



Financial Planning Committee Agenda

Date: Wednesday, August 19, 2020
Time: 10:00 am - 3:00 pm
Location: Islands Trust Victoria Boardroom
200-1627 Fort Street, Victoria, BC

	Pages
1. CALL TO ORDER	
2. APPROVAL OF AGENDA	
2.1 Introduction of New Items	
2.2 Approval of Agenda	
3. ADOPTION OF MINUTES / COORDINATION	
3.1 Minutes of Meetings	
3.1.1 Financial Planning Committee Minutes of May 27, 2020	4 - 8
3.2 Resolutions Without Meeting	
3.3 Follow up Action List	9 - 11
4. TRUST COUNCIL BUSINESS	
4.1 2019/20 Statement of Financial Information (SOFI) - RFD	12 - 20
That the 2019/20 Statement of Financial Information be forwarded to Trust Council for information as presented.	
4.2 June 30, 2020 Quarterly Financial Report - RFD	21 - 26
That Financial Planning Committee forward the June 30, 2020 Quarterly Financial Report to Trust Council as presented.	
4.3 2021/22 Draft Budget Information	
That the 2021/22 Draft Budget Information, including the Budget Cycle Timelines and Budget Assumptions and Principles, be forwarded to Trust Council.	
4.3.1 Budget Assumptions and Principles (BAP) - Briefing	27 - 31
4.3.2 Budget Cycle Timelines	32 - 32

4.4 2021/22 Budget Consultation Plan - Briefing 33 - 43

4.5 Costs of Processing Land-Use Applications - Briefing 44 - 48

Receive for information and forward to Trust Council if desired. Follow-up as directed by the Committee.

4.6 FPC Top Priorities 49 - 49

That Financial Planning Committee forward the FPC top priorities to Trust Council for approval as presented.

5. BUSINESS

5.1 Accumulated Surplus Fund Discussion - Briefing 50 - 59

Receive for information. Follow-up as directed by the Committee.

5.2 LPC Application Fees Review - Briefing 60 - 92

Receive for information. Follow-up as directed by the Committee.

5.3 Collecting a Percentage of Zoning Uplift in Property Value - RFD (Trustee Sponsored) 93 - 96

That the Financial Planning Committee request staff to develop a report and recommendations for capturing a percentage of any zoning uplift in property values for the benefit of Trust Area communities and ecosystems.

6. NEW BUSINESS

7. TOWN HALL & DELEGATIONS

None

8. CLOSED MEETING

That the Financial Planning Committee meeting be closed to the public subject to section 90 (1)(k) of the Community Charter in order to consider negotiations and related discussions respecting the proposed provision of a service that is at preliminary stages and that, in the view of the committee, could reasonably be expected to harm its interests if they were held in public; and that Islands Trust staff be invited to attend the meeting.

Recommendation

That the meeting be closed to the public in accordance with the Community Charter,

and staff attend the meeting.

9. RISE AND REPORT

10. NEXT MEETING

The next meeting of the Financial Planning Committee will be held October 14, 2020.

11. ADJOURNMENT

*Approximate time is provided for the convenience of the public only and is subject to change without notice.



**Financial Planning Committee
Minutes of Meeting**

Date: May 27, 2020
Location: Electronic Meeting

Members Present: Peter Grove, Chair
Paul Brent, Vice Chair
Peter Luckham, Executive Committee Rep
Sue Ellen Fast, Executive Committee Rep
Laura Patrick, Executive Committee Rep
Dan Rogers, Executive Committee Rep
Kate-Louise Stamford, Islands Trust Conservancy Board Rep
Laura Busheikin, Local Planning Committee Rep
Scott Colbourne, Trust Programs Committee Alternate Rep
Tahirih Rockafella, Local Trustee

Staff Present: Russ Hotsenpiller, Chief Administrative Officer
Julia Mobbs, Director, Administrative Services
David Marlor, Director, Local Planning Services
Clare Frater, Director, Trust Area Services
Robert Barlow, Legislative Services Clerk/Recorder

1. CALL TO ORDER

The meeting was called to order at 10:32 a.m.

2. APPROVAL OF AGENDA

2.1 Introduction of New Items

None.

2.2 Approval of Agenda

By general consent the agenda was approved.

3. ADOPTION OF MINUTES / COORDINATION

3.1 Minutes of Meetings

Draft

3.1.1 Draft Minutes of Regular Meeting of February 19, 2020

By general consent the minutes of February 19, 2020 were adopted.

3.1.2 Draft Minutes of Special Meeting of April 14, 2020

By general consent the minutes of April 14, 2020 were adopted.

3.2 Resolutions Without Meeting

3.2.1 RWM 2020-01

The RWM to schedule a special meeting for April 14, 2020 was presented for information.

