, 2011

It was moved and seconded (S Duff/C Ash) that the minutes of the November 9, 2011 meeting are adopted as is.

MOTION 2011-007: Carried

3. Notice of Motion – Proposed Board Committee Structure

Mr. Kelly stated that after researching similar boards, he is proposing three sub-committees as outlined in tonight's meeting package. In addition, proposed Terms of Reference (see Appendix A) has been provided for each of the sub-committees.

The three proposed sub-committees would be:

Strategy and Policy Committee – Oversight all matters related to strategic planning, policy and operational planning and to report to the Board with respect to these matters. It will not have authority for decision making.

Governance Committee – Oversight all matters related to corporate governance and to report to the Board with respect to these matters. It will not have authority for decision making.

Finance and Audit Committee – Oversight all matters related to financial stewardship, including budgeting (capital and operating), banking, credit facilities, financial monitoring and auditing and financial compensation matters for management and to report to the Board with respect to these matters. It will not have authority for decision making.

Mr. Kelly stated that he is proposing that each committee consist of five (5) members including a Chairperson. These committees would meet regularly and report as advisory bodies to the Board.

It was moved and seconded (S Duff/W Butt) that the proposed Regional Service Board committee structure and terms of reference be adopted as outlined.

MOTION 2011-008: Carried

Mr. Mullaney stated that he would like to chair the Governance Committee if no one has any objections. There were none.

Ms. Duff suggested that Board members review the materials provided and populate the committees at the next Board meeting.

Mr. Mullaney asked that members inform Mr. Kelly if they have a specific interest in any one committee.

Mr. Ash noted that the terms of reference – item #2 under Structure states, "*Members of the Committee shall serve for a three-year term of office...*" Board members have been appointed for two-year terms – this has to be changed.

Mr. Kelly asked if there would be any parameters set for the committees such as 50% St. John's membership and 50% non-St. John's membership.

Mr. French stated that this Board is a regional board; therefore, there should be no division.

General discussion ensued with members agreeing to express an interest in any committee they would like to be a part of and to finalize the population of the committees at the next Board meeting.

4. Notice of Motion Bay Bulls Request Funding

It was moved and seconded (F Galgay/W Collins) to request funding in the amount of \$483,614.01 from the Department of Municipal Affairs to tender for capital work to close the landfill and complete additions to the Bay Bulls Waste Recovery Facility.

MOTION 2011-009: Carried

5. Notice of Motion – Snow Clearing Contracts

It was moved and seconded (W French/S Willis) the award of snow clearing contract for the Renews-Cappahayden Waste Recovery Facility for the 2011-2012 season in the amount of \$4,292.03 plus HST to Ridge G&P Services Ltd.

MOTION 2011-010: Carried

It was moved and seconded (S Duff/S Hickman) the award of snow clearing contract for the St. Joseph's Waste Recovery Facility for the 2011-2012 season in the amount of \$5,000.00 plus HST to Pat Singleton.

MOTION 2011-011: Carried

It was moved and seconded (W Butt/W French) the award of snow clearing contract for the Placentia Waste Recovery Facility for the 2011-2012 season in the amount of \$5,886.06 plus HST to M.J. Hickey Co. Limited.

MOTION 2011-012: Carried

6. Notice of Motion – Award Collection Contract for Multi-Stream Waste Collection and Bulk Collection for Isthmus & Area Sub-Region

It was moved and seconded (C Ash/J Dobbie) the award of collection contract for multi-stream waste collection and bulk collection for Isthmus & Area Sub-Region for thirty-six (36) months in the amount of \$865,975.50 including HST to T2 Ventures Inc.

MOTION 2011-013: Carried

7. Office Space Lease

Mr. Kelly outlined the process to date for new office space for Eastern Regional Service Board (ERSB)/Eastern Waste Management (EWM). There were two responses received for the November 2011 tender call for 1,700 square feet of office space. One response was for \$59,500.00 per annum gross lease (including all leasehold improvements) and the second response was for \$84,000.00 per annum gross lease. This equates to a \$14.00 per square foot differential.

