

MISSISSIPPI VALLEY CONSERVATION AUTHORITY
FINANCE AND ADMINISTRATION ADVISORY COMMITTEE

MVCA Boardroom

1:00 PM

February 14, 2019

AGENDA

ITEMS FOR DECISION

1. Minutes – Finance and Administration Advisory Committee – November 20, 2018 (see attachment)
2. 2018 Draft Financial Statements (see attachment) – to be presented by Glenn Street
3. 2018 Audit Findings Letter (see attachment)
4. 2018 Draft Budget – Municipal Comments (see attachment)
5. 2019 Per Diem & Mileage (see attachment)
6. Update on Recruitment for Treasurer Position

ITEMS FOR INFORMATION

7. Other Business

ADJOURNMENT

MISSISSIPPI VALLEY CONSERVATION AUTHORITY
FINANCE AND ADMINISTRATION ADVISORY COMMITTEE

Mississippi Valley Conservation Centre
Carleton Place

MINUTES

November 20, 2018

MEMBERS PRESENT:

P. Sweetnam, Chair;
D. Abbott,
D. Black;
A. Gillis;
J. Hall;
J. Karau;
J. Mason.

MEMBERS ABSENT:

E. El-Chantiry;
G. McEvoy.

STAFF PRESENT:

P. Lehman, General Manager;
J. Sargeant, Secretary-Treasurer;
E. Levi, Recording Secretary.

VISITORS PRESENT:

Sally McIntyre, General Manager Designate.

Mr. Sweetnam called the meeting to order at 1:00 p.m.

BUSINESS:

1. Minutes – Finance & Administration Advisory Committee Meeting – April 24, 2018

FAAC11/20/18-1

MOVED BY: A. Gillis

SECONDED BY: J. Hall

Resolved, That the Minutes of the Finance & Administration Advisory Committee meeting held on April 24, 2018 be received and approved as printed.

“CARRIED”

2. 2018 Budget Summary

Mrs. Sargeant advised that since the last meeting, the Authority is projecting a \$1,800 deficit for 2018.

In response to a question, Mr. Lehman explained that the Authority attempts to recover unforeseen expenses, such as the legal costs in 2018, without impacting program output. He noted that if the Authority were ever in a position where programs would have to be impacted, it would be brought to the Board.

3. 10 Year Capital Financing Report

Mr. Lehman reviewed Staff Report #2979/18 regarding a 10-year capital financing plan. Following completion of the Preliminary Asset Management Study in 2017, identified deficiencies with respect to asset inventories, service levels and condition assessments are being addressed by staff. While formal condition assessments of MVCA assets are limited, estimated expenditures based on desktop assessments and other available information can be used for planning long-term capital expenditures and establishing the necessary capital reserve allocations. Mr. Lehman noted that based on existing condition assessments and financial commitments with respect to the Administration Office, a 10-year

capital expenditure projection has been prepared with respect to water control structures, buildings and conservation areas.

Mr. Lehman reviewed Table 1 of the staff report and outlined the following:

In 2018, the municipal levy budgeted for capital expenditure included the following:

Water Control Structures	\$65,867
Administration Building	\$277,005
Conservation Areas	<u>\$13,000</u>
Total	\$355,872

In 2019, the municipal levy required for projected capital expenditure amounts to the following:

Water Control Structures	\$165,321
Administration Building	\$277,005
Conservation Areas	<u>\$13,000</u>
Total	\$455,326

Based on the 10-year capital needs assessment, the municipal levy required for projected capital expenditure amounts to the following:

Water Control Structures	\$1,760,153
Administration Building	\$3,071,050
Conservation Areas	<u>\$193,000</u>
Total	\$5,024,203

Mr. Lehman advised that the projections do not include expenditures which may be identified through future condition assessments, planning studies or unanticipated failures. To address these capital expenditure needs, he recommended that the 2019 Budget include allocations to the following restricted reserves:

Water Control Structures	\$180,000
Administration Building	\$317,005
Conservation Areas	<u>\$30,000</u>
Total	\$527,005

Mr. Lehman suggested that incorporating the recommended capital allocations and utilizing the general surplus, the projected capital expenditure requirements over the next 10 years can be satisfied without adversely depleting the general surplus.

There was a lengthy discussion regarding the figures presented in Table 1. After review, it was agreed that the table would be amended before being brought to the Board of Directors. Ms. Mason suggested that the preferred approach to address capital expenditures over the next 10 years be presented in the amended table with the second option being a special levy in the year the expenditure occurs.

FAAC11/20/18-2

MOVED BY: J. Karau

SECONDED BY: D. Abbott

Resolved, That the proposed capital financing plan with amendments be incorporated into the 2019 Draft Budget.

“CARRIED”

4. 2019 Draft Budget

Mr. Lehman presented Staff Report #2980/18 regarding the 2019 Draft Budget. He noted the total Administration and Maintenance Levy included in the 2019 Draft Budget is \$2,492,845 as compared to \$2,442,683 in 2018. The increase in municipal levy amounting to \$50,162 (2.1%) is largely offset by allocating \$118,228 from the proceeds of the Glen Cairn property sale to support expenditures eligible for provincial support. Specifically the expenditures include the Mississippi River Watershed Plan - \$35,500; Carp River Geomorphology Study - \$14,000; and Preventative Maintenance of Flood Control Structures - \$68,728.

Mr. Lehman noted that in 2019, proposed capital expenditures would require a Capital Project Levy to be assessed on a general benefitting basis of \$455,326 as compared to \$355,872 in 2018. The increase in municipal levy amounting to \$99,454 is attributed to water control structure projects which are eligible for 50% WECI funding support. It is further recommended that an additional Capital Levy be assessed on a general benefitting basis in the amount of \$71,679 for a total Capital Levy of \$527,005 to support future capital expenditures identified in the Ten Year Capital Expenditure Projection.

Mr. Lehman reviewed Operating Program Budget Pressures as follows:

Salaries and Wages

- The 2019 Budget has included an average wage adjustment of 4.0% (2.5% COL plus average 1.5% merit) amounting to \$71,900. The CPI (Ontario/all-items) for September 2018 was 2.7% over 2017.

Administration

- Consulting fees in the amount of \$8,000 has been included to assist in recruitment for Secretary-Treasurer and conducting a Salary Review in 2019.

Watershed Planning

- Portions of the Mississippi River Watershed Plan are eligible for provincial support however, due to additional support being unavailable from the typical annual allocation, staff propose to use a portion of the Glen Cairn proceeds (which represent the provincial share of the original project) to support the watershed plan in the amount of \$35,500,
- In an effort to address high levels of sedimentation in the Carp River downstream of Richardson Side Road, staff propose to collaborate with the University of Ottawa in conducting a geomorphological assessment of the Carp River with funding support from the Glen Cairn reserve in the amount of \$14,000.

Studies

- In 2019, two flood plain mapping projects will be undertaken with funding support from the National Disaster Mitigation Program which will be \$15,000 less than in 2018.

Plan Review Program

- Based on projected revenues in 2018, revenues in 2019 are projected to be \$10,000 more than budgeted in 2018. This includes a projected increase in fees of 2% to reflect the cost of living.

Preventative Maintenance of Flood Control Structures

- With continued erosion of eligible expenditures receiving provincial support, it is proposed that the Glen Cairn reserve be used to support the shortfall in provincial support in the amount of \$68,728.

Conservation Services

- In an effort to initiate and support a broad stewardship program across MVCA, the 2019 draft Budget includes a 9 month Stewardship Technician position at a cost of \$42,000.

Capital Expenditures

- In 2019 it is proposed that a Capital Levy be assessed to support asset management priorities over a ten year period beginning in 2019. The proposed Capital Levy to be assessed on a general benefitting basis would include:
 1. WCS Capital – An additional \$114,133 over the \$65,867 in 2018 for a total of \$180,000
 2. Office Building Capital – An additional \$40,000 over the \$277,000 in 2018 for a total of \$317,005.
 3. Conservation Area Capital – An additional \$17,000 over the \$13,000 in 2018 for a total of \$30,000.

After the committee reviewed and discussed the 2019 Draft Budget, it was recommended that it be amended prior to consideration by the Board of Directors.

FAAC11/20/18-3

MOVED BY: A. Gillis

SECONDED BY: J. Hall

Resolved, That the 2019 Draft Budget, as amended, be recommended to the Board of Directors for consideration and circulation to member municipalities for comment.

“CARRIED”

5. 2018 Reserve Allocations

Mrs. Sargeant explained that formal authorization was required to transfer \$8,000.00 to a special IT reserve, as was included in the 2018 budget.

FAAC11/20/18-4

MOVED BY: J. Karau

SECONDED BY: J. Hall

Resolved, That \$8,000.00 be transferred to the IT reserve in 2018 as per the 2018 Approved Budget, and further,

Resolved, That this be recommended to the Board of Directors for approval.

“CARRIED”

6. Planning Advisory and Regulations Program Fee Schedule

Mr. Lehman noted that the intent is to adjust the Planning Advisory and Regulation fees annually so there is no major increase in any given year. He advised that the proposed increase for 2019 is roughly 2% to adjust for cost of living. It is consistent between the partner conservation authorities (South Nation and Rideau Valley) for ease collection of fees by the City of Ottawa.

There was a discussion regarding the proposed screening fee. Mr. Lehman advised he would seek clarification before bringing the document to the Board of Directors for approval.