3.3 Follow up Action List (FUAL)

Director of Administrative Services Mobbs reviewed the FUAL, providing comments on items still in progress. It was noted that item #2 on the FUAL would be better shown as two separate items given the resolution requests two separate directions.

By general consent the FUAL was amended by splitting into two separate items activity #2 (“that the Financial Planning Committee direct staff to prepare a report on the history, intended use and future possibilities for use of the Surplus Fund and additionally that the Financial Planning Committee work with the Local Planning Committee in regards to Islands Trust application fees structure”).

4. TRUST COUNCIL BUSINESS

4.1 Financial Planning Committee - Work Program

FPC-2020-019

It was MOVED and SECONDED,

that Financial Planning Committee amend the Work Program by replacing the #1 Top Priority (March 31, 2020 Allocated Financial Statements) with “Accumulated Surplus Fund Report” given that the March 31, 2020 Allocated Financial Statements are already complete.

CARRIED

FPC-2020-020

It was MOVED and SECONDED,

that Financial Planning Committee forward the FPC Work Program as amended to Trust Council for their June meeting.

CARRIED

4.2 March 31, 2020 Audited Financial Statements - RFD

The attachment to this RFD was received as a late item subsequent to the review by the Audit Committee which took place immediately prior to this meeting. There were no concerns from the Auditors reported.

FPC-2020-021

It was MOVED and SECONDED,

that Financial Planning Committee receive the March 31, 2020 audited financial statements of the Islands Trust including the Statement of Financial Position, the Statement of Operations, the Statement of Changes in Net Financial Assets, and the Statement of Cash Flows for the year ended March 31, 2020, and forward them to Trust Council for approval.

CARRIED

5. BUSINESS

5.1 2019/20 Financial Results - Briefing

Received for information.

FPC-2020-022

It was MOVED and SECONDED,

that the Financial Planning Committee forward the 2019/20 Financial Results report to Trust Council.

CARRIED

5.2 March 31, 2020 Allocated Financial Statements - Briefing

Director Mobbs provided historical information to the allocated financial statements, noting the history of the allocation methodology and identifying some of the limitations of the statements.

The Committee discussed the possibility of performing historical analysis of the allocated financial statement results. It was determined that the usefulness of the exercise may be limited given changes in methodology over the years, as well as changes to staff time collection practices which drive part of the allocations. No direction was given to staff to pursue this work.

FPC-2020-023

It was MOVED and SECONDED,

that the Financial Planning Committee forward the March 31, 2020 Allocated Financial Statements to Trust Council.

CARRIED

5.3 2019/20 Annual Report: Approval of FPC Section - RFD

FPC-2020-024

It was MOVED and SECONDED,

that the Financial Planning Committee approve the attached text for inclusion in the 2019/20 Annual Report for approval by Trust Council and submission to the Minister of Municipal Affairs and Housing.

CARRIED

6. NEW BUSINESS

6.1 Application Processing Procedures in Relation to Trust Council Policy - Briefing

Executive Committee has reviewed this report and forwarded to Financial Planning Committee and Local Planning Committee for information.

FPC-2020-025

It was MOVED and SECONDED,

that the Financial Planning Committee receive the Application Processing Procedures in Relation to Trust Council Policy briefing for information and forward to Trust Council.

CARRIED

7. TOWN HALL & DELEGATIONS

No Town Hall and no Delegations.

8. CLOSED MEETING

The meeting was not closed.

9. RISE AND REPORT

As the meeting was not closed, there was no Rise and Report.

10. NEXT MEETING

The next meeting will be take place on Wednesday, August 19, 2020.

11. ADJOURNMENT

Draft

By general consent the meeting adjourned at 11:47 a.m.

Peter Grove, Chair

CERTIFIED CORRECT:

Robert Barlow, Legislative Services Clerk/Recorder

DRAFT



Follow Up Action Report

Financial Planning Committee

21-Jan-2019

Activity	Responsibility	Dates	Status
1 That staff prepare a presentation on property values and provincial land assessment for Financial Planning Committee.	Julia Mobbs	Target: 31-Oct-2019	In Progress

29-May-2019

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee direct staff to consider including note disclosure highlighting the importance of natural assets to the mandate of Islands Trust and the services they provide for island communities, in next fiscal year's annual financial reporting.	Julia Mobbs	Target: 04-May-2020	Completed

19-Feb-2020

Activity	Responsibility	Dates	Status
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Follow Up Action Report

