

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

BOARD OF DIRECTORS MEETING

Mississippi Valley Conservation Centre
Carleton Place

December 3, 2014

MINUTES

MEMBERS PRESENT:

J. Karau, Chair;
D. Abbott, Vice-Chair;
D. Black;
M. Burnham;
G. Code;
A. Gillis;
A. Jones;
G. Martin;
G. McEvoy;
W. Millar;
B. Sutcliffe;
P. Sweetnam.

MEMBERS ABSENT:

E. El-Chantiry;
R. Kidd;
H. Yanch.

INVITED MEMBER PRESENT:

L. Antonakos.

STAFF PRESENT:

P. Lehman, P. Eng., General Manager;
J. Sargeant, Secretary-Treasurer;
M. Craig, Manager, Planning &
Regulatory Services;
R. Fergusson, Operations
Supervisor;
G. Mountenay, Water Management
Supervisor;
A. Playfair, Recording Secretary.

OTHERS PRESENT:

T. Davidson, Rideau Valley
Conservation Authority.

BUSINESS:

Mr. Karau called the meeting to order at 10:45 a.m.

1. Minutes – Board of Directors Meeting – October 15, 2014

Mr. Lehman advised that the presentation for Low Impact Development will be available at a 2015 meeting.

B12/03/14-1

MOVED BY: A. Jones

SECONDED BY: G. Martin

Resolved, That the Minutes of the Mississippi Valley Conservation Authority Board of Directors meeting held on October 15, 2014 be received and approved as printed.

“CARRIED”

2. Minutes – Mississippi Valley Conservation Foundation – October 22, 2014

Mrs. Sargeant advised that a typo in the minutes was corrected prior to circulation.

B12/03/14-2

MOVED BY: M. Burnham

SECONDED BY: D. Abbott

Resolved, That the Minutes of the Mississippi Valley Conservation Foundation meeting held on October 22, 2014 be received.

“CARRIED”

3. Minutes – Finance and Administration Advisory Committee – November 12, 2014

B12/03/14-3

MOVED BY: A. Gillis

SECONDED BY: W. Millar

Resolved, That the Minutes of the Finance and Administration Advisory Committee meeting held on November 12, 2014 be received.

“CARRIED”

4. Business Arising from the Minutes

Mrs. Sargeant commented on the discussion held at the Finance and Administration Advisory Committee meeting regarding a change to the Agreement between Mississippi Valley Conservation Authority and London Life Insurance Company for the Group RRSP.

B12/03/14-4

MOVED BY: G. Code

SECONDED BY: G. McEvoy

Resolved, That the following clause be inserted in the Employee Manual, Section 4.3 Benefits:

“Prior to March 5, 2012, permanent employees contributed to a Group Registered Retirement Savings Plan (RRSP) with London Life Insurance Company. The Group RRSP is not available to new employees joining MVCA after March 5, 2012. Contribution rates for the Group RRSP are

equal to the rates set annually for the OMERS pension plan. The agreement with London Life Insurance Company requires that MVCA management be advised about employee withdrawals from the Group RRSP. As penalty for employee withdrawals from the Group RRSP, MVCA will withdraw company contributions for a period of six months. Exceptions may be granted by the Board of Directors depending on employee circumstances and the reason for the withdrawal.”

“CARRIED”

Mrs. Sargeant advised that the net proceeds from the sale of the Lanark Office were \$223,056.00.

B12/03/14-5

MOVED BY: A. Jones

SECONDED BY: A. Gillis

Resolved, That the amount of \$223,056.00 be transferred to the Building Reserve at December 31, 2014.

“CARRIED”

Mrs. Sargeant advised that the 2014 Budget included expenditures of \$9,300.00 from the IT reserve. She noted that an IT reserve is no longer required since an IT allowance is included in the annual budget.

B12/03/14-6

MOVED BY: M. Burnham

SECONDED BY: W. Millar

Resolved, That the amount of \$9,300.00 be transferred from the IT Reserve to 2014 Operating at December 31, 2014.

“CARRIED”

Mrs. Sargeant advised that the Finance and Administration Advisory Committee members discussed acquisition of a new fleet vehicle and recommended the transfer of \$10,000.00 from the Vehicle and Equipment Reserve to Operating in 2014. However, since the meeting held on November 12, 2014, the vehicle has been ordered but MVCA will not take delivery of it or pay for it until 2015 so it will be a 2015 transaction. She recommended that the funds included in the 2014 budget be transferred to the Vehicle and Equipment reserve for the vehicle when it is purchased in 2015.

