



Finance and Administration Committee

Virtual Meeting BY ZOOM

10:00 am

February 8, 2021

AGENDA

ROLL CALL

Adoption of Agenda

Declaration of Interest (written)

1. Approval of Minutes, Finance and Administration Committee – November 20, 2020
2. 2019 Draft Financial Statements, walk-on (Glenn Street)
3. 2019 Per Diem and Mileage Rates, Report 3109/21 (Angela Millar)
4. Update – Grant Applications, verbal (Angela Millar)
5. Salary Review Follow-up, verbal (Sally McIntyre) – IN CAMERA

Other Business

ADJOURNMENT



Finance and Administration Committee

Virtual Meeting BY ZOOM

November 20, 2020

MINUTES

MEMBERS PRESENT:

C. Lowry, Chair
P. Kehoe
J. Mason
P. Sweetnam
E. El-Chantiry

MEMBERS ABSENT:

E. Burke
G. Gower
T. Fritz
W. King
G. McEvoy

STAFF PRESENT:

S. McIntyre, General Manager
A. Millar, Treasurer
A. Broadbent, IT Supervisor
R. Fergusson, Operations Supervisor
M. Craig, Manager Planning and Regulatory Services
J. Cunderlik, Director, Water Resources Engineering
C. Truman, Recording Secretary

GUESTS:

J. Glasser, Cornerstone Management Solutions Ltd.
K. Howe, Cornerstone Management Solutions Ltd.

C. Lowry called the meeting to order at 3:35p.m.

FAAC11/20/20-1

MOVED BY: E. El-Chantiry

SECONDED BY: P. Sweetnam

Resolved, That the agenda for the Finance & Administration Advisory Committee meeting be adopted as amended.

“CARRIED”

C. Lowry added two items to the Agenda under Other Business and suggested this discussion occur before the committee moves into the “In-Camera” session:

1. Update of LIDAR application
2. NDMP Grant Application

C. Lowry updated the agenda to include item “5. Labour Relations Update” to be discussed during the “In-Camera” session.

BUSINESS

1. Minutes – Finance & Administration Advisory Committee Meeting – September 9, 2020

FAAC11/20/20-2

MOVED BY: J. Mason

SECONDED BY: P. Kehoe

Resolved, That the Minutes of the Finance & Administration Advisory Committee meeting held September 9, 2020 be received and approved as printed.

“CARRIED”

2. Interim Financial Plan and 10-year Capital Plan

S. McIntyre presented Staff Report 3095/20. She noted that the report was tabled at the Policies and Priorities Committee meeting on Friday, November 13, 2020 and provided a brief recap of Committee discussions and outcomes.

She explained that the Plan addresses capital pressures over the next ten years and how the MVCA plans to meet them. In overviewing “Capital – Debt vs Sinking Funds” S. McIntyre explained that ideally, contributions to reserves are made as an asset moves through its lifecycle to ensure that funds are available to replace it at the end of its design life. The 10-year Capital Plan reflects the works and capital contributions needed to maintain the safety and operability of assets over the next 10 years, not the capital contributions required for lifecycle replacement of assets over time.

When referring to the Reserve Balance graph and the impacts of the Shabomeka Dam project, S. McIntyre explained and showed that two design options: stop logs and the Bascule gate, have little difference on the reserves and the need to borrow.

S. McIntyre stressed that 2021 could be a year of significant change depending on the legislative and regulatory changes that are brought in by the Ontario Government. Understaffing as well as the impacts of COVID-19 compromised delivery of the 2020 capital program. Having adequate and appropriate staff will be essential to delivery of the 2021 capital program.

Discussion

P. Sweetnam expressed disappointed that MVCA did not receive greater support from school boards and that it relies on bussing costs being subsidized by the Authority.

E. El-Chantiry thanked the MVCA team for their efforts in preparing the budget. He acknowledged that although we have been working in a pandemic, growth has not slowed down. He asked whether a plan was in place to split working teams, or whether unforeseen impacts to the organization should be budgeted. S. McIntyre explained that field operations staff have been split into two teams of two for dam and conservation area operations. Staff are not to interact between the two teams and this is part of the resiliency program.

