



Minutes

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Finance Committee Meeting June 5, 2018

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Minutes of a meeting of the Finance Committee (FIC) held in the offices of the association, 40 Sheppard Avenue West, North York, Ontario, on June 5, 2018 commencing at 6:00 pm.

In attendance:

Finance Committee Members:

Michael Chan, P.Eng.
Kelly Reid, P.Eng., IACCM CCMP
Lorne Cutler, P.Eng., MBA (via conference)
Tim Kirkby, B.Eng., P.Eng., FEC

Staff: Johnny Zuccon, P.Eng., Interim Registrar
Chetan Mehta, MS, MBA, Director, Finance
Michelle Wehrle, Director, Information Technology
Peter Cowherd, CPA, CMA, Manager, Financial Services & Procurement
Lucy Capriotti, Administrative Assistant

Regrets: None

M. Chan suggested to the committee members that he could Chair the meeting until the new Chair and Vice Chair were elected. The committee members unanimously agreed with this suggestion. M. Chan called the meeting to order at 6:00 p.m. and requested that everyone introduce themselves before starting the meeting.

1. Election of Chair and Vice Chair

M. Chan requested J. Zuccon to take over the election process. J. Zuccon agreed and requested the committee members to put forward their nominations for the position of Chair.

T. Kirkby proposed M. Chan for the position of Chair and M. Chan accepted. Since there were no other nominations for the position of Chair, M. Chan was declared to be Chair of the Finance Committee unanimously by acclamation.

J. Zuccon then requested M. Chan to Chair the meeting.

M. Chan asked for nominations for the position of Vice Chair. T. Kirkby nominated K. Reid and the nomination was accepted by K. Reid. Since there were no other nominations, K. Reid was unanimously declared to be the Vice Chair of the Finance Committee. The following two motions were passed by the committee.

MOTION

That M. Chan be nominated as Chair of the Finance Committee.

Moved by T. Kirkby and seconded by K. Reid.

MOTION CARRIED

MOTION

That K. Reid be nominated as Vice Chair of the Finance Committee.

Moved by T. Kirkby and seconded by M. Chan.

MOTION CARRIED

2. Approval of Agenda

M. Chan asked the committee members if they wished to add additional items to the agenda. Some committee members requested that the following items be included for discussion under the item **Other Business**:

- T. Kirkby proposed to have a discussion on:
 - past and expected future costs for various task forces and committees; and
 - the current fee structure at PEO.

- K. Reid requested to have a discussion on a BN she had prepared which has a recommendation to Council to pass a motion which would require a 2/3rds

majority vote in Council for approving spend on items greater than \$500k which are above and beyond the approved budgeted spend.

- M. Chan requested to have a discussion on additional non-Councillor FIC members.

MOTION

That the draft agenda as presented be approved with the above additions added to the agenda item of **Other Business**.

Moved by T. Kirkby and seconded by K. Reid.

MOTION CARRIED

3. Approval of the Minutes of joint AUC/FIC meeting March 6, 2018

The committee unanimously agreed to approve the minutes.

MOTION

That the Minutes of March 6, 2018 as presented be approved.

Moved by K. Reid and seconded by M. Chan.

MOTION CARRIED

4. Matters arising from the Minutes

No other matters arising from the Minutes.

5. Review and Approval of 2019 Budget Assumptions

C. Mehta proceeded to walk the committee members through the key 2019 budget assumptions outlined in the budget assumptions report. K. Reid requested that an amount be set aside for council special projects based on the spend pattern over the past 5 years. In addition, a request was made to provide the committee members with the past five year spend data on Council special projects.

ACTION ITEM 1: 5-year spend data on Council special projects

C. Mehta then went on to mention the expected spend of \$1m for IT capital projects in 2019. K. Reid requested additional information on this spend.

C. Mehta requested M. Wehrle, Director of IT to provide the committee members with an overview and rationale for the requested spend and requested that the committee move to an in-camera session.

The committee members unanimously agreed and the meeting was moved to an in-camera session.

After M. Wehrle's presentation, C. Mehta then proceeded to walk the committee members through the spend items for capital projects in the budget assumptions.

While reviewing the spend assumptions for capital projects, J. Zuccon inquired as to who prepared the asset funding report for the building related capital projects.

C. Mehta responded that this report was the responsibility of our property manager BGIS and this is the report that determines the building related capital projects that are undertaken each year. A request was made to have this report made available to the committee.

ACTION ITEM 2: Latest asset funding report by BGIS

C. Mehta then walked the members through the revenue assumptions and after some discussion, K. Reid requested a graph showing the breakdown of membership data by age.

ACTION ITEM 3: Chart / graph showing the ages and gender of P. Eng. members.

M. Chan inquired about an estimate of how much money was expected be generated from the currently unleased space. C. Mehta advised that this amount would largely depend on the specific terms that were worked out by our leasing agent with the tenant and that this information would be shared with the committee if there were further developments.

C. Mehta then went on to walk the committee members through the assumptions for operating expenses in the budget assumptions starting with the assumptions for the salaries and benefits.

C. Mehta clarified to the committee that the salaries and benefits assumptions he was presenting to the committee had been provided to him by the payroll and benefits team were part of Corporate Services department.

There were questions by the committee members on the CPI increase of 2.5% in the assumptions and K. Reid requested to see the trend for the CPI trend over the last 10 years and what database they are getting this information from.

ACTION ITEM 4: CPI increase for the past 10 years along with information on the where the assumption for the 2.5% CPI increase was obtained.

During the course of the discussion, the committee members had requests for the following additional action items:

ACTION ITEM 5: Information on the rules and eligibility criteria for the EIT program.

ACTION ITEM 6: Past five-year spend data on all committees and task forces.