B12/03/14-7

MOVED BY: A. Gillis

SECONDED BY: G. Martin

Resolved, That the amount of \$30,000.00 be transferred to the Vehicle and Equipment Reserve at December 31, 2014.

“CARRIED”

5. Member Per-diems and Expenses

Mrs. Sargeant advised that on November 12, 2014, the Finance and Administration Advisory Committee discussed member per diem and allowances for 2015. The recommendation from the Committee was for a 2.5% increase in per diems for 2015 and that staff proceed with the increase without OMB approval, as required by legislation, with the increase to be effective on January 1, 2015. The Committee also recommended an increase in the mileage rate from 55 to 57.5 cents (federal government rate change on October 1, 2014) to be effective January 1, 2015.

B12/03/14-8

MOVED BY: P. Sweetnam

SECONDED BY: A. Jones

Be it Resolved, That the per diem and mileage allowances for members of the Authority be increased to reflect the following:

- 1. A per diem allowance of \$67.96 for attendance at meetings of the Authority or Special Purposes Committees;**
- 2. A per diem allowance of \$135.92 for time spent on business of the Authority when such time is spent on the said business under the direction of the Board of Directors or when more than one meeting of the Authority or Special Purpose Committees is held on the same day;**
- 3. A travelling allowance equal to the federal government rate for Ontario for the round trip for necessary travelling in conducting business of the Authority under the direction of the Board of Directors;**
- 4. Actual cost of meals, lodging, public transportation and conference fees when such costs are necessarily incurred in the conduct of business of the Authority under the direction of the Board of Directors; and further,**

Resolved, That an annual honorarium of \$1,568.25 be paid to the Chair of the Authority; and further,

Resolved, That staff be directed to proceed with payment effective January 1, 2015 without requesting Ontario Municipal Board approval as required by legislation.

“CARRIED”

6. 2014 Budget Projections and 2015 Draft Budget

Mr. Lehman advised that the administration office is now being heated with natural gas. The drinking water on the site has passed approval with the Ministry of Health and the Ministry of the Environment with the condition that a filter system be installed.

Mr. Lehman advised that tax bills for 2013 and 2014 totaling \$30,000.00 have been received and must be paid by December 23, 2014. The Municipal

Property Assessment Corporation (MPAC) recently visited the office resulting in an assessment notice with a value of 1.7 million dollars. Mr. Lehman noted that the Authority does have a letter from MPAC indicating that the building would not be subject to taxation. Mr. Lehman advised that the matter is being reviewed by the authority's lawyer. Mr. Lehman reported that payment of the outstanding tax bills will result in a \$30,000.00 deficit for 2014.

Mr. Lehman commented on Staff Report # 2797/14 and the Draft Budget for 2015. The City of Ottawa requested that the three conservation authorities assist in achieving an overall tax rate increase of below 2% in 2015 by limiting any projected increase in levy. Staff have interpreted that to mean 2% over the growth in assessment which, based on Current Value Assessment data received from MNR, was 1.3% across the watershed. That would suggest a limit of 3.3% or an \$81,000.00 increase in the 2014 levy would be required to meet the target.

Mr. Lehman pointed out that in order to achieve the target in 2015, the Finance and Administration Advisory Committee considered a number of options to eliminate an additional \$45,000.00 in projected municipal levy requirements as described below which were incorporated into the 2015 Draft Budget:

- 1) An overall deficit of \$30,000.00 was included in the 2015 Draft Budget based on anticipated cost savings from backfilling parental leaves in 2015.
- 2) The proposed allocation of \$3,000.00 to initiate a compensation review in 2015 was deferred until mid-year when updated cost and revenue projections are available.
- 3) An additional \$12,000.00 was allocated to the proposed WECI projects from the WCS Reserve for a total of \$24,500.00 in 2015.