E. El-Chantiry clarified his question asking whether there is a plan in place for the whole organization. S. McIntyre explained that very few staff are working from the office and social distancing is being observed by those who do work in the office. She conveyed that best practices are being followed in order for the organization to deliver the best service in the safest manner possible.

E. El-Chantiry asked where the MVCA fits, in comparison to other organizations of its size, for borrowing. A. Millar explained that debt financing is becoming more popular with smaller municipalities and that proposed borrowing by the Authority is in line with those organizations. She explained that debt financing is a viable solution in the current situation. E. El-Chantiry asked whether, in comparison to other organizations of our size, if MVCA at the high end of borrowing, middle or low. A. Millar confirmed that MVCA is at the low end.

E. El-Chantiry stressed the importance of borrowing with the current low interest rates. He asked for this to be outlined simply: if we do not take advantage today of investments for asset management, the more expensive it will become. S. McIntyre agreed and said that the Draft Interim Financial Plan was sent to the Authority's auditor for comment, who replied that the document's analysis and plan put the Authority on track to addressing its future financial needs.

J. Mason clarified the assumptions upon which the Capital Plan and forecasted capital levy increases are based, namely:

- WECl funding of 50% will be received for Shabomeka and Kashwakamak dam projects; and
- Debt financing of the two projects, with 2021 being the year that work commences on Shabomeka Lake Dam.

S. McIntyre confirmed the above.

J. Mason commented that federal infrastructure type grants/funding were not included in the IFP because of considerable uncertainty regarding program details and availability.

J. Mason commented that the capital program larger than what was seen in 2018 and understands the reasoning but, having been part of the Board at that time, the intent was to spread out the payments over the ten years.

FAAC11/20/20-3

MOVED BY: E. El-Chantiry

SECONDED BY: P. Sweetnam

Resolved, That the Committee recommend that the Board of Directors approve the draft Interim Financial Plan and Update to the 10-year Capital Plan.

"CARRIED"

3. **Draft 2021 Budget**

S. McIntyre presented Staff Report 3096/20. She noted that the 2021 version has been modified from previous years to identify what is believe will and won't be eligible for the Municipal Levy under anticipated regulations, and said that this had been a valuable exercise for the management team.

She highlighted that the Gauge Network project could be eligible for a grant under the National Disaster Mitigation Program (NDMP); and gave kudos to the MVCA team and partners at RVCA and SNC for their efforts in preparing the LiDAR application concurrent to dealing with Bill 229.

Discussion

E. El-Chantiry asked why the capital contribution to reserves is less in 2021 than other years. S. McIntyre explained that a portion of the capital levy would be used for the Shabomeka Lake Dam project and other Pay-As-You-Go project expenses. This would leave less at 2021 year-end to place into the reserves.

E. El-Chantiry asked how much funding is allocated for capital vs. operations. S. McIntyre responded that this percentage varies significantly year over year depending on the capital program, and explained the goal is to mitigate fluctuations in the municipal levy by setting aside money early in the planning period for projects to be carried out in future years.

E. El-Chantiry asked if MVCA needs to contribute more to capital to avoid falling behind. S. McIntyre said that moving forward it will be recommended that more be put into capital. She explained that building the capital reserves is important for lifecycle replacement, however, the management team is also cognizant of affordability issue for member municipalities and uncertainty regarding the state of the economy, and the need for more information regarding the condition of some assets.

E. El-Chantiry recommended a brainstorming session be held to develop a roadmap for long term financial planning.

E. El-Chantiry asked if it would be helpful to access cost sharing (federal and provincial) if the Authority had a “shovel-ready” program in place. S. McIntyre responded it would be, but that the MVCA does not have the necessary background studies and designs completed to have shovel-ready projects ready.

C. Lowry agreed that a discussion on a long-term financial plan was a great suggestion. S. McIntyre responded she would return to the Committee with theoretical contributions to the capital reserve based upon taking the full life-cycle approach to asset management. This would help initiate a conversation of how to transition to a full life-cycle approach to asset management.

P. Sweetnam agreed that it is desirable to have shovel-ready projects and asked that future EA studies clearly distinguish between flood control and flow augmentation projects. He believes it is important to identify locations for water storage within the watershed. He complimented the planning team for exceeding budgeted revenues and the work that entailed despite a reduction in planning fees for flooding victims. Lastly, he suggested that cleaning services of conservation areas be contracted out. S. McIntyre explained that the full-time position identified is for a Civil Engineering Technologist and there were funds identified within the budget to contract out cleaning services.