FAAC11/20/18-5

MOVED BY: A. Gillis

SECONDED BY: D. Abbott

Resolved, That the proposed 2019 fee schedule, as amended, be recommended to the Board of Directors for approval.

“CARRIED”

7. Next Meeting

The next meeting was scheduled for Thursday, February 14, 2019 at 1:00 p.m.

ADJOURNMENT

The meeting was adjourned at 3:20 p.m.

FAAC11/20/18-6

MOVED BY: D. Abbott

SECONDED BY: J. Hall

Resolved, That the meeting be adjourned.

“CARRIED”

“E. Levi, Recording Secretary

P Sweetnam, Chair”

MISSISSIPPI VALLEY CONSERVATION AUTHORITY
Financial Statements

Year Ended December 31, 2018

DRAFT

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Index to the Financial Statements
Year Ended December 31, 2018

Contents

	Page
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Net Assets	3
Statement of Operations	4
Statement of Cash Flow	5
Schedule 1 - Other Revenue	6
Schedule 2 - Expenses	7
Notes to the Financial Statements	8 to 13

INDEPENDENT AUDITOR'S REPORT

To the Directors and Members of MISSISSIPPI VALLEY CONSERVATION AUTHORITY

I have audited the accompanying financial statements of MISSISSIPPI VALLEY CONSERVATION AUTHORITY, which comprise the statement of financial position as at December 31, 2018 and the statements of net assets, operations and cash flow for the year ended December 31, 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of MISSISSIPPI VALLEY CONSERVATION AUTHORITY as at December 31, 2018 and the results of its operations and its cash flow for the year ended December 31, 2018 in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Cross Street Professional Corporation
Authorized to practise public accounting by Chartered Professional Accountants of Ontario

tbd
Perth, Ontario

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

(Incorporated under the Laws of Ontario)

Statement of Financial Position as at December 31,

2018

2017

ASSETS

Current

Cash	\$	1,081,397	490,228
Term deposits (note 3)		1,071,454	1,501,687
Accounts receivable, trade and other (note 4)		200,052	160,449
		<u>2,352,903</u>	<u>2,152,364</u>

Term deposits (note 3)

- 71,455

Capital assets (note 5)

6,985,150 7,135,013

6,985,150 7,206,468

\$ 9,338,053 9,358,832

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$	155,167	159,774
Current portion of long-term debt (note 7)		135,320	130,834
Deferred revenue (note 6)		120,505	70,284
		<u>410,992</u>	<u>360,892</u>

Long-term

Long-term debt (note 7)		4,065,424	4,200,744
Deferred contributions for capital assets (note 8)		2,182,491	2,115,848
Retirement benefit liability (note 9)		149,121	131,134
		<u>6,397,036</u>	<u>6,447,726</u>
		6,808,028	6,808,618

Net assets

Invested in capital assets		601,914	687,587
Reserves (note 10)		1,208,700	1,198,517
Unrestricted		719,411	664,110
		<u>2,530,025</u>	<u>2,550,214</u>

\$ 9,338,053 9,358,832

See accompanying notes to the financial statements

Approved by:

Director: _____

Director: _____

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Statement of Net Assets for the year ended December 31,

2018

2017

	Invested in Capital Assets	(note 10) Reserves	Unrestricted	Total	Total
Net assets, beginning of the year	\$ 687,587	1,198,517	664,110	2,550,214	2,722,875
Excess (Deficiency) of revenue over expenses	(233,114)	-	212,925	(20,189)	(172,661)
Investment in capital assets	147,441	-	(147,441)	-	-
Reserve transfers	-	10,183	(10,183)	-	-
Net assets, end of the year	\$ 601,914	1,208,700	719,411	2,530,025	2,550,214

See accompanying notes to the financial statements

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MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Statement of Operations for the year ended December 31,

2018

2017

Revenue

Municipal levy - general	\$ 2,798,554	2,709,152
Deferred for capital contributions	(277,005)	(277,005)
	<u>2,521,549</u>	<u>2,432,147</u>

Other revenue (Schedule 1)	657,096	522,682
Government grant - Ministry of Natural Resources	248,792	248,792
Government grant - other provincial	13,445	13,445
Conservation area - fees, sales and rental	68,339	65,708
Supplementary programs	50,900	9,674
Donations	1,325	5,255
	<u>3,561,446</u>	<u>3,297,703</u>

Expenses

Corporate services (Schedule 2)	568,534	586,024
Watershed management (Schedule 2)	1,410,001	1,317,250
Flood and erosion control (Schedule 2)	688,228	692,301
Conservation services (Schedule 2)	630,858	621,280
Supplementary programs (Schedule 2)	50,900	9,674
	<u>3,348,521</u>	<u>3,226,529</u>

Excess of revenue over expenses before capital items

212,925 71,174

Capital items

Amortization of capital assets	(304,305)	(318,202)
Amortization of deferred contributions	210,362	210,961
Gain on disposal of assets	7,000	13,914
Interest on loan	(146,171)	(150,508)
	<u>(233,114)</u>	<u>(243,835)</u>

Deficiency of revenue over expenses

\$ (20,189) (172,661)

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Statement of Cash Flow for the year ended December 31,	2018	2017
Cash flow from operating activities		
Deficiency of revenue over expenses	\$ (20,189)	(172,661)
Items not affecting cash:		
Amortization of capital assets	304,305	318,202
Amortization of deferred contributions	(210,362)	(210,961)
Gain on disposal of assets	(7,000)	(13,914)
Retirement benefit expense	17,987	17,468
	<u>84,741</u>	<u>(61,866)</u>
Changes in non-cash working capital:		
Accounts receivable, trade and other	(39,603)	(66,640)
Accounts payable and accrued liabilities	(4,607)	(19,365)
Deferred revenue	50,221	19,136
Net cash provided by (used in) operating activities	<u>90,752</u>	<u>(128,735)</u>
Cash flow from investing activities		
Purchase of capital assets	(154,441)	(121,596)
Proceeds from disposal of capital assets	7,000	39,793
Purchase of term deposits	#REF!	(1,501,714)
Proceeds from redemption of term deposits	#REF!	-
#REF!	<u>#REF!</u>	<u>(1,583,517)</u>
Cash flow from financing activities		
Repayment of long-term debt	(130,834)	(126,497)
Proceeds from deferred contributions for capital assets	277,005	277,005
Net cash provided by financing activities	<u>146,171</u>	<u>150,508</u>
#REF!	<u>#REF!</u>	<u>(1,561,744)</u>
Cash and equivalents at the beginning of the year	<u>490,228</u>	<u>2,051,972</u>
Cash and equivalents at the end of the year	<u>#REF!</u>	<u>490,228</u>
	Out of balance	#REF!
Supplemental disclosure of cash flow information:		
Cash received (paid)		
Interest expense	\$ (146,171)	(150,508)
Interest revenue	42,476	9,971

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Schedule 1 - Other Revenue for the year ended December 31,

2018

2017

Other revenue

Bell Canada - K&P	\$ 1,650	1,650
Busing grants - MVCF	1,200	1,200
Carp River action plan	7,449	24,160
Carp River Planting	14,501	-
Conservation Centre rentals	125	675
Freedom of information	-	31
Grants - Special:County of Lanark Forestry Program	12,378	13,134
Grants - Special:Federal - Harwood Creek Study	21,199	-
Grants - Special:Floodplain Mapping Grant - Ottawa	48,785	48,785
Grants - Special:Ground Water Monitoring Project	-	2,000
Grants - Special:MNRD-Drought & Low Water Grant	2,000	-
Grants - Special:MOK - Mississippi Mills Municipal Grant	5,771	11,240
Grants - Special:Ottawa - Baseline WQ Monitor	36,821	-
Grants - Special:Ottawa - Carp Erosion Control	36,313	14,289
Grants - Special:Prov Grant - Miss R FI PI Map S	8,858	-
Interest	33,305	27,230
MNR - Water & erosion control infrastructure	44,942	27,578
MNR dams - preventative maintenance	9,300	9,500
Ontario Hydro Operating	29,549	39,055
Planning and regulation fees	244,407	207,437
R. Tait McKenzie sculpture	-	1,000
RTM trust fund	1,150	2,531
Septic inspection program	75,276	83,949
Sundry revenue	22,117	7,238
	<u>\$ 657,096</u>	<u>522,682</u>

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Schedule 2 - Expenses for the year ended December 31,	2018	2017
Corporate services		
Administration	\$ 496,205	519,505
Communications	95,797	90,766
Operations	(23,468)	(24,247)
	<u>\$ 568,534</u>	<u>586,024</u>
Watershed management		
Information management	\$ 185,189	184,412
Plan review	207,772	223,253
Section 28 regulation enforcement	273,077	242,512
Septic inspection program	75,333	83,949
Surveys and studies	130,074	100,240
Watershed monitoring	221,896	140,979
Watershed planning	316,660	341,905
	<u>\$ 1,410,001</u>	<u>1,317,250</u>
Flood and erosion control		
Flood forecasting and warning	\$ 222,646	221,304
Operation/maintenance flood control structures	309,327	310,704
Preventative maintenance flood control structures	156,255	160,293
	<u>\$ 688,228</u>	<u>692,301</u>
Conservation services		
Conservation education	\$ 103,886	96,454
Conservation services	83,664	52,944
Land management	311,221	332,826
Visitor services	132,087	139,056
	<u>\$ 630,858</u>	<u>621,280</u>
Supplementary programs		
Canada summer job	\$ 25,668	-
Clean Tech Internship program	13,352	-
MNR - summer experience program	7,609	6,196
Youth Canada Works	4,271	3,478
	<u>\$ 50,900</u>	<u>9,674</u>

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2018

1. Description of Organization

The Authority is established under the Conservation Authorities Act - Ontario. It acts as the agent for water and land conservation and management for its member municipalities. The Authority is a registered charity which is exempt from income tax and may issue tax receipts to donors.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consist primarily of bank balances and cash on hand.