Mr. French asked why the Board is seeking new office space when there are several new buildings at the Regional Facility at Robin Hood Bay. He asked why the Board's offices would not be moved there instead of going to market.

Mr. Kelly stated that he has confirmed with the current management at the Regional Facility that there is no space available there. To attain space at the Regional Facility would involve the construction of a building and this would be a capital works project.

Ms. Duff stated that the buildings currently at the Regional Facility except the Administration Building which houses offices of the current Regional Facility staff are for dedicated delivery of services i.e. MRF and Residential Drop-off facilities would not have the space nor would they be appropriate buildings in which to house administrative offices.

Ms. Duff did confirm that St. John's Board members could certainly bring the discussion back to the City regarding the provision of office space for the Board's offices at the Regional Facility.

Discussion ensued with the outcome that any provision of space at the Regional Facility would involve capital works and would most likely not happen until the proposed five (5) year lease expires. Decision was made to explore this again later.

Mr. Mullaney asked is there is an "out" in the office lease contract that is being proposed if space becomes available at the Regional Facility before the five (5) years.

Mr. Kelly stated that there is no "out" in the proposed office lease.

It was moved and seconded (S Hickman/W Butt) to award tender for lease of office space to Pro-Tech Construction Ltd. for five (5) years and at an annual rate of \$59,500.00 plus HST contingent upon it meeting all requirements of the tender.

MOTION 2011-014: Carried

8. Board Remuneration – discussion

Mr. Kelly outlined that the *Regional Service Board Act* gives the Board the authority to set the remuneration for the Chairperson and other members.

Mr. Hickman asked if there was any information available as to how other provincial boards handle remuneration.

Mr. Mullaney stated that he would be most comfortable with exploring similar Boards and having more information brought back to this Board before a decision is made regarding remuneration.

Mr. Galgay suggested that the Board consider having an independent consultant decide on remuneration for the Board.

Ms. Duff stated that she is aware that the provincial government has guidelines that are in place already for Board remuneration.

Mr. French stated that all Board members are busy people and that he feels there should be fair remuneration for the chairperson and members for the work that the Board is expected to do. He would like to see the guidelines that the province is currently using.

General discussion ensued with Board members agreeing that they should explore the guidelines already in place before deciding remuneration.

9. Other Business

Office Hours during Christmas to New Year's – Mr. Kelly informed the Board that in previous years the EWM office has been closed from Christmas to New Year's with one staff person on call each day to check telephone messages. This year the three days in question are December 28, 29, and 30. Would the Board have any issues or concerns with continuing the practice of closing the office and having a staff person on call each of those days?

No member had any concerns regarding continuing the practice of closing the office from Christmas to New Year's.

Mr. Hickman stated that the office should close early on December 23rd as well.

Mr. Mallowney asked how the disposal of Christmas trees will be handled for the sub-regions.

Mr. Kelly stated that the Waste Recovery Facilities will accept Christmas trees and that EWM is currently looking at purchasing a wood chipper so that all wood materials disposed of at the WRFs may be mulched for use by municipalities and residents.

Mr. French stated that the Town of Conception Bay South sets up several drop off points for Christmas trees and they have someone who visits each drop off point and mulches the trees. This material is then used by the Town and its residents.

Mr. Kelly noted that municipalities would have priority for the wood chips/mulch to use in their public spaces. Any remaining materials would be made available to residents.

10. Next Meeting – ERSB Regular Meeting – January 11, 2012

Mr. Ash stated that holding ERSB meetings on the first Wednesday of each month will be difficult for him due to other commitments. He is proposing holding ERSB meetings on the second Wednesday of each month.

Mr. Hickman stated that the second Wednesday of each month will be difficult for him.

Mr. Kelly stated that meeting on the first Wednesday of each month was the practice of the Eastern Waste Management Committee and that this Board may want to consider another day for regular meetings.

