

Audit & Finance Committee

September 13, 2018, 1:00 p.m. – 3:00 p.m.

Edmonton Metropolitan Region Board Office
#1100 Bell Tower, 10104 — 103 Avenue
Capital Region Boardroom

<p>1. Opening</p>	
<p>1.1 Quorum <i>Action: Confirmation</i> <i>Lead: Chair Doblanko</i></p>	
<p>1.2 Call to Order <i>Action: Declaration</i> <i>Lead: Chair Doblanko</i></p>	
<p>1.3 Chair’s Opening Remarks <i>Action: Information</i> <i>Lead: Chair Doblanko</i></p>	
<p>2. Approval of Agenda <i>Action: Approval</i> <i>Lead: Chair Doblanko</i></p> <p>Recommended Motion: That the Audit & Finance Committee approve the September 13, 2018 meeting agenda.</p>	
<p>3. Approval of Minutes <i>Action: Approval</i> <i>Lead: Chair Doblanko</i></p> <p>Recommended Motion: That the Audit & Finance Committee approve the May 10, 2018 meeting minutes.</p>	<p>Page 3 of 9</p>



4. Finance	
4.1 Preliminary 2019/20 Board Budget <i>Action: Information/Discussion</i> <i>Lead: Chair Doblanko/Interim CEO Sarnecki</i> Recommended Motion: That the Audit & Finance Committee receive the Preliminary 2019/20 Budget for information.	Page 6 of 9
4.2 CEO Recruitment – CEO Contract <i>Action: Information</i> <i>Lead: Chair Doblanko/Board Chair Abbott</i> Recommended Motion: That the Audit & Finance Committee move In Camera, in accordance with the provisions of Section 17 of the Freedom of Information and Protection of Privacy Act (FOIP), R.S.A. 2000, c.F-25. Recommended Motion: That the Audit & Finance Committee move out of camera.	
5. Next Meeting <ul style="list-style-type: none">November 8, 2018, 1:00 – 3:00 p.m., EMRB Office	
6. In Camera <i>Action: Approval</i> <i>Lead: Chair Doblanko</i>	
7. Adjournment <i>Action: Approval</i> <i>Lead: Chair Doblanko</i> Recommended Motion: That the Audit & Finance meeting of September 13, 2018 be adjourned.	

Audit & Finance Committee

Thursday, May 10, 2018

2:00 – 3:30 p.m.

Capital Region Boardroom, EMRB Office
1100 Bell Tower, 10104 103 Avenue, Edmonton

Members:

Tanni Doblanko, *Leduc County (Chair)*
Wes Brodhead, *City of St. Albert (Vice Chair)*
Ray Ralph, *Town of Devon*
John Stewart, *Town of Beaumont*
Michael Walters, *City of Edmonton*

Guests:

Gibby Davis, *City of Edmonton*
Trevor Duley, *City of St. Albert*
Larissa Hepp, *Sturgeon County*
Marnie Lee, *Strathcona County*
Nancy Lyzaniwski, *Strathcona County*
Linda Matties, *Town of Stony Plain*

EMRB Staff & Consultants:

Malcolm Bruce, *CEO*
Neal Sarnecki, *Project Manager*
Stephanie Chai, *Project Manager*
Taylor Varro, *Project Manager*
Loreen Lennon, *Communications Manager*
Leslie Chivers, *Operations Manager*
Charlene Chauvette, *Office Manager*
Brandt Denham, *GIS Coordinator*
Amanda Borman, *Executive Assistant*
Raquel Chauvette, *Administrative Assistant*
Joseana Lara, *Municipal Planning Intern*

1. Opening

1.1 Quorum

Quorum achieved; five of five voting members present.

1.2 Call to Order

Chair Doblanko called the meeting to order at 2:02 p.m.

1.3 Chair's Opening Remarks

2. Approval of Agenda

AFC2018-16

Motion: That the Audit & Finance Committee approve the May 10, 2018 meeting Agenda.

Moved by: Mayor Ray Ralph

Accepted by: Chair

Decision: Carried unanimously

3. Approval of Minutes

AFC2018-17

Motion: That the Audit & Finance Committee approve the April 6, 2018 meeting Minutes.

Moved by: Mayor John Stewart

Accepted by: Chair

Decision: Carried unanimously

4. Audited Financial Statements

4.1 Metrix Group LLP, Michael Epp

CEO Bruce provides context on the Metrix Group LLP, and introduces Michael Epp to members of the Audit & Finance Committee.

4.2 Audited Financial Statements

Mr. Epp walks members of the Audit & Finance Committee through the Audited Financial Statements. Mr. Epp provides a handout of the 2018 Audit Findings Letter and provides context to the members of the Audit & Finance Committee.

AFC2018-18

Motion: That the Audit & Finance Committee endorse and recommend the 2017/18 Audited Financial Statements as prepared by Metrix Group LLP to the Edmonton Metropolitan Region Board for approval.

Moved by: Councillor Michael Walters

Accepted by: Chair

Decision: Carried unanimously

5. CEO Update

There are no further updates from CEO Bruce.

6. Next Meeting

- September 13, 2018, 1:00 – 3:00 p.m., EMRB Office

7. In Camera

There are no Items for In Camera.

8. Adjournment

AFC2018-19

Motion: That the Audit & Finance meeting of May 10, 2018 be adjourned at 2:23 p.m.

Moved by: Councillor Wes Brodhead

Accepted by: Chair

Decision: Carried unanimously

Committee Chair, Tanni Doblanko

DRAFT



Preliminary 2019/20 Budget

Recommended Motion: That the Audit & Finance Committee receive the Preliminary 2019/20 Budget for information.

Background

On April 12, 2018, the Board approved the Adjusted 2018/19 Budget. The Budget was adjusted to accommodate \$2,382,883 in uncommitted deferred revenue resulting from an analysis of several years of grant funding to the EMRB. Based on the direction of the strategic planning by the Board at the time, EMRB Administration identified options for use of the uncommitted deferred revenue and adjusted the Budget. The uncommitted deferred revenue will continue to play a significant role in budgeting for the foreseeable future.

Revenues

The 2018/19 Budget had been prepared with the assumption of a reduction in the Provincial Grant from \$2.25 million to \$2 million which ultimately was the case. The 2019/20 Budget assumes continuation of the \$2 million in grant funding from the province.

Membership contributions are proposed to increase from \$1.351 million in 2018/19 to \$1.468 million for 2019/20 as projected in last year's three year budget plan. Looking ahead, the 2020/21 contribution was to decrease to \$1.428 million but EMRB Administration is recommending it stay at the 2019/20 amount of \$1.468 million for consistent budget planning by member municipalities.

The Budget going forward also benefits from the carryover of the uncommitted deferred revenue identified in the grant analysis.

Expenditures

The 2019/20 Budget has been revised to be more clear and transparent in accounting for Projects and Programs expenditures. The previous 2018/19 Budget used general terms such as Compliance, Education, Regional Projects, etc. which were not clear with regard to their purpose and intent, nor the projects included. The new categories and the projects and programs listed under each are more specific and align clearly with the Regulation, Growth Plan and Strategic Plan. For example, the EMRB Regulation Mandate category includes projects and programs that are sourced directly from the Regulation such as the Growth Plan, Metropolitan Region Servicing Plan, Public Engagement Policy and REF. The Growth Plan Implementation and Strategic Plan Initiatives categories work the same way.

The Adjusted 2018/19 Budget allocated the majority of the uncommitted revenues to fully fund projects in the current year. However, most of the projects will be multi-year and significant portions of the expenditures for the projects will occur in subsequent budget years. The 2019/20 Budget distributes the expenditures for the projects across the years in which the expense is expected to occur, allowing for more accurate projections of future budgets.



Finally, other line items have been adjusted and updated:

- To reflect increasing costs of Board meetings;
- Moving Task Force meeting expenditures from Additional Meeting Support to the applicable project budgets; and,
- Adjusting professional development budget to align with the recently approved Compensation Strategy (ie. \$3500/employee).

The approved 2018/19 Budget and Preliminary 2019/20 Budget are attached for information and discussion by the Committee.

Attachments

1. EMRB Preliminary 2019/20 Budget
2. Approved 2018/19 Budget

Preliminary EMRB Budget 2019/20 thru 2021/22

	2018/19 Budget <i>Updated</i>	2019/20	2020/21	2021/22
Revenue				
GOA Operating Grant	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
GOA Planning Intern Grant	\$ 43,000.00	\$ 24,000.00	\$ 43,000.00	\$ 24,000.00
13 Member Contribution	\$ 1,351,000.00	\$ 1,468,000.00	\$ 1,468,000.00	\$ 1,468,000.00
Uncommitted Deferred Revenue	\$ 2,382,883.00	\$ -	\$ -	\$ -
Carry over	\$ -	\$ 1,261,776.45	\$ 27,496.70	\$ 3,143.72
Total Revenue	\$ 5,776,883.00	\$ 4,753,776.45	\$ 3,538,496.70	\$ 3,495,143.72
Expenditures				
Board & Committees				
Board & Committees Collaboration Events	\$ 30,000.00	\$ -	\$ -	\$ -
Honorarium	\$ 25,400.00	\$ 25,400.00	\$ 25,400.00	\$ 25,400.00
Meetings	\$ 17,500.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Additional Meeting Support	\$ 32,500.00	\$ -	\$ -	\$ -
Travel	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Chair Retainer	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Total Board & Committees	\$ 197,400.00	\$ 142,400.00	\$ 142,400.00	\$ 142,400.00
Administration				
Salaries and benefits	\$ 1,826,706.55	\$ 1,881,507.75	\$ 1,937,952.98	\$ 1,996,091.57
Office lease	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Professional fees - Legal/Advisory	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00
Travel/ Professional Development	\$ 30,000.00	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00
Information technology	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
DMS/Records Management	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00
Office Communications	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00
Office Supplies	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Insurance	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Meetings - Non Board/Committee	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
GIS	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Bank Charges and interest	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Other expenses	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Total Administration	\$ 2,382,706.55	\$ 2,455,507.75	\$ 2,511,952.98	\$ 2,565,091.57
Capital and Other				
Planning Intern	\$ 64,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Office Furniture/Equipment	\$ 50,000.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Total Capital and Other	\$ 114,000.00	\$ 57,500.00	\$ 57,500.00	\$ 57,500.00
Regional Projects & Programs				
EMRB Regulation Mandate				
Growth Plan	\$ 30,000.00	\$ -	\$ -	\$ -
MRSP	\$ 150,000.00	\$ 75,972.00	\$ -	\$ -
Annual Report/ Auditors	\$ 41,000.00	\$ 38,500.00	\$ 38,500.00	\$ 38,500.00
Public Engagement Policy	\$ 20,000.00	\$ -	\$ -	\$ -
REF	\$ 100,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
Total	\$ 341,000.00	\$ 239,472.00	\$ 163,500.00	\$ 163,500.00
Growth Plan Implementation				
RAMP & LESA	\$ 200,000.00	\$ 305,760.00	\$ -	\$ -
Integrated Regional Open Space Master Plan	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -
Regional Infrastructure Master Plan	\$ -	\$ -	\$ 200,000.00	\$ 100,000.00
Complete Communities	\$ -	\$ -	\$ 50,000.00	\$ -
IRTMP update	\$ 100,000.00	\$ 164,200.00	\$ -	\$ -
Energy Corridors Study	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -
Total	\$ 450,000.00	\$ 719,960.00	\$ 350,000.00	\$ 100,000.00
Growth Plan Administration				
RCS/NSPR/SSAR/Etc.*	\$ 130,000.00	\$ 100,000.00	\$ 75,000.00	\$ 75,000.00
Growth Plan Amendments/Updates	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -
Toolkit/Education/Interpretation	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
KPI Dashboard	\$ 100,000.00	\$ 150,000.00	\$ -	\$ -
Monitoring & Reporting	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Total	\$ 285,000.00	\$ 330,000.00	\$ 155,000.00	\$ 130,000.00
Strategic Plan Initiatives				
Shared Investment Shared Benefit	\$ 250,000.00	\$ 271,440.00	\$ -	\$ -
Broadband	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -
KPI Targets for GP	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -
Regional Symposium	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00
Board Collaboration & Education	\$ 50,000.00	\$ 30,000.00	\$ 10,000.00	\$ 50,000.00
Advocacy	\$ 20,000.00	\$ 30,000.00	\$ 20,000.00	\$ 30,000.00
Total	\$ 370,000.00	\$ 531,440.00	\$ 80,000.00	\$ 180,000.00
Operations				
Board Stabilization Fund	\$ 300,000.00	\$ 175,000.00	\$ -	\$ 80,000.00
Marketing & Communications	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Trans & Transit Working Group	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Total	\$ 375,000.00	\$ 250,000.00	\$ 75,000.00	\$ 155,000.00
Total Regional Projects & Programs	\$ 1,821,000.00	\$ 2,070,872.00	\$ 823,500.00	\$ 728,500.00
Total Expenditures	\$ 4,515,106.55	\$ 4,726,279.75	\$ 3,535,352.98	\$ 3,493,491.57
Unallocated Funds				
Surplus (Deficit)	\$ 1,261,776.45	\$ 27,496.70	\$ 3,143.72	\$ 1,652.15
Accumulate surplus beginning of year				
Accumulate surplus end of year				

* RCS = Regional Context Statements
NSPR = Non-Statutory Plan Reviews
SSAR = Special Study Areas Reviews

Approved 2018-2021 Adjusted Budget

	2018/19 Budget Approved	2018/19 Budget Adjusted	2019/20 Adjusted	2020/21 Adjusted
Revenue				
GOA Operating Grant	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
GOA Planning Intern Grant	\$ 43,000.00	\$ 43,000.00	\$ 24,000.00	\$ 43,000.00
13 Member Contribution	\$ 1,351,000.00	\$ 1,351,000.00	\$ 1,468,000.00	\$ 1,428,000.00
Non-committed funds	\$ -	\$ 2,382,883.00	\$ -	
Carry over	\$ -	\$ -	\$ 552,776.45	\$ 207,868.70
Total Revenue	\$ 3,394,000.00	\$ 5,776,883.00	\$ 4,044,776.45	\$ 3,678,868.70
Expenditures				
Board & Committee				
Board & Committee Collaboration Events	\$ -	\$ 30,000.00	\$ -	\$ -
Honorarium	\$ 25,400.00	\$ 25,400.00	\$ 25,400.00	\$ 25,400.00
Meetings	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00
Additional Meeting Support	\$ -	\$ 32,500.00	\$ 32,500.00	\$ -
Travel	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Chair Retainer	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Total Board & Committees	\$ 134,900.00	\$ 197,400.00	\$ 167,400.00	\$ 134,900.00
Salaries and benefits*	\$ 1,586,706.55	\$ 1,826,706.55	\$ 1,881,507.75	\$ 1,937,952.98
Office lease	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Professional fees - Legal/Advisory	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00
Travel/ Professional Development	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Information technology	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
DMS/Records Management	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Office Communications	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00
Office Supplies	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Operational	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Meetings - Non Board/Committee	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
GIS	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Bank Charges and interest	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Other expenses	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Total Administration	\$ 2,142,706.55	\$ 2,382,706.55	\$ 2,437,507.75	\$ 2,493,952.98
Regional Mandate				
Compliance	\$ 56,000.00	\$ 56,000.00	\$ 47,000.00	\$ 51,000.00
Education	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Communications	\$ 70,000.00	\$ 70,000.00	\$ 80,000.00	\$ 70,000.00
GP Implementation	\$ 335,000.00	\$ 335,000.00	\$ 205,000.00	\$ 205,000.00
Regional Projects**	\$ 439,000.00	\$ 354,000.00	\$ 590,000.00	\$ 485,000.00
REF	\$ 100,000.00	\$ 100,000.00	\$ 125,000.00	\$ 125,000.00
Total Regional Projects	\$ 1,050,000.00	\$ 965,000.00	\$ 1,097,000.00	\$ 986,000.00
Funding adjustments***				
Metropolitan Region Servicing Plan (addition of Public Engagement Policy)	\$ -	\$ 100,000.00	\$ -	\$ -
KPI Dashboard Development	\$ -	\$ 175,000.00	\$ -	\$ -
Communications	\$ -	\$ -	\$ -	\$ -
Transportation Prioritization Review	\$ -	\$ -	\$ -	\$ -
IRTMP Update	\$ -	\$ -	\$ -	\$ -
Regional Ag Master Plan	\$ -	\$ 140,000.00	\$ -	\$ -
Recreation/Open Spaces Master Plan	\$ -	\$ -	\$ -	\$ -
Shared Investment for Shared Benefit	\$ -	\$ 500,000.00	\$ -	\$ -
Broadband - phase 2	\$ -	\$ 100,000.00	\$ -	\$ -
Transportation Systems Working Groups	\$ -	\$ 50,000.00	\$ -	\$ -
Energy - phase 2	\$ -	\$ 300,000.00	\$ -	\$ -
Board Stabilization Reserve	\$ -	\$ 300,000.00	\$ -	\$ -
Regional Symposium	\$ -	\$ -	\$ 85,000.00	\$ -
Housing Needs Assessment	\$ -	\$ -	\$ -	\$ -
Total Regional Projects	\$ -	\$ 1,565,000.00	\$ 85,000.00	\$ -
Capital and Other				
Planning Intern	\$ 50,000.00	\$ 64,000.00	\$ 50,000.00	\$ 50,000.00
Office Furniture/Equipment	\$ -	\$ 50,000.00	\$ -	\$ -
Total Capital and Other	\$ 50,000.00	\$ 114,000.00	\$ 50,000.00	\$ 50,000.00
Total Expenditures	\$ 3,377,606.55	\$ 5,224,106.55	\$ 3,836,907.75	\$ 3,664,852.98
Unallocated Funds				
Surplus (Deficit)	\$ 16,393.45	\$ 552,776.45	\$ 207,868.70	\$ 14,015.72
Accumulate surplus beginning of year				
Accumulate surplus end of year				

* Additional FTEs are located in salaries and benefits and become part of operational budget in 2021/2022

** Difference due to removing Housing Symposium for 2018/19

*** Projects funded in 2018/19 but can be multi-year