



# Approved Minutes

**Finance Committee Meeting**  
**October 22, 2020**

40 Sheppard Avenue West  
Suite 101  
Toronto, ON M2N 6K9  
Tel: 416 224-1100  
Fax: 416 224-8168  
www.peo.on.ca

Enforcement Hotline:  
416 224-9528 Ext. 1444

**Meeting Minutes issued:**

Minutes of a meeting of the Finance Committee (FIC) held via Zoom on October 22, 2020 commencing at 6:00 pm.

**In attendance:**

**Finance Committee Members:**

**Chair:** Lorne Cutler, P.Eng., MBA; Lieutenant Governor-in-Council Appointee

**Vice-Chair:** Arthur Sinclair, P.Eng., Vice President (appointed), East Central Region Councillor  
Chantal Chiddle, P.Eng., FEC; Eastern Region Councillor  
Arjan Arenja, P.Eng., MBA; Lieutenant Governor-in-Council Appointee  
Colin Chan, P.Eng., MBA, CPA, CMA  
Linda Drisdelle, P.Eng., M.Eng., MBA, FEC  
Roberto Martini, P. Eng., CPA, CMA

**President:** Marisa Sterling, P.Eng., FEC, President (Ex-Officio)

**Staff:** Johnny Zuccon, P.Eng., CEO/Registrar  
Chetan Mehta, MS, MBA, Director, Finance  
Lucy Capriotti, Administrative Assistant

**Guests:**

**Regrets:** Peter Cowherd, CPA, CMA, Manager, Finance and Procurement

**1.0 Call to order and welcome**

The meeting was called to order at 6:05 p.m. by L. Cutler and the draft agenda was presented to the committee members for their review and approval.

## **2.0 Approval of the meeting Agenda**

The committee members agreed to proceed with the draft agenda as presented.

### **MOTION**

That the draft agenda be approved as presented.

Moved by C. Chiddle and seconded by R. Martini.

**CARRIED**

## **3.0 Approval of Draft Minutes from September 10, 2020**

It was agreed that the draft Minutes of September 10, 2020 be approved, and a motion was passed to that effect.

### **MOTION**

That the draft Minutes of September 10, 2020 as presented be approved.

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

**CARRIED**

## **4.0 Business arising from the Minutes**

The committee members discussed:

- Update on the Investment Sub-committee Nov 19<sup>th</sup> Investment Sub-committee with the AUC
- No revisions on the expense reimbursement policy
- Feedback on terms of reference
- Demographic data
- Action items in HR are work in progress

## **5.0 2021 Draft Operating Budget and Capital Budget Approvals**

C. Mehta walked the committee members through the key highlights of the 2021 draft operating and capital budgets and identified the key figures that had changed from the prior draft budget presented to Council in September 2020.

President Sterling inquired about the basis for the revised budget or the Chapters which had increased by approximately \$163k (in comparison to the budget figure in the September version of the 2021 budget) and asked if it would be helpful to have a presentation by the RCC to Council to gain an understanding on these numbers.

C. Mehta responded that the budget figures for the Chapters were provided to the PEO Chapters staff from the RCC, but he would have this confirmed.

President Sterling also inquired about the changes in the budget for Purchased Services and asked whether the spend in the budget for the AGM included monies for a hybrid model which could accommodate both an online as well as an in-person attendance.

C. Mehta clarified that monies budgeted for the AGM were conservative numbers that should be able to accommodate the costs associated with a hybrid model, but he would have this confirmed with concerned staff.

After some discussion, the committee members agreed that the draft operating budget as presented be approved pending clarification and approval from the RCC on the additional spend for Chapters.

L. Cutler suggested it would be a good idea to round off the budget numbers to the nearest thousand dollar and C. Mehta responded that this would be a good idea and staff would look into making this change.

#### **MOTION**

That the draft 2021 operating budget as of October 22, 2020 be presented to Council for approval subject to approval by RCC of a Chapter allocation of \$1.065m otherwise that the Chapter amount be reduced to \$901,641 with all other items remaining unchanged.