Ms. Duff asked if it is anticipated that the ERSB will be meeting monthly.

Mr. Kelly stated that the legislation, Section 8 states, "A board shall meet no fewer than six (6) times a year..."

General discussion took place and it was determined that all Board members would be available to meet on the last Wednesday of each month.

Mr. Kelly asked that if meetings were set to take place six (6) times a year, would Board members be okay with voting by email and ratifying those decisions at its next meeting so that the business of the Board would continue.

There was discussion with members agreeing that they would vote by email and ratify those decisions at the next Board meeting.

The next meeting of ERSB is scheduled to take place on January 11, 2012.

Mr. Ash asked if the decision has been made regarding where the WRF for Harbour Grace will be located.

Mr. Kelly said that he and Mr. Kevin Power are meeting with officials from Municipal Affairs on December 9th to discuss capital funding projects. At this time it is his understanding that they have explored the Harbour Grace Incinerator site for the WRF; however, there is an issue regarding the ownership of the site.

11. Adjournment

**It was moved and seconded (F Galgay/W French) to adjourn the meeting at 6:55 p.m.
MOTION 2011-015: Carried**

Prepared by: Lynn Tucker
December 8, 2011

APPENDIX

'A'

Eastern Regional Service Board Committees
Terms of Reference

FINANCE AND AUDIT COMMITTEE

TERMS OF REFERENCE

PURPOSE

The purpose of the Finance & Audit Committee is oversight of all matters related to financial stewardship, including budgeting (capital and operating), banking, credit facilities, financial monitoring and auditing and financial compensation matters for management and to report to the Board of Directors with respect to these matters. The Board approves the purpose, structure and responsibilities of the committee. The Committee is advisory to the Board and makes recommendations to the Board for informed Board decision-making and to ensure leading financial practices. The Committee does not have independent decision-making authority from the Board except where the Board has delegated decision-making authority to the Committee within defined guidelines.

STRUCTURE

1. The Finance & Audit Committee shall be composed of at least five (5) Board members. A quorum at meetings shall be a majority of members.
2. Members of the Committee shall serve a three-year term of office and may serve consecutive terms.
3. The Board Chair shall appoint the chairperson of the Committee and members of the Committee with ratification by the Board.
4. The Board Chair may be the chairperson of the Committee.
5. The Chief Administrative Officer and the Program Coordinator may attend meetings of the committee, but shall not have any voting privileges.
6. The Committee shall meet at least quarterly and may hold additional meetings as required.
7. The Chair shall call meetings and in consultation with management, establish the agenda for the meetings ensuring that properly prepared agenda materials are circulated to members prior to meetings.
8. The Chair shall be responsible for ensuring that minutes of all meetings are duly recorded, filed in the offices of the Regional Service Board and circulated to Board members prior to Board meetings.
9. The Chair shall report to the Board on the activities of the Committee and bring forward specific Committee recommendations and resolutions for Board action and approval.

10. The resolution shall be kept with the minutes of the Committee meetings and, upon approval of the Board, kept with the minutes of the Board.

11. The members of the Committee shall be familiar with basic accounting principles and be able to read and understand financial statements.

SPECIFIC RESPONSIBILITIES

1. Review the Regional Service Board's accounting policies.

2. Provide an assessment of the financial risks to the Regional Service Board and recommendations to the Board regarding the management of those risks.

3. Confirm annually, and review if necessary, the implementation by management of an effective system of internal controls.

4. Review the Regional Service Board's annual financial statements and such other financial statements brought before the Board and provide recommendations to the Board regarding such statements.

5. Determine whether the auditor or a candidate for the position of auditor meets the criteria set out in the By-laws of the Regional Service Board.

6. Make recommendations to the Board regarding the appointment, removal and remuneration of the auditor.

7. Approve the scope of internal and external audits and approve non-audit services to be performed for the Regional Service Board by the auditor.