J. Mason commented that the budget was very comprehensive and that it was very easy to understand the rationale.

FAAC11/20/20-4

MOVED BY: P. Kehoe

SECONDED BY: P. Sweetnam

Resolved, That the Finance & Administration Advisory Committee recommend the Draft 2021 Budget to the Board of Directors for consideration and circulation to member municipalities for comment.

“CARRIED”

OTHER BUSINESS

S. McIntyre explained that the Board approved proceeding with an application for the LiDAR project and that it was presented to both Frontenac and Lanark county councils. An information session was scheduled for Monday, November 23 for all CAO's to present the project—its purpose and cost sharing opportunities. Her impression is that municipalities see the value of LIDAR for all levels of government and she was optimistic that some costs will be offset for the Authority. She said she was hoping to hear about the intent of municipalities to help fund the project for the application deadline.

S. McIntyre discussed the Modeling and Gauge project, which falls within the 2021 budget and may also be eligible for an NDMP grant. The purpose of this project is to update rating curves on the system which is important for flood forecasting and warning. She said there may be other grant opportunities for items in the 2021 budget, and the motion speaks to this matter.

P. Sweetnam praised how invaluable LIDAR is for planning, and asked whether gauges are electronic and report directly to the office. S. McIntyre confirmed that data collected by the gauges is collected remotely.

FAAC11/20/20-5

MOVED BY: E. El-Chantiry

SECONDED BY: P. Sweetnam

Resolved, That the Finance & Administration Advisory Committee endorse the submission of grant applications to support implementation of the 2021 Capital and Operating programs as set out in the Draft 2021 Budget.

“CARRIED”

FAAC11/20/20-6

MOVED BY: P. Kehoe

SECONDED BY: E. El-Chantiry

Resolved, That the committee move to in-camera session for discussion of the following matter:

- Labour relations or employee negotiations;

And further Resolved, That Sally McIntyre remain in the room.

“CARRIED”

Note:

- At approximately 5:00 pm, K. Howe and J. Glasser joined the meeting.
- At approximately 5:15pm, S. McIntyre lost connection to the meeting and was unable to reconnect.
- In-camera motions and directions to the GM were recorded by C. Lowry and J. Mason.

FAAC11/20/20-9

Resolved, That the Finance and Administration Committee be adjourned at 5:32.

MOVED BY: P. Kehoe

SECONDED BY: J. Mason

“CARRIED”

“C. Truman, Recording Secretary

C. Lowry, Chair”

REPORT

3109/21

TO:	Finance & Administration Advisory Committee
FROM:	Angela Millar, Treasurer
RE:	Per Diem/Honorarium and Mileage Rates for 2021
DATE:	February 3, 2021

Recommendation:

That the Board approve:

- a) a 0.1% cost of living increase in Board member per diems and honorariums effective the Annual General Meeting, February 17, 2021.
- b) an increase in mileage rate to \$0.55/km effective January 1, 2021.

1.0 BACKGROUND

Section 13 of the MVCA 2018 Administrative By-Law, 2018 states the following:

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.

2.0 DISCUSSION

The current per diem paid to Board members is \$73.12 for one meeting and \$146.23 for two meetings in one day or for attendance on Authority business.

The annual Honorarium for the Chair is currently at \$1,827.84. There is no Honorarium for the Vice-chair position approved at this time.

It is proposed that the per diem and honorarium be increased by the cost of living of 0.1% which is consistent with what is included in the 2021 budget for employees. The new amounts would be effective as of the Annual General Meeting, February 17, 2021 and would be as follows:

- \$73.20 for one meeting;
- \$146.38 for two meetings in one day or for attendance on Authority business;
- Chair Honorarium would be \$1,829.67.

The current mileage rate paid out to staff and members is \$0.565/km. The 2021 Canada Revenue Agency (CRA) mileage rate is unchanged from 2020 and is as follows:

- \$0.59 for the first 5,000 km
- \$0.53 for 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, 2021 is \$0.55/km.