Financial instruments

Initial and subsequent measurement

The Authority initially measures its financial assets and liabilities at fair value except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Authority subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash, term deposits, and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and long term debt.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Authority determines whether there are indications of possible impairment. When there is an indication of impairment, and the Authority determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital assets

Capital assets are accounted for at cost and amortized on the basis of their useful life using the following methods and rates or duration.

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2018

	<u>Years</u>
Roads and bridges	40
Water control structures	40
Buildings	40
Leasehold improvements	lease term
Equipment	10
Motor vehicles	5
Computer equipment	5
Furniture and fixtures	10

Revenue recognition

The Authority follows the deferral method of accounting for government contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from conservation areas, supplementary programs and other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recognized when received.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to impairment of financial assets, the useful life of capital assets and retirement benefit assumptions.

3. Term Deposits

Guaranteed Investment Certificates held by the Bank of Nova Scotia.

	<u>2018</u>	<u>2017</u>
Current:		
Matures January 19, 2019 and earns interest at rate of 1.7% per annum	\$ 71,454	-
Matures February 14, 2019 and earns interest at rate of 2.1% per annum	500,000	-
Matures November 13, 2019 and earns interest at rate of 2.49% per annum	500,000	-
Matures February 8, 2018 and earns interest at rate of 1.5% per annum	-	1,000,000
Matures December 26, 2018 and earns interest at rate of 2.0% per annum	-	501,687
	<u>\$ 1,071,454</u>	<u>1,501,687</u>

Long-term:

Matures January 19, 2019 and earns interest at rate of 1.7% per annum	\$ -	71,455
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4. Accounts Receivable

	<u>2018</u>	<u>2017</u>
Trade receivables	\$ 177,701	99,465
HST	14,263	43,725
Interest receivable	8,088	17,259
	<u>\$ 200,052</u>	<u>160,449</u>

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2018

5. Capital Assets

	Cost	Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
Land	\$ 903,066	-	903,066	903,066
Roads and bridges	90,125	62,503	27,622	29,875
Water control structures	2,542,949	1,834,412	708,537	661,661
Buildings	6,204,711	1,208,574	4,996,137	5,148,941
Leasehold improvements	433,240	433,240	-	-
Equipment	392,396	241,846	150,550	151,174
Motor vehicles	284,222	207,744	76,478	85,179
Computer equipment	137,608	114,812	22,796	29,920
Furniture and fixtures	273,170	173,206	99,964	125,197
	<u>\$ 11,261,487</u>	<u>4,276,337</u>	<u>6,985,150</u>	<u>7,135,013</u>

6. Deferred Revenue

	2018	2017
Beginning balance, related to operating funding	\$ 70,284	51,148
Add amount received related to the following year	91,045	46,208
	<u>161,329</u>	<u>97,356</u>
Less amount recognized as revenue in the year	40,824	27,072
Ending balance, related to operating funding	<u>\$ 120,505</u>	<u>70,284</u>
Deferred revenue consists of:		
Bell Canada - K&P trail easement	\$ 962	962
Carp river action plan	-	7,449
City of Ottawa - Upper Poole Creek study	57,590	-
Developer deposits	9,750	8,250
Eastern Region Asset Management project	5,200	-
Eastern Region Safety Committee	3,596	2,696
Mississippi Mills - Naismith Foundation	5,693	-
MVC Foundation	22,714	23,329
RBC Foundation	15,000	-
WECl	-	27,598
	<u>\$ 120,505</u>	<u>70,284</u>

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2018

7. Long-Term Debt

	<u>2018</u>	<u>2017</u>
The Corporation of the Town of Carleton Place loan bearing interest at 3.4% per annum, repayable in semi-annual blended payments of \$138,502. The loan matures June 1, 2040. Secured by mortgage on property at 10970 Highway 7, Carleton Place, ON with a net book value of \$5,899,201.	\$ 4,200,744	4,331,578
Current portion	135,320	130,834
Long-term portion	<u>\$ 4,065,424</u>	<u>4,200,744</u>

Loan principal payments over the next five years are as follows:

2019	\$ 135,320
2020	139,960
2021	144,759
2022	149,722
2023	<u>154,856</u>
	<u>\$ 724,617</u>

8. Deferred Contributions for Capital Assets

	<u>2018</u>	<u>2017</u>
Beginning balance, related to capital assets	\$ 2,115,848	2,049,804
Add contributed capital assets	277,005	277,005
	<u>2,392,853</u>	<u>2,326,809</u>
Less amount amortized to revenue	210,362	210,961
Ending balance, related to capital assets	<u>\$ 2,182,491</u>	<u>2,115,848</u>

Deferred contributions for capital assets consists of municipal levies received specifically for funding the construction of the new headquarters building.

9. Retirement Benefit Liability

The Authority sponsors a plan for retiree life and health benefits. Retirees are eligible for benefits from age 60 to age 65 after 25 years of service. Total benefit payments to retirees during the year were \$nil (2017 - \$nil). The plan is unfunded and requires no contribution from employees.

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The most recent actuarial report was prepared at January 1, 2016.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, and employee turnover and mortality. The assumptions used reflect the Authority's best estimates. The expected inflation rate is 2.5%. The discount rate used to determine the accrued benefit obligation is 3.75%.

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2018

The total expenses related to retirement benefits include the following components:

	<u>2018</u>	<u>2017</u>
Current service cost	\$ 8,509	8,201
Interest on obligation	6,524	6,086
Amortize losses	2,954	3,181
	<u>\$ 17,987</u>	<u>17,468</u>

The total expense related to retirement benefits is included in the statement of operations as a component of Corporate services - administration.

Unamortized losses related to retirement benefits:

	<u>2018</u>	<u>2017</u>
Unamortized loss at start of year	\$ 41,354	44,535
Less amortization of losses	2,954	3,181
Unamortized loss at end of year	<u>\$ 38,400</u>	<u>41,354</u>

10. Reserves

	<u>2018</u>	<u>2017</u>
Reserves consist of:		
Building	\$ 298,701	298,701
Information technology	24,000	16,000
Museum Building & Art	2,868	1,913
Sick pay	73,843	72,615
Vehicles	36,903	36,903
Water control structures	75,385	772,385
Water control structures - Glen Cairn Provincial share	697,000	-
	<u>\$ 1,208,700</u>	<u>1,198,517</u>

11. Related Parties

Mississippi Valley Conservation Foundation raises funds and provides volunteer support for the conservation and education programs of Mississippi Valley Conservation Authority. The Foundation is a charitable public foundation and may issue tax receipts to donors. The Foundation is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act as a registered charity. The Foundation is subject to significant influence by the Authority due to Board membership and administrative support. During the year the Foundation disbursed \$1,200 (2017 - \$12,748) to the Authority to support the Authority's programs.

R. Tait McKenzie Trust raises funds for the R. Tait McKenzie museum operated as part of the Authority's programs. The Trust is a charitable private foundation and may issue tax receipts to donors. The Trust is exempt from income taxes as a registered charity. The Trust is subject to significant influence by the organization due to Board membership and administrative support. During the year the Trust disbursed \$1,150 (2017 - \$2,531) to the Authority to support the Authority's programs.

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2018

12. Pension Plan

The Authority has a group registered retirement savings plan with London Life. Authority contributions to the plan amounted to \$107,200 (2017 - \$101,117).

Effective March 5, 2012 the Authority established an employee pension plan with Ontario Municipal Employees Retirement System (OMERS). The plan is a multi-employer defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. As of the effective date all current full time employees had the option to remain with the group registered retirement savings plan or enrol with OMERS. OMERS is mandatory for all employees hired after the effective date. Authority contributions to the plan amounted to \$78,454 (2017 - \$76,771).

13. Financial Instruments

The Authority is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority's credit risk is primarily attributable to its accounts receivable. The Authority provides credit to some of its clients in the normal course of its operations.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Authority is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Authority to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Authority to related cash flow risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its long-term debt and accounts payable.

14. Commitments

The organization, in the normal course of operations, enters into a number of contracts for goods or services all of which contain short-term cancellation clauses.

15. Economic Dependence

The Authority is dependent on municipal levies for a significant portion of its revenue. As the Authority's main source of income is derived from these levies, its ability to continue viable operations is dependent upon the renewal of those levies on an annual basis.



February 8, 2019

Board of Directors
Mississippi Valley Conservation Authority
10970 Hwy 7
Carleton Place, ON K7C 3P1

Dear Board of Directors

Re: Audit Findings

This letter has been prepared to assist you with your review of the financial statements of Mississippi Valley Conservation Authority for the period ending **December 31, 2018**. I look forward to meeting with you and discussing the matters outlined below.

Audit Status

I have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management;
2. Completing my discussions with the Board of Directors;
3. Obtaining evidence of the Board's approval of the financial statements;

Once these items have been completed, I will date and sign my auditor's report.

**Significant Matters Arising
*Changes to Audit Plan***

There were no changes to the audit plan as previously presented to you.

