



MINUTES

Hybrid Meeting Via Zoom
and at MVCA Office

Finance and Administration
Advisory Committee Meeting

November 28th, 2023

MEMBERS PRESENT

J. Mason, Chair
R. Kidd
P. Kehoe
A. Vereyken (virtual)
M. Souter
R. Huetl
C. Curry (virtual)
A. Kendrick

MEMBERS ABSENT

A. Hubley
J. Atkinson

STAFF PRESENT

S. McIntyre, General Manager
A. Broadbent, Manager of I&CT
S. Millard, Treasurer
S. Lawryk, Property Manager
D. Doughty, Finance Administrative Assistant
K. Hollington, Recording Secretary

J. Mason called the meeting to order at 10:01 a.m.

Declarations of Interest (Written)

Members were asked to declare any conflicts of interest and informed that they may declare a conflict at any time during the session. No declarations were received.

Agenda Review

M. Souter asked for an update on the K&P Trail Landowners Dispute. J. Mason noted this would be added as item 7 to the agenda.

FAAC23/11/28-1

MOVED BY: M. Souter

SECONDED BY: R. Kidd

Resolved, that the agenda for the November 28th, 2023 Finance and Administration Advisory Committee Meeting be adopted as amended.

“CARRIED”

MAIN BUSINESS

1. Approval of Minutes: Finance and Administration Advisory Committee Meeting, October 2, 2023

FAAC23/11/28-2

MOVED BY: C. Curry

SECONDED BY: A. Kendrick

Resolved, that the minutes of the Finance and Administration Advisory Committee Meeting held on October 2nd, 2023 be received and approved as printed.

“CARRIED”

2. IT Asset Management Plan, Report 3367/23, (A. Broadbent)

A. Broadbent noted that MVCA had an independent review of IT assets to help guide the IT Asset Management Plan. He explained that MVCA uses a hybrid network environment, with both on-site equipment and a cloud-based system. He highlighted described key system elements, and summarized key issues. He identified recommendations for key system components, their timing, and cost implications.

P. Kehoe asked whether the recommendation to reduce from 3 servers to 1 large server to save on costs would make MVCA more vulnerable to cyber attacks compared. A. Broadbent responded that the server would be partitioned, with each area acting independently of the others with its own antivirus and firewall. He added that two of the three servers are scheduled to be replaced between 2023 and 2025 in the current 10-Year Capital Plan, and this replacement server would not incur extra costs.

C. Curry described her previous experience with emergency response table-top exercises with other Boards she has sat on. She asked if there is a plan to have the MVCA Board of Directors and MVCA management participate in a run-through of an IT emergency response plan. A. Broadbent answered that documenting the IT emergency response plan is needed. S. McIntyre explained that most vulnerabilities identified were internal to MVCA and that there is an ongoing program to educate MVCA staff to reduce risks. She added that after the last security breach, a contractor was employed to make IT improvements to MVCA's IT security. S. McIntyre committed to connect with C. Curry to gain an understanding of her previous experiences and to determine what may be appropriate for the MVCA Board of Directors.

J. Mason asked if the IT Asset Management Plan will have an impact on the Operating or Capital Budget. S. McIntyre answered that there will be no impact to the 2024 budget, but moving forward Software as a Service (SAS) requirements will likely increase and put pressure on operating costs. She added that the existing 10-Year Capital Plan had allowed for replacement of the servers and that the new server would not incur any additional costs.

FAAC23/11/28-3

MOVED BY: P. Kehoe

SECONDED BY: M. Souter

Resolved, That the Finance and Administrative Advisory Committee recommend that the Board of Directors approve the IT Asset Management Plan as set out in Report 3367/23.

“CARRIED”

3. Fleet Management Plan, Report 3368/23, (S. Lawryk)

S. Lawryk summarized the current MVCA vehicle fleet, highlighting the aging condition of the vehicles, resulting in rising repair costs. He explained that four-wheel/all-wheel drive vehicles are required by most MVCA departments to access remote areas and to transport both staff and equipment. He added that MVCA has a need for a vehicle with Commercial Vehicle Operator’s Registration (CVOR) to tow equipment like boats and trailers

S. Lawryk identified short-term vehicle needs and outlined a mid-term plan to research modernization of the MVCA fleet and electric vehicle (EV) infrastructure, noting potential to partner with local municipalities. He highlighted that plan will be somewhat fluid based upon changing vehicle requirements and market conditions. Each purchase will be preceded by a cost benefit analysis to ensure it meets the operational and financial needs of the organization. He noted that with the age of the fleet, there is a greater risk of a vehicle requiring a major repair in the future.

