Handbook for Annual Meetings:
AGM Reference Guide

Note: this document has been developed as a guide for municipalities. In the case of any discrepancies with the PEI Municipalities Act, the Municipalities Act prevails.

Updated January 13, 2011
Requirements for Annual Meetings

Background
Regardless of population, geographical size, or financial capacity, all “Community Councils” must conduct an annual general meeting (AGM).

Significant Dates
The Annual General Meeting must be conducted in the month of March.
The budget for a municipality must be adopted prior to April 1st of each year; in the case of Communities, at the Annual Meeting.

Notification to Residents
The residents of the municipality must be notified of the Annual General Meeting by advertisement posted twice in a local paper, with the first ad appearing at least seven days before the meeting (the day of ad and the day of meeting is not counted in the calculation of days).

Financial Reporting
The annual meeting is the time when the financial statements and audit are shared with the public. If the municipality will be dispensing with the audit requirement, a council resolution to that effect must be passed at the annual meeting.

Approval and adoption of annual estimates / budget
The residents of the Community vote on the estimated cost for each service. The final collection of estimates receiving approval becomes the budget for the year.

Tax Rate
After the budget is approved, Council calculates what other revenues sources are anticipated, such as grants and user fees, and then sets the final municipal property tax rate required to raise the remainder of the funds.

Participation by the public
The annual meeting is a meeting of council and residents only vote on the proposed estimates. Council must, however, provide an opportunity for residents to raise concerns or matters of interest to the public.

Materials
Councils is required to prepare copies for distribution of a range of items, including the meeting agenda, chairperson’s statement, committee reports, financial statements for the preceding year, auditor’s report (where applicable), copy of proposed budget / annual estimates for voting and adoption by residents, and any additional items as determined by Council.
Running the Annual Meetings

Suggested Meeting Format

The Chairperson will call the meeting to order and shall preside over the meeting.

- Call to order

Upon calling the meeting to order the Chairperson shall call for an adoption of the agenda.

- Call for adoption of the agenda

  *Agenda can be modified prior to adoption, if so desired*

  *It is important to have a prepared agenda to ensure that the business of the AGM is dealt with in an orderly manner.*

Upon adoption of the agenda, Council will make a motion to approve the minutes of the previous year’s AGM

- Call for approval of the minutes of the previous year’s AGM

  *Council may make additions to the minutes at this time.*

The Chairperson will rise to deliver a report to the residents as head of Council.

- Chairperson’s report
- Council will move to accept the report of the Chair

The report of the Chair is followed by committee reports. *It may be worth considering that the Chair of Finance report last.*

- Committee reports
- Motions to accept committee reports

The Chairperson may acknowledge the chair of Finance and ask that the Finance chair deliver a:

- Financial Report which provides a consideration of the financial statement for the preceding year
- Bring forward a motion to accept the financial report.
- Bring forward a motion to accept the auditor’s report (where applicable).

The Chair of Finance would at this point bring forward the proposed budget or estimate forecasts for the current fiscal year:

- bring forward the annual estimates or budget which highlights the sums for service;
- highlight the projected tax rates for the upcoming year required to meet the projected expenses *(No Council has the authority to adopt a deficit budget)*;
- call for a vote of the residents on the projected cost of each service (must be majority);
☐ adjust tax rates as a result of the vote taken on cost per service (by Council – council sets the tax rate and residents do not vote on this);
☐ upon approving the cost per service by the residents, Council should make a motion to approve the budget for the upcoming year and to set the tax rate.

Upon approval of the budget the Chairperson of Council shall open the meeting to the residents to bring forward issues of concern to the community.

☐ Council should make note of issues of concern to the community so that they may address these issues in the future.

The Chairperson may then bring forward other business or additions to the Agenda made earlier when adopting the agenda.

Adjournment

☐ A motion from Council should come forward for adjournment.
Additional agenda items

A Council may wish to identify by resolution those firms through which it shall conduct business.

Council may make a motion to accept ____________________________,

as the (audit, engineering, solicitor) professional firm who's successful tender bid has been accepted for the municipality.

A Council may wish to identify by resolution the date, time, and place of the regular meeting of Council.

Council may make a motion to hold a public meeting of council on the first/second/third/fourth _______________ of the month at _______ pm at __________________________.

