



Minutes

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Finance Committee October 22, 2013

Finance Committee

Minutes of a meeting of the Finance Committee (FIC) held in the offices of the association, 40 Sheppard Avenue West, North York, Ontario, on October 22, 2013 commencing at 1:00 pm.

In attendance:

Finance Committee Members:

Robert Willson, P.Eng.
Michael Wesa, P.Eng.
Jason Green, CMA, MBA, P.Eng.
Roger Jones, P.Eng.
Denis Dixon, P.Eng.
Annette Marie Bergeron, P.Eng., President, (Ex-officio)

Staff: Michael Price, MBA, P.Eng., FEC, Acting CEO/Registrar
Chetan Mehta, Manager, Financial Services & Business Planning
Peter Cowherd, Manager, Financial Services & Procurement
Lucy Capriotti, Administrative Assistant

Regrets: Maria Cellucci, CA, Controller (Maternity Leave)
Dave Adams, P.Eng. (Ex-officio)

1. Approval of Agenda

R. Willson, Chair of the Finance Committee called the meeting to order.
The committee members agreed that the agenda as presented be approved.

MOTION

That the agenda as presented be approved.

Moved by R. Jones and seconded by M. Wesa.

MOTION CARRIED

2. Approval of Minutes from September 4, 2013

The committee members had a brief discussion on the minutes and agreed that the minutes as presented be approved.

MOTION

That the minutes of the September 4, 2013 meeting as presented be approved.

Moved by J. Green and seconded by M. Wesa.

MOTION CARRIED

3. Business Arising from the Minutes

R. Willson requested a discussion on the items noted below.

Item 3 (1) Fee Changes

R. Willson referred to the September 4th Finance Committee meeting whereby the committee passed a motion to recommend to Council to move the current rules governing fee changes from the Regulations to the By-laws and asked M. Price the status of this item.

M. Price advised that a draft motion is to be brought back to the Finance Committee after revising a previous briefing note that included fee changes that was presented to Council in 2011.

R. Willson requested that a firm date be agreed upon to have all the relevant actions completed whereby staff would come back to this committee.

R. Jones pointed out that the committee was only discussing the protocol for fee changes and not any specific future fee changes as such.

R. Jones also stated that all the committee was doing was presenting to Council a motion saying please change the current protocol for fee changes.

M. Price stated that in light of this clarification by R. Jones and given the fact that there were no proposed fee changes, a draft briefing Note will be presented to the Finance Committee.

R. Willson agreed and asked M. Price if he would be presenting a motion to Council for a change in the fee change protocol during the November Council meeting. M. Price suggested that the fee change should be considered at the February Council meeting, separate from the budget discussions at the November Council meeting.

Item 3(3) - Payment of fees to Engineers Canada

M. Price informed the committee members that per the motion passed in the Finance Committee meeting on September 4, 2013, work was under way to unbundle the fees shown on the PEO notice of fee payment to have it modified to separately show the fee of \$10.21 per member paid to Engineers Canada by PEO.

M. Price also advised the committee members that this project (of modifying the notice of fee payment) was not yet complete due to IT staffing issues and that the changes would be completed in time for the billing for January 2014 renewals.

Item 5 – Other Business (Terms of Reference for the Pension Sub-Committee)

R. Willson asked the committee members if they had reviewed the draft document for the Terms of Reference.

The committee members affirmed that none of them had been able to do so.

R. Willson then stated that it was his understanding that the sub-committee to be created was to oversee both PEO investments and the pension fund investments and that the Terms of Reference that were being drafted needed to reflect this.

M. Price suggested that the Terms of Reference had to be reworked and the name of the sub-committee be changed from that of pension sub-committee to investment sub-committee. The Finance Committee members agreed.

R. Willson said that he would work on an initial draft to reflect the above change and have it circulated to the FIC prior to its next meeting.

4. Review of the Q3 Financials

P. Cowherd presented an overview of the Q3 financials and answered questions by the committee members.

5. 2014 Draft Budget

M. Price presented the revised 2014 draft operating budget and highlighted the main differences between the current version and the version presented to the Committee during the September 4th meeting.

M. Price went on to indicate that the main difference in the revised version of the 2014 draft operating budget was due to the changes made to the budget per Council directives issued during the meeting on September 26, 2013.

M. Price also discussed the Five Year Cash Flow in detail and answered questions from the Finance Committee members.

M. Price then presented an overview of the 2014 Capital Budget to the committee members and answered questions.

D. Dixon requested more information on the spending for the Aptify scanner.

C. Mehta provided an answer on the Aptify enquiry along with answers to additional questions D. Dixon had requested information on during the September 4th meeting. These responses were:

1) Aptify scanner

C. Mehta indicated that PEO has approximately 10,000 open applications and all these applications had supporting documents that could vary in number from one to over two hundred. The new scanner was to be used for scanning all these supporting documents which are to be stored in a centralized repository in Aptify LHMS when it goes live.

2) Heat pumps

C. Mehta stated that the old heat pumps are going to be replaced as they are well beyond their service life of 25 years.

3) Breakdown by department on the monies allocated to Engineers Canada.

C. Mehta provided a breakdown by department on the total spend for Engineers Canada which is \$890,536 in the 2014 budget.

The committee members unanimously agreed to have the revised 2014 operating and capital budgets presented to Council for approval.

MOTION

That the 2014 operating and capital budgets be presented to Council for approval.

Moved by R. Jones and seconded by M. Wesa.

MOTION CARRIED

6. Borrowing Resolution

M. Price explained to the members that an extension of the borrowing resolution was required to have Scotiabank extend credit facilities to PEO for corporate credit cards (for \$120k) and for overdraft protection (for \$250k) for regular day to day operations until January 31, 2015.

M. Price also indicated to the members that the amounts for the credit facility for the corporate credit overdraft protection had remained unchanged for the past several years and that PEO has never had any occasion to avail itself of the overdraft facility.

The members unanimously agreed to recommend the approval of the borrowing resolution to Council.

MOTION

That the borrowing resolution be presented to Council for approval.

Moved by M. Wesa and seconded by J. Green.

MOTION CARRIED

7. Finance Committee Work Plan

A prior version of the work plan was presented to the members.

The members then proceeded to have a brief discussion on some of the changes that needed to be made to the work plan.

R. Willson indicated that after seeking inputs from the committee members he would work with C. Mehta to develop a work plan that will be presented to the committee for review in the next Finance Committee meeting.

8. Other Business

No other business was discussed.

9. Date of Next Meeting

The next meeting date was scheduled for some time in February 2014 to review the 2013 Financials .

10. Review of Minimum Cash Balance Requirement Policy

During the meeting, the committee members did briefly discuss the minimum cash reserve policy and unanimously concurred that no change to the current policy was necessary.

Consequently, with the permission of the Chair – Rob Willson, staff sent out an email on October 28, 2013 to the committee members seeking their approval for a motion that the current minimum cash requirement policy remain unchanged.

The following committee members approved the motion via email:

R. Willson, D. Dixon, R. Jones, J. Green and M. Wesa

MOTION

That the current minimum cash balance requirement policy approved by Council during its 482 meeting held on Nov 15-16, 2012 remains unchanged.

Moved by R. Willson and seconded by D.Dixon

MOTION CARRIED

11. Adjournment

Meeting adjourned at 3:00 p.m.