

REQUEST FOR DECISION (RFD)

SUBJECT: Yarmouth Area Industrial Commission Pre-payment

RECOMMENDATION: The Town of Yarmouth endorse the prepayment of \$100,000 to the YAIC conditional as outlined below.

CAO COMMENTS: This is a joint proposal of the 3 CAO's

RECOMMENDATION Report/Document: Attached ___ Available ___ Nil ___

KEY ISSUE(S)/CONCEPTS DEFINED: The Yarmouth Area Industrial Commission has a cash flow issue, driven by the annual operating losses of the DOMTEX project. This eventually has left the Commission in a place where they are cash-poor and have few options remaining for continued operations. They have come to the Municipal units seeking a cash infusion of \$300,000. After reviewing the financial statements of the Commission and considering our options and concerns, the CAO's are recommending the following conditions for the funding of the \$300,000 request.

- 1) *Detailed information in answer to our questions re: Draft Financial Statements @ Mar. 31/09*
- 2) *Yarmouth Area Industrial Commission to appoint Grant Thorton as their auditors at their upcoming AGM. GT is the auditor for the three municipalities.*
- 3) *Yarmouth Area Industrial Commission to appoint the three CAO's of Yarmouth County to the Audit Committee, with one to be appointed as chair.*
- 4) *Yarmouth Area Industrial Commission to develop and provide a strategy & action plan to correct current financial problems going forward, with goals, time-lines, etc.*
- 5) *Yarmouth Area Industrial Commission to contract a specialist commercial real estate broker to market DOMTEX nationally and internationally.*

RELEVANT POLICY:

STRATEGIC RELEVANCE: This will enable the continued benefit of the good work the Commission does for the county, while increasing the transparency to the Municipal stake-holders. It should also alleviate the main burdens affecting the Commission's success.

DESIRED OUTCOME(S): A viable Industrial Commission with improved financial transparency with the Municipal partners

RESPONSE OPTIONS:

1. Approve
2. Refuse
3. Amend the proposal

PREFERRED STRATEGY: *Option #1*

IMPLICATIONS OF RECOMMENDATION:

GENERAL:

The operations and issues of Yarmouth Area Industrial Commission will be better understood by all municipal

ORGANIZATIONAL:

CAO's will commit time to the audit committee.

FINANCIAL:

Up to \$100,000 prepayment of expense for next year. There may be higher audit fees and real estate brokerage fees to be dealt with as well.

FOLLOW UP ACTION:

after 3 municipal units approve the proposal, the YAIC would have to support the recommendations.

Submitted by: CAO _____

Endorsed _____