8. Review the findings of the internal and external audits and management's response to them, make recommendations to the Board regarding the findings and response and review the implementation of any of the Board's decisions regarding the Committee's recommendations.

9. Ensure that the auditor maintains and fulfills any and all requirements under the By-laws of the Regional Service Board.

10. Meet with the auditor and review the Audit Plan prior to engagement, and also meet with the auditor upon completion of the audited financial statements before presenting the committee's recommendation to the Board for approval. The audit planning and results of the external audit shall include:

- The auditor's engagement letter;
- The reasonableness of the estimated audit fees;

- The scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, time table, deadlines, and, where applicable, coordination with internal audit;
- The form of the audit report;
- Any other audit related engagements;
- Non-audit services provided by the auditor;
- The post audit management letter, together with management's response;
- Meeting privately with the auditors to discuss pertinent matters, including the quality of personnel;
- Directing the auditor's examinations to particular areas if considered appropriate;
- Requesting the auditor to undertake special examinations if considered appropriate;
- Reviewing the control weaknesses identified by the auditor, together with management's response and
- Assessing the auditor's performance.

11. The Committee shall be provided with a complete financial package every month and shall formally review, where practical, all monthly financial statements brought before the Board and any other monthly financial statements where the Committee Chair deems it advisable.

12. Present to the Board, any issues it identifies in its review of the monthly financial package.

13. Review other financial information including that contained in the Annual Report of the Regional Service Board.

14. Review of the annual Capital and Operating budgets and the recommendations of same to the Board for approval.

15. Oversee the financial aspects of all capital projects and the financing of same.

16. Confirm annually, and review if necessary, the signing authority and spending policy and recommend any changes to the Board.

17. Confirm annually, and review if necessary, the travel policy and recommend any changes to the Board.

18. Review annually the senior management compensation and benefits package and recommend any changes to the Board.

19. Review annually, in conjunction with the Board Chair, the CAO compensation package and recommend any changes to the Board.

20. Review annually, in conjunction with the Board Chair, the CAO performance evaluation and recommend any changes to the Board.

21. Confirm annually, and review if necessary, the banking, credit and financial facilities, including investing and hedging policies and recommend any changes to the Board.

22. Confirm annually, and review if necessary, the committee's terms of reference and recommend any changes to the Board.

23. Other activities which fall within the scope of finance and audit.

Implementation Date:

Revision Date:

Affirmation Date: Chair:

GOVERNANCE

TERMS OF REFERENCE

PURPOSE

The purpose of the Governance Committee is oversight of all matters related to corporate governance and to report to the Board with respect to these matters. The Board approves the purpose, structure and responsibilities of the Committee. The Committee is advisory to the Board and makes recommendations to the Board for informed Board decision-making and to ensure leading governance practices. The Committee does not have independent decision-making authority from the Board except where the Board has delegated decision-making authority to the Committee within defined guidelines and in accordance with legislation.

STRUCTURE

1. The Governance Committee shall be composed of at least Five (5) Board members. A quorum at meetings shall be a majority of members.
2. Members of the committee shall serve a three-year term of office and may serve consecutive terms.
3. The Board Chair shall appoint the Chair and members of the committee with ratification by the Board.
4. The Committee shall meet at least quarterly and may hold additional meetings as required.
5. The Chair shall call meetings and, in consultation with management, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members prior to meetings.
6. The Chair shall be responsible for ensuring that minutes of all meetings are duly recorded, filed in the offices of the Regional Services Board, and circulated to Board members prior to Board meetings.
7. The Chair shall report to the Board on the activities of the Committee and bring forward specific Committee recommendations for Board action.

SPECIFIC RESPONSIBILITIES:

8. Meets at least quarterly and provides a report of such meetings to the Board along with Committee recommendations to the Board.
9. Ensures Board compliance with prevailing legislation, By-laws and Board policies.