A. Kendrick asked if there is a GIS mapping layer that shows EV charger locations within the watershed. A. Broadbent replied that MVCA does not have this GIS layer but that it could be looked into.

P. Kehoe explained that usually when entering a tendering process, the more vehicles the better and asked why the recommendation is to replace only 2 rather than 3. He noted that there are 3 vehicles in the fleet that need replacement based on age and being over 200,000 kilometers. He also asked if there is an ability to partner with member municipalities that will be buying vehicles in 2024 to take advantage of any possible cost-savings by buying in multiple. S. Lawryk replied that MVCA takes advantage of fleet pricing with the company that provides fuel for the fleet, but agreed that there is an opportunity to reach out to member municipalities to pursue bulk purchase. S. Lawryk added that his recommendation of replacing

two cars rather than 3 is based on maintaining lower costs and staggering the acquisition of vehicles to reduce multiple replacements or repair costs in the future.

M. Souter asked if there is an annual transfer of funds to reserves in anticipation of transfer of infrastructure to or electric vehicles or if it solely dependent on grants. S. Millard answered that the current 10-Year Capital Plan does not have MVCA building the vehicle reserve over the next 5 years—all contributions to reserves are scheduled to be allocated to Water Control Structures based upon need. Contributions to the Vehicle Reserve begin in year six. Currently, the vehicle reserve has approximately \$220,000. MVCA plan to draw from this reserve in 2024 but no other years in the near-term. S. McIntyre explained that the purchase of a new vehicle does not necessarily mean drawing from vehicle reserves. Another option is PAYGO—paying as you go using same-year revenues/cash on hand.

M. Souter expressed concern over the depletion of vehicle reserves with the additional need to replace the CVOR vehicle in the future in addition to the two recommended. S. Millard explained that in the current plan it is not anticipated that any excess above the approximate \$45,000 will be taken from vehicle reserves. Currently other sources of funding are expected to cover cost of any other vehicle procurement.

C. Curry expressed her support for collaborating with member municipalities to gather information to inform the Fleet Management Plan in regards to fleet optimization, cost savings, and electric infrastructure.

M. Souter asked if any thought has been given to installing public chargers at Conservation Areas. S. Lawryk explained that MVCA has started the process of exploring charging installation opportunities, noting that the grants available are larger for public charging stations in comparison to in-house fleet chargers.

R. Huetl asked what the waiting time would be for a new vehicle. S. Lawryk responded that it is dependent on the vehicle type/model and that a cost benefit analysis will be required to determine the best option.

R. Huetl commented that MVCA transition to EV cars is highly dependent on charger availability across the watershed, particularly in North Frontenac, which is a far distance from the MVCA's office. S. Lawryk agreed that once EV infrastructure is in place he would feel more comfortable about the safety of staff travelling far distances.

J. Mason commented that the plan for EV infrastructure is a future topic for discussion. She highlighted the current need for replacing two fleet vehicles. The Fleet Management Plan is open and can be developed over time as things change, leaving opportunities to discuss EV capabilities further.

R. Kidd asked if the price estimate of \$120,000 for a rental vehicle is for a 1-year period. S. Lawryk responded that the price is for an assumed 8-month period to cover MVCA through its main operational period.

R. Kidd highlighted the importance of pursuing grants for public charging stations at the Conservation Areas. He explained that MVCA should set an example by being the leader in installing charging stations. S. McIntyre responded that part of the Fleet Management Plan looks at how to implement the creation of EV infrastructure. She added that there is an opportunity for a public charging station at the MVCA office that would service the community using Roy Brown Park and commuting on Highway 7. She explained that grants available to the municipalities are more robust than those available to the Conservation Authority. Partnering with member municipalities would help ensure optimization of available grant funds. She added that in 2024 a supplemental report could be created to explore EV infrastructure options more thoroughly. R. Kidd noted that there will be many opportunities to charge along Highway 7 and feels there is a greater opportunity to support the community by providing chargers in more remote locations like Conservation Areas.

A. Kendrick added that he supports MVCA being a leader in EV infrastructure. He highlighted the opportunity for MVCA to purchase hybrid vehicles for the two immediate recommended replacements and to look to fully electric as infrastructure is improved and developed within the watershed.

J. Mason noted the commitment for MVCA to look into EV infrastructure opportunities and for future reports to be tabled with the Finance and Administration Committee and Board of Directors.

FAAC23/11/28-4

MOVED BY: R. Huetl

SECONDED BY: A. Kendrick

Resolved, That the Finance and Administrative Advisory Committee recommend that the Board of Directors approve the Fleet Management Plan as set out in report 3368/23.