Other Matters

I identified the following matters that I wish to bring to your attention at this time:

As noted in last year's letter, there continue to be some employees currently carrying excess vacation and/or overtime inconsistent with the guidelines set out in the Employee Manual. Management is encouraged to address these inconsistencies with the employees involved.

Significant Difficulties Encountered

As noted in last year's letter, internet connectivity and response time was very poor last year. I note that this issue has been addressed in the current year. Internet connectivity and response time this year was considerably improved with only minor issues observed during the audit.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 2 to the financial statements.

- There were no significant changes in accounting policies.
- I did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- I did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- *Allowance for doubtful accounts*
- *Accrued liabilities*
- *Deferred revenue*
- *Book value of capital assets*
- *Deferred contributions*

Based on audit work performed, I am satisfied with the estimates made by management.

Significant Financial Statement Disclosures

I did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that I believe should be specifically drawn to your attention.

Audit Adjustments

I accumulated adjustments that I identified during my audit and communicated them to management. I then requested that management accept these audit adjustments. All audit adjustments for the current period have been accepted.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, I am required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, I do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during my audit.

I did not identify any control deficiencies that, in my judgment, would be considered significant deficiencies.

Written Representations

In a separate communication, I have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Other Audit Matters of Governance Interest

At the request of management, I provided consulting services in assessing whether the Authority should register for HST. It was my recommendation that based on the current levels of taxable services provided by the Authority, it was required to register for HST. As per my recommendations in the issued report, the Authority registered for HST effective December 1, 2018.

The impact of this HST registration is that the Authority must collect HST on any taxable services it provides and remit to CRA on an annual basis. The Authority's eligibility for HST rebates remains unchanged with this registration.

I would like to thank management and staff for the assistance they provided to me during the audit.

I hope the information in this audit findings letter will be useful. I would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Mississippi Valley Conservation Authority to carry out and discharge their responsibilities. The content should not be disclosed to any third party without my prior written consent, and I assume no responsibility to any other person.

Yours truly,

A handwritten signature in blue ink, appearing to read "Cross" followed by a stylized flourish.

Cross Street Professional Corporation

Staff Report #2986/19

February 12, 2019

Memorandum

To: The Chair & Members of the Finance and Administration Advisory Board
Mississippi Valley Conservation Authority

From: Paul Lehman, P.Eng.
General Manager

Re: Mississippi Valley Conservation Authority – 2019 Budget and Work Plan

Attached for your consideration, please find the proposed 2019 Budget and Work Plan for the Mississippi Valley Conservation Authority. As you will note on page 7, the 2019 Budget includes an Administration and Maintenance levy of \$2,500,845 and a Capital Project levy of \$527,005 amounting to a total municipal levy to be assessed on a general benefitting basis of \$3,027,850.

As directed by the Board of Directors, the 2019 Draft Budget was circulated to member municipalities for comment. To date no comments have been received.

Recommended Resolution:

Resolved, That the proposed 2019 Budget be recommended to the Board of Directors for approval.



2019 Budget

February 20, 2019

Table of Contents

Section	Page
Introduction	1
Description of Operating Significant Budgetary Pressures	2
List of Tables	
Table 1 - 2019 Operating Budget Summary	5
Table 2 - 2019 Capital Budget Summary	6
Table 3a - 2019 Administration and Maintenance Levy	7
Table 3b - 2019 Capital Project Levy	7
Table 3c - 2019 Municipal Levy	7
List of Figures	
Figure 1 - Mississippi Valley Conservation Watershed	
2019 Work Plan	
- Corporate Services	8
- Watershed Planning	9
- Watershed Monitoring	10
- Information Management	11
- Planning Advisory and Regulations	12
- Flood Forecasting and Warning	13
- Operation and Maintenance of Water and Erosion Control Structures	14
- Conservation Services	15
- Land Management	16
- Conservation Awareness	17
Appendix A – 2019 Program Budget Details	
- Administration	A1
- Communications	A2
- Operations	A3
- Information Management	A4
- Watershed Planning	A5
- Watershed Monitoring	A6
- Studies	A7
- Plan Review	A8
- Regulations	A9
- Flood Forecasting and Warning	A10
- Operation of Water and Erosion Control Structures	A11
- Preventative Maintenance of Water and Erosion Control Structures	A12
- Conservation Services	A13
- Land Management	A14
- Conservation Education	A15
- Visitor Services	A16
- Water and Erosion Control Structures – Capital	A17
- Administration Office – Capital	A18
- Conservation Area Development – Capital	A19

Introduction

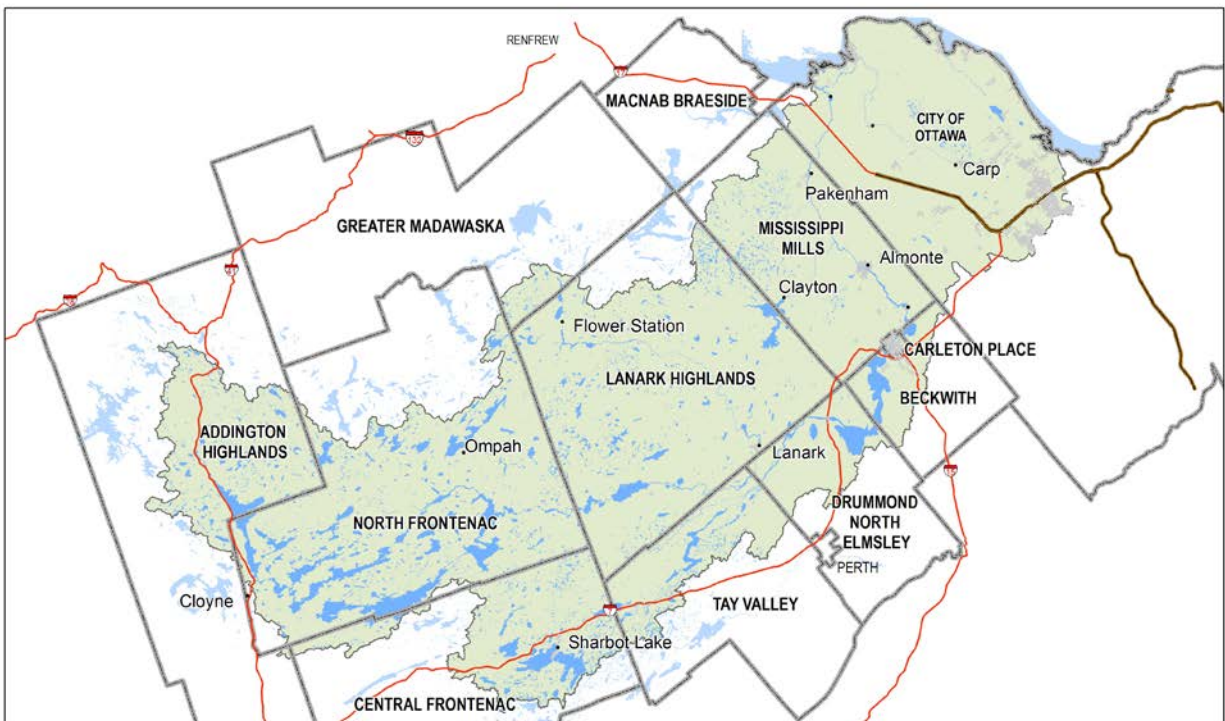
The Mississippi Valley Conservation Authority (MVCA) is a watershed based agency which supports an integrated approach to the management and protection of our water resources in collaboration with watershed stakeholders.

In 2017, historic flood conditions were experienced across much of Ontario including the Mississippi and Ottawa Rivers which was in stark contrast to the severe drought affecting eastern Ontario in 2016 which impacted water supplies, agriculture, water quality conditions and hydro-electricity production. Climate projections indicate that these conditions will become more prevalent in the future. Maintaining the resiliency of the watershed's natural systems and infrastructure to mitigate the resulting impacts is an important part of MVCA's broader integrated watershed management program.

The programs and services delivered by MVCA are designed to assist our municipal partners and other stakeholders in protecting people and property from natural hazards while protecting our watersheds natural resources through a collaborative approach. The Mississippi Valley Conservation Authority 2019 Draft Budget, as presented herein focuses on planning for the future to effectively deliver integrated watershed management services on behalf of the municipalities and residents of the Mississippi Valley (Figure 1).

MVCA is in the process of completing its Asset Management Plan focusing on high risk assets such as water control structures, buildings and public use areas. As presented on Page 3 – Asset Management and Capital Financing a ten year financing plan is proposed to address significant infrastructure investment needs beginning in 2019.

Figure 1 – Mississippi Valley Conservation Authority Watershed



Description of Significant Budgetary Pressures

A description of the significant factors affecting the 2019 Budget is outlined below. Please refer to:

Table 1 – 2019 Operating Budget Summary (Page 5)

Table 2 – 2019 Capital Budget Summary (Page 6)

Table 3a – 2019 Administration and Maintenance Levy (Page 7)

Table 3b – 2019 Capital Project Levy (Page 7)

Table 3c – 2019 Total Municipal Levy (Page 7)

Operating Budget Pressures

Salaries and Wages

- The 2019 Budget has included an average wage adjustment of 4.0% (2.5% COL plus average 1.5% merit) amounting to **\$71,900**. The CPI (Ontario/all-items) for October 2018 was 2.5% over 2017.

Administration (Page 4)

- Consulting fees in the amount of **\$8,000** has been included to assist in recruitment for Secretary-Treasurer and conducting a Salary Review in 2019.

