

MISSISSIPPI VALLEY CONSERVATION AUTHORITY
FINANCE AND ADMINISTRATION ADVISORY COMMITTEE

Mississippi Valley Conservation Centre
Carleton Place

MINUTES

February 7, 2020

MEMBERS PRESENT:

E. El-Chantiry;
T. Fritz;
J. Hall;
C. Lowry;
J. Mason;
G. McEvoy;
P. Sweetnam.

MEMBERS ABSENT:

E. Burke;
P. Kehoe.

STAFF PRESENT:

S. McIntyre, General Manager;
A. Millar, Treasurer;
S. Lickley, Recording Secretary.

VISITORS PRESENT:

G. Street (Auditor).

S. McIntyre called the meeting to order at 1:03 p.m.

FAAC02/07/20-1

MOVED BY: P. Sweetnam

SECONDED BY: T. Fritz

Resolved, That the agenda for the Policy & Priorities Advisory Committee meeting be adopted, as presented.

“CARRIED”

BUSINESS:

1. Minutes – Finance & Administration Advisory Committee Meeting – November 19, 2019

FAAC02/07/20-2

MOVED BY: P. Sweetnam

SECONDED BY: J. Mason

Resolved, That the Minutes of the Finance & Administration Advisory Committee meeting held November 19, 2019 be received and approved as printed.

“CARRIED”

2. Business Arising from the Minutes

None presented.

3. 2019 Draft Financial Statements

Glen Street presented the 2019 Draft Financial Statements to the Finance and Administration Advisory Committee Members.

G. Street detailed the Statement of Operations and explained that it shows a surplus of \$129,000 in day to day operations. He also noted that reserves grew for 2019.

E. El-Chantiry asked G. Street if the reserve strong enough to support the MCVA's assets through potential changes and projects. G. Street replied that the reserve looks strong, however the capital assets needing replacement in the future may bring uncertainty. He added that he could not provide a definitive straight answer, but it appeared that that MVCA is on the right track.

S. McIntyre explained that the 10-year capital plan is based on replacing "like-for-like", however some assets, for example the Shabomeka Dam, will require more than "like-for-like" improvements to bring it up to the standards that are necessary for modern usage.

A. Millar noted that the planning department thought that the planning revenues would be short for 2019 in part due to discounts for flood victims, however by the end of the year many large planning projects helped off-set the anticipated deficit. She added that we may have been a little too cautious in asking the Board of Directors for permission to access reserves.

G. Street confirmed that the septic inspection program is charged to the municipality based on what it costs, so there is no added revenue.

G. Street detailed that increases in salary and payouts related to long-term retirement represent one-time salary costs listed, after questions from E. El-Chantiry. E. El-Chantiry asked where the retirement unfunded liability is shown. G. Street replied that MVCA continues to pay the premiums each year and that based on an actuary estimate we ensure the budget will allow for this expense each year. He added that this is shown in the liabilities as (\$150,000).

G. Street answered questions regarding building costs, explaining that there is money allocated from municipal contributions that goes directly to paying the cost of the construction of the building and continues to be set aside for maintenance and repair.

E. El-Chantiry asked for the audit to be presented on the projector screen next time to make following the presentation easier for members.

G. Street summarized his Audit Findings Letter. He stated that the process of conducting the audit was smooth and timely and the staff were very cooperative and prepared.

FAAC02/07/20-3

MOVED BY: E. El-Chantiry

SECONDED BY: J. Mason

Resolved, That the 2019 Draft Financial Statements, as presented, be recommended to the Board of Directors for approval.

"CARRIED"

4. 2019 Per Diem and Mileage Rates, Report 3040/20

A. Millar presented the 2019 Per Diem and Mileage Rates Report. She detailed the source that they use as a reference for rates is the National Joint Council.

FAAC02/07/20-4

MOVED BY: J. Mason

SECONDED BY: T. Fritz

Resolved, That the 2019 Per Diem and Mileage Rates, as presented, be recommended to the Board of Directors for approval.

“CARRIED”

5. “In Camera” Discussions

FAAC02/07/20-5

MOVED BY: T. Fritz

SECONDED BY: E. El-Chantiry

Resolved, That the Finance and Administration Advisory Committee move into “in camera” discussions.

“CARRIED”

FAAC02/07/20-6

MOVED BY: T. Fritz

SECONDED BY: E. El-Chantiry

Resolved, That the Finance and Administration Advisory Committee move out of “in camera” discussions.