Financial Planning Committee

19-Feb-2020

Activity	Responsibility	Dates	Status
<p>1 That the following items be forwarded to March Trust Council:</p> <ul style="list-style-type: none"> ·December 31, 2019 Financial Report to Trust Council as presented. ·2019/20 Financial Forecast - Briefing as amended. ·All agenda items in 4.42020/21 Budget Public Consultation Feedback - Briefing, and 4.6 2020/21 Budget Recommendation to March Trust Council as amended. ·Financial Plan Bylaw No. 178 RFD as amended. ·Revenue Anticipation Bylaw No. 179 as presented. ·FPC Work Program as presented. 		Target: 27-Feb-2020	Completed
<p>2 The the Financial Planning Committee forward the Groundwater Strategy Update - Briefing to Trustee Fenton in response to his correspondence.</p>	Julia Mobbs	Target: 26-Feb-2020	Completed

10-Mar-2020

Activity	Responsibility	Dates	Status
<p>1 That Trust Council request FPC to provide a report detailing the full staff costs associated with processing land-use applications, by application type.</p>	David Marlor Julia Mobbs	Target: 19-Aug-2020	In Progress

14-Apr-2020

Activity	Responsibility	Dates	Status
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Follow Up Action Report

Financial Planning Committee

14-Apr-2020

Activity	Responsibility	Dates	Status
<p>1 that the Financial Planning Committee recommend that Trust Council amend the 2020/21 Financial Plan Bylaw to reduce the property tax requisition to a 0% increase from last year and that this be achieved through reducing planned expenditures.</p>	<p>Julia Mobbs</p>	<p>Target: 27-May-2020</p>	<p>Completed</p>
<p>2 that the Financial Planning Committee direct staff to prepare a report on the history, intended use and future possibilities for use of the Surplus Fund.</p>	<p>Julia Mobbs</p>	<p>Target: 19-Aug-2020</p>	<p>In Progress</p>
<p>3 that the Financial Planning Committee advise Executive Committee to convene an electronic meeting of Trust Council to consider Financial Planning Committee's recommendation for a budget adjustment.</p>	<p>Julia Mobbs</p>	<p>Target: 27-May-2020</p>	<p>Completed</p>
<p>4 that the Financial Planning Committee work with the Local Planning Committee in regards to Islands Trust application fees structure.</p>	<p>David Marlor</p>	<p>Target: 12-Nov-2020</p>	<p>In Progress</p>



REQUEST FOR DECISION

To: Financial Planning Committee **For the Meeting of:** August 19, 2020
From: Nancy Roggers, Finance Officer **Date Prepared:** July 3, 2020
SUBJECT: 2019/20 STATEMENT OF FINANCIAL INFORMATION (SOFI)

RECOMMENDATION:

That the 2019/20 Statement of Financial Information be forwarded to Trust Council for information as presented/amended.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The SOFI is an annual legislated reporting requirement which is informative for all trustees. As such, communication of this report to Trust Council is appropriate as desired by the Financial Planning Committee.

1 PURPOSE:

The Statement of Financial Information (SOFI) is provided to Financial Planning Committee for information, prior to submission to the Ministry of Municipal Affairs and Housing (“the Ministry”). It has been historical practice at Islands Trust that Financial Planning Committee forward the SOFI to Trust Council prior to submitting the report to the Ministry.

2 BACKGROUND:

In June of each year, Trust Council receives the audited Financial Statements for the Islands Trust. These are subsequently included in the Islands Trust Annual Report and forwarded to the Ministry.

The SOFI is an associated financial report that provides more detailed information with respect to expenditures included in the financial statements. The SOFI report is prepared as per the Financial Information Act (FIA) Guidance Package requirements and parameters. The reporting components and deadlines are defined in the Financial Information Act (the “Act”). Section 2 (3) of the Act states the following:

“Within 6 months after the end of each fiscal year of a corporation, it must prepare a statement of financial information for that fiscal year that includes the following:

(a) a schedule showing

(i) in respect of each employee earning more than a prescribed amount, the total remuneration paid to the employee and total amount paid for the employee's expenses, and

(ii) a consolidated total of all remuneration paid to all other employees;

(b) a schedule showing

(i) the total amount paid to each supplier of goods or services during the fiscal year that is greater than a prescribed amount, and
(ii) a consolidated total of all other payments made to suppliers of goods or services during that fiscal year.”

The Islands Trust Finance Officer prepares this financial information annually. Following review by the Director, Administrative Services and Financial Planning Committee, the report is submitted to the Ministry to fulfill the legislated requirement.

It has been historical practice at Islands Trust that Financial Planning Committee forward the SOFI to Trust Council prior to submitting the report to the Ministry.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: The SOFI will be submitted to the Ministry by September 30, 2020 to ensure compliance with legislated deadlines.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S): None.