Watershed Planning (Page 8)

- Portions of the Mississippi River Watershed Plan are eligible for provincial support however, due to additional support being unavailable from the typical annual allocation, staff propose to use a portion of the Glen Cairn proceeds (which represent the provincial share of the original project) to support the watershed plan in the amount of **\$35,500**,
- In an effort to address high levels of sedimentation in the Carp River downstream of Richardson Side-road, staff propose to collaborate with the University of Ottawa in conducting a geomorphological assessment of the Carp River with funding support from the Glen Cairn reserve in the amount of **\$14,000**.

Studies (Page 10)

- In 2019, two flood plain mapping projects will be undertaken with funding support from the National Disaster Mitigation Program which will be **\$15,000** less than in 2018.

Plan Review Program (Page 11)

- Based on projected revenues in 2018, revenues in 2019 are projected to be **\$10,000** more than budgeted in 2018. This includes a projected increase in fees of 2% to reflect the cost of living.

Preventative Maintenance of Flood Control Structures (Page 15)

- With continued erosion of eligible expenditures receiving provincial support, it is proposed that the Glen Cairn reserve be used to support the shortfall in provincial support in the amount of **\$68,728**.

Conservation Services (Page 16)

- In an effort to initiate and support a broad stewardship program across MVCA, the 2019 draft Budget includes a 9 month Stewardship Technician position at a cost of **\$42,000**.

Asset Management and Capital Financing

As a part of MVCA's asset management planning, a ten year projection of capital expenditures was completed for water control structures, buildings and conservation area infrastructure as described below:

Water Control Structures

MVCA currently operates and maintains 12 water control structures of various types and ages. Structures are inspected annually to identify emerging maintenance issues and are subjected to more detailed dam safety and engineering assessments on a priority basis. These assessments identify potential issues associated with structural integrity along with operator and public safety considerations. Based on these assessments, it has been determined that two structures have exceeded their life cycle and are in need of reconstruction and a third structure is in need of rehabilitation to address operator and public safety issues. Four dam safety assessments are scheduled for additional structures over the next ten years of which one is anticipated will indicate rehabilitation or reconstruction of the structure is required. Failure to address these deficiencies will likely result in the existing levels of service not being met and operator and public safety could be placed at risk, exposing MVCA to liability.

Major maintenance of these flood control structures continues to be eligible for 50% provincial funding under the Water and Erosion Control Infrastructure (WECI) program. Due to the importance of these structures to mitigate flood risk and maintain downstream water supplies, the benefits are considered to apply watershed wide and are therefore assessed on a general benefitting basis. Total expenditures eligible for provincial WECI funding support amount to \$3,562,300 requiring a municipal share of \$1,781,150 or an average of \$178,115/year over the next ten years. By comparison, the average municipal share of WECI eligible projects over the previous ten years was \$41,100. MVCA currently holds \$75,395 in a restricted Water Control Structure reserve.

Administration Office Building

In 2013 MVCA completed construction of a new administration office building through a financing agreement with the Town of Carleton Place whereby MVCA is required to repay the construction cost of \$4,580,378 over a 25 year period with annual payments of \$277,005. The Development Permit Agreement for the Administration Office Building specifies that when municipal sewer and water services are available, which is anticipated to be by 2022, MVCA will be required to connect to those services at an estimated cost of \$348,000. Including a building condition assessment and projected repairs and restoration over the next ten years, expenditures on the Administration Office Building will total \$3,193,000 or an average of \$319,300/year. This amount includes the \$277,005 annual repayment. MVCA currently holds \$298,701 in a restricted Administration Building reserve.

Conservation Area Infrastructure

MVCA currently operates and maintains three conservation areas in addition to the 40 km K&P Trail and is in the process of completing a trail in Roy Brawn Park in cooperation with the Town of Carleton Place. These conservation areas include nine buildings, washroom facilities and other

amenities such as the 400 m boardwalk at the Purdon Conservation Area.

Projected expenditures over the next 7-10 years for asset condition assessments, maintenance and upgrades beyond that which can be achieved through the Land Management maintenance budget will require municipal levy support of \$272,000. In 2018 \$13,000 in municipal levy was allocated to Conservation Area capital development and upgrades. There is no dedicated reserve for conservation area development and the necessary investments in infrastructure is hindered due to uncertainty as to when sufficient funding may become available. Without on-going investment in upgrading the infrastructure supporting these significant public areas, facilities will continue to deteriorate and risk being closed to the public.

Capital Financing

Over the next ten years, projected capital expenditures will require municipal levy support in the amount of \$5,246,150 as follows:

Water Control Structures	\$1,781,150
Administration Office Building	\$3,193,000
Conservation Area Infrastructure	\$272,000
Total	\$5,246,150

In 2018, the municipal levy required to support capital expenditures on these assets was \$355,872. Based on the anticipated schedule of projected expenditures, the municipal levy required in 2019 will be \$455,327 and over the next ten years will fluctuate considerably from year to year, with a high of \$856,505 in 2023 to a low of \$277,005 in 2028. To moderate these fluctuations, the MVCA Board of Directors propose to assess capital project levies on a general benefitting basis in 2019 as follows and maintain this amount over a ten year period:

Water Control Structures	\$180,000
Administration Office Building	\$317,000
Conservation Area Infrastructure	\$30,000
Total	\$527,005

By implementing the proposed ten-year capital financing plan, any surplus in a given year would be directed to a capital reserve for future year projects and the Authority's unrestricted operating surplus would be used to temporarily finance projects when sufficient reserve funds are not available in a particular year.

The resulting change from 2018 in municipal levy support for capital infrastructure spending is **\$171,133**.

Table 1 – 2019 Operating Budget Summary

Expenditures	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2018-19 Variance
Corporate Services					
Administration	\$519,505	\$484,202	\$496,205	\$654,536	\$170,335
Communications	\$90,766	\$91,980	\$95,797	\$94,698	\$2,718
Operations	<u>\$18,664</u>	<u>\$50,034</u>	<u>\$26,029</u>	<u>\$34,780</u>	<u>(\$15,254)</u>
Sub-total	\$628,935	\$626,215	\$618,031	\$784,015	\$157,799
Watershed Management					
Information Management	\$201,650	\$202,317	\$191,076	\$201,346	(\$971)
Watershed Planning	\$338,490	\$330,248	\$316,661	\$351,473	\$21,225
Watershed Monitoring	\$144,394	\$181,792	\$221,896	\$294,580	\$112,788
Studies	\$100,240	\$136,754	\$130,074	\$137,352	\$598
Plan Review	\$223,253	\$228,681	\$207,772	\$230,728	\$2,047
Section 28 Regulations	<u>\$326,461</u>	<u>\$317,118</u>	<u>\$348,410</u>	<u>\$326,983</u>	<u>\$9,864</u>
Sub-total	\$1,334,487	\$1,396,909	\$1,415,889	\$1,542,461	\$145,552
Flood and Erosion Control					
Flood Forecasting & Warning	\$221,304	\$235,937	\$222,646	\$233,873	(\$2,063)
O&M Flood Control Structures	\$310,704	\$322,004	\$309,328	\$330,921	\$8,917
Prev. Maintenance of FCS	<u>\$111,586</u>	<u>\$134,227</u>	<u>\$122,771</u>	<u>\$137,457</u>	<u>\$3,230</u>
Sub-total	\$643,593	\$692,167	\$654,745	\$702,251	\$10,084
Conservation Services					
Conservation Services	\$52,944	\$68,802	\$83,664	\$237,043	\$168,242
Land Management	\$324,617	\$310,707	\$299,755	\$313,260	\$2,553
Conservation Education	\$96,454	\$106,257	\$103,886	\$110,708	\$4,451
Visitor Services	<u>\$139,056</u>	<u>\$147,058</u>	<u>\$132,087</u>	<u>\$147,983</u>	<u>\$925</u>
Sub-total	\$613,071	\$632,823	\$619,392	\$808,994	\$176,171
Total Operating	\$3,220,086	\$3,348,115	\$3,308,057	\$3,837,721	\$489,606
Revenues	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2018-19 Variance
Municipal Levy					
- General benefiting	\$2,381,259	\$2,442,682	\$2,430,442	\$2,492,845	\$50,163
- Special benefiting	\$0	\$0	\$0	\$0	\$0
Sub-total	\$2,381,259	\$2,442,682	\$2,430,442	\$2,492,845	\$50,163
Provincial Transfer Payment	\$248,792	\$248,792	\$248,792	\$248,792	(\$0)
Special Grants	\$24,685	\$30,305	\$19,216	\$28,909	(\$1,396)
User Fees & Contract Revenue	\$411,761	\$398,000	\$428,074	\$416,000	\$18,000
Special Reserves	\$0	\$15,000	\$0	\$136,228	\$121,228
Other	\$153,590	\$213,336	\$247,013	\$514,947	\$301,611
Total Revenues	\$3,220,086	\$3,348,115	\$3,373,537	\$3,837,721	\$489,606
Surplus/(Deficit)	\$0	\$0	\$65,480	\$0	\$0

Table 2 – 2019 Capital Budget Summary

Water & Erosion Control Infrastructure				
Expenditures	2017 Actual	2018 Budget	2018 Actual	2019 Budget
Water & Erosion Control Infrastructure	\$83,943	\$104,567	\$125,542	\$330,643
Revenues	2017 Actual	2018 Budget	2018 Actual	2019 Budget
WECI Grant	\$27,578	\$38,700	\$44,942	\$165,321
General benefiting levy	\$56,365	\$65,867	\$80,600	\$165,321
Special benefiting levy	\$0	\$0	\$0	\$0
Deferred Revenue - WECI	\$0	\$0	\$0	\$0
Water Control Structure Reserve	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Total Revenue	\$83,943	\$104,567	\$125,542	\$330,643