Moved by C. Chiddle and seconded by R. Martini

**CARRIED**

C. Mehta then walked the committee members through the 2021 capital budget and pointed out that there were no major changes to the capital budget other than an additional \$250k which was set aside to accommodate the changes that may be necessary to the workplace for accommodating new hires and current staff once regular operations resume after the pandemic is under control.

**MOTION**

That the draft 2021 capital budget as of October 22, 2020 be presented to Council for approval.

Moved by C. Chan and seconded by C. Chiddle

**CARRIED**

**6.0 2021 Borrowing Resolution Approval**

C. Mehta advised the committee members that PEO's Borrowing Resolution with the Bank of Nova Scotia is renewed each year in order to allow PEO to renew its overdraft protection for \$250k along with credit facilities for \$120k for PEO's corporate credit cards that are issued to a few select staff and volunteers for PEO business related travel and purchases. The committee members unanimously agreed that the Borrowing Resolution be presented to Council for approval.

**MOTION**

That the Borrowing Resolution as presented be approved and recommended to Council for approval.

Moved by C. Chiddle and seconded by C. Chan

**CARRIED**

**7.0 Review of Minimum Cash Balance Requirement Policy**

C. Mehta advised the committee members that each year the Minimum Cash Balance Requirement Policy was presented to the FIC members for their feedback and review. He explained that this policy was to ensure that PEO had adequate cash reserves to sustain

operations for about 2 months in case any serious catastrophe was to befall PEO and for the past few years this level had been kept at \$4.5m.

C. Mehta pointed out that after some additional research, this policy could be revised to reflect best practices but for now the reserve figure was adequate. After some discussion, the committee members agreed that for now, no changes to the policy were required.

## **8.0 Review of Q3 Financial Statements**

C. Mehta walked the committee through the Q3 financial statements and answered the questions the committee members had.

## **9.0 Other Business**

A. Sinclair suggested that it would be useful to have the 2021 budget figures to be recast to reflect the output of the activity filter. J. Zuccon stated that he would work with C. Mehta to present the 2021 budget in a pie shape with the spend broken down by Regulatory, Governance, Neither activities along with the spend on the building, and have this sent to the FIC for inputs.

A. Sinclair suggested having a pie chart showing expenses and one showing revenue. He asked if this could be done for the November Council meeting.

J. Zuccon advised he would work with C. Mehta on this and provide a rough draft and circulate it to the FIC for comments.

The committee members then reviewed the Work Plan for the FIC. C. Mehta mentioned that a Work Plan and Terms of Reference are available, and these are presented to the FIC at the first meeting of each year for review and inputs.

President Sterling inquired if there was an HR plan for the FIC. C. Mehta responded that he was not aware of the existence of an HR plan for the FIC as several aspects of the HR plan are already covered in the Terms of Reference.

The President requested that an HR Plan be created. C. Mehta responded that he would work with the Chair to have an HR plan developed.

#### **10.0 Date of Next Meeting**

L. Cutler expressed interest in having another FIC meeting in January or February to discuss the items under other business.

There would also be a joint meeting with the FIC and AUC sometime in March 2021. The auditor will provide us with three dates and a Doodle Poll will be sent out to the committees.

#### **11.0 Adjournment**

The meeting adjourned at 8:25 p.m.



**Finance Committee Action Items – as of Oct 22, 2020**

<b>S. No</b>	<b>Action items</b>	<b>Responsible Staff</b>	<b>Status update</b>
1	Create a pie chart showing expenses and revenue and send a preliminary to FIC	C. Mehta/ J. Zuccon	Completed
2	Update on Investment Sub-committee meeting	C. Mehta	Completed – meeting held on Nov 11, 2020
3	Demographic data on members	FIC	Completed – included in package for FIC meeting on Feb 25, 2021
4	Create HR Plan for FIC	FIC	Work in progress
5	Revisions to the expense reimbursement policy	C. Mehta	Work in progress