5 ATTACHMENT(S): 2019/20 Statement of Financial Information

RESPONSE OPTIONS

Recommendation:

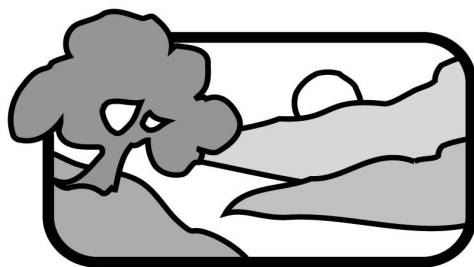
That the 2019/20 Statement of Financial Information be forwarded to Trust Council for information as presented/amended.

Alternative:

That the 2019/20 Statement of Financial Information be received by Financial Planning Committee for information.

Prepared By: Nancy Roggers, Finance Officer

Reviewed By: Julia Mobbs, Director, Administrative Services
Russ Hotsenpiller, Chief Administrative Officer

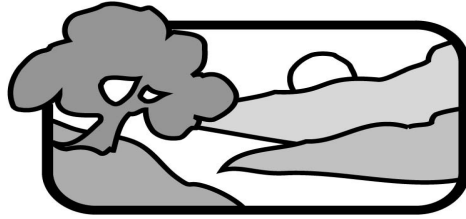


Islands Trust

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned represents the Trust Council of Islands Trust and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Peter Luckham
Chair, Islands Trust Council



Islands Trust

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act (“the Act”) have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

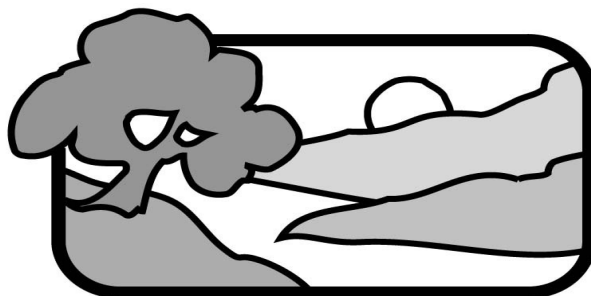
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Islands Trust Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of Trust Council. The Audit Committee meets with management and the external auditors two times a year.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act, including the Statement of Financial Information . Their examination includes a review and evaluation of the corporation’s system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit Committee of Trust Council and meet with it twice each year.

On behalf of Islands Trust,

Julia Mobbs
Director, Administrative Services



Islands Trust

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Islands Trust has not given any guarantees or indemnities under the Guarantees and Indemnity Regulation.

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Islands Trust and its non-unionized employees during fiscal year 2019/20.

Prepared under the Financial Information Regulation, Schedule 1, Subsection 6 (7).

On behalf of Islands Trust,

Julia Mobbs
Director, Administrative Services



Islands Trust

SCHEDULE OF REMUNERATION & EXPENSES FOR EMPLOYEES

APRIL 1, 2019 TO MARCH 31, 2020

EMPLOYEES	POSITION	TOTAL REMUNERATION	EXPENSES
Beeston, David	Information Systems Coordinator	80,365	4,032
Cermak, Stefan	Regional Planning Manager	99,622	6,092
Eggen, Marnie	Island Planner	84,166	2,335
Emmings, Kate	Acting Manager, Islands Trust Conservancy	90,656	3,572
Frater, Clare	Director of Trust Area Services	113,380	5,788
Hotsenpiller, Russel	Chief Administrative Officer	174,064	15,213
Kojima, Robert	Regional Planning Manager	102,781	3,557
Marlor, David	Director of Local Planning Services	116,061	11,415
Mobbs, Julia	Director of Administrative Services	118,056	4,302
Richardson, Gary	Island Planner	88,358	4,370
Smith, Bradley	Island Planner	82,641	3,751
Thiel, Carmen	Legislative Services Manager	99,330	3,268
Van Bakel, Mark	Manager, Information Systems	88,428	414
Wilcox, Lisa	Senior Intergovernmental Policy Analyst	81,518	4,503
Youmans, Jason	Island Planner	83,336	2,086
Zupanec, Sonja	Island Planner	84,925	3,959
TOTAL		1,587,688	\$ 78,655
Total Employees <\$75,000		2,240,269	98,256
TOTAL		3,827,956	\$ 176,911

Employer Portion

Canada Pension Plan:	\$	147,006
Employment Insurance:		54,105
Total	<u>\$</u>	<u>201,111</u>

RECONCILIATION FOR EMPLOYEE PAYMENTS

Total Remuneration - Employees	\$	3,792,733
Plus taxable benefits		35,223
Subtotal	<u>\$</u>	<u>3,827,956</u>
Plus non-taxable benefits		975,800
Total	<u>\$</u>	<u>4,803,756</u>