“CARRIED”

6. Update – 2019 WECI Projects

S. McIntyre presented Update – 2019 WECI Projects Report (3041/20). She explained that WECI projects approved for 2019 funding were not completed within the timelines due to the limited time provided by the province to complete the works combined with flooding and other priorities. Only a portion of the WECI grant will be obtained, and MVCA will reapply this month for 2020 capital works.

At this time, MVCA is proposing to pause work on the Widow Lake Dam. After further investigation, Shabomeka and Kaskwakamak dams are more complex than originally anticipated. It is advised that MVCA focus on completing these two projects in 2020. S. McIntyre explained that the 10-year capital program allowed for “like-for-like” replacement and did not allow for equipment modernizations and new health and safety requirements; and that further degradation has been identified at Kashwakamak Lake Dam. S. McIntyre recommended that MVCA supplement its 50% contribution to repair costs from capital reserves so the 2020 municipal levy is not affected.

S. McIntyre answered questions regarding Widow Lake Dam. She explained that vehicles on the dam were a liability concern, which is now mitigated by a gate which prevents vehicles from passing over. She added that there were also concerns about someone slipping underneath the handrails, so mesh

will be added to mitigate this at minimal expense. She added that although the public has no right to access to the dam, there are still some with prescriptive rights to use the dam, for example local land owners who historically used the dam to cross the water.

7. Update – Draft 2020 Budget

S. McIntyre presented Update – Draft 2020 Budget noting that MVCA’s tractor requires a \$14,000 repair that will be taken out of the vehicle reserve which will be shown as a notice of amendment to the 2020 budget when this is purchased. J. Mason noted that eventually the Municipal Levy will have to increase to address the differential between costs in the 2019 10-year Capital Plan and actual costs associated with lifecycle replacement of dam infrastructure.

8. Update – Procurement Review

A. Millar reviewed the Procurement Review Report (3042/20).

9. Mill of Kintail Museum

C. Lowry reviewed the Mill of Kintail Museum Report (3043/20) which details the work of the Mill of Kintail Advisory Committee and the potential private funder for the museum.

P. Sweetnam asked why MVCA is not going to legal counsel, instead of a judge.

C. Lowry explained that the committee is in the process of consulting legal counsel. S. McIntyre added that the legal counsel has recommended that matter go to a judge for clarification and that this is needed to ensure that any future agreements and entities are properly structured.

J. Mason explained that the government regulations will not have an impact on this important opportunity. She expressed her support for the motion. T. Fritz concurred.

E. El-Chantiry added that MVCA should be careful that the identity of the museum is not lost in these changes. He added that it is important to consider 5 or more years down the road and ensure the continued longevity of the museum.

C. Lowry agreed and added that museums need a safety net. She explained that this approach is a little bit of a gamble for the long term, but it is a great opportunity. The advisory committee has suggested an approach of an endowment fund so the museum can be sustained long term. This private contribution may go a long way towards that goal, alongside community fundraising.

P. Sweetnam asked if the property is included in discussions or if it is just the museum.

S. McIntyre explained that this motion is regarding the museum collection only, not the property.

FAAC02/07/20-7

MOVED BY: E. El-Chantiry

SECONDED BY: T. Fritz

Resolved, That the Finance and Administration Advisory Committee recommend that the MVCA Board of Directors Approve the following:

- 1. That MVCA make application to a Judge for an interpretation regarding MVCA's legal obligations as it pertains to operation of the museum and grounds; and**
- 2. That legal counsel be sought regarding governance options for the McKenzie and Naismith collections including:**
 - a) establishing a new charitable organization;**
 - b) repurposing the Mill of Kintail Canadian Arts and Pioneer Museum Corporation; and**
 - c) repurposing the R. Tait McKenzie Memorial Trust.**

“CARRIED”

10. Other Business

S. McIntyre added that the market is hardening and insurance rates are going to go up from 7 to 22 percent. MVCA has an ongoing dispute with the snowmobile association because we require them to be insured to use the K&P trail. E. El-Chantiry explained that the City of Ottawa signed an agreement with local snowmobile trails after extensive negotiations regarding insurance. He added that MVCA needs to keep in mind is that insurance going up to 20% will have huge impacts on everyone; many new home builds are not even qualifying for insurance.

ADJOURNMENT

The meeting was adjourned at 3:15 p.m.

FAAC02/07/20-8

MOVED BY: E. El-Chantiry

SECONDED BY: J. Mason

Resolved, That the Finance and Administration Advisory Committee meeting be adjourned.

“CARRIED”

“S. Lickley, Recording Secretary

C. Lowry, Chair”