Administration Office				
Expenditures	2011-17 Actual	2018 Budget	2018 Actual	2019 Budget
Administration Office	\$6,316,326	\$277,005	\$277,005	\$277,005
Revenues	2011-17 Actual	2018 Budget	2018 Actual	2019 Budget
Provincial Transfer Payment	\$0	\$0	\$0	\$0
General benefiting levy	\$287,593	\$277,005	\$277,005	\$277,005
Special benefiting levy	\$0	\$0	\$0	\$0
Special Reserves	\$0	\$0	\$0	\$0
Other	\$6,028,733	\$0	\$0	\$0
Total Revenue	\$6,316,326	\$277,005	\$277,005	\$277,005

Conservation Areas Development				
Expenditures	2017 Actual	2018 Budget	2018 Actual	2019 Budget
Conservation Areas	\$16,635	\$18,000	\$11,467	\$18,000
Revenues	2017 Actual	2018 Budget	2018 Actual	2019 Budget
General benefiting levy	\$13,446	\$13,000	\$10,507	\$13,000
MVCF - Trails (DR)	\$0	\$0	\$0	\$0
Other	\$3,390	\$5,000	\$960	\$5,000
Total Revenues	\$16,835	\$18,000	\$11,467	\$18,000

Table 3a – 2019 Administration and Maintenance Levy (General Benefiting)

Municipality	2018 Apportionment %	2018 Levy	2019 Apportionment %	2019 Levy	Variance
North Frontenac Tp	0.9815	\$23,975	0.9648	\$24,128	\$153
Central Frontenac Tp	0.4509	\$11,014	0.4447	\$11,121	\$107
Tay Valley Tp	0.6696	\$16,356	0.6620	\$16,556	\$199
Beckwith Tp	0.6337	\$15,479	0.6476	\$16,195	\$716
Carleton Place	2.3539	\$57,498	2.3766	\$59,435	\$1,937
Drummond/North Elm Tp	0.5059	\$12,358	0.4990	\$12,479	\$122
Lanark Highlands Tp	1.1346	\$27,715	1.1324	\$28,320	\$605
Mississippi Mills	2.6146	\$63,866	2.6379	\$65,970	\$2,103
Addington Highlands Tp	0.1630	\$3,982	0.1611	\$4,029	\$47
Ottawa	90.4559	\$2,209,550	90.4380	\$2,261,714	\$52,164
Greater Madawaska Tp	0.0363	\$887	0.0359	\$898	\$11
Total	100	\$2,442,680	100	\$2,500,845	\$58,165

Table 3b – 2019 Capital Project Levy (General Benefiting)

Municipality	2018 Apportionment %	2018 Levy	2019 Apportionment %	2019 Levy	Variance
North Frontenac Tp	0.9815	\$3,493	0.9648	\$5,085	\$1,592
Central Frontenac Tp	0.4509	\$1,605	0.4447	\$2,344	\$739
Tay Valley Tp	0.6696	\$2,383	0.6620	\$3,489	\$1,106
Beckwith Tp	0.6337	\$2,255	0.6476	\$3,413	\$1,158
Carleton Place	2.3539	\$8,377	2.3766	\$12,525	\$4,148
Drummond/North Elm Tp	0.5059	\$1,800	0.4990	\$2,630	\$829
Lanark Highlands Tp	1.1346	\$4,038	1.1324	\$5,968	\$1,930
Mississippi Mills	2.6146	\$9,305	2.6379	\$13,902	\$4,597
Addington Highlands Tp	0.1630	\$580	0.1611	\$849	\$269
Ottawa	90.4559	\$321,907	90.4380	\$476,613	\$154,706
Greater Madawaska Tp	0.0363	\$129	0.0359	\$189	\$60
Total	100	\$355,872	100	\$527,005	\$171,133

Table 3c – 2019 Total Municipal Levy (General Benefiting)

Municipality	2018 Apportionment %	2018 Levy	2019 Apportionment %	2019 Levy	Variance
North Frontenac Tp	0.9815	\$27,468	0.9648	\$29,213	\$1,745
Central Frontenac Tp	0.4509	\$12,619	0.4447	\$13,465	\$846
Tay Valley Tp	0.6696	\$18,739	0.6620	\$20,044	\$1,305
Beckwith Tp	0.6337	\$17,734	0.6476	\$19,608	\$1,874
Carleton Place	2.3539	\$65,875	2.3766	\$71,960	\$6,085
Drummond/North Elm Tp	0.5059	\$14,158	0.4990	\$15,109	\$951
Lanark Highlands Tp	1.1346	\$31,752	1.1324	\$34,287	\$2,535
Mississippi Mills	2.6146	\$73,171	2.6379	\$79,872	\$6,701
Addington Highlands Tp	0.1630	\$4,562	0.1611	\$4,878	\$316
Ottawa	90.4559	\$2,531,457	90.4380	\$2,738,327	\$206,870
Greater Madawaska Tp	0.0363	\$1,016	0.0359	\$1,087	\$71
Total	100	\$2,798,551	100	\$3,027,850	\$229,299

<p>Corporate Services (administration/operations/communications)</p>
<p>Program Objectives</p> <ul style="list-style-type: none">• Provide financial management and accounting of MVCA expenditures and revenues• Manage MVCA human resources including staff training to achieve MVCA resource management objectives• Maintain effective relationships with government, Conservation Authorities and other partners and stakeholders• Maintain commitment to Occupational Health & Safety• Provide cost effective administrative support and office accommodations• Maintain effective support and dialogue with the Board of Directors and committees• Manage MVCA vehicle and field equipment resources• Maintain all vehicles and equipment in safe and sound condition• Secure and disperse equipment and supplies to staff• Operate workshop facilities• Recover operating and maintenance costs through usage charges• Raise awareness of MVCA programs and provide effective communications support to all program areas
<p>2018 Accomplishments</p> <ul style="list-style-type: none">• Continued to provide financial and human resource management• Recruited new General Manager to commence duties in February 2019• Continued active participation in Conservation Ontario• Provided training opportunities for Board of Directors through the Latornell Conservation Symposium• Continued to update electronic document management system• Continued development of a comprehensive Asset Management program• Acquired vehicle and equipment replacements• Coordinated MVCA 50th Anniversary recognition• Prepared and distributed Annual Report and quarterly newsletter as well as a number of media releases including engagement and outreach using social media.
<p>2019 Work Plan</p> <ul style="list-style-type: none">• Continue enhancements to MVCA Health and Safety Program• Continue implementation of electronic document management system• Enhance partnership opportunities with private business and environmental organizations to promote stewardship efforts• Complete Asset Management Program report and initiate implementation• Undertake fund raising initiatives• Facilitate Asset Management training in collaboration with eastern Ontario Conservation Authorities and FCM

Watershed Planning**Program Objectives**

- Undertake watershed level planning studies and policy development to manage and conserve watershed resources
- Develop program implementation plans to direct stewardship efforts
- Participate and provide advice on municipally led sub-watershed studies
- Review and advise on comprehensive municipal planning documents
- Provide advice to federal/provincial approval authorities for large scale infrastructure projects

2018 Accomplishments

- Completed inventory of Cody Creek and Poole Creek using City Stream Watch Protocol
- Conducted review and provided advice on Official Plan amendments and Environmental Assessments
- Completed additional flood line and depth maps for Poole Creek and the Ottawa River
- Completed assessment of local climate change impacts associated with water management infrastructure and waterpower facilities to identify potential adaptation response measures
- Assisted in the implementation of the Mississippi Lake , Kashwakamak Lake and Malcolm/Ardoch Lake Plans
- Collaborated in delivering a Septic System Awareness Workshop and a Lake Plan Workshop
- Continued work on the Mississippi River Watershed Plan including hydrologic and hydraulic analysis.
- Continued Mississippi Lake and Tributaries Water Quality study in collaboration with Queen's University and the Mississippi Lakes Association.
- Developed a watershed wide Algae Monitoring/Reporting tool for release in 2019.
- Assisted in organization of Lake Links Workshop and participated in the Lake Networking Group
- Initiated flood plain mapping studies for Harwood Creek and an update for the lower Mississippi River watershed.