SCHEDULE OF REMUNERATION & EXPENSES FOR TRUSTEES
APRIL 1, 2019 TO MARCH 31, 2020

LAST NAME	FIRST NAME	POSITION	GROSS EARNINGS	TAXABLE BENEFITS	TOTAL REMUNERATION	EXPENSES PAID ON BEHALF OF TRUSTEES
Adams	Linda	ITC	\$ 1,300		\$ 1,300	-
Allen	Alexander	Trustee	11,178	675	11,853	1,301
Brent	Paul	Trustee	10,113	675	10,788	-
Busheikin	Laura	Trustee	12,337	675	13,012	2,691
Clake	Donald	Trustee	150		150	566
Colbourne	Scott	Trustee	19,923	338	20,261	-
Critchley	David	Trustee	11,587	675	12,262	1,974
Dodds	Jeanine	Trustee	12,186	675	12,861	273
Fast	Sue Ellen	Trustee/Vice Chair	40,494		40,494	13,549
Fenton	Lawrence	Trustee	11,513	338	11,850	2,781
Grove	Peter	Trustee	33,106	675	33,781	2,075
Hannon	Susan	ITC	300		300	58
Johonston	Peter	Trustee	9,310	675	9,985	1,301
Kaile	Michael	Trustee	3,567		3,567	-
Langereis	Kees	Trustee	19,923	675	20,598	402
Luckham	Peter	Trustee/Council Chair	55,695	675	56,370	10,502
Maude	David	Trustee	12,286	338	12,624	-
McConchie	Benjamin	Trustee	14,454	338	14,791	106
Middleton	Lee	Trustee	9,413	675	10,088	579
Morrison	Deborah	Trustee	14,954	675	15,629	1,304
Patrick	Laura	Trustee/Vice Chair	68,732	675	69,407	6,144
Peterson	Timothy	Trustee	10,110	338	10,448	1,900
Rockafella	Tahirih	Trustee	11,984	675	12,659	608
Rogers	Dan	Trustee/Vice Chair	47,475	708	48,183	12,561
Scott	Grant	Trustee	11,078	675	11,753	3,588
Stamford	Kate-Louise	Trustee/ITC Chair	13,315	675	13,990	7,920
Thorn	Cameron	Trustee	8,826	675	9,501	-
Williams	Robin	ITC	1,500		1,500	-
Wolverton	Jane	Trustee	13,184	1,000	14,184	860
Wright	Stephen	Trustee	8,826	338	9,164	659
TOTAL 2019/20			\$ 498,820	\$ 14,533	\$ 513,353	\$ 73,700
TOTAL 2018/19			\$ 470,970	\$ 18,122	\$ 489,092	\$ 95,112

Disclosure of contracts with Elected Officials:

There were no contracts with Elected Officials relevant to the requirements of the Community Charter

Canada Pension Plan Employer Portion: \$ 16,345

RECONCILIATION FOR ELECTED OFFICIALS PAYMENTS

Total Remuneration	\$ 498,820
Total Taxable Benefits	14,533
Total Remuneration	<u>\$ 513,353</u>
Add non-remuneration Council Services	792,478
Total Council Services per FS	<u>\$ 1,305,831</u>

Note: Trustee expenses are paid in accordance with Islands Trust policies (7.2.i. Trustee Remuneration and 7.2.iii Trustee Travel). The amount of expenses incurred reflects the number of activities a Trustee is involved in. Any individual Trustee could be involved in any one or all of the following: Executive Committee Member, Executive Chairs of Local Trust Committee, Trust Council Committee involvement such as Financial Planning Committee, Local Planning Committee and Trust Programs Committee and each individual Trustee's expenditures reflect varying distances traveled to attend Islands Trust activities. Expenses for travel vary year to year based on the locations of Executive Committee and quarterly Trust Council meetings. Remuneration includes taxable benefits.



Islands Trust

SCHEDULE OF PAYMENTS TO SUPPLIERS
APRIL 1, 2019 TO MARCH 31, 2020

SUPPLIERS OVER \$25,000	Aggregate amount paid to Supplier
AON REED STENHOUSE	\$ 159,275
BC HYDRO CAD	54,535
BC TRADITIONAL HOMES	165,309
BLACKMAN SUPPORT SERVICES	103,448
CDW CANADA INC	28,001
COLLIERS MACAULEY NICOLLS	296,006
ESRI CANADA LIMITED	28,910
GRAPHIC OFFICE INTERIORS	39,246
GRAPHICALLY SPEAKING	82,835
GW SOLUTIONS	49,330
MEADOWWOOD VILLAGE DEVELOPMENT	42,063
MINISTER OF FINANCE - PAYROLL TRANSACTIONS AND SLA	35,305
MINISTER OF FINANCE - EMPLOYEE BENEFITS	965,253
MINISTER OF FINANCE - LIDAR IMAGERY	28,726
MINISTER OF FINANCE - QUEENS PRINTER	31,619
PACIFIC BLUE CROSS	43,014
PEOPLE POWER PRODUCTIONS INC	35,068
RECEIVER GENERAL - TRUSTEE REMUNERATIONS	89,522
SHAW BUSINESS SOLUTIONS	36,628
TELUS MOBILITY	26,846
VIDCOM	42,772
YOUNG ANDERSON	305,398
Total Aggregate Amount Paid to Suppliers over \$25,000	\$ 2,689,109