Notes

➤ No Council has the authority to adopt a deficit budget.
➤ The only aspect on which the residents vote is the cost of each service identified in the proposed budget.
➤ Residents do not move or second resolutions.
➤ ‘Residents’ for the purpose of voting on services would follow the same definition of residents for the purpose of voting during a municipal election.
➤ As a best practice, Council should give strong consideration to select legal, financial, and engineering services only after a tendering bid process.
Audits are a valuable tool advising Council and residents of the current state of the municipality's finances, providing an independent review of the municipality’s processes and fiscal health.

Where the budgeted expenditures were less than $50,000, a Community Council may, by resolution at the AGM, dispense with the requirement to appoint an auditor. This resolution is voted on by Council alone and must be passed annually.

Where a Community decides, by resolution, not to appoint an auditor, they must notify the Minister, submitted with the financial statements, advising of the date, wording, and approval of the resolution to dispense with the appointment of the auditor.
### Annual Meeting Checklist

1. **Date:** Council sets a date for the annual meeting.
   
   Date of AGM: March ____, 20___.

2. **Notice:** Administrator prepares two (2) notices/ads to be placed in the local newspaper concerning the annual meeting. The first advertised notice must appear in the newspaper at least seven (7) days prior to the meeting. (Please do not count the day of the ad or the day of the meeting when calculating the seven days).

   **Newspaper ad:**
   
   - Must indicate date, time, and place of the meeting;
   - Should provide a brief description of the purpose of the meeting (i.e. to review municipal business and to adopt a budget for the municipality);

   “clear days” - in the calculation of time expressed as clear days, the first day the ad appears in the paper and the day of the meeting **shall not be counted**.

   1. **1st Ad placed on:** _____________________________ (DD/MM/YY)
   2. **2nd Ad placed on:** _____________________________ (DD/MM/YY)
   
   **Date of the meeting:** ___________________ (DD/MM/YY)
   
   **Number of days between 1st ad and meeting:** ___________________ (# days)

3. **Materials for annual meeting:**

   Council is responsible for making available copies of:

   - The meeting agenda
   - Chairperson’s statement
   - Committee reports
   - Financial statements for the preceding year
   - Auditor’s report (where applicable)
   - Copy of proposed budget / annual estimates for voting and adoption
   - Additional items as determined by Council
Sample Annual Meeting Agenda

Community of ________________________,
Annual General Meeting
March _____, 20_______

<table>
<thead>
<tr>
<th>[Agenda Item]</th>
<th>[Action / Person Responsible]</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Call Meeting to Order</td>
<td>(Chairperson)</td>
</tr>
<tr>
<td>➢ Adoption of Agenda</td>
<td>(Motion of Council)</td>
</tr>
<tr>
<td>➢ Additions to the Agenda</td>
<td>(Motion of Council)</td>
</tr>
<tr>
<td>➢ Approval of the Minutes</td>
<td>(Motion of Council)</td>
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<tr>
<td>o Business Arising from the Minutes</td>
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<tr>
<td>➢ Report s</td>
<td>(Chairperson / committee chairs)</td>
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<tr>
<td>o Chairperson’s Report</td>
<td></td>
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<tr>
<td>o Committee Reports</td>
<td></td>
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<tr>
<td>➢ Financial Reports</td>
<td>(Chair of Finance)</td>
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<tr>
<td>o Consideration of the financial statements for the preceding year</td>
<td></td>
</tr>
<tr>
<td>o Auditor’s report for previous fiscal year (where applicable)</td>
<td></td>
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<tr>
<td>➢ Annual estimates / budget: Approval of estimated expense for each services for the current fiscal year</td>
<td>(vote by residents present, run by Chair of Finance)</td>
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<tr>
<td>➢ Projected tax rates for the year</td>
<td>(Motion of Council)</td>
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<tr>
<td>➢ Issues raised by residents of concern to the community</td>
<td>(Chairperson)</td>
</tr>
<tr>
<td>➢ Other Business or additions to Agenda</td>
<td>(Chairperson)</td>
</tr>
<tr>
<td>➢ Adjournment</td>
<td>(Chairperson)</td>
</tr>
</tbody>
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Sample Resolution Text 1 – [dispensing with requirement to appoint auditor]

Community of ________________
20 ___ Annual Meeting
Date: ______________________
Moved by Councillor: ________________
Seconded by Councillor: ______________________

“Whereas Section 27 of the Municipalities Act states that every council shall appoint an auditor who shall audit the financial statements of the municipality, with the exception of a council with budgeted expenditures less than $50,000.00; and

“And whereas budgeted expenditures for the year ____ was $______________, being less than $50,000;

“Be it resolved that the Council of ________________ will hereby dispense with the requirement to appoint an auditor for the year _____, and the Administrator shall notify the Minister of this decision in writing.”