



Agenda: Finance and Administration Advisory Committee Meeting

June 26, 2025

11:00 a.m.

Hybrid meeting via Zoom and MVCA Office Boardroom

Roll Call

Declarations of Interest (written)

Adoption of Agenda

Main Business

1. Approval of Minutes: Finance and Administration Advisory Committee Meeting
Minutes, April 4, 2025, Page 2
2. Election of Chair & Vice-Chair
3. **In Camera** - Job Evaluation (JE) Results, Report 3499/25, Sally McIntyre, Page 6
4. Fee Update, Report 3500/25, Stacy Millard, Marissa Okum & Scott Lawryk, Page 8
5. Reserve Policies, Report 3501/25, Sally McIntyre, Page 17

Adjournment

Minutes: Finance and Administration Advisory Committee Meeting

Friday, April 4, 2025

11:00 a.m.

Hybrid Meeting via Zoom and MVCA Office Boardroom

Roll Call

Members Present

- Janet Mason, Chair
- Allan Hubley (Virtual)
- Jeannie Kelso
- Jeff Atkinson
- Mary Lou Souter
- Paul Kehoe
- Richard Kidd

Members Absent

- Roy Huetl, Vice Chair
- Cathy Curry

Staff

- Sally McIntyre, General Manager
- Juraj Cunderlik, Director of Engineering
- Stacy Millard, Treasurer
- Elizabeth Clifflen Gallant, Finance Assistant
- Alex Broadbent, Manager of IC&T
- Kelly Hollington, Recording Secretary

Guests

- Donna Rotar, Baker Tilly REO
- Adrianna Martin, Baker Tilly REO

J. Mason called the meeting to order at 10:59 a.m.

Declarations of Interest

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

There were no additions or discussions relating to the agenda.

FAAC25/04/04 - 1

MOVED BY: J. Kelso

SECONDED BY: J. Atkinson

Resolved, that the agenda for the April 4, 2025 Finance and Administration Advisory Committee Meeting be adopted as presented.

“CARRIED”

MAIN BUSINESS

1. Approval of Minutes: Finance and Administration Advisory Committee Meeting, March 3, 2025

There were no additions or discussions relating to the minutes.

FAAC25/04/04 - 2

MOVED BY: M. Souter

SECONDED BY: R. Kidd

Resolved, that the minutes of the Finance and Administration Advisory Committee Meeting held on March 3, 2025 be received and approved as printed.

“CARRIED”

2. Financial Statements, Baker Tilly REO.

D. Rotar of Baker Tilly REO presented the Financial Statements and auditor’s report. She provided an overview of the audit process including risk assessment. She reviewed the statement of financial position, statement of operations and accumulated surplus, statement of changes in net financial debt, statement of cash flows, and unadjusted misstatements. D. Rotar highlighted that there is not enough evidence to verify if the Asset Retirement Obligation (ARO) amount is correct. S. Millard noted that it is in the 2025 budget to undertake a hazardous materials analysis of MVCA’s assets to get an accurate ARO.

R. Kidd asked for an explanation of accumulated surplus. D. Rotar responded that accumulated surplus reflects the net economic resources available to an organization, is

the accumulation of net income or equity. S. McIntyre added that it is the net value of all corporate assets if the organization was to be dissolved.

R. Kidd asked if MVCA is hiring a consultant for the hazardous materials analysis. S. McIntyre confirmed.

J. Mason asked if asbestos remediation is the only concern. S. McIntyre responded that other concerns include but are not limited to: lead paint, lead pipes and mercury in lightbulbs.

J. Mason asked why the Financial Statements do not balance. D. Rotar explained that public sector entities have different requirements than corporations, and are required to consider net financial debt and accumulated surplus.

The Committee discussed how to table Baker Tilly's reports at the Board of Directors' Annual General Meeting. It was agreed that printed copies of relevant Financial Statement charts would be provided to members in the room; that the auditor's report would be tabled first; and that the recommendations regarding the Financial Statements and the Auditor's report would be combined.

FAAC25/04/04 - 3

MOVED BY: M. Souter

SECONDED BY: P. Kehoe

Resolved, That the Finance and Administration Advisory Committee receive and recommend that the Board of Directors approve the 2024 Audited Financial Statements; and direct that they be posted and distributed in accordance with Section 38 of the Conservation Authorities Act.