Total Consolidated Payments of \$25,000 or less	\$ 593,109
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Total Expenditures for Goods & Services	\$ 3,282,218
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RECONCILIATION TO ANNUAL FINANCIAL STATEMENTS

Total Expenditures for Goods & Services	\$	3,282,218
<u>Less:</u>		
Capitalised Spending		(288,451)
<u>Add:</u>		
Amortization		175,329
Salaries (excludes benefits, reported in payments to MoF)		3,838,503
Expenses paid to employees		107,804
Trustee Remuneration		498,820
Expenses paid to Trustees		58,396

Total Expenditures per FS	\$	7,672,619
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Islands Trust
Description of Vendor Services reported in SOFI 2019/20

SUPPLIER	REPORTED	DESCRIPTION OF SERVICES PROVIDED
AON REED STENHOUSE	\$ 159,275	Insurance
BC HYDRO CAD	54,535	Office lease payments for SSI Office
BC TRADITIONAL HOMES	165,309	Victoria office renovation contractor fees
BLACKMAN SUPPORT SERVICES	103,448	Technical support/computer hardware and software purchases
CDW CANADA INC	28,001	Computer hardware and supplies
COLLIERS MACAULEY NICOLLS	296,006	Lease payments for Victoria Office
ESRI CANADA LIMITED	28,910	Mapping software licensing
GRAPHIC OFFICE INTERIORS	39,246	Design services and furniture for office renovation
GRAPHICALLY SPEAKING	82,835	Website Development services
GW SOLUTIONS	49,330	Southern Islands Groundwater Sustainability Strategy and SSI Groundwater monitoring project
MEADOWWOOD VILLAGE DEVELOPMENT	42,063	Lease payments for Gabriola Office
MINISTER OF FINANCE - PAYROLL TRANSACTIONS AND SLA	35,305	Payroll transaction fees for use of Time and Leave system and service level agreement (SLA) with PSA for job postings, HR advice, etc.
MINISTER OF FINANCE - EMPLOYEE BENEFITS	965,253	Employee benefit costs paid to PSA
MINISTER OF FINANCE - LIDAR IMAGERY	28,726	Orthophoto/lidar image purchase procured by Government as joint venture with municipalities
MINISTER OF FINANCE - QUEENS PRINTER	31,619	BC Mail services and off-site storage/movement of files
PACIFIC BLUE CROSS	43,014	Trustee extended benefits premiums
PEOPLE POWER PRODUCTIONS INC	35,068	SSIWPA Coordination fes
RECEIVER GENERAL - TRUSTEE REMUNERATIONS	89,522	Remittances related to Trustee remuneration
SHAW BUSINESS SOLUTIONS	36,628	Internet - all offices
TELUS MOBILITY	26,846	Mobile phone expenses - staff and EC
VIDCOM	42,772	Electronic meeting room equipment for boardroom as part of office renovation
YOUNG ANDERSON	305,398	Legal fees
TOTAL	\$ 2,689,109	



To: Financial Planning Committee

For the Meeting of: August 19, 2020

From: Nancy Roggers, Finance Officer

Date Prepared: July 31, 2020

SUBJECT: Q1 JUNE 30, 2020 FINANCIAL REPORT

RECOMMENDATION:

That Financial Planning Committee forward the June 30, 2020 Financial Report to Trust Council for approval as presented.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The first quarter financial report indicates that Islands Trust is generally following the financial plan for 2020/21.

1 PURPOSE:

To summarize the findings of the June 30, 2020 first quarter financial report.

2 BACKGROUND:

Islands Trust *Policy 2.3.3 Financial Planning Committee Terms of Reference* requires the Financial Planning Committee to report to Trust Council on the organization's financial management practices. Quarterly financial reports are prepared by staff, reviewed by FPC, and presented to Trust Council as part of this requirement.

Financial Report Findings

The benchmark for non-tax and non-grant revenue sources and operational expenditures after three months of operations can be estimated at 25% of the annual expected or budgeted. As at June 30, 2020 Islands Trust has consumed a net 23% of the annual approved budget which is slightly below expectations primarily due to fewer than anticipated meeting expenses, travel and training expenditures due to COVID-19 restrictions. The percentage of consumed budget is expected to increase as the fiscal year progresses as we adapt to the COVID-19 restrictions and project work advances. Individual areas may experience overspending or underspending based on activities in the year to date. Individual revenue and expense items that vary significantly (where significance is determined as more or less than 10%, and more or less than \$5,000) from the 25% benchmark include:

Revenues

Total revenue to June 30, 2020 is approximately \$223,000 (3% of annual expected revenue), comprised mainly of the \$180,000 provincial grant monies received in the first quarter. General property tax revenues, special tax levy revenues, and the Bowen Island Municipal contribution are not received until the second quarter as is usual for these revenue streams at Islands Trust.