Mr. Lehman noted the 2015 Draft Budget maintains the current level of service in 2015 with a total levy increase of less than 3.3%. However, it does not address a number of longer term budget pressures as described below:

- 1) Operating deficit of \$30,000.00 in 2014 and 2015.
- 2) Vehicle and Equipment Replacement – In 2011 it was determined that \$70,000.00/yr should be allocated to vehicle and equipment replacement. Over the past 4 years, approximately \$40,000.00/yr has been funded with \$30,000.00 being allocated in 2015, resulting in a potential shortfall of \$40,000.00 in 2015.
- 3) Water Control Structures – MVCA operates and maintains 12 water control structures of varying ages and condition. Most of the structures were built or acquired when the province provided 85% of the funding for construction, operation and maintenance. Since 1997, when the provincial share for operation and maintenance of the structures was reduced to 50%, the total funding allocated has remained at the same level for the past 17 years resulting in a gradual erosion of the available funding by 40%. While Conservation Ontario continues to press the case for provincial re-investment in the operation and

maintenance of the structures, the structures continue to age and in some cases have exceeded their useful life. It is anticipated that expenditures of \$2,245,000.00 will be required on MVCA structures over the next 5 to 10 years to ensure they can continue providing the expected level of service. Based on a 50% contribution by the province the local share would require an additional \$100,000.00 to \$150,000.00 beyond that included in the 2015 Draft Budget.

- 4) IT/GIS Services – Information technology and geographic information systems has become a critical component of the conservation authority's business. In 2012, an IT/GIS Strategy was prepared by staff with the assistance of Conservation Ontario to properly define infrastructure and service requirements. Since 2012, investments in hardware and software have been made to improve IT performance and data acquisition. The Strategy also identified the need for a GIS Specialist at a cost of \$65,000.00/yr. Special project funding for the City of Ottawa Flood Risk Mapping updates has allowed for the position to continue until 2017. The need for the position beyond 2017 will continue, despite completion of the Flood Risk Mapping update project.

Mr. Lehman stressed that with completion of the new administration office and the inherent operating costs associated with the building which have been addressed in the Draft Budget, these long term budget pressures as noted will need to be addressed over the coming years.

There was a discussion regarding a 4% increase in planning fees. Mr. Lehman noted that the intent is to recover as much of program costs as possible while maintaining consistency between the Mississippi, the Rideau and the South Nation Conservation Authority. Mr. Craig pointed out that the fee schedule was supposed to be increased by cost of living each year but the decision between the three conservation authorities was to do it every two years resulting in a 4% increase over 2 years.

Mr. Karau requested that the issue of fees be discussed further at a Finance and Administration Advisory Committee meeting. Mr. Karau also noted that staff will be meeting with the City of Ottawa to discuss the 2015 budget at the request of Mr. El-Chantiry.

There was a brief discussion on the difficulties of meeting municipal expectations for program delivery while keeping the levy increase at a minimum each year.

Mr. Black requested that staff provide a report on what other conservation authorities are doing for their municipalities that Mississippi Valley Conservation is not.

B12/03/14-9

MOVED BY: M. Burnham

SECONDED BY: A. Gillis

Resolved, That the 2015 Draft Budget be circulated to member municipalities for comment.

“CARRIED”

7. Secured Loan Agreement – Town of Carleton Place

Mr. Lehman commented on Staff Report # 2798/14 along with the draft agreement between MVCA and the Town of Carleton Place allowing the Town to secure a debenture through Infrastructure Ontario in the amount of \$4,640,000.00. The debenture is to repay the funds borrowed by MVCA from the Town in the amount of \$4,000,000.00 and to recover \$640,000.00 that MVCA used from its cash flow for construction of the new administration office. The amount of the debenture was approved by the Board at the February 19, 2014 meeting.

As security for the debenture, the Town is requiring that MVCA assign a mortgage to the Town for the MVCA property in the amount of \$4,640,000.00. The draft agreement is under review by the Authority's solicitor and he is generally satisfied with the terms of the agreement subject to confirmation of the applicable interest rate for the 25 year term which fluctuates periodically and will depend on when the debenture is actually issued.

In response to a request, Mr. Lehman agreed to circulate clarification on how the amount of \$4,640,000.00 was determined.

B12/03/14-10

MOVED BY: M. Burnham

SECONDED BY: A. Jones

Resolved, That the draft Secured Loan Agreement with the Town of Carleton Place to secure a 25 year debenture in the amount of \$4,640,000.00 be approved for execution.

“CARRIED”

8. Glen Cairn Detention Basin

Mr. Lehman provided an update on development concerning the Glen Cairn Detention Basin. He noted that the matter will be brought back to the Board when the Agreement of Purchase and Sale is received.

9. Site Evaluation Guidelines

Mr. Craig presented Staff report #2800/14 and a brief discussion was held.

He noted that Conservation Authorities (CAs) work with others to protect, improve and restore water quality and quantity in their respective watersheds, consistent with the Provincial Policy Statement (PPS) and local municipal Official Plan policies.