"CARRIED"

3. Auditor's Report, Baker Tilly REO

Presented with item #2.

FAAC25/04/04 - 4

MOVED BY: J. Atkinson

SECONDED BY: J. Kelso

Resolved, That the Finance and Administration Advisory Committee recommend that the Board of Directors receive and authorize signing of the Auditor's Report.

“CARRIED”

4. Financial Update – YTD December 31, 2024, Audited, Report 3484/25, Stacy Millard.

S. Millard presented the financial update post-audit and highlighted two changes related to: City of Ottawa Floodplain Mapping contract revenue set up as in 2024 as a receivable and an unexpected WSIB rebate. She noted that the items identified in the auditor’s unadjusted misstatements, Eco Trekr and the Osprey Tower were items that were paid by the Mississippi Valley Conservation Foundation in previous years but should have been MVCA assets. She noted that the Kashwakamak Lake Dam project is listed as in-progress and will commence being amortized upon its completion. She reviewed the updated reserves.

J. Mason asked, when tabled with the Board of Directors, if a column could be added to show the adjustments that have been made to the operating and capital budget since being audited. S. Millard confirmed.

M. Souter expressed her appreciation for the format and frequency of the Financial Update reports. S. Millard commented that the Financial Update will be presented quarterly to review updates and predictions.

ADJOURNMENT

J. Mason noted that elections would occur at the upcoming AGM and asked committee members to consider the role of Chair or Vice-Chair of the Board. She confirmed her own willingness to remain in the position of Chair of the Finance and Administration Advisory Committee if the Committee wished, but stated there is a need of an elected representative to take over the position in the future.

FAAC25/04/04 - 5

MOVED BY: P. Kehoe

SECONDED BY: M. Souter

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

“CARRIED”

The meeting adjourned at 11:45 a.m.

K. Hollington, Recording Secretary



In Camera – Job Evaluation (JE) Results

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

FROM: Sally McIntyre, General Manager

REPORT: 3499/25, June 17, 2025

RECOMMENDATION

That the Finance & Administration Advisory Committee recommend that the Board of Directors approve updates to the Salary Grid as recommended by the General Manager.

The purpose of this report is to present recent job evaluation (JE) results for the following positions and to recommend updates to the Salary Grid:

- Data Systems Lead (new job, never evaluated)
- Director, Engineering (last evaluated in 2020)
- Education Programs Coordinator (updated job)
- Executive Assistant (never evaluated)
- Finance Officer (new job, never evaluated)
- Manager, Planning & Stewardship Services (last evaluated 2014)
- Mill of Kintail Lead Hand (new job, never evaluated)
- Water Resources Specialist (new job, never evaluated)

1.0 Job Evaluation

As MVCA evolves as an organization, the scope and demands of individual jobs also evolve—new jobs are created, redundant ones set aside, and existing jobs updated. The job evaluation process helps to ensure pay equity across the organization by providing for the evaluation of new jobs and updated jobs as needed.

This work was carried out with the support of Cornerstones Management Solutions Ltd. in accordance with MVCA's *Gender Neutral job Comparison System* approved by the

Board in 2006, as amended. Results and recommendations will be provided in-camera. (Unfortunately, Joanne Glaser of Cornerstones Management Solutions Ltd. is unavailable to attend the F&A meeting, but will be present for the discussion at the Board meeting in July.)

2.0 Budget Impacts and Implementation Plan

Of the positions evaluated, three are recommended for a new salary band. Due to some overlap in pay scales, the financial impact of moving affected positions to the new pay bands in 2026 would be less than \$5,500. There are no financial impacts resulting from recommended changes to the scoring grid.

3.0 Corporate Strategic Plan

Update of the Authority's Salary Grid aligns with Goal 3 of the *2021-2025 Corporate Strategic Plan*, as follows:

Goal 3: People and Performance – support the operational transformations required to achieve MVCA's priorities and to address legislative changes.

- a) Staff the organization to allow for: delivery of mandatory programs and services, priority projects, and fulfillment of commitments made under memoranda of understanding (MOUs) and other agreements.
- b) Monitor the quality, efficiency and impact of what we do and modify to improve operational effectiveness.
- c) Promote an engaging and inclusive environment that attracts and retains passionate and highly skilled people, and optimizes their expertise and contributions.