Investment Income earned in quarter one is approximately \$11,000 (13% of budget). This is less than a quarter of the annual budgeted as the magnitude of invested funds is at its lowest point in the first quarter of the fiscal year due to the timing of receipt of property tax revenues and municipal

contributions later in the year. Anticipated investment yields for the year are likely to be lower than planned due to interest rate falls resulting from the COVID-19 pandemic. Staff are currently reviewing offers from credit unions supplying IMPACT GICs (sustainable lending) which ensure Islands Trust invested funds are used by the financial institution to provide ethical and sustainable loans to local businesses that publicly pursue at least one of the United Nations' Sustainable Development Goals.

Other Revenues reflects grants awarded and earned in the year, NAPTEP ITC fees, and credit card reward funds and is reported at approximately \$2,000 (15% of budget) at June 30, 2020. In general, grant funds received by Islands Trust relate mainly to LTC projects, however \$684 in grant monies for secretariat work was approved, received, and spent in the first quarter of this fiscal year. The remainder of the earnings relate to NAPTEP fees and credit card rewards redeemed. Islands Trust has approximately \$34,000 in approved grant funded yet to be spent on various initiatives. Staff are actively engaged in identifying opportunities to put these funds to good use in this fiscal year or the next. Opportunities for grant funding continue to arise throughout the year.

Expenses by Functional Area

Council

Total Council expenses include costs related to three main areas: Trust Council (TC); Executive Committee (EC); and Trust Area Services (TAS); as well as an allocation of administrative expenses. In aggregate and inclusive of the admin allocation Council expenses are \$292,000 (22% of budget) at the end of quarter one. This is lower than expected by approximately \$44,000 (-3%) due mainly to deferred spending on TAS projects related to climate change, stewardship education, and reconciliation.

Local Planning Services (LPS)

Total LPS expenses include costs related to five main areas: Local Trust Committees (LTCs); LPS Projects; LPS Staff; LPS facilities; and Bylaw enforcement; as well as an allocation of administrative expenses. In aggregate and inclusive of the admin allocation, these expenses are \$1,367,000 (23% of budget) which is lower than expected by approximately \$121,000 (-2%).

Local Trust Committees (LTC) expenses are comprised of the LTC First Nation protocol funds, a portion of staff office rent, phone, internet and office services for on-island trustee offices, LTC-related legal costs, trustee expenses, LTC and APC meeting expenses, LTC communications and special project expenses, and the LTC portion of trustee remuneration and benefits. Total LTC spending to June 30, 2020 is \$203,233 (26% of budget), which is approximately \$4,100 (1%) above the general expected for quarter one. LTC meeting expenses in this category are lower than usual (\$9,500, 14%) for quarter one, due to cancelled meetings during the early height of the COVID-19 pandemic. This is offset by higher than expected (\$21,000, 10%) spending for LTC legal costs associated with litigation defense for Galiano and South Pender LTC cases.

LPS Projects costs are comprised of all LTC projects and related protocol funds, a share of the website renewal project costs, northern and southern island groundwater aquifer and sustainability costs, eelgrass and kelpbed mapping costs, regional freshwater management strategy costs, foreshore policy costs, housing initiative costs, and includes all SSIWPA expenses.

Spending in this area to the end of quarter one is \$43,002 (13% of budget).

Most LPS projects have not seen spending quarter one. Projects with expenses incurred are as follows:

- ~ SSIWPA: expenses of approximately \$16,000 (21% of budget);
- ~ LTC projects: expenses of approximately \$1,000 (1% of budget);
- ~ Website renewal: total expenses on this project are \$37,000 at the end of quarter one. Of this total, approximately \$26,000 (70% of the total) is allocated to LPS with the remaining \$11,000 allocated to trust area service. The \$26,000 spent under LPS projects is 81% of the assigned project budget. This project is expected to be completed by the end of quarter two which aligns with the greater portion of budget spent.

Bylaw enforcement costs are comprised of all salaries, benefits, training, and travel costs associated with bylaw staff or contractors used to cover staff vacancies or collect on fines. Bylaw enforcement expenses were below expected by approximately 31,000 (-11%) due to staff vacancies.

