



# Minutes

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## **Finance Committee Meeting June 3, 2019**

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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 3, 2019 commencing at 5:00 pm.

### **In attendance:**

#### **Finance Committee Members:**

**Chair:** Tim Kirkby, B.Eng., P.Eng., FEC, Lieutenant Governor-in-Council Appointee

**Vice-Chair:** Lorne Cutler, P.Eng., MBA; Lieutenant Governor-in-Council Appointee  
Colin Chan, P.Eng.  
Randy Walker, P.Eng. (via conference)  
Sandra Ausma, P.Eng., PhD.  
Linda Drisdelle, P.Eng.  
Roberto Martini, P.Eng. CPA, CMA (via conference)

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

**Guests:** Nancy Hill, P.Eng., LLB, FEC, FCAE, President

**Regrets:** None

J. Zuccon announced he would be the acting Chair for the meeting until the new Chair was elected. The committee members unanimously agreed with this suggestion. J. Zuccon called the meeting to order at 5:00 p.m.

### **1. Election of Chair and Vice Chair**

J. Zuccon requested the committee members to put forward their nominations for the position of Chair.

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

J. Zuccon then requested T. Kirkby to Chair the meeting.

T. Kirkby asked for nominations for the position of Vice Chair. L. Drisdelle nominated L. Cutler and the nomination was accepted by L. Cutler. Since there were no other nominations, L. Cutler was unanimously declared to be the Vice Chair of the Finance Committee.

## **2. Election of the FIC representative to the Investment Sub-committee**

T. Kirkby asked the FIC if there were any nominations for a FIC representative to the Investment Sub-committee. T. Kirkby nominated L. Cutler. L. Drisdelle nominated C. Chan. Votes were then collected, and R. Walker and R. Martini emailed their votes to J. Zuccon. Once the ballots were collected they were given to President N. Hill who advised there was a tie vote. Both C. Chan and L. Cutler provided a brief biography about themselves. New votes were collected, and President N. Hill announced that C. Chan was the winner.

## **3. Election of non-Councillor members to the FIC**

C. Mehta explained that the prior year non-Council FIC members had generously offered their services for the current year as well and per the email correspondence he had with the Council appointed FIC members this year, there was unanimous consensus amongst the Council FIC members that all the prior year non-Councillor members be appointed to the 2019- 2020 FIC.

### **MOTION**

That the following applicants be appointed as non-Councillor members to the FIC for the 2019-2020 Council year.

- 1) Linda Drisdelle
- 2) Colin Chan
- 3) Roberto Martini

Moved by S. Ausma and seconded by R. Walker

**MOTION CARRIED**

**4. Approval of Agenda**

T. Kirkby asked the committee members if they wished to add additional items to the agenda. All were in favor of the agenda.

**MOTION**

That the draft agenda as presented be approved.

Moved by R. Walker and seconded by C. Chan.

**MOTION CARRIED**

**5. Approval of the Minutes of joint AUC/FIC meeting March 12, 2019**

The committee unanimously agreed to approve the minutes with a minor amendment to President N. Hill's title as she attended the meeting in person.

C. Mehta identified an error in the page numbering of the draft minutes and said that this error would be fixed in the revised / amended minutes.

**MOTION**

That the Minutes of March 12, 2019 be accepted as amended.

Moved by L. Drisdelle and seconded by C. Chan.

**MOTION CARRIED**

**6. Matters arising from the Minutes**

C. Mehta provided an update on the key deliverables listed in the minutes. For the deliverables listed on page 9 of 15 of the minutes he reported the following:

- Item 3 HST compliance for fund raising activities for Chapters

The HST consultant had been contacted and based on a preliminary assessment, it was possible that most of the Chapter revenue collecting activities were subject

to HST. However, additional clarifications were requested from the consultant for their recommendations in a report which would then be presented to the FIC.

For the deliverables listed on Page 14, C. Mehta reported the following:

- Item 1 Job posting for new Non-Councillor FIC members

This deliverable was no longer relevant as the prior year non-Councillor members were had agreed to continue with their services for the 2019-2020 Council year.

- Item 3 - Pros and Cons of centralizing Chapter bank accounts

Some of these key points had already been discussed in the prior FIC meeting. Since this was an operational matter, staff could start work on this project once the FIC gave the go-ahead to staff who keep the FIC into the loop on the progress of this project.

#### **MOTION**

That staff commence with work on the centralization of Chapter bank accounts.

