

AGENDA

Ad Hoc Finance Committee Meeting
December 13th, 2021 8:00pm via ZOOM

Attendees: Jerod Orb, Ben Altrogge, Don Robinson, Gord Gillespie, Dr. Mike Fowler, Dr. Wes Thomson, Dr. Derek Thiessen

A reminder that Committees can not make decisions, but are to thoroughly vet material and then make recommendations to Council.

1. **Consent items:**
 - a. Quorum confirmed
 - b. Minutes of previous meeting(s)
 - c. Agenda

MOTION: that the consent items be adopted as presented.

Moved: DON

Seconded: WES

2. **Action Items due:**

What	When	Who
No Previous action items		

3. **Discussion items: Jerod and Ben answered the following questions from the committee.**

Their Responses:

General Disclaimer:

The current year budgeted payroll expenses are more accurate in years past, but they still may be a more loose estimate as I have been catching up with payroll related expenses in Dec. 2021. Therefore, take the 2022 estimates with a grain of salt as I expect them to be much more clear for the 2023 budget.

Budget:

What portion is "inflationary" (COLA)?

CEO has implemented a 2% increase for 2021 and 3% for 2022 (tied to inflation)

What portion is progression?

None.

What portion is merit increase - and what is that based upon?

None.

What portion is added staff - what is the need for the additional staff?

We have not budgeted for additional staff for 2022. Further discussion at HR committee with CEO.

What portion is benefits?

Show them the summary at the bottom of the budget. Show how payroll expenses are estimated for 2022

Did benefits go up for employer portion and if so how much and what %?

What benefits are you referring to? Currently ER pays 8% into employees pension & employees pay 2% into their pension.

Did benefits go up for employee portion and if so how much and what %?

What benefits are you referring to? Currently ER pays 8% into employees pension & employees pay 2% into their pension.

Is there any change to vacation policy for anyone? What are the vacation amounts?

No change in policy.

Is any vacation payout estimate included? How do you manage Vacation liability?

A vacation payout estimate is not included. At year end, I ensure that each employee's vacation liability is accurate.

What portion is Stat Holiday pay? Is there any change to Stat pay included?

Stat holiday pay estimates are included in the payroll estimate

Are there any HR policy changes planned that impact the payroll expense?

I don't think there are significant changes that will affect payroll expense

Why are bank fees planned at \$80K when only at \$15K after 9 months YTD (Year to Date)

CDSS incurs most of its bank fees in November & December each year as we pay significant credit card fees when we process 2022 licenses.

Why are Council meetings, with the exception of 2019, double normal years?

42% increase in council size since 2019 in addition to the adoption of an honorarium structure for President, President Elect and Vice President. Increase in number of Council meetings by approximately 50%.

Why are other meetings half of previous norms?

Other meetings include all non-council meetings, specifically association related national, interprovincial, and international meetings. No travel since March 2020.

Rent appears to be up about 35%. Why?

Typing error, it is \$125,000 annually, contract expires July 2023

Is legal high enough?

We believe legal fees are high enough. This expense is hard to judge though as it is unpredictable when we need to contact our lawyers. We have a \$400,000 legal contingency fund in addition to our budgeted items.

Why does phone show an approximately 25% increase?

We have implemented an updated phone system. We expect an increase in 2022 as a result.

Consultants - what are these and is it high enough?

Impact Consulting - yes.

What is office equipment lease purchase?

Fees paid to Xerox (photocopier maintenance), Objectified Software (server maintenance), Pitney Bowes Canada (mailer machine), Thentia (software development of our new site)

Professional fees look light? How are they different from Consultants?

Professional Fees/Auditor are fees that are paid to our accountants MNP. They are expected to be higher in 2021 than in 2022 as Ben is now preparing payroll services for the office, so we will no longer be paying MNP for that in 2022.

Communications - what is it and why is it less than typical years?

Communications relate to CDSS public service campaign costs.

Why no subscriptions?

