

# Minutes

## Finance and Audit Committee Meeting

Tuesday September 24, 2024 1:00pm 1424 Clarke Road, London (Hybrid)

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Sandy Levin, Chair of the Upper Thames River Conservation Authority Finance and Audit Committee, called the meeting to order at 1:00pm on Tuesday September 24, 2024.

### Members Present:

Sandy Levin – Committee Chair  
Paul Mitchell  
Harj Nijjar – Online  
Dean Trentowsky

### Regrets:

Brian Petrie

Auditor: Paul Seebach, Seebach & Company

### Staff:

Tracy Annett  
Emily Chandler  
Christine Saracino  
Michelle Viglianti – Recorder

## **1. Modifications to the Agenda**

Mover: Paul Mitchell

Secunder: Dean Trentowsky

THAT the Finance and Audit Committee amend the agenda to move 5.1 to the beginning of the reports.

Carried

## **2. Declaration of Pecuniary Interest**

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

## **3. Administrative Business**

### **3.1. Minutes of the Previous Meeting: July 19, 2024**

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Mover: Paul Mitchell

Seconder: Harj Nijjar

THAT the Finance and Audit Committee approves the minutes dated July 19, 2024.  
Carried.

### **3.2. Business Arising from Minutes**

There was no business arising from the minutes.

## **\*5 Reports – In Camera**

Mover: Dean Trentowsky

Seconder: Paul Mitchell

THAT the Finance and Audit Committee go In-Camera to discuss financial information that belongs to the Authority and has potential monetary value, 2024 audit planning letter.

Carried.

The Committee adjourned to closed session at 1:01pm to discuss the 2024 audit plan.

### **5.1 Financial Information that Belongs to the Authority and has Potential Monetary Value – 2024 Audit Planning Letter**

The Committee rose at 1:24pm to report progress and passed the following motion:

Mover: Harj Nijjar

Seconder: Dean Trentowsky

THAT the Finance and Audit Committee receives the Audit Plan.

Carried.

## **4. Reports – For Consideration**

### **4.1. Budget and Reserves Policy**

The Committee reviewed the report and recommendations.

The Committee agreed the Category 3 Campgrounds Reserve, normally constituting 20% of the annual expenses, was appropriate.

After discussion, the Committee agreed they were comfortable with the recommendation that Category 3 Operating Reserves (other than campgrounds) should be 4-6 months of operating costs. It would be a starting point and should be revisited in a year to see how much was contributed to the reserve over the course of a year.

The Committee reviewed and agreed they were comfortable with the recommendation

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that Category 2 Operating Reserve should be zero and unfunded.

The Committee reviewed and agreed they were comfortable with the recommendation that Category 1 Operating Reserves should be between two and three months of annual operating costs, noting this was a starting point and would be reviewed annually and adjusted as needed.

The Committee discussed the Long-term Investment Reserve recommendation that the reserve reach 40% of the portfolio's value and felt that dropping the reserve to 20% of the portfolio's value would be a better option, noting that only during the COVID pandemic and 2008 did the market drop more than 20%. Further, given budget challenges, dropping the reserve to 20% would make the money available sooner.

The Committee completed their discussion on the Reserves portion of the Policy and directed staff to create a final version based on the feedback provided by the Committee.

The Committee discussed the Budgetary Policy section, with a focus on the first sentence which states that Category 1 program budgets must be fully funded to meet the UTRCA's fiduciary responsibilities for mandatory program activities. Committee members shared feedback and concerns they had received from Board members on the proposed 2025 levy increase, which should fulfill the above statement to fully fund Category 1 programs.

The Committee reviewed the Operating Budget Inclusions and the Policy Statement: Capital Budget and had no additional feedback for staff.

Mover: Paul Mitchell

Secunder: Harj Nijjar

THAT the Finance and Audit Committee has reviewed the Policy document, made suggestions and asked staff to present a final draft at the board meeting to be held in October.

Carried.

### **4.2. 2025 Budget Discussion – Referred to Committee**

The Committee discussed the proposed 2025 Budget, specifically the levy increase, and discussed responses and explanations to the most common questions and concerns voiced by Board members and Municipal Councils regarding the proposed levy increase.

Mover: Dean Trentowsky

Secunder: Harj Nijjar

THAT the Finance and Audit Committee met to review the 2025 budget and has asked staff to incorporate changes from the recent federal government grant, the Committee is supportive of the non deficit budget for cat 1 and FURTHER, that the Committee recommends that the 2025 budget include a 3% increase to Schedule B of Municipal

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Cost Apportionment Agreements, and the Committee asked staff to include in the October report a high level estimate of the 2026 levy increase for Category 1.  
Carried.

### **4.3. Fossil Fuel Free Portfolio Discussion – Referred to Committee**

The Committee reviewed and discussed the response received from Philips Hager and North (PH&N) regarding the fossil fuel free portfolio.

The Committee members felt that leaving the investment as is was the best option, noting that fossil fuels are used as the stable baseload for alternative sources of energy.

Further discussion was had on the feasibility of moving to a 100% fossil fuel free portfolio. The Committee felt it would not be possible with the existing investor and existing investment policy, and could damage the responsibility of the Committee to maximize investments.

Mover: Paul Mitchell

Seconder: Harj Nijjar

THAT the Finance and Audit Committee received the report.

Carried.

## **6. Adjournment**

There being no further discussion, the Finance and Audit Committee meeting was adjourned at 3:05 pm on a motion by Dean Trentowsky.

Tracy Annett,  
General Manager