Fee Update

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

FROM: Stacy Millard, Treasurer; Marissa Okum, Stewardship Coordinator; and
Scott Lawryk, Property Manager

REPORT: 3500/25, June 18, 2025

FOR RECOMMENDATION:

That the Finance & Administration Committee recommend that the Board of Directors approve:

- a) revision of MVCA's 2025 Fee Schedules as outlined in this report;*
 - b) posting of the new fees in accordance with MVCA's Fee Policy; and*
 - c) that the new fees take effect September 1, 2025 pending no major concerns regarding the proposed changes.*
-

The purpose of this report is to update MVCA's Fee Schedules to meet the operational needs of the organization and continue to work towards full cost recovery for Category 3 programs and services.

1.0 Issues

1.1 Stewardship

Currently, stewardship fees only recover out-of-pocket expenses such as the cost of plants and do not include fees for service, i.e. staff time to plant trees and shrubs.

1.2 Facility Rentals

A 4-hour minimum rental fee was implemented in 2024, which users have complained is too long and expensive. Consequently, rentals at the Mill of Kintail have declined. As well, staff have received queries to rent the entire Mill of Kintail site for major events (that would not require closure of the Museum or nature trails.) And, rentals of the

Boardroom at the Headquarters office have proven challenging due to both parking limitations and IT requirements of the room. This report aims to address these issues.

2.0 Discussion

2.1 Stewardship

Fee schedules from multiple area conservation authorities (CAs) were reviewed to ensure MVCA fees are in line with other Eastern and Central Ontario CAs. Though the scope of services delivered by CAs varies, it was found that those offering shoreline plantings charge a set fee for planting services. Therefore, it is recommended that MVCA implement a similar base fee for planting labour that provides for both staff time and mileage.

MVCA already has a rate of \$85/hr for a 2-person crew that is used for other programs. Given that a planting crew typically comprises 4 staff members and that the average planting time is 3 hours, a \$510 minimum fee is recommended, plus mileage; and an additional hourly charge of \$170 per hour for larger projects.

Due to increasing supplier costs, fees for plant plugs/wildflowers and coco discs are recommended to increase from \$3 to \$5.

Finally, it is recommended that an additional 50% premium be added to all the above rates where a landowner is required to replant a shoreline as part of a Violation Remediation Agreement.

Attachment 1 shows proposed amendments to Schedule G – Stewardship.

2.2 Mill of Kintail (MOK) Rentals

In order to better align with community needs and demands, it is recommended that the minimum booking time for individual facilities at the MOK be reduced to 2-hours, and that half-day and full-day options be added.

In response to the query regarding a full-site booking, other CAs with similar facilities were contacted to determine potential pricing and potential limitations. A Special Event rate of \$3,000 per day, plus charges for staff time as per current approved rates is recommended, with the proviso that the Museum and trail system would remain open to the public during these events.

Attachment 2 shows proposed amendments to Schedule F – Visitor Service Fees.

2.3 HQ Boardroom Rentals

In recent years, MVCA has experimented with renting the Boardroom for private purposes. While these rentals are infrequent they often result in malfunctioning equipment, parking challenges, and have required staff support and overtime. Current fees do not cover these costs, and it is felt that the room is best used by partner not-for-profit organizations only, such as the Mississippi Madawaska Land Trust. Accordingly, staff recommend that the general rental fee be removed, and instead MVCA require partner organizations to pay for use of specialty equipment and staff time for room set-up and tear-down where a different configuration from normal is required.

Attachment 2 shows proposed amendments to Schedule D – Corporate/Administrative Services Fees.

2.4 Fee Schedule

To facilitate easy access to MVCA’s various fee schedules on our website it is recommended that the existing Schedules D and E be divided into four, and renamed as follows:

- Schedule D – Corporate & Administrative Services
- Schedule E – Education Programs (no change in fees proposed)
- Schedule F – Visitor Services
- Schedule G – Stewardship Services

3.0 Next Steps

In accordance with our Fee Policies and the Programs & Services Agreements with our member municipalities, staff will be posting proposed fee changes for a period of 30-days following approval by the Board.

If any significant objections are raised by the community, staff will return to the Board. Otherwise, it is proposed that the new fees take effect September 1, 2025.

4.0 Corporate Strategic Plan

This recommendation supports achievement of the following strategic goals and objectives:

Goal 2: Community Building – engage local partners to foster connections, leverage our resources, and strengthen our “social license” to operate.