This amount should be updated. We can expect a \$5,000 budget for 2022

Why other consultant line as well as consultants and why so much lower than normal?

Other consultants include our counsellors employed through the Team Assistance Program. Over the years we have hired other consultants when needed, including Earncliffe strategies, IT consultants, etc. 'The Consultant' line is our budget line for 'Impact Consultants'.

What are Grants vs sponsorships and is it enough?

Grants are all member dollars that go to our partner associations organizations, CDA, CDRAF, CDAC, NDEB, etc. Sponsorships is typically an 'in and out' line item. We have an annual sponsorship agreement with CDSPI for our annual conference, CE courses, etc.

Revenue:

Annual License Fees up ~\$80k or 4% Is that the proposed membership fee increase? Was there to be a decrease? re: a CDA rebate

No, this is due to increase in registration numbers. We haven't suggested a fee increase for at least 5 years. We have had increases of applicants in the past 3 years. We do our best to forecast these numbers, but do not know how many new applicants will apply year to year.

Rebate to members - how much, how will it be allocated? Where will it be paid from?

\$63,210 or (\$107 per licensed dentist). A payment can be made to each individual member. The payment will come from our operational account and should be included in the expenses for 2022. Ben can provide some guidance here.

Do we have a capital expenditures budget? Or only an operating budget?

We currently do not have a capital expenditures budget, but it should be included. Ben can work on this. I expect this budget should be minimal as furniture and computers were purchased in 2021.

Registration fees - New registrants? If so why up 15% - fee increase or number of registrants increasing that much? Increase in registrants.

We need to touch base about this – the budget for registration fees is the same for 2021 and 2022. We don't expect a significant increase. The registration fees budget appears fine.

Both Corporate permits and fees decreased against the 2021 estimate, why?

We need to touch base about this – our budget shows that corporate permits and corporate fees have increased relative to the 2021 estimate.

We should also see the balance sheet as there should be some understanding of the Cash, investments, assets, AR, AP etc. (We should be reviewing quarterly). Our future Finance Committee meeting dates will be scheduled around when we can expect a quarterly update from you.

Given how busy Ben is around year end I think meetings in Feb, May, July, October would be best to provide an updated balance sheet/income statement, or at another time of the Committees choosing.

We will need the specifics surrounding previous years' auditors and what preparations have been made for this year's audit. This will affect our recommendation to council.

We are preparing to submit our financial statements and supporting documents to the Auditors by Feb. 15, 2022 to get the Audit process started. We are hoping to have draft financials by June 2022 assuming that everything goes according to plan. This is a big change from previous years as we have previously seen draft financials closer to September each year.

We would also like a copy of the CDSS's financial policy. (Who has access to what? Spending limits? Credit card access, etc)

Attached Finance and Audit Policy

We should also understand if there are any legal matters out there that could have a material effect on the organization's financial health.

No legal matters.

Motion to recommend budget be approved by Council –

Tabled pending revisions to the draft budget by Ben and Jerod. The updated budget will be circulated to the committee members and discussion and voting will take place via email prior to the January Council meeting.

a) Auditor, fee schedule and scope of audit:

The committee, in consultation with management, reviews candidates and agrees on one as well as the fees

The Committee then meets with the successful candidate without management to add to scope of audit if it feels that is necessary (IE suspects nefarious activity, or has had concerns brought forward externally or internally. Jerod will be asked to provide specifics on previous years' auditors. The auditor has likely been chosen for this year already.

Motion to recommend Auditor, fees and scope of audit be approved by Council -

Tabled pending a review and/or meeting with the current auditor.

4. New and carried forward action Items:

What When Who

a) Capital expenditures budget for a potential relocation:

- i) This is on the task calendar for Jerrod for April 2022. Management should be making recommendations for the finance committee to consider in February or March prior to the April Council meeting.

Future meeting dates (tentative):

February, May, July, October

Next Meeting: End of February 2022.

5. Adjournment