NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

MINUTES

December 13, 2011

A Meeting of the Board of Directors was held at Municipal Finance Corporation's Boardroom, 15th Floor, Maritime Centre, 1505 Barrington Street, Halifax, N.S. on the 13th day of December 2011, beginning at 1:00 P.M. Adequate notice was given prior to the meeting and a quorum was present.

Present:	Directors:	Mr. Kevin Malloy (Chair) Mr. Marc Britney Mr. Keith Hunter Ms. Janet Murphy Ms. Cathie Osborne
	Officers:	Mr. Roy Spence (Assistant Treasurer) Mr. Paul Wills (Corporate Secretary)
	Guests:	Mr. Bob Audoux (MFC Staff)
	Regrets:	Ms. Jennifer Glennie (Solicitor) Mr. Bob Houlihan (CEO/Treasurer) Mr. Byron Rafuse

Minutes of Meeting – November 18th

The Minutes of the November 18th, 2011 meeting of the Board of Directors were previously circulated.

ON MOTION by Mr. Marc Britney, seconded by Mr. Keith Hunter and carried, the Minutes of the November 18th, 2011 meeting, as amended, were approved.

Audit Committee

Mr. Marc Britney, Chair of the Audit Committee, advised the Committee met earlier today and reviewed the draft budget for 2012-2013. Discussion followed.

Reserve Fund Policy

Mr. Bob Audoux, reviewed the recent history of the reserve fund charge. The charge is currently set at 50 cents. The reserve fund charge is used to fund the administration budget and to maintain the Corporation's reserve fund level. The reserve fund itself is used to provide short term borrowings for municipalities. Discussion followed.

ON MOTION by Ms. Cathie Osborne, seconded by Mr. Marc Britney, and carried, the Board approved a Reserve Fund Policy that requires a minimum of $6 million be maintained in the reserve fund, the minimum level to be reviewed every three years, and to leave the rate at $.50/$100 unless the reserve fund balance drops below the $6 million minimum.

2012-2013 Administrative Budget

Mr. Kevin Malloy, Chair, provided the Board with an overview of the Draft Administrative Budget for 2012-2013. Mr. Bob Audoux provided explanation for the various variances from the current year's budget to the proposed budget. It was noted that there is no municipal training proposed in the draft budget. Discussion followed.

ON MOTION by Ms. Cathie Osborne, seconded by Mr. Keith Hunter, and carried, the Board approved adding $12,000 to the 2012-2013 Administration

Budget to support training programs for elected officials and municipal staff in the areas of governance and administration finance matters.

ON MOTION by Mr. Marc Britney, seconded by Mr. Keith Hunter, and carried, the Board approved the amended 2012-2013 Administration Budget.

In Camera

ON MOTION by Ms. Cathie Osborne, seconded by Mr. Marc Britney, and carried, the Board agreed to go in camera.

ON MOTION by Ms. Cathie Osborne, seconded by Mr. Marc Britney, and carried, the Board agreed to come out of in camera.

ON MOTION by Ms. Cathie Osborne, seconded by Mr. Marc Britney, and carried, the Board approved the Chair to review the CEO's performance appraisal with the CEO and that the CEO establish six performance targets for 2011-2012 fiscal year to be approved by the Board, and that the CEO initiate the salary conversion to the EC scales for staff and the Chair is authorized to approve the compensation changes.

The meeting adjourned at 3:15 P.M.

Kevin Malloy, Chair

Paul Wills, Corporate Secretary