
Minutes

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Finance Committee Meeting July 24, 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 July 24, 2018 commencing at 6:12 pm.

In attendance:

Finance Committee Members:

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

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

Guests: None

Regrets: None

1. Approval of Agenda

Chair M. Chan called the meeting to order and asked the committee members if they wished to have any changes to the proposed agenda. K. Reid requested to add the following two agenda items after agenda item 9.

- Review of Deliverables identified at the FIC meeting on June 5, 2018

- Update on review by AUC of Briefing Note by K. Reid for the POLICY ON

NON-BUDGETED SUBSTANTIVE EXPENDITURES

The committee members agreed to the proposed changes to the agenda and a motion was passed to that effect.

MOTION

That the draft agenda as presented be approved with the above two additions added to the agenda.

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

MOTION CARRIED

2. Selection of non-Councillor members from the list of applications received

There was a discussion by the committee members on the profiles of the applicants and the following three candidates were short-listed along with a list of back-up candidates in case any of the selected candidates in the first list decided to opt out.

1) Linda Drisdelle

2) Colin Chan

3) Roberto Martini

Ramzi Khalaf (back-up option 1)

Joseph Petruzzi (back-up option 2)

Bruce Watson (back-up option 3)

MOTION

That the following applicants be appointed as non-Councillor members to the FIC for the current Council year.

1) Linda Drisdelle

2) Colin Chan

3) Roberto Martini

Moved by L. Cutler and seconded by K. Reid

CARRIED

3. Approval of the Draft Minutes from June 5, 2018

The committee unanimously agreed to approve the minutes with minor corrections. The corrections indicated were:

- Action Item 7 on page 5 of 9 to be updated to match with the action list number 7 (Info on rules and selection criteria for EIT program).
- On page 8 of 9, the mover of the motion to appoint T. Kirby as the FIC representative be modified to show K. Reid as the mover.

MOTION

That the Minutes of June 5, 2018 as presented be approved with the modifications above.

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

CARRIED

4. Matters arising from the Minutes

There were no other matters arising from the Minutes.

5. Review of FIC Terms of Reference

The committee members reviewed the Terms of Reference of the Finance Committee and after a lengthy discussion, M. Chan discussed that the committee members spend some time to review the Terms of Reference and email staff a list of their suggested changes which would include how these could align with the strategic objectives.

ACTION ITEM 1:

FIC members to email a list of proposed changes to the terms of reference to staff.

6. Review of FIC Work Plan

The FIC Work Plan was reviewed and discussed in detail by the committee. T. Kirkby suggested that he would like to have president D. Brown and J. Zuccon speak to the committee members on whether or not there should be a fee

increase and whether additional staffing or other resources in Licensing, Enforcement, Finance area or IT area were required.

K. Reid responded that to justify the case for a fee increase an organizational assessment would be necessary first for gaining an understanding on the key tasks that staff time and other resources were being spent on.

C. Mehta indicated that these were all good suggestions that the Finance Committee would have a chance to ask detailed questions of each department head when the draft versions of the budgets are presented to the committee members in August.

L. Cutler stated that it is common during the budgeting exercise for different departments to include their wish lists and often this leads to inflated budgets. He inquired if the budgets presented to the Finance Committee were reviewed for any such extra funding.

J. Zuccon added that before the draft budgets are sent to the Finance Committee, each department head would need to justify and make a case for their respective departmental budgets to him (i.e. J. Zuccon) before these figures are sent to the Finance Committee.

K. Reid suggested that the committee ask the staff to identify cost saving ideas and ideas for improving efficiencies. After some additional discussion, the committee members agreed that there were no changes to the Work Plan.

7. Review of Investment Sub-Committee Terms of Reference

C. Mehta stated that per the changes proposed by the Executive Committee during its meeting on July 19, 2018, some revisions to current Terms of Reference for the Investment Sub-committee were necessary.

Per the current Terms of Reference, in addition to the President (who is a member of the HRC – Human Resources Committee), an additional member of the HRC (other than the President) is required to be appointed to the Investment Sub-

committee. The Executive Committee at its meeting in July proposed that the current Terms of Reference be amended to delete the clause which mandates that an additional HRC member in addition to and other than the President be appointed as the HRC representative on the Investment Sub-committee. This change would allow the President to be the HRC representative on this sub-committee without having to appoint another HRC representative.

C. Mehta stated that since the Investment Sub-committee's mandate included oversight of the pension plan assets, it would be prudent to have the PEO's Pension Plan Administrator (PPA) who oversees and manages the pension and benefits plans as a co-advisor on this subcommittee (in addition to the Director of Finance) as the PPA was part of the People Development Team which reported to a separate department (Corporate Services). This change would make it possible for the pension plan administrator to directly liaise with the sub-committee and keep the committee members into the loop on all important developments related to the pension plans.

M. Chan asked who was the current PPA. C. Mehta responded that the PPA was Fern Goncalves – Director of People Development.

J. Zuccon proposed that in the interest of clarity, clear reference be made to the two portfolios (i.e. the operating portfolio and the pension plan portfolio) in the Mandate section on page 1.

K. Reid suggested that in the Key Duties and Responsibilities section, the third bullet be revised to having the Investment Sub-committee to meet with the fund managers at least semi-annually to review the performance of the respective portfolios.

K. Reid also requested that experts are brought in throughout the year by the Director of Finance and Director of People Development to provide continuous learning to the committee members.

MOTION

That the Terms of Reference Investment Sub-Committee be approved as amended.

Moved by T. Kirkby and seconded by K. Reid

CARRIED

8. Review of Investment Sub-Committee Work Plan

There were no changes made to the Work Plan.