2019 Work Plan

- Coordinate review and monitoring of Carp River Restoration Project
- Continue development of the Mississippi River Watershed Plan
- Undertake a climate change vulnerability assessment of the Carleton Place municipal drinking water intake
- Assist in implementation of Lake Plans for Mississippi Lake, Kashwakamak Lake, Malcolm /Ardoch Lakes
- Initiate new flood hazard mapping on an additional tributary to Constance Lake
- Complete update to flood hazard mapping for the lower Mississippi River watershed and new mapping for Harwood Creek
- Launch new watershed wide Algae Monitoring/Reporting tool.
- Initiate new flood hazard mapping on Harwood Creek
- Initiate update to flood hazard mapping for the lower Mississippi River watershed
- Initiate additional floodrisk analyses and depth mapping for previously completed mapping
- Complete assessment of Carp Creek A, Carp Creek B , Carp Creek C and Constance Creek using City Stream Watch Protocol
- Implement Carp River Action Plan in cooperation with Friends of the Carp

<p>Watershed Monitoring</p> <p>Program Objectives</p> <ul style="list-style-type: none"> • Monitor nutrient enrichment of recreational lakes and rivers. • Assess trophic status and assimilative capacity of recreational lakes. • Raise awareness of lake sensitivity to nutrient enrichment and encourage stewardship efforts. • Conduct comprehensive water quality monitoring in accordance with the Mississippi Valley Conservation Environmental Monitoring Strategy.
<p>2018 Accomplishments</p> <ul style="list-style-type: none"> • Published the 2017 Integrated Monitoring Report • Published the 2018 Watershed Report Card • MVCA completed nutrient monitoring on 12 Watershed Watch lakes including Kashwakamak, Mississippi, Mosque, Big Gull, Clayton, Taylor, Ardoch, Pine, McCauseland and Fawn Lakes • The Invasive Species Hit Squad student attended lake association meetings as part of education and outreach. Sightings of aquatic and terrestrial invasive species within the MVCA jurisdiction were noted and reported to OFAH. • 8 groundwater monitoring wells were pumped for water samples (only 5 wells have pumps) under the Provincial Groundwater Monitoring Network. Year-long monitoring of 9 wells • 16 surface water monitoring stations were sampled under the Provincial Water Quality Monitoring Program • 15 surface water quality sites were adopted from the City of Ottawa • Sampled 27 sites for fish communities and 12 sites for benthic communities • Completed assessment of Upper Mississippi and Indian River Subwatersheds Completed City Stream Watch (CSW) on 2 systems, Cody Creek and Poole Creek • Completed temperature monitoring on the 2 CSW systems (5 sites) as well loggers were launched at 15 stream and in 5 lakes (Canonto, Sharbot, Dalhousie, Kashwakamak, and Mississippi) for a total of 25 loggers deployed. • Completed Headwater Drainage feature inventory on 22 sites in the Cody Creek, Poole Creek and Carp River watersheds. • Partnered with Silver Lake and Area Environmental Association and Carleton University to study chloride levels in Silver Lake and potential impacts on biota
<p>2019 Work Plan</p> <ul style="list-style-type: none"> • Publish the 2018 Integrated Monitoring Report based on data collected from Watershed Watch and stream surveys. • Publish 2018 City Stream Watch reports for Cody Creek and Poole Creek • Continue water quality monitoring of 12 lakes through the Watershed Watch program • Continue monitoring of 20 water quality monitoring stations under the Provincial Water Quality Monitoring Network • Continue monitoring of 9 groundwater monitoring stations under the Provincial Groundwater Monitoring Program, pumping 5 wells (as directed by MOECC) • Continue benthic, fish and stream assessments throughout the watershed • Continue City Stream Watch Program in Carp A, B, C and Constance Creek • Continue conducting Headwater Drainage feature inventories • Maintain water temperature monitoring on 5 lakes and 20 stream sites • Host a spring Lake Stewards update meeting • Engage local groups to expand communication of citizen science efforts

Information Management
Program Objectives <ul style="list-style-type: none">• The delivery of an efficient and effective information system and services based on a single focal point for all information services and organized to ensure the satisfaction of all user needs• Improved workflow for the acquisition and dissemination of information that will support the needs of MVCA's programs, staff and managers who deal with our clients, as well as fulfill our roles and responsibilities to our funding partners and stake holders• Provide IT support to all programs• To enhance the information management system; including file and database management, internet mapping capability, upgraded hardware and software and associated training
2018 Accomplishments <ul style="list-style-type: none">• Comprehensive review and edit to the watershed NHS features - stream network, wetlands, waterbodies and forest layers• Established a GIS server to facilitate a central geographic database and online mapping capabilities• Launched Sharepoint for collaboration of office resources• Created the environment for the Authority's document management system• Supported the update of Huntley and Constance Creek floodplain mapping• Bathymetric Study of the Lower Mississippi River for Flood Risk Analysis• GIS analysis for Watershed Report Card• Increased network security due to ransomware vulnerability• Update all computer to Windows 10 operating systems
2019 Work Plan <ul style="list-style-type: none">• Complete large scale updates to the watershed NHS features.• Complete a comprehensive land use coverage project that conforms with local stake holders efforts• Implement document management through other departments• Create Data Dictionary for enterprise GIS data• Support the Watershed Plan• Support flood risk mapping updates on priority watersheds in City of Ottawa (Harwood Creek), Mississippi and Indian Rivers and Clayton Taylor Lakes• Enhance views and information to the public and stakeholders - GIS Mapping Portal• Support source water protection planning activities

Planning Advisory and Regulations

Program Objectives

- Achieve MVCA watershed management objectives through the provision of advice to municipal planning authorities on land use and infrastructure planning matters
- Fulfill obligations for delegated responsibilities under the Planning act to address natural hazards issues
- Provide advice to municipal planning authorities on natural heritage issues regarding site-specific applications through cost recovery
- Minimize the risk to life, property damage and social disruption due to flooding, erosion and slope failure
- Prevent pollution/degradation of aquifers, rivers and other water bodies
- Ensure the wise use of regulated lands

2018 Accomplishments

- Completed 126 compliance inspections
- Reviewed and commented on approximately 200 planning applications with respect to natural hazard and natural heritage issues including property clearances and septic reviews
- Processed 140 applications for permission to undertake work subject to Ontario Regulation 153/06
- Investigated 33 violations of Ontario Regulation 153/06 resulting in 1 charge being laid
- Responded to public inquiries regarding potential development impacts and beneficial management practices
- Delivered the Tay Valley Septic Inspection/Re-Inspection program in partnership with the Ottawa Septic System Office (RVCA)
- Delivered the North Frontenac, Central Frontenac and Rideau Lakes Septic Re-Inspection programs in partnership with the Ottawa Septic System Office (RVCA)

2019 Work Plan

- Continue providing a streamlined service for commenting and advice on development applications and review projects subject to Ontario Regulation 153/06
- Continue responding to public inquiries regarding potential development impacts and beneficial management practices
- Provide public access to information regarding natural hazard and natural heritage issues through the MVC web-site
- Implement policies related to unevaluated wetlands
- Continue delivery of the Tay Valley Septic Inspection/Re-inspection program in partnership with the Ottawa Septic System Office (RVCA)
- Continue delivery of the North Frontenac, Central Frontenac and Rideau Lakes Septic Re-Inspection programs in partnership with the Ottawa Septic System Office (RVCA)
- Conduct a review and update to Regulation 153/06 policies.

Flood Forecasting and Warning / Low Water Response

Program Objectives

- Provide early warning of significant flood events to watershed municipalities
- Advise operators/owners of significant dams on watershed conditions and forecasts
- Monitor watershed conditions and assess flood potential
- Operate emergency communications centre during Class 3 or greater flood events
- Assist municipalities in emergency response preparedness planning and exercises
- Update watershed modeling capabilities
- Improve meteorological data access
- Develop backup support in forecasting and warning capabilities
- Coordinate local drought response efforts

2018 Accomplishments

- Monitored snow cover water content at 16 sites bi-monthly (added High Falls snow course through contract with OPG)
- Monitored 10 streamflow, 15 precipitation and 17 hourly water level gauges (added Widow Lake) throughout the watershed including 32 manual water level gauges and 6 volunteer precipitation recorders
- Continued with CoCoRaHS project to develop a volunteer precipitation monitoring network that inputs their data directly to a web site covering north America.
- Continuously monitored weather conditions and issued 3 watershed conditions – Low water bulletins, 3 watershed condition – ice safety bulletins, 4 watershed conditions – High water safety, 3 Flood Watch bulletins and 5 Flood Warning statements
- Maintained a web-based water level and stream flow reporting system and enhanced existing Daily Planning cycle capabilities
- Continued to collaborate with the Eastern Ontario WISKI HUB (10 CA's in eastern Ontario) providing improved access and analytical capability to water resource data
- Developed and calibrated forecast models (HEC-HMS) for six locations.
- Coupled forecast models with reservoir simulation model HEC-ResSim

2019 Work Plan

- Develop automated data input tools / templates for use with other departments and other C.A.'s
- Monitor weather, stream flow and water level conditions on a daily basis and report on conditions through MVCA web-site, develop enhancements to web site to be more user friendly and interactive
- Continue development of a drought response emergency preparedness manual
- Finish installing an all-weather station at the MVCA office
- Install automated gauges at Constance Bay, Ottawa River at Galetta, Pine Lake Dam, Little Marble Lake, Ardoch Bridge and Buckshot Lake
- Undertaking pilot program with MNRF regarding soil moisture data used as a parameter for Low Water Response program
- Undertake pilot program with MNRF regarding soil moisture data used as a parameter for Low Water Response program
- Continue to investigate enhancements to flood forecast procedures
- Conduct repairs to stream gauge shelters / equipment as required
- Continue compiling water quality / benthic data into the WISKI data collection platform
- Continue to integrate KIWIS module of WISKI with MVC website to allow automatic updates of DPC

Operation and Maintenance of Water and Erosion Control Structures

Program Objectives

- Operate MVCA flood and erosion control structures in accordance with established operating policies and procedures
- Update operating policies and procedures as required
- Provide an integrated approach to stream flow regulation and reservoir management in cooperation with other watershed dam operators
- Undertake routine maintenance of MVC structures to provide safe and efficient operation
- Develop a Dam Safety Program and associated policies for MVCA structures
- Develop backup support for operations planning
- Perform annual inspections of all MVCA structures to document maintenance issues
- Undertake maintenance of MVCA flood and erosion control structures to maintain long term integrity and ensure continued safe operation of facilities

2018 Accomplishments

- Continued to operate and maintain 18 water and erosion control structures including annual spring and fall inspections
- Average number of operations with approximately 290 trips to operate the structures
- Conducted day-to-day operations of the Crotch Lake Dam and the High Falls G.S. under contract with OPG
- Conducted day-to-day operations of Mosque, Summit, Palmerston, Canonto and Malcolm Lake dams under contract with MNRF Bancroft
- Liaised with other watershed dam operators on an on-going basis
- Significant minor maintenance project list completed, highlighted by extensive brushing and debris removal at all dams, replacing cable connections with heavy duty chain in boom at Canonto Lake Dam, repaired wooden walkway to Summit Lake dam, repaired rust spots at all gantry locations.