“CARRIED”

4. **2024 Fees, Report 3369/23, (S. Millard)**

S. Millard explained that MVCA has updated the Fee Schedule assuming the Province of Ontario extend the freeze that ends on December 31st. The basis for all permit, planning and modelling fees is a 3% increase, which is inline with South Nation and Rideau Valley Conservation Authorities to keep City of Ottawa fees consistent.

Updating of wording is highlighted in yellow in the report to ensure clarity. She noted changes to Conservation Area fees in Schedule D, explaining that a market analysis and comparison was conducted over the past 6 months to determine appropriate fees. She noted that these fees are for Category 3 programs and that MVCA is working towards greater cost-recovery and a potential surplus. Comparative properties used for the analysis included other historic sites, such as Pinhey's Point in Dunrobin, rather than other local wedding venues. Fees have been structured to require a 4-hour minimum booking time.

A. Kendrick noted that proceeding with a 3% increase in fees for 2024, the Conservation Authorities are accepting a 1-year hiatus in fee increases. He asked if there was any discussion of a higher fee increase. S. McIntyre clarified that MVCA adjusted its 2023 fees in advance of the provincial freeze, therefore this impact will not be incurred.

FAAC23/11/28-5

MOVED BY: A. Kendrick

SECONDED BY: M. Souter

Resolved, That the Finance and Administrative Advisory Committee recommend that the Board of Directors approve the 2024 Fee Schedule as set out in Report 3369/23.

“CARRIED”

5. Reserve Policy Update, Report 3370/23, (S. Millard)

S. Millard explained that when the Reserve Policy was approved and implemented in July 2022, it was noted that MVCA would need to come back and update it to fully implement agreements under Category 2 and 3. She presented the current state of operating reserves and projected year-end, noting that the General Operating Reserve is projected to be almost double the target balance set in the policy; and that the 10-Year Capital Plan provides for building the capital reserves fairly aggressively over the next few years.

S. Millard explained that the target operating reserve levels for Category 2 and 3 are designed to offset fluctuations in funding for those programs, and equal the percentages used in the Category 2 and 3 municipal agreements. She summarized the proposed changes in reserve fund balances, and the projected 2023 year-end balances.

M. Souter noted that in order to bring the new Category 2 and 3 Operating Reserves up to target, it is proposed that any surplus within an operating budget would build the fund. She asked if there are any other sources of funding and if any future municipal capital levies would feed into these funds. S. Millard answered that grants, donations, and fees are alternative sources of funding that feed into these funds. S. McIntyre explained that the agreements that

the municipalities have signed says that up to 2% of the annual capital levy can go towards the category 3 capital works in the current year or to build the reserve. She added that grants and contributions are looked at to build Category 2 and 3 Operating Reserves.

FAAC23/11/28-6

MOVED BY: P. Kehoe

SECONDED BY: M. Souter

Resolved, That the Finance and Administrative Advisory Committee recommend that the Board of Directors:

- 1. Approve amendment of the Reserve Policy to provide for Category 2 and 3 reserves, as outlined in Report 3370/23.**
- 2. Approve transfer of reserve balances as set out in Report 3370/23.**

“CARRIED”

6. 2024 Budget, Report 3371/23. (S. Millard)

S. McIntyre explained the process behind the budget setting for 2024. She noted that in the fall, the Board of Directors approved postponing the Annual General Meeting and annual review of financial statements to March/April, and that the budget would proceed in February separate from those items.

S. McIntyre reviewed the totals for the 2023 and 2024 budgets, noting a 6.5% increase. She explained that the increase in Capital budget is due to a major capital project--the Water and Sewer connection that is expected for 2024. The bulk of operating expenditures is for Category 1 programming. Most of the budget is supported by the municipal levy but MVCA is making efforts to increase revenues through fees for service, and pursuing grants and contributions.

She noted that all Category 1 programs see a drop from 2023 to 2024 due to the reallocation of costs to Category 2 and 3 programs. She highlighted the proposed draft budgets for Category 2 and 3 programs. She noted the increase in the budget for Category 3 programs in part due to the introduction of the approved education program. She summarized the Capital budget, noting the continuation of WECl projects, Conservation Area safety maintenance, Corporate projects such as the Water and Sewer Connection, and debt repayment. She highlighted capitalization of some of the technical studies, major products that MVCA produces like mapping and models that meet lifecycle length requirements and have the potential to be shared at a cost.

A. Kendrick asked if the Corporate projects ‘Other Revenue’ figure of \$715,000 is taking out more debt. S. McIntyre explained that the policy states that if a capital project exceeds

\$500,000 that MVCA would consider debt financing. This was tabled and approved previously when it was recognized that the water and sewer connection would likely exceed \$500,000.