- a) Demonstrate MVCA to be a trusted, client-centered, resourceful, and helpful partner.

Goal 3: People and Performance – support the operational transformations required to achieve MVCA’s priorities and to address legislative changes.

- b) Monitor the quality, efficiency and impact of what we do and modify to improve operational effectiveness.

Attachments:

- Fee Update – Fee Schedule G
- Fee Update – Fee Schedule F
- Fee Update – Fee Schedule D



MVCA Fee Schedule: 2025

Schedule "G" Fees

Stewardship Services

HST is in addition to all fees unless otherwise specified

Stewardship Services	Fee
Trees and Shrubs	
Seedlings (trees and shrubs) bareroot stock	\$5
Potted shrubs (1 or 2 gallon)	\$15
Potted Trees (1 or 2 gallon)	\$20
Plugs/Wildflowers	\$53
Coco Disks /Mulch	\$1.50
<u>Pre-consultation, site visit, and planting plans</u>	<u>Free</u>
<u>Planting services – Planting Crew (4 staff) minimum 3 hours + mileage¹</u>	<u>\$510</u>
<u>Additional Hourly Rate</u>	<u>\$170</u>
<u>Premium charged on the above goods and services when provided to implement Violation Remediation Agreements</u>	<u>50%</u>

¹ Mileage rate is \$0.60 per kilometre.

MVCA Fee Schedule: 2025

Schedule “F” Fees

Visitor Services

HST is in addition to all fees unless otherwise specified

Conservation Area Use Type	Fee
Conservation Area Use	
*Day Pass Purdon	Donation only
*Day Pass Morris Island or Mill of Kintail ¹	\$7
Seasonal Pass General	\$55
Additional Car Pass ²	\$27
Lost General Pass	\$15
Bus Tour Groups – all sites (per person) ³	\$3
<u>*any vehicle with greater than 12-person capacity</u>	
Mill of Kintail Rentals	
<u>Full Site – any staffing as per Schedule D</u>	<u>\$3,000/day</u>
Cloister Area Weddings (4 Hour Minimum)	\$840
Additional Hourly	\$210
Last Minute Hourly (Less than 30 days)	\$110
Picnic Shelter & Education Centre	
Minimum 4 <u>2</u> Hours	\$80 <u>\$155</u>
Additional Hourly	\$35
<u>Half Day</u>	<u>\$155</u>
<u>Full Day</u>	<u>\$300</u>
Gatehouse	
Minimum 2 <u>4</u> Hours	\$135 <u>\$265</u>

¹ HST Included

² Seasonal Pass – only one vehicle pass be provided per annual pass

³ ~~HST included. This rate would apply to vehicles with a carrying capacity greater than 7 passengers.~~

Additional Hourly	\$65
<u>Half Day</u>	<u>\$265</u>
<u>Full Day</u>	<u>\$500</u>
Community Groups	50% of rental fees

MVCA Fee Schedule: 2025

Schedule “D” Fees

Corporate/Administrative Services

HST is in addition to all fees unless otherwise specified

Office Rentals	Fee
Boardroom and Meeting Rooms	
Per Day	\$260
Affiliated Groups ¹	FREE
<u>AV Equipment use</u>	<u>\$100</u>
<u>Change Boardroom setup/tear-down</u>	<u>\$100</u>
Office Space Work Station – no service	
Per Month	\$110
Office Space Work Station – serviced²	
Per Month	\$155
Staffing Fee for Rentals	
Hourly	\$50

Administrative Tasks	Fee
Photocopies	
Per page 8.5” x 11” (Black and White)	\$0.35
Per page 8.5” x 11” (Colour)	\$1.25
Per page Faxes or Scans	\$0.33

¹ Affiliated Groups = meetings held at MVCA where MVCA staff participation/involvement is required and the Group objectives are in-line with MVCA goals and objectives.

² Serviced includes phone, internet and network support.

Information and Professional Services		Fee
Reports Base Cost (Digital and Paper)	Small: 1-30 pages	\$150
	Medium: 31-100 pages	\$295
	Large: 100 + pages	\$450
	Minimum Processing Fee	\$65
	Administrative Rate	\$80/hour
	Field Crew (2 staff) plus mileage ³	\$85/ hour
	Technical Rate	\$95/ hour
	Professional Rate	\$115/ hour
	Management Rate	\$150/ hour
Models – digital copies		\$2,200 per model - plus staff time
Hydrological Model (HEC-HMS, SWMHYMO, PCSWMM)		
Hydraulic Model (HEC2, HEC-RAS)		

³ Mileage rate is \$0.60 per kilometre.