Moved by S. Ausma and seconded by C. Chan

#### **MOTION CARRIED**

C. Mehta stated that he would communicate this decision of the FIC to his colleagues in the Chapters office.

Item 4 - Explore possibility of advising members about vacant office space in PEO

C. Mehta reported that this has not been done as there had been progress in the vacancy situation and the vacancy rate has gone down to approximately 5 percent in comparison to approximately 15 percent the last year. C. Mehta said that staff will keep the FIC apprised on the status of the leasing situation.

Item 5 – Look into the possibility of merchandising options

C. Mehta reported that staff had not had the time to look into merchandising options due to other operational priorities and deliverables.

After some discussion, the FIC unanimously agreed that this item be removed from the list of action items. The FIC also agreed that action following action item (identified at the FIC on Sept 6, 2018) on Page 15 of the minutes be removed:

Item 1 - Request Engineers Canada to explore the possibility of creating a business case for standardizing licensing processes across all provincial regulators.

## **7. Review and Approval of 2020 Budget Assumptions**

C. Mehta proceeded to walk the committee members through the key 2020 budget assumptions outlined in the budget assumptions report and answered questions by the committee members.

C. Chan asked if the revenue figures in the current version of the 2019 budget included the impact of the fee increase that came into effect on May 1, 2019.

C. Mehta clarified that the current version of the 2019 budget figures did not include the revenue from the membership fee increase that became effective on May 1, 2019 because at the time when the 2019 budget was approved by Council in November 2018, there was no certainty that a membership fee increase would be approved. He added that the full impact of all of the fee increases will be reflected in the 2019 forecast and the 2020 budget that would be presented to the FIC during the review of the 2020 draft operating and capital budgets.

C. Chan stated that it would be a good idea to have membership fees increased by inflation every year. C. Mehta responded that there were some associations that had adopted this practice and agreed that it would be a good idea for PEO to do the same. He added that a onetime authorization could be sought from Council for automatic inflationary fee increases every one or two years without the need for having to seek Council permission for each fee increase. Council authorization should be required only for cases.

L. Cutler mentioned that it would be a good idea to set aside a contingency reserve or monies for important projects or unforeseen circumstances.

After additional discussion, the committee members unanimously agreed to recommend the 2020 budget assumptions for approval and a motion was passed to the effect.

### **MOTION**

That the Finance Committee recommends to Council that:

- 1) The 2020 Draft Budget Assumptions be approved;  
and
- 2) The Registrar be directed to initiate the budgeting process per PEO's budgeting cycle and provide the 2020 operating budget and capital budgets at the September 2019 Council meeting based on the approved assumptions.

Moved by R. Martini and seconded by R. Walker.

### **MOTION CARRIED**

#### **8. Review of the Terms of Reference and Work Plan for the FIC**

The committee members reviewed the terms of reference and work plan for the FIC and there was a suggestion to have both of these documents be reviewed by PEO's auditor for feedback. After discussions, there were no changes proposed to both the documents save for the updating of the year on these documents to 2019-2020.

#### **9. Review of financials as of April 30, 2019**

P. Cowherd walked the committee members through the financial statements as of Apr 30, 2019 and answered questions from the committee members.

L. Cutler asked if the balance sheet could include the comparable year-to-date figures for the prior year.

P. Cowherd responded that this suggestion will be incorporated in the next set of financial statements presented to the FIC.

L. Cutler inquired if the breakdown of actual investment income and unrealized capital gains and loss could be provided. P. Cowherd that this information will be provided at the next FIC meeting.

**10. Other Business**

There was a brief discussion on planning the remainder of the FIC meeting dates.

**11. Date of Next Meeting**

T. Kirkby 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 the following dates:

- August 27, 2019
- October 15, 2019
- December 3, 2019
- March 3, 2020 (joint FIC/AUC meeting, this date may change depending on auditor's availability)

**12. Adjournment**

The members agreed to adjourn, and the meeting ended at 6.55 pm.

**MOTION**

That the meeting be adjourned.

Moved by T. Kirkby and seconded by S. Ausma

**MOTION CARRIED**



**LIST OF ACTION ITEMS and status as of June 3, 2019**

S. No	Action items identified during FIC on June 5, 2018	Responsible Staff	Status update
1	Centralization of Chapters bank accounts project	C. Mehta	Work-in-progress. BNS has been contacted for potential solutions and cost estimates and an update will be provided at the next FIC.
2	Communicate decision of FIC to commence with work on the Centralization of Chapters bank accounts to the Chapters office	C. Mehta	Complete
2	Seek feed back from auditor on the FIC ToR and Workplan	C. Mehta	Work-in-progress
3	Include year-to-date prior year figures in the Balance sheet in the financial statements	P. Cowherd	Work-in-progress