10. Updates and recommends to the Board changes in the By-laws to ensure compliance with prevailing legislation and leading governance practices.
11. Monitors Board policies and recommends new or revised policies to ensure leading corporate governance practices.
12. Reviews Board performance annually, soliciting Board member feedback in the review process.
13. Ensures that a Board approved succession plan for the Board Chair is in place.
14. Develops for Board approval the process and format for CAO evaluation and ensures that an evaluation is carried out annually by the Board.
15. Updates the Board of Directors Manual annually and as necessary.
16. Ensures that Board approved orientation guidelines, appropriate orientation materials and educational opportunities are available to new Board members.
17. Oversees ongoing education for Board members ensuring at least semi-annual sessions.
18. Makes recommendations regarding Board committee structure.
19. Makes recommendations regarding matters related to Board member compensation.
20. Monitors conflict of interest matters annually and as necessary, and brings any possible conflicts identified to the Board.
21. Ensures that a Calendar of Events is developed annually setting out all matters requiring Board attention.
22. Ensures that a Board approved crisis communication plan and related policies are in place and that the plan and policies are updated regularly.
23. Ensures that a Board approved risk assessment mitigation plan and related policies are in place and that the plan and policies are updated regularly.
24. Ensures that a signed declaration of statutory remittances is completed by management each month for the Board.
25. Oversees the election process for Board members including nominations, notice of nomination, notice of election and the voting process.
26. Acts as the Head for purposes of the *Access to Information and Protection of Privacy Act* and overseas requests made to the Regional Services Board for information under ATIPPA.
27. Other activities which fall within the scope of governance.

Implementation Date:
Revision Date: Chair:
Affirmation Date: Chair:

STRATEGY & POLICY COMMITTEE

TERMS OF REFERENCE

PURPOSE

The purpose of the Strategy & Policy Committee is oversight of all matters related to strategic planning, policy and operational planning and to report to the Board with respect to these matters. The Board approves the purpose, structure and responsibilities of the Committee. The Committee is advisory to the Board and makes recommendations to the Board for informed Board decision-making and to ensure leading waste management, operational and environmental practices. The Committee does not have independent decision-making authority from the Board except where the Board has delegated such authority to the Committee within defined guidelines.

STRUCTURE

1. The Strategy & Policy Committee shall be composed of at least five (5) Board members. A quorum at meetings shall be a majority of members.
2. Members of the Committee shall serve a three-year term of office and may serve consecutive terms.
3. The Board Chair shall appoint the Committee Chair and members of the Committee with ratification by the Board.
4. The Committee shall meet quarterly and may hold additional meetings as required.
5. The Chair shall call meetings, and in consultation with management, establish the agenda for meetings ensuring that properly prepared agenda materials are circulated to members prior to meetings.
6. The Chair shall be responsible for ensuring that minutes of all meetings are duly recorded, filed in the offices of the Regional Service Board and circulated to Board members prior to Board meetings.
7. The Chair shall report to the Board on the activities of the Committee and bring forward specific recommendations for Board action.

SPECIFIC RESPONSIBILITIES

1. Provides input and direction to management in the development of the Regional Service Board Strategic Business Plan and monitors its implementation and effectiveness.

2. Provides input and direction in the development of the Regional Service Board's Annual Capital Budget and consults with the Finance and Audit Committee with a view to bringing joint recommendations to the Board for approval.

3. Provides input and direction to the Board in the development of formal policies and practices to guide and facilitate the Regional Service Board's business strategies related to service delivery for example service delivery policies and parameters, service delivery bylaws, use of internal versus contracted resources, partnerships, and research.

4. Provides input, direction and active support to management in the development of formal stakeholder funding partnerships.

5. Monitors the Regional Service Board's compliance with all applicable legislation related to environmental management.

6. Monitors the Regional Service Board's compliance with industry best practices related to the management of facilities, capital assets and modern waste management.

7. Monitors progress of major capital projects of the Regional Service Board.

8. Other activities which fall within the scope of strategy and policy for the Regional Service Board.

Implementation Date:

Revision Date: Chair:

Affirmation Date: Chair: