



THE TORONTO AND REGION CONSERVATION AUTHORITY

INDEX TO

BUSINESS EXCELLENCE ADVISORY BOARD MEETING #6/04

Friday, November 5, 2004

MINUTES	
Minutes of Meeting #5/04, held on October 15, 2004	146
PRESENTATIONS	
Speck, Paul, Vice President, Account Manager, AON Reed Stenhouse Inc. re: Insurance Program.	146
Byrne, Allister, Partner and Ilécia Fournier, Manager, Grant Thornton LLP re: Audit Process.	146
INSURANCE PROGRAM	
Increasing Value of Umbrella Liability Coverage	147
AUDIT PROCESS	
Role of Audit Committee	148
ACCOUNTS RECEIVABLE STATUS REPORT	
October 25, 2004	151



THE TORONTO AND REGION CONSERVATION AUTHORITY

**MEETING OF THE BUSINESS EXCELLENCE ADVISORY BOARD #6/04
November 5, 2004**

The Business Excellence Advisory Board Meeting #6/04, was held in the South Theatre, Black Creek Pioneer Village, on Friday, November 5, 2004. The Chair David Barrow, called the meeting to order at 9:12 a.m.

PRESENT

David Barrow	Chair
Rob Ford	Member
Dick O'Brien	Chair, Authority
Bill O'Donnell	Member
Maja Prentice	Vice Chair

REGRETS

Bas Balkissoon	Member
Bill Fisch	Member
Peter Milczyn	Member

RES.#C52/04 - MINUTES

Moved by:	Bill O'Donnell
Seconded by:	Rob Ford

THAT the Minutes of Meeting #5/04, held on October 15, 2004, be approved.

CARRIED

PRESENTATIONS

- (a)** A presentation by Paul Speck, Vice President, Account Manager, AON Reed Stenhouse Inc., in regards to item 7.1 - Insurance Program.
- (b)** A presentation by Allister Byrne, Partner and Ilecia Fournier, Manager, Grant Thornton LLP in regards to item 7.2 - Audit Process.

RES.#C53/04 - PRESENTATIONS

Moved by: Dick O'Brien
Seconded by: Bill O'Donnell

THAT above-noted presentations (a) and (b) be heard and received.

CARRIED

SECTION I - ITEMS FOR AUTHORITY ACTION

RES.#C54/04 - INSURANCE PROGRAM

Increasing Value of Umbrella Liability Coverage. Recommends that additional umbrella liability coverage in the amount of \$5 million be acquired.

Moved by: Dick O'Brien
Seconded by: Bill O'Donnell

THE BOARD RECOMMENDS TO THE AUTHORITY THAT Toronto and Region Conservation Authority staff, in consultation with AON Reed Stenhouse Inc., be directed to acquire additional umbrella liability coverage in the amount of \$5 million effective January 1, 2005.

CARRIED

BACKGROUND

At the November 5, 2004 Business Excellence Advisory Board Meeting, Mr. Paul Speck, Vice President, AON Reed Stenhouse Inc., Toronto and Region Conservation Authority's (TRCA) insurance brokers, will be in attendance to provide an overview of TRCA's insurance program and the recent change in insurers. In addition, there will be an opportunity for discussion of the recommended increase in umbrella coverage.

RATIONALE

For at least the last 15 years, TRCA has maintained umbrella liability coverage in the amount of \$5 million. This is in addition to general liability coverage of \$1 million for aggregate coverage of \$6 million. When Lombard insurance took over the TRCA program, they extended the umbrella to include both general liability and errors and omissions. Members may recall discussion of the potential for an award of damages under the errors and omissions coverage which may exceed the then existing \$1 million in coverage.

Staff have been reviewing the need for additional coverage and concluded that it would be prudent to increase coverage by securing an additional umbrella policy for \$5 million. This would provide TRCA with aggregate coverage of \$11 million for both liability and errors and omissions.

The Grand River Conservation Authority, which is comparable in size to TRCA, secured the additional coverage about 3 years ago. TRCA staff are of the opinion that while there has never been a successful claim against conservation authorities in excess of \$1 million, the nature of the work we do, the advice we supply and the business we conduct is reaching a level of complexity and risk that requires increased coverage.

FINANCIAL IMPLICATIONS

The estimated annual cost of this additional coverage is in the range of \$20,000, based on a 2004 quotation. Staff propose to make this change effective January 1, 2005 and accommodate the additional cost in the 2005 budget estimates. In going to the market in 2004 and accepting the Lombard Insurance proposal, modest savings were achieved which will assist in accommodating this change.

Report prepared by: Jim Dillane, extension 6292
For Information contact: Jim Dillane, extension 6292
Date: October 28, 2004

RES.#C55/04 -

AUDIT PROCESS

Role of Audit Committee. To review and discuss with Toronto and Region Conservation Authority auditors the role of the Board as an "Audit Committee."

Moved by: Bill O'Donnell
Seconded by: Maja Prentice

THE BOARD RECOMMENDS TO THE AUTHORITY THAT staff be directed to report to the Business Excellence Advisory Board (BEAB), at their meeting scheduled to be held on January 14, 2005, on recommended revisions to the BEAB's terms of reference to include the role of an audit committee.

CARRIED

RATIONALE

At Business Excellence Advisory Board Meeting #2/04, held on April 16, 2004, the members requested a report on the terms of reference for the BEAB as it relates to the auditing functions. The terms of reference for BEAB, as approved at Authority Meeting #7/03, held on September 26, 2003 (Res.#A178/03) are appended in Attachment 1.

Staff advised the advisory board that, in 2004, Toronto and Region Conservation Authority (TRCA) would be seeking proposals from qualified companies and individuals to provide audit services. Now that the process is complete, it is timely and appropriate to review the role of the Board as it relates to acting as an audit committee. It is proposed that there be discussion of the role of the audit committee with representatives of the recommended audit firm prior to staff bringing forward recommendations for changes to the terms of reference.

Report prepared by: Jim Dillane, 416-667-6292
For Information contact: Jim Dillane, 416-667-6292
Date: October 27, 2004
Attachments: 1

Attachment 1

Terms of Reference for the Business Excellence Advisory Board

To initiate, study, report on and recommend a comprehensive program of internal organizational development and corporate policies relating to essential services, land management of TRCA lands and facilities and administrative management for the TRCA, the outcomes of which will enable TRCA to meet the objectives of The Living City.

Without restricting the foregoing, the specific Terms of Reference shall include:

- Strategic and Business plans;
 - Budget, guidelines and annual budget recommendations;
 - Liaison with The Conservation Foundation of Greater Toronto and its fundraising initiatives;
 - Banking, Audit and Legal services;
 - Risk management;
 - Business development and revenue generation;
 - Governance and decision-making;
 - Marketing, communications and fundraising;
 - Financial procedures;
 - Leases and other implementation tools for recreational and public use opportunities on TRCA lands;
 - Strategic partnerships and collaboration agreements;
 - Business case and financial implications surrounding the implementation of projects, programs and facilities;
 - Management agreements for TRCA lands to be maintained by other agencies or enabling TRCA to care for the lands of other owners;
 - Implementation of education, recreation, and public use opportunities on TRCA lands, including Black Creek Pioneer Village, conservation areas, education field centres and management plans;
 - TRCA policy documents relating to, but not limited to:
 - Human Resources
 - Information Systems Technology and Management
 - Banking and Audit
 - Risk Management
 - Purchasing & Disposal of Equipment and Services
 - Environmental Management Systems Targets
 - Marketing/communications
 - Land Management
 - Education and Public Use Facilities.
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RES.#C56/04

Moved by: Maja Prentice
Seconded by: Bill O'Donnell

THAT the Committee move into closed session to discuss items 7.3 and 7.4.

CARRIED

ARISE AND REPORT

RES.#C57/04

Moved by: Bill O'Donnell
Seconded by: Dick O'Brien

THAT the Committee arise and report from closed session.

CARRIED

RES.#C58/04 - CONFIDENTIAL ITEM 7.3

Moved by: Dick O'Brien
Seconded by: Maja Prentice

THAT confidential item 7.3 be approved.

CARRIED

RES.#C59/04 - CONFIDENTIAL ITEM 7.4

Moved by: Dick O'Brien
Seconded by: Maja Prentice

THAT confidential item 7.4 be approved.

CARRIED

SECTION II - ITEMS FOR EXECUTIVE ACTION

RES.#C60/04 - ACCOUNTS RECEIVABLE STATUS REPORT

October 25, 2004. Staff report on Accounts Receivable, as of October 25, 2004.

Moved by: Maja Prentice
Seconded by: Bill O'Donnell

IT IS RECOMMENDED THAT the report on accounts receivable, as of October 25, 2004, be received;

AND FURTHER THE BOARD RECOMMENDS TO THE EXECUTIVE COMMITTEE THAT upon receipt of a further payment of approximately \$9,437 from Choirs Ontario the outstanding balance of approximately \$13,481 be written off.

CARRIED

RATIONALE

The schedule below summarizes the status of receivables, including aging and classification. The schedule excludes \$17,222 in accumulated interest arrears on invoices outstanding for more than 30 days.

ACCOUNTS RECEIVABLE AGING, BY CATEGORY
(Excluding Municipal Levy and MNR Grant - As at October 25, 2004)

	CURRENT	31 TO 60 DAYS	61 TO 90 DAYS	90 PLUS DAYS	TOTAL	%
SCHOOLS AND SCHOOL BOARDS	106,405	22,104		2,995	131,504	11.7%
GOVERNMENT	188,314	240,128	88,783	89,966	607,191	53.9%
CORPORATE, INDIVIDUAL AND COMMUNITY GROUPS	94,922	146,441	59,114	87,930	388,407	34.4%
TOTAL	389,641	408,673	147,897	180,891	1,127,102	100.0%
% OF TOTAL	39.3%	35.0%	4.3%	21.4%	100.0%	

Items in excess of \$1,000.00 included in the 90-plus-days column, are as follows:

CLIENT NAME	AMOUNT \$	ARREARS INTEREST \$	AGE (DAYS)	NOTES
Choirs Ontario	15,839.69	4,260.64	486	Amounts owed re: summer music camps at Albion Hills and Lake St. George Field Centres. Choirs paid 15% (\$4,044) of outstanding amount in June '04 and has now put forward a proposal that would pay a final amount of \$9,437 or 35% of original debt.
	7,078.10	1,640.42	423	
City of Toronto	51,184.06	n/a	306	Contract for ravine restoration services with the City. City staff has indicated payment will be recommended for payment.
City of Toronto	36,796.55	n/a	237	Contract work for wetland construction. Invoice has now been approved for payment.
Basciano Parkin Ltd.	2,000.00	91.36	95	Planning fees for residential site plan.
Malone Given Parsons Ltd.	7,000.00	319.75	95	Outstanding amount for planning fees.
Weston Consulting	15,000.00	1,897.40	204	Outstanding amounts for planning fees.
	15,000.00	1,401.66	248	
Canada Green Building Council	1,344.94	82.53	148	Billing for May 20th meeting. Payment is expected.
Toronto Professional Firefighters	1,642.25	75.01	94	For special event at Petticoat Creek Conservation Area. Group has indicated payment will be processed shortly.
KLM Planning	2,000.00	154.57	164	For subdivision permit. Company has indicated invoice will be paid.
Steve's Auctioneering	1,104.84	85.38	153	For corporate function at Bruce's Mill Conservation Area. Cheque dated Oct. 30, '04 now received.
Bombardier	1,398.49	108.08	151	For corporate function at Black Creek Pioneer Village. Company waiting for approval from Montreal Head Office
Robertson Gaze Associates Inc.	4,621.56	1,243.12	500	For planting materials. Company has advised that it is insolvent and cannot make payment. Account sent for collection.
TOTALS	162,010.48	11,359.92		

The amount due from Robertson Gaze Associates Inc. of \$4,621.56 is very doubtful. The company has indicated, in writing, that it is insolvent and has discontinued operations. This account has been sent for collection.

Choirs Ontario made a payment of \$4,044. in June representing 15% of the outstanding amount. Recently, its volunteer Treasurer proposed a further payment of \$9,437 representing a further 35% of the original debt and in return it has asked that TRCA forgive the balance, an amount of \$13,461. It is staff's opinion that to pursue the matter would not produce better results and thus are recommending the acceptance of the offer. Further, Choirs Ontario has indicated a willingness to promote amongst its members a "joint venture" concert or other opportunity at Black Creek Pioneer Village or another Toronto and Region Conservation Authority (TRCA) venue in future.

All other amounts noted above are considered collectible at this time.

Receivable balances, as reported on each of the previous reports to the advisory board, after 1999, are presented as follows:

DATE	Total \$	90-Plus \$
October 25, 2004	1,127,102	180,891
September 28, 2004	876,800	187,754
September 3, 2004	936,923	197,539
May 17, 2004	1,018,188	129,505
February 17, 2004	1,386,809	178,370
January 7, 2004	1,064,464	45,382
November 2, 2003	951,999	101,194
August 24, 2003	768,825	125,803
May 25, 2003	445,116	168,327
March 2, 2003	709,807	141,313
October 20, 2002	774,831	46,237
August 25, 2002	326,529	109,560
May 26, 2002	658,514	201,158
January 31, 2002	585,736	64,259
December 30, 2001	1,078,071	38,666
October 23, 2001	350,385	106,343
August 27, 2001	371,985	17,153
May 25, 2001	1,132,443	44,810
March 26, 2001	621,560	167,094
December 30, 2000	1,014,021	67,981
September 06, 2000	596,536	47,728
March 19, 2000	869,266	100,758
February 15, 2000	1,007,850	42,952

Report prepared by: Rocco Sgambelluri, extension 5232
For Information contact: Rocco Sgambelluri, extension 5232
Date: October 27, 2004

TERMINATION

ON MOTION, the meeting terminated at 10:28 a.m., on Friday, November 5, 2004.

David Barrow
Chair

Brian Denney
Secretary-Treasurer

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