2019 Work Plan

- Continue to operate and maintain 18 water and erosion control structures including annual inspections
- Conduct day-to-day operations of the Crotch Lake Dam and the High Falls G.S. under contract with OPG
- Conduct day-to-day operations of Mosque, Summit, Palmerston, Canonto and Malcolm Lake dams under contract with MNRF Bancroft
- Undertake spring and fall dam inspections at all structures
- Liaise with other watershed dam operators on an on-going basis
- Annual review of the Dam Operator Safety guidelines for all MVCA owned and operated dams
- Update MVCA website with full description of dams, operating plans and rule curves
- Complete the Class EA for Shabomeka Lake Dam rehabilitation
- Installation of the overhead gantry system at Mazinaw Lake Dam
- Undertake the preferred retrofit option to replace deck slabs and railings at Widow Lake dam

Conservation Services
Program Objectives <ul style="list-style-type: none">• Promote implementation of Beneficial Management Practices on private land• Achieve watershed management objectives through targeted financial incentives to private landowners
2018 Accomplishments <ul style="list-style-type: none">• Delivered the City of Ottawa Rural Clean Water Grants Program within the Mississippi Valley.• MVCA continued to implement the five-year MOU with the County of Lanark to provide forest management services on County Forests, providing a range of professional forest management expertise including administering selective timber harvest, routine property inspections and maintaining Forest Stewardship Council Certification.• Continued with Shoreline Naturalization planting program on Mississippi watershed, 10 properties with over 817 shoreline plants planted. Monitored previous plantings.• Coordinated with Center for Sustainable Watersheds to plant 3 properties• Participated in the Ottawa Green Acres program and RVCA/Trees Ontario tree planting program; with 121,000 trees planted in the Mississippi Valley watershed• Assisted MVCA staff with Forestry related issues.• Responded to numerous public calls and inquiries.
2019 Work Plan <ul style="list-style-type: none">• Deliver City of Ottawa Rural Clean Water Program in MVCA area• Coordinate with RVCA tree planting program• Establish contract Stewardship Technician position to develop and delivery landowner stewardship programs• Provide Forest Management Services on Lanark County Community Forest.• Coordinate habitat improvements and Low Impact Development measures along Upper Poole Creek• Continue to deliver Shoreline Naturalization program throughout the watershed in partnership with lake associations, private landowners and corporations

Land Management
Program Objectives <ul style="list-style-type: none">• Maintain MVC properties and facilities including security and risk management• Pay property taxes and utility costs
2018 Accomplishments <ul style="list-style-type: none">• Continued work on new nature trail at MVC Centre• Operated and maintained Mississippi Valley Conservation Centre• Complete routine maintenance of MVC Conservation Areas and facilities as required• Continue hazard tree abatement program at all CA's• Continued with Trail surface improvements at MOK and MICA• Successfully concluded legal action on K&P trail
2019 Work Plan <ul style="list-style-type: none">• Operate and maintain Mississippi Valley Conservation Centre• Continue with tree thinning at Purdon.• Continue hazard tree abatement program at all CA's• Complete routine maintenance of MVC Conservation Areas and facilities as required• Finish phase 2 of new nature trail at Mississippi Valley Conservation Centre• Initiate building condition reports on Stone buildings at MOK and develop a repointing strategy/plan.• Finalize implementation plan and costing for the items identified in the new MOK Master Plan• Complete bridge deck replacement at MICA• Continue participation in LCMTC meeting concerning management of the K&P Trail Conservation Area.• Continue with stone dusting trail surface and brushing at MICA and MOK• Continue with new Site Signage at MOK.• Replace picnic tables at MICA and Purdon• Continue MOK Museum interior upgrades.• Finalize design of new washroom facilities at MOK• Initiate asset management condition reports for buildings and structures at CA's

Conservation Awareness
Program Objectives <ul style="list-style-type: none">• Foster an appreciation for the natural environment in the general public through the provision of day use Conservation Areas, interpretive programs, and public outreach.• Promote the values and life of Drs. R. Tait McKenzie and James Naismith through the operation and maintenance of the grist mill museum and artifacts.• Foster an appreciation for the natural environment in youth through curriculum-based outdoor education programs.• Promote environmental stewardship and conservation through outdoor education, day camps and community outreach initiatives.• Educate elementary students about the dangers of playing near fast moving, cold water in the spring (Spring Water Awareness Program - SWAP).• Encourage use of conservation areas from an environmental and healthy living perspective.
2018 Accomplishments <ul style="list-style-type: none">• Close to 9,000 visitors to the museum with 1150 attending special events and weddings held on site. Approximately 16,000 visitors to the conservation area in 2018.• Transfer of Assets from the Naismith Basketball Foundation to the MVCA.• Participated in Beckwith`s Harvest Festival.• 12th annual Kintail Country Christmas – one of the most successful years to date, both in attendance and revenue.• Volunteers continue to accession and digitize both McKenzie`s and Naismith`s collections.• Delivered curriculum-based outdoor education programs to more than 2000 students.• Provided conservation-based nature exploration summer camps for 6 weeks at maximum capacity• Delivered the SWAP safety message to more than 3000 students in 13 schools.• Provided MVCF transportation grants to 6 schools for winter outdoor education field trips.• Continued Night Sky Conservation spring programming.• Participated in a working group with the River Institute and various community groups to revitalize the Children`s Water Festival at the Mill of Kintail.• Participated in the Carl River Learning Classroom project development.
2019 Work Plan <ul style="list-style-type: none">• Continue provision of curriculum-based outdoor education programs with a focus to increase fall programming and programming outside of the Mill of Kintail Conservation Area.• Continue to offer MVCF bus grant program to encourage winter field trip bookings.• Continue provision of the Spring Water Awareness Program.• Work with partners to help develop and raise public awareness about app for the Carp River Restoration Area.• Continue to offer Wildlife Watchers Day Camp for 6 weeks in July/August.• Continue operation of Mill of Kintail Conservation Area and Museum programming.• Conduct Children`s Water Festival at the Mill of Kintail Conservation Area.• Continue digitizing and accessioning both collections.• Increase awareness of “Brothers of the Wind.”• Continue attending Mississippi Mills Museums Group meetings facilitated by Mississippi Mills

Staff Report #2987/19

February 6, 2019

Memorandum

To: The Chair and Members of the Finance & Administration Advisory Committee
Mississippi Valley Conservation Authority

From: Joan Sargeant, AMCT, Secretary-Treasurer

Re: Per Diem/Honorarium and Mileage Increase for 2019

The updated MVCA Administrative By-Law adopted September 19, 2018 states the following in Section 13 regarding remuneration of members:

“The general membership shall pass a motion annually at the Annual General Meeting specifying a per-diem rate to be paid to members for attendance at general meetings and advisory board or committee meetings and at such other business functions as may be from time to time requested by the Chair, through the Secretary-Treasurer. In addition, an honorarium may be approved by the Authority for the Chair and Vice-chair as compensation for their additional responsibilities. A single per-diem will be paid for attendance at more than one meeting if they occur consecutively on the same day. The Authority shall reimburse members’ reasonable travel expenses incurred for the purpose of attending meetings and/or functions on behalf of the Authority. A per kilometer rate to be paid for use of a personal vehicle shall be approved by resolution of the general membership from time to time. Requests for such reimbursements shall be submitted within a timely fashion and shall be consistent with Canada Revenue Agency guidelines.”

At the present time, the per diem paid to Board members is \$70.00 for one meeting and \$140.00 for two meetings in one day or for attendance on Authority business. The annual Honorarium for the Chair is currently at \$1,750.00. As you know, we do not have an Honorarium for the Vice-chair.

It is proposed that the per diem and honorarium for members for 2019 be increased by the cost of living of 2.5% which is in the budget for employees. The new amounts would be effective as of the Annual Meeting, February 20, 2019 and would be as follows:

\$71.75 for one meeting;

\$143.50 for two meetings in one day or for attendance on Authority business;

Chair Honorarium would be \$1,793.75.

The current mileage rate paid out to staff and members is \$0.55/km. The 2019 CRA mileage rate is as follows:

\$0.58/first 5,000 km

\$0.52/each additional km

Traditionally the Authority has only had one rate for mileage and the annual amount has been obtained from the National Joint Council website which provides “provincial rates payable in cents per kilometer for the use of privately owned vehicles driven on authorized government business travel”. The rate for Ontario effective January 1, 2019 is \$0.57/km.

A discussion on per diem/honorarium and mileage increases will be required and a recommendation made to the Board of Directors at the Annual Meeting as set out in the previously mentioned policy.