He pointed out that the CAs provide environmental planning advice to member municipalities, in reference to the PPS. Three areas in which MVCA advice is usually provided include – protecting public health and safety by addressing Natural Hazards (Section 3.1); the Wise Use and Management of Natural Resources especially Natural Heritage features (Section 2.1); and Water (Section 2.2). The updated policies also ensure consideration of environmental lake capacity (Section 2.2.1) for development around lakes.

Current site evaluation guidelines were developed in 1993 to complement a lake capacity study model developed in the Rideau Valley watershed. The Rideau Valley Conservation Authority has been effectively using the guidelines in its development review process for 20 years. In the interest of providing thorough and consistent advice to municipal partners in the development review process, especially for inland lakes on the Canadian Shield, the Cataraqui Region, Rideau Valley and Mississippi Valley Conservation Authorities have commissioned an independent review of the guidelines. The completed assessment of the site evaluation guidelines was received from Hutchinson Environmental Sciences Ltd. on April 10, 2014. The guidelines apply to Canadian Shield lakes only.

It was noted that the assessment addresses the need to update the current site evaluation guidelines in light of recent changes to the PPS, increased watershed knowledge, and the evolution of the science upon which the original study and the guidelines were developed.

The guidelines focus on the protection of surface water quality; however, CAs also consider natural hazards (flooding, erosion) and fish and wildlife habitat. The independent review of earlier work on the associated lake capacity model (1992) found that the work and methodology remains valid, with updates to the science and parameters.

Key findings of the assessment reinforce the importance of:

- Maintaining appropriate setbacks (30 to 90 metres based on site characteristics)
- Minimizing the amount of disturbance in the water setback area
- Recognizing site specific challenges based on slope, soil type and vegetation

The site evaluation guidelines are recognized in many MVCA member municipalities Official Plans including Drummond/North Elmsley, Tay Valley and Central Frontenac Townships. Staff have provided updates to member municipalities on the progress of the Site Evaluation Guidelines.

Mr. Craig recommended that the findings and methodology of the Hutchinson report be endorsed by the MVCA Board of Directors to allow staff to provide consistent advice and recommendations to municipal partners. It will assist in fulfilling municipal obligations as outlined in the PPS and other Provincial legislation and strengthen conclusions and recommendations made by CAs in the development review process.

B12/03/14-11

MOVED BY: A. Jones

SECONDED BY: M. Burnham

Resolved, That Staff Report #2800/14 regarding the proposed implementation of the Municipal Site Evaluation Guidelines by Hutchinson Environmental Sciences Ltd. (2014) be received; and further, Resolved, That the Mississippi Valley Conservation Authority adopt the proposed recommendations and methodology for the review of development proposals.

“CARRIED”

10. Christmas Season Office Closure

Mr. Lehman advised that the Administration Office has traditionally been closed over the Christmas Season with staff using vacation or over time for days between Christmas and New Year's, which are not Statutory Holidays.

B12/03/14-12

MOVED BY: P. Sweetnam

SECONDED BY: W. Millar

Resolved, That the Mississippi Valley Conservation Administration Office be closed for the Christmas season December 29 to December 31, 2014 inclusive.

“CARRIED”

11. 2015 Meeting Schedule

The meeting schedule for 2015 was reviewed. Mr. Sweetnam suggested that the meeting schedule be brought back to the AGM meeting in 2015 for the new appointed members to comment on.

12. Audit Engagement Letter

A letter from Cross Street and Company dated November 15, 2014 outlining the terms of the 2014 audit was reviewed and discussed. Mr. Gillis expressed concern about the role and responsibility of the Board of Directors during the annual audit. Mrs. Sargeant noted that Cross Street and Company will attend a meeting to discuss any of the member's questions or concerns relating to the annual audit.

13. Ontario Regulation 153/06 Permits

Permits issued up to November 26, 2014 were reviewed. Mr. Craig noted that a Flood Plain Mapping Open House will be held on Thursday, December 4, 2014 from 4:00 pm to 8:00 pm at the Kinburn Hall.

14. Other Business

Mr. Sutcliffe expressed his pleasure at sitting on the Board for the past four years.

ADJOURNMENT

The meeting was adjourned at 12:20 p.m.

B12/03/14-13

MOVED BY: A. Jones

SECONDED BY: G. Code

Resolved, That the Mississippi Valley Board of Director's meeting be adjourned.

“CARRIED”

“A. Playfair, Recording Secretary

J. Karau, Chairman”