Reserve Policies

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

FROM: Sally McIntyre, General Manager

REPORT: 3501/25, June 17, 2025

RECOMMENDATION

That the Finance & Administration Advisory Committee recommend that the Board of Directors approve amendment of the Reserve Policies as set out in this report.

The purpose of this report is to address an administrative issue identified with the Reserve policies. Specifically, while the Operating Reserve is designed to provide flexibility to the Treasurer to move monies as needed, the policies as written do not allow for this.

1.0 Background

Historically, it has been the practice of MVCA's Treasurer to add to and draw down reserves and reserve funds as needed in accordance with the approved annual budget and to address special circumstances as they arise. However, language in the policy could be interpreted as preventing individual transactions from occurring without further Board approval, specifically, it states:

A resolution of the Board is required to make a contribution to, withdrawal from, and to make a final distribution from a reserve and reserve fund.

Accordingly, it is recommended that this language be amended to the following:

A resolution of the Board is required to make a final year-end distribution amongst restricted and unrestricted reserves and reserve funds.

The revised wording provides the Board with the final say in how any year-end surpluses or deficits are handled. A further limiting clause is recommended as follows:

The Treasurer shall ensure that all reserve and reserve fund withdrawals, contributions, and transfers occur in accordance with the Board-approved annual budget. Under exceptional circumstances where an unplanned expenditure is necessary and time is of the essence, the Treasurer may make a withdrawal from a reserve or reserve fund of:

- a) Less than \$100,000 following consultation and approval of the General Manager; and*
- b) \$100,000 or greater following approval of the Executive Committee.*

Where an exceptional withdrawal has occurred, Members shall be informed of the details and reasons at the next meeting of the Board of Directors.

2.0 Corporate Strategic Plan

Update of the Authority's Reserve and Reserve fund Policy aligns with Goals 1 and 3 of the 2021-2025 Corporate Strategic Plan, as follows:

Goal 1: Asset Management – revitalize watershed management activities and invest in our legislated mandate.

- a) Implement the five-year capital program

Goal 3: People and Performance – support the operational transformations required to achieve MVCA's priorities and to address legislative changes.

- b) Monitor the quality, efficiency and impact of what we do and modify to improve operational effectiveness.

Attachments

- Current Reserve Policy as amended December, 2023.



RESERVE AND RESERVE FUND POLICY

As amended ~~December 2023~~ June 2025

1.0 General

- a. A resolution of the Board is required to establish and close a reserve and reserve fund.
- b. Every reserve and reserve fund should have a stated purpose, a target balance, identified funding source(s), and a projected end date (if applicable.)
- ~~c.~~ A resolution of the Board is required to make ~~a contribution to, withdrawal from,~~ and to make a year-end final distribution from a reserve and reserve fund.
- ~~e.~~
- d. The Treasurer shall ensure that all reserve and reserve fund withdrawals, contributions, and transfers occur in accordance with the Board-approved annual budget. Under exceptional circumstances where an unplanned expenditure is necessary and time is of the essence, the Treasurer may make a withdrawal from a reserve or reserve fund of:
 - i. Less than \$100,000 following consultation and approval of the General Manager; and
 - ii. \$100,000 or greater following approval of the Executive Committee.
- e. Where an exceptional withdrawal has occurred, Members shall be informed of the details and reasons at the next meeting of the Board of Directors.
- ~~e-f.~~ The Treasurer shall invest reserves and reserve funds while ensuring adequate liquidity to meet the needs of Board-approved budgets, financial plans, and capital plans.

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2.0 Category 1 Operating Reserve

- a. The purpose of the operating reserve is to:
 - i. provide for day-to-day cashflow management;
 - ii. accommodate moderate unplanned expenditures and revenue shortfalls;
 - iii. implement short-term initiatives without creating undue burden on the municipal levy; and

- iv. provide the Authority with cash-on-hand to seize opportunities to make progress on projects within the *Corporate Strategic Plan* when funding opportunities arise and a financial contribution is required.
- b. During preparation of the annual budget, a risk-based approach will be used to establish a target year-end balance for the Category 1 Operating Reserve. Using current year data:

Sum the following:

- i. Total payroll cost for 2 pay-periods.
- ii. 2-months of the 3-year running-average annual expense (non-capital.)
- iii. 3-months of the average payroll burden per employee.
- iv. 6-months of the average payroll burden per employee.
- v. 50% of the annual payroll of grant-subsidized positions.
- vi. 25% of the annual payroll of fee-subsidized positions.
- vii. 25% of the sum of all insurance deductibles.