9. Review of Financial Statements for the six months ended June 20, 2018

P. Cowherd walked the committee members through the Q2 financial statements and answered the questions they had on the financials.

10. Review of Deliverables identified at the FIC meeting on June 5, 2018

C. Mehta apprised the members on the status of the pending deliverables and provided them with an overview of the other eight deliverables that had been completed.

For item no 1, **Cost saving initiatives / info on Eng. Canada Affinity program**,

C. Mehta reported that he awaited information of the Engineers Canada affinity program. He then walked the committee members through some of the savings initiatives implemented thus far. The initiatives include:

- 1) Savings of approx. \$8k in the lease negotiations for photocopiers and printers.
- 2) Savings of approx. \$50k in the lease negotiations for the service maintenance contract for printers.
- 3) Negotiation with Scotia bank for additional interest of 40 bps (basis points) over the current rate for the monies in the business investment account.

Item 2, **Past 5 year spend data on Council special projects** was reported as completed as the relevant data/graph has been sent to the FIC members.

For item 3, **Past 5 year spend data on all committees and task forces**

C. Mehta reported that it was a work in progress and that he was hoping to have it ready for the next FIC meeting on August 28, 2018.

For item 4, **Study / analysis on the pros and cons of centralizing Chapter**

bank accounts, C. Mehta reported that it was still a work in progress and that he awaited information from the Chapters office.

K. Reid said that it was necessary to get relevant information to make the case for centralizing the Chapters bank accounts.

M. Chan suggested that it may be prudent to first get some information on details such as the number of cheques issued by each Chapter, cash advances, cash balances, number of transactions, before any such decision is made otherwise, centralizing Chapter bank accounts could be an administrative nightmare for the head office.

T. Kirkby said that he is aware of an organization (Professional Institute of Public Servants of Canada) where initially there was a lot of resistance to centralizing bank account but after the fact, it worked out rather well.

T. Kirkby indicated that he could get additional information from this organization on how they went about centralizing the bank accounts of their Chapters.

ACTION ITEM 2:

T. Kirkby to get information from the Professional Institute of Public Servants of Canada on how they went about centralizing bank Chapter accounts.

For item 5, **Send current version of draft Expense Reimbursement Policy**, C. Mehta reported that a draft copy of the Expense Reimbursement Policy had been shared with the FIC.

K. Reid asked for the following changes:

- On page 7 under Air Travel, a comma be added after the word “Registrar” as shown below:

“Travel by other than economy class must have the prior approval of the President in the case of the Registrar, Councilors or volunteers, or the Registrar in the case of staff and may be considered only for flights of a duration of more than six consecutive hours.”

- On page 8, the words “may be authorized” be replaced with “is authorized” as show in the sentence below:

“The purchase of motor vehicle liability insurance for rental vehicles ~~is~~ **is** ~~may be~~ authorized.”

ACTION ITEM 3: The draft Expense Reimbursement Policy be amended as requested above.

C. Mehta reported that the draft expense policy was expected to be reviewed by the ACV (Advisory committee on Volunteers) by August 5, 2018.

C. Mehta reported that Items 6, 7 and 8 were sent to the FIC. For item 9, **PEO Forum website**, the committee members were of the unanimous opinion that this website be shut down.

MOTION

That the PEO forum website be removed and shut down.

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

CARRIED

11. Update on review by AUC of Briefing Note by K. Reid for the POLICY ON NON-BUDGETED SUBSTANTIVE EXPENDITURES

C. Mehta advised the committee members that this BN was presented to the AUC at its meeting on July 13, 2018 and after extensive discussion, it had received support from the AUC. The FIC members unanimously agreed that this BN now be presented to Council at the meeting on September 21, 2018. A motion was passed to the effect.

MOTION

That the briefing note by K. Reid for the POLICY ON NON-BUDGETED SUBSTANTIVE EXPENDITURES be presented to Council in September.

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

CARRIED

12. Other Business

Since the meeting had already gone past 9 pm. the committee members agreed that the agenda item in **Other Business** be discussed at next FIC meeting.

The FIC members then went on to discuss the request by Danny Chui (PEO nominee as Director to Engineers Canada) to the FIC for the approval of the \$300 technology allowance for PEO nominated Directors.

After a discussion, the committee members were of the unanimous opinion that they were not able to weigh in on this matter. They requested the Registrar to follow up with his counterpart at Engineers Canada to understand how they (i.e. Engineers Canada) deal with such requests and have a response sent to Danny Chui.

13. Date of Next Meeting

Next meeting was scheduled for August 28, 2018.

14. Adjournment

The members agreed to adjourn and the meeting ended at 9:25 pm.

LIST OF ACTION ITEMS and status as of August 22, 2018

S. No	Action items identified at FIC meeting on June 5, 2018	Responsible Staff	Status update
Action Items identified at FIC meeting on June 5, 2018			
1	Cost saving initiatives / info on Eng. Canada Affinity program	C. Mehta	Work-in-progress
2	Past 5 year spend data on all committees and task forces	C. Mehta	Work-in-progress (expected to be made available by Aug 28 th , 2018)
3	Study / analysis on the pros and cons of centralizing Chapter bank accounts	C. Mehta	Work-in-progress
Action items identified at FIC on July 24, 2018			
4	FIC members to email a list of proposed changes to the Terms of Reference to staff.	FIC	Work-in-progress
5	T. Kirkby to get information from the Professional Institute of Public Servants of Canada on how they went about centralizing bank Chapter accounts.	T. Kirkby	Work-in-progress
6	The draft Expense Reimbursement Policy be amended as discussed at the FIC meeting.	C. Mehta	Completed