ACTION ITEM 7: Info on rules and selection criteria for EIT program.

ACTION ITEM 8: Information on the PEO forum website.

ACTION ITEM 9: Study / analysis on the pros and cons of centralizing Chapter bank balances.

ACTION ITEM 10: Current version of the draft expense reimbursement policy.

With regard Action Item 10, the draft expense reimbursement policy, K. Reid inquired as to why was there a delay in having this policy presented to Council.

C. Mehta clarified that the draft expense reimbursement policy was currently awaiting review by the ACV (Advisory Committee on Volunteers) as per the directive given to him by the Secretariat.

K. Reid asked why was an ACV review for this policy needed.

M. Chan replied that per his understanding, there was a Council directive by which all policies had to be peer reviewed by the ACV.

K. Reid stated that she was ok with the ACV reviewing it but it should be the audit and finance committees that should have a final say on all such finance related policies.

J. Zuccon then sent an email to S. Clark to seek clarification on why was it necessary for having an ACV review.

There was a suggestion made by K. Reid to include a statement in the assumption document to indicate that these assumptions may be revised once additional information becomes available. C. Mehta confirmed that this change would be incorporated in the assumptions document that would be presented to Council for approval in June.

After additional discussion, the committee members unanimously agreed to recommend the 2019 budget assumptions for approval and a motion was passed to the effect.

MOTION

That the Finance Committee recommends to Council that:

- 1) The 2019 Draft Budget Assumptions be approved; and
- 2) The Registrar be directed to initiate the budgeting process, per PEO's budgeting cycle and provide the 2019 operating budget and capital budget revised assumptions at the September 2018 Council meeting based on the approved assumptions.

Moved by K. Reid and seconded by T. Kirkby.

MOTION CARRIED

6. Financial Statements for the three months ended March 31, 2018

P. Cowherd walked the committee members the first quarterly financial statements and answered questions from the committee members.

7. Other Business

M. Chan discussed adding more volunteers to our FIC. K. Reid suggested that the FIC could continue with the last year's non-Councillor committee members if they added value to the FIC. T. Kirkby stated that if we are to add additional people to the FIC he would like to have people that will listen and participate in discussions. The committee members agreed that they would prefer to go through a recruitment process for the non-Councillor members.

K. Reid suggested that it would be good to have members who could find savings and efficiencies without cutting services and who have good ideas that think outside the box. K. Reid suggested to the FIC members that the committee identify a list of criteria they would like to have in new non-Councillor members to C. Mehta so that this list could be sent to volunteer management before starting with the recruitment process.

ACTION ITEM 11: Follow up with the current FIC members for selection criteria for the recruitment on non-Councillor FIC members.

C. Mehta suggested the committee elect an FIC representative to the Investment Sub-committee so that a meeting of the sub-committee could be held as soon as possible. After some discussion, it was agreed by the committee members that T. Kirkby be appointed as the FIC representative and a motion was passed that effect.

MOTION

That T. Kirkby be elected as FIC representative to the Investment Sub-committee.

Moved by K. Reid and seconded by L. Cutler.

MOTION CARRIED

8. Date of Next Meeting

M. Chan proposed some meeting dates for the upcoming FIC meetings and asked the committee members if these worked for them. It was agreed that the meetings would take place on a Tuesday with dinner from 5:00 p.m. – 6:00 p.m. and the meeting from 6:00 p.m. – 8:00 p.m. The FIC agreed to meet on the following dates: July 24, August 28, Oct 16th, March 5, 2019.

9. Adjournment

The members agreed to adjourn and the meeting ended at 8.30 pm.

Prior to adjournment, M. Chan stated that staff was already busy with their daily routine activities and suggested that it may be good idea for the committee members to prioritize the list of action items so that staff could work on these items according to the indicated priorities.

C. Mehta was requested to send the list of action items identified during the meeting to the committee members so that they could prioritize these items and have it sent back to staff.

ACTION ITEM 12: Send list of Action Items to the FIC for prioritization.

MOTION

That the meeting be adjourned.

Move by K. Reid and seconded by T. Kirkby

MOTION CARRIED

LIST OF ACTION ITEMS and status as of July 18, 2018 shown on following page



LIST OF ACTION ITEMS and status as of July 18, 2018

S. No	Action items identified during FIC on June 5, 2018	Responsible Staff	Status update
1	Cost saving initiatives / info on Eng. Canada Affinity program	C. Mehta	Work-in-progress
2	Past 5 year spend data on Council special projects	C. Mehta	Complete - sent to FIC on Jul 18, 2018
3	Past 5 year spend data on all committees and task forces	C. Mehta	Work-in-progress
4	Study / analysis on the pros and cons of centralizing Chapter bank accounts	C. Mehta	Work-in-progress
5	Send current version of draft Expense Reimbursement Policy	C. Mehta	Complete - Sent to FIC on June 11, 2018
6	Building asset funding report	J. Cookson	Complete - Sent to FIC on July 12, 2018
7	Info on rules and selection criteria for EIT program	M. Farag	Complete - sent to FIC on Jul 18, 2018
8	Data / graph on demographics on P.Eng members	M. Wehrle	Complete - sent to FIC on Jul 18, 2018
9	Info on the PEO forum website	D. Smith	Complete - sent to FIC on Jul 18, 2018
10	10-year CPI trend data along with info on database from which info accessed	O. Tosic	Sent to FIC on Jul 18, 2018
11	Follow up with the current FIC members for selection criteria for the recruitment on non-Councillor FIC members	C. Mehta	Complete - Sent to FIC on Jun 5, 2018
12	Send Action Items to FIC for prioritization	C. Mehta	Complete - Sent to FIC on Jun 5, 2018