

Finance & Audit Committee Meeting

Tuesday April 16, 2024 1424 Clarke Road. 12:00pm

Brian Petrie, Chair of the Upper Thames River Conservation Authority Board of Directors, called the meeting to order at 12:11pm on Tuesday April 16, 2024.

Members Present:

Sandy Levin – Elected Finance and Audit Committee Chair
Paul Mitchell
Harj Nijjar
Brian Petrie – Authority Chair
Dean Trentowsky

Regrets: None

Auditor: Paul Seebach – Seebach and Company

Staff:

Tracy Annett
Emily Chandler
Christine Saracino
Michelle Viglianti - Recorder

1. Modifications to the Agenda

There were no modifications made to the agenda.

2. Declaration of Pecuniary Interest

The Chair inquired whether the members had any declarations of pecuniary interest. There were none.

3. Minutes of the Previous Meeting: September 26, 2023

Mover: Paul Mitchell

Seconder: Sandy Levin

THAT the Finance & Audit Committee approves the September 26, 2023 minutes as posted.

Carried.

4. Election of Finance and Audit Committee Chair

Mover: Paul Mitchell

Secunder: Dean Trentowsky

THAT Sandy Levin be nominated as the Finance and Audit Committee Chair.

Carried.

Sandy Levin was declared the Chair of the 2024 Finance and Audit Committee. Brian Petrie turned the Chair over to the newly elected Chair of the Finance and Audit Committee, Sandy Levin.

5. Closed Session – In Accordance with Section C.13 of the UTRCA Administrative By-Law

Mover: Brian Petrie

Secunder: Dean Trentowsky

THAT the Finance & Audit Committee adjourn to Closed Session – In Camera.

Carried.

The Committee adjourned to closed session to hear a presentation from the UTRCA auditors and to discuss a report relating to the cyber security of the property of the Upper Thames River Conservation Authority.

The Committee rose from closed session at 1:28pm and reported progress as shown below.

5.1. Financial Information that Belongs to the Authority and has Potential Monetary Value – 2023 Draft Audited Financial Statements and Audit Report Review

The Committee heard a presentation from Seebach and Company on the 2023 draft audited financial statements and audit report.

Mover: Brian Petrie

Secunder: Dean Trentowsky

THAT the Finance and Audit Committee receives the draft audited statements, recommends approval of the draft audited statements by the Board, and recommends the re-appointment of the Auditor.

Carried.

5.2. Security of the Property of the Upper Thames River Conservation Authority

Mover: Brian Petrie

Secunder: Paul Mitchell

THAT the Finance and Audit Committee receive the closed session report for information and that staff prepare a follow-up report after an Information Systems Coordinator has been hired, has a chance to review practices, and can consider improvements.

Carried.

Harj Nijjar left the meeting at 1:30pm.

6. Budgetary and Reserve Policy Discussion Paper

The Committee discussed in detail the question of whether internal budgeting policies should allow deficit budgets and considered the effects it would have on the reserves over next twenty years.

The Committee felt that the focus should be on the category 1 operating budget and operating reserves.

The Committee discussed an ideal goal for category 1 operating reserves, the challenges in meeting that goal, and potential options and challenges on how to overcome the projected one million dollar deficit for 2024.

The Committee discussed the need for a policy on where and how surpluses are directed.

Members agreed the UTRCA needs a Budgeting Policy, which would ideally guide the budgeting process for 2026 and beyond. It was felt that the challenge would be the 2025 budget due to the low reserves, limited funding resources for category 1 programs and significant projected deficit in category 1.

There was discussion around potential land sales once the lands inventory is completed. It was noted that the Minister may direct Conservation Authorities how those funds are to be used. Further, it was noted that land sales are not a sustainable, ongoing source of funding and would not be of help for the 2025 budget.

It was felt that this Committee would require a meeting in May to continue the discussion on the reserves and budgeting policy before it is brought before the Board potentially in June. Members noted the importance of communicating the reality and challenges facing the 2025 category 1 operating budget with the mayors, and providing projections for the future. It was suggested that staff prepare a list for each Municipality of exactly what category 1 programs they would be funding through the 2025 levy and the actual cost of those programs.

Members highlighted the key message to the Municipal partners should be that the challenges currently being faced in regards to category 1 reserves and deficit are due to the rules changing, not because of past poor management. This is the first year of the new budgeting format and therefore the first time this problem is being seen to its full extent. Members felt that the message should go out to Municipalities and the Province

that the Province should be helping to fund Category 1 programs.

Mover: Dean Trentowsky

Seconder: Brian Petrie

THAT the Finance and Audit Committee directs staff to set up a meeting in May for further discussion on policy related to reserves for 2025 and 2026.

Carried.

7. Adjournment

There being no further discussion, the Finance and Audit Committee meeting was adjourned at 2:40 pm on a motion by Dean Trentowsky.

Tracy Annett,
General Manager