Add AND subtract 10% of the sum to provide a target range.

- c. The Category 1 Operating Reserve will be funded primarily by year-end surpluses, but may be funded by other sources to support delivery of specific programs and services and to maintain the target balance.
- d. The rationale for deviating from, and an approach for re-establishing the desired target range should be prepared when the Board considers:
 - i. drawdown of the Category 1 Operating Reserve below the target range; and
 - ii. building the Category 1 Operating Reserve above the target range.

3.0 Restricted Reserve Funds

- a. Restricted reserve funds may be established for the purpose of:
 - i. Carrying out projects identified in Board-approved plans and strategies;
 - ii. Acquiring, rehabilitating, enhancing, and replacing tangible capital assets (TCAs); and
 - iii. Supporting delivery of Category 1, 2 or 3 programs and services.
- b. Water and erosion control asset reserve funds should have a balance equal to or greater than 50% of the approved 8-year capital program, up to a maximum of \$500,000 per project. For projects greater than \$500,000, add the annual cost to

carry 50% of the project cost at 5% interest paid monthly, amortized over 20 years.

- c. All other reserve funds established for TCAs should have a balance equal to or greater than the approved 5-year capital program for those assets, or as specified in Table 1.
- d. Table 1 identifies restricted reserve funds approved by the Board.

Table 1: Board-approved Restricted Reserve Funds

Fund Name	Purpose	Funding Source(s)	Target Balance	End Date
Category 1				
1. Building	Rehabilitation and enhancement of the HQ building and works yard.	Annual and special levy; and op surplus	Per 3c)	n/a
2. Conservation Areas	Implementation of CA Master Plans and the rehabilitation, replacement, and enhancement of assets at CAs. ¹	Annual and special levy; and op surplus	Per 3c)	n/a
3. Information and Communications Technology	Acquisition, enhancement, rehabilitation and replacement of hardware, software and peripherals.	Annual and special levy; and op surplus	Per 3c)	n/a
4. Priority Projects	Board-approved projects eligible for provincial grants under Section 39 of the Act. ²	Above, and land dispositions	2x annual average payroll/ employee ³	tbd
5. Sick Pay	To backfill a person on extended leave but not on long-term disability.	Operating surplus and annual levy	Annual average payroll/employee	n/a

¹ With the exception of the MOK Museum building. The purpose of this fund will require update in advance of January 1, 2024.

² As of July 2022, funds in this account were obtained solely through the sale of Authority land that had been acquired using provincial funds (i.e. Glen Cairn property.) As such, use of funds in this account must be approved by the province in accordance with provincial policies.

³ This would allow for dollar matching of grants, hiring consultants, and/or the temporary hiring of staff to complete priority projects of the organization.

Fund Name	Purpose	Funding Source(s)	Target Balance	End Date
6. Vehicles	Acquisition, rehabilitation and replacement of vehicles and related equipment (incl. boats and trailers.)	Annual and special levy; and op surplus	Per 3c)	n/a
7. Water Control System	Acquisition, enhancement, rehabilitation and replacement of erosion and water control structures and monitoring and measurement equipment	Annual and special levy; and operating surplus	Per 3c)	n/a
Categories 2 & 3				
8. Category 3 Capital Reserve ⁴	Implementation of the MOK Museum Strategic Plan, and other approved Category 3 plans.	Operating surplus, grants, donations.	100% of the Cat. 3 5-year Capital Plan	tbd
9. Category 2 Operating Reserve	To address temporary funding shortfalls		1-year payroll costs ⁵	tbd
10. Category 3 Operating Reserve	To address temporary funding shortfalls		1-year payroll costs ⁵	tbd

⁴ Previously known as the Category 2 & 3 Reserve, and prior to that as the “Museum Building & Art” reserve.

⁵ Pro-rated for staff working on Category 2 or Category 3 programs, where pro-rated means that if an employee is budgeted to work 30% of the year on Category 3 programming that only 30% of their salary would be applied to calculating the target reserve balance.