M. Souter asked how long it will take for MVCA to repay the current mortgage. S. McIntyre responded that by 2040, 17 years.

M. Souter asked if money was set aside for future connection to Water and Sewer when the property was purchased and why it was not included in the mortgage. S. McIntyre responded that she cannot speak to the reason why it was not included in the mortgage at the time. She explained that some money has been set aside in the Capital Reserves over the years to allow for the water and sewer connection but are insufficient due to the combination of costs for hooking up to municipal services, decommissioning existing structures, and payment to the Town for bringing municipal services to the property line. M. Souter asked if any money is set aside for any potential lawsuits over the amount owed for the services being brought to the property line.

J. Mason noted that this topic was covered at the last Finance and Administration Committee meeting and Board of Directors Meeting and any further discussion should go in-camera. She explained that the General Manager will be tabling the status of negotiations with the Town of Carleton Place with the Finance and Administrative Committee and the Board of Directors. M. Souter withdrew her question. R. Kidd asked if an agreement has been reached. J. Mason confirmed that no agreement has been made at this time. R. Kidd commented that the amount of \$715,000 for the Water and Sewer Connection is close to 20% of the cost to build the MVCA office.

S. McIntyre asked if any further details/explanations are required in regards to the budget. J. Mason commented that the improved formatting makes the budget clear and easy to understand. J. Mason asked again if any members require more information. M. Souter also commented that the formatting made the budget very easy to understand and is satisfied that the budget can be tabled with the Board of Directors.

A. Kendrick expressed concern over the cost of the Water and Sewer Connection and asked if continuing with existing infrastructure is possible. J. Mason commented that the answer for this question will require going in-camera.

A. Kendrick asked about the status of the reserves, drawing down on reserves without any significant contributions and asked if this is sustainable moving forward. S. Millard answered that the 10-Year Capital Plan that was tabled with the Board in the spring has a significant increase in the levy over the next several years to bring the reserve levels up and MVCA is looking to transfer overages from the operating reserve to the capital reserves. J. Mason asked if there will be an update of the 10-Year Capital plan presented in 2024. S. Millard answered

that the intent is to update every year. J. Mason noted that this would provide an opportunity to see how the reserves are affected over time.

C. Curry asked there is any advocacy work that is recommended. S. McIntyre responded that the Board has previously lobbied the province regarding the WECl funding and annual transfer. MVCA is mandated by the regulation to deliver services on behalf of the province and the funding has been cut in half after 17 years with no increase. MVCA could lobby to reinstate the other half as well as indexing moving forward to cover the costs to deliver services for the province. She added that the province has not increased the value of the WECl capital funding envelope for roughly 20 years. She noted that a key constraint in the administration of WECl grants is that CAs are typically given less than 10 months to complete a capital project from the time funding is approved.

C. Curry mentioned a recent auditor report regarding a subdivision approved within the flood plain and expressed concern about approval processes of CAs. J. Mason confirmed that the General Manager will follow this situation. S. McIntyre commented that MVCA will be dealing with something comparable that will be tabled with the Policy and Planning Committee, regarding updated policies and objectives that will help guide permit approvals within MVCA regulated areas.

FAAC23/11/28-7

MOVED BY: P. Kehoe

SECONDED BY: R. Huetl

Resolved, That the Finance and Administrative Advisory Committee enter into camera to discuss an issue of potential financial and legal impact to the Conservation Authority.

And further, Resolved, That:

Sally McIntyre, Stacy Millard, Scott Lawryk, Dana Doherty and Kelly Hollington remain in the room.

“CARRIED”

FAAC23/11/28-8

MOVED BY: P. Kehoe

SECONDED BY: M. Souter

Resolved, That the Finance and Administrative Advisory Committee move out of in-camera discussion.

“CARRIED”

FAAC23/11/28-9

MOVED BY: R. Huetl

SECONDED BY: A. Kendrick

Resolved, That the Finance and Administrative Advisory Committee recommend that the Draft 2024 Budget be tabled with the Board of Directors for consideration and circulated to member municipalities for comment.

“CARRIED”

7. K&P Trail Landowners Dispute

J. Mason asked for a motion to defer item 7 of the agenda.

FAAC23/11/28-10

MOVED BY: P. Kehoe

SECONDED BY: R. Huetl

Resolved, That the Finance and Administrative Advisory Committee defer item 7 that had been added to the agenda.

“CARRIED”

ADJOURNMENT

FAAC23/11/28-11

MOVED BY: R. Huetl

SECONDED BY: M. Souter

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

“CARRIED”

The meeting adjourned at 11:56 a.m.

K. Hollington, Recording Secretary