Islands Trust Conservancy (ITC)

Total ITC expenses include costs related to three main areas: board expenses; operations expenses; and property management expenses; as well as an allocation of administrative expenses. In aggregate and inclusive of the admin allocation, spending in this area at June 30, 2020 is \$178,000 (20% of budget) which is lower than expected by approximately \$44,000 (-5%)

ITC Board costs are comprised of ITC board meeting expenses, honoraria and training for board members. Board expenses are \$1,017 (4% of budget) as at June 30, 2020 which is below expected by approximately \$5,000 (-21%) due mainly to meeting cancellations associated with the early days of the COVID-19 pandemic, as well as reduced meeting costs due to meetings being conducted electronically.

Property Management costs are comprised of property management and conservation planning and land securement. Expenses incurred in this area at June 30, 2020 is \$569 (1% of budget), which is lower than anticipated for the end of quarter one. Work in this area is largely seasonal in nature and primarily carried out in quarter two and the start of quarter three, however there was a delay in beginning this work in quarter one due to travel restrictions associated with the COVID-19 pandemic.

General Administration

Total general administrative expenditures include costs related to six main areas: Executive office; Administrative services; Office Operations; Information systems; Computer, Furniture and Equipment; and Amortization expense. General administration costs are allocated to the three functional areas of the Trust (Council, LPS, and ITC) based on their relative dollar magnitudes for the period. General administrative expenses total approximately \$501,000 (25% of budget) at the end of quarter one which is in line with overall expectations.

Consolidated Expenses by Object

Public Sector Accounting Standards determine that financial reporting for government entities be reported “by function” (i.e.: service area) in the Statement of Financial Operations as presented in the earlier section of this report. Expenses “by object” (i.e.: type) are reported in accompanying financial statements notes. For purposes of greater transparency and understanding of Islands Trust financial results, June 30, 2020 expenses by object are shown as follows:

Expense	2020/21 Approved Budget	Actuals to June 30, 2020	% of Budget Consumed
Staff Salaries and benefits	5,043,010	1,203,708	24%
Office Operations	1,043,238	244,700	25%
Council and trustee costs	892,796	172,203	19%
Programs	596,651	67,791	11%
Legal	324,161	101,002	31%
Travel/training and recruitment	149,955	4,177	3%
Elections	5,000	-	0%
Amortization	140,000	44,866	32%
TOTAL	8,194,811	1,838,447	22%

Staff salaries and benefits expense is slightly below quarter one expected (by \$50,000, -1%) due mainly to staff vacancies in bylaw enforcement .

Office operations expenses in line with general benchmark spending of 25%.

Council and trustee costs are below expected (by \$54,000, 6%) due to underspending in the areas of Trust Council expenses, Council Committee meeting costs, and LTC expenses primarily due to meeting cancellations and electronic meetings replacing in-person meeting due to the COVID-19 pandemic.

Programs expenses relate mainly to projects associated with LTCs and the strategic plan. LTC projects have experienced delays as a result of the pandemic, and most strategic plan project expenses are expected to be incurred later in the year as planned.

Legal expenses are higher than anticipated for the first quarter due to increased legal defense action associated with litigations against some LTCs.

Traveling/training and recruitment are less than anticipated for the first quarter due to COVID-19 travel and gathering restrictions.

Elections expense is nil and will remain as such unless by-elections are necessary in the year.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None. Expenditures to June 30, 2020 are within the overall Islands Trust annual approved budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None. Managing staff at Islands Trust and Islands Trust Conservancy will continue to receive financial reporting on their respective areas of oversight throughout the year.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S):

Islands Trust Policy 2.3.3 Financial Planning Committee Terms of Reference
Bylaw No. 178, Islands Trust Financial Plan Bylaw 2020/21

5 ATTACHMENT(S):

June 30, 2020 Financial Report

RESPONSE OPTIONS

Recommendation:

That Financial Planning Committee forward the June 30, 2020 Financial Report to Trust Council for approval as presented.

Alternative: None.

Prepared By: Nancy Roggers, Finance Officer
Reviewed By: Julia Mobbs, Director, Administrative Services
Russ Hotsenpiller, Chief Administrative Officer

Islands Trust

Statement of Revenue and Expenditure

For The 3 Months Ending June 30, 2020

Expected % of Budget Received/Used as at Report date = 25%

Exceptions: Grant revenue, property tax levies, other revenues, project spending

Variations > +/- 10% include explanations

Description	Annual Budget	YTD Actual	\$ budget not yet received/spent	% of budget received/ spent
Revenue:				
Fees & Sales	115,000	30,265	(84,735)	26%
Provincial Grant	180,000	180,000	-	100%
Property Tax Levy General	6,783,141	-	(6,783,141)	0%
Special Property Tax Requisition	75,500	-	(75,500)	0%
Property Tax Levy Bowen	303,020	-	(303,020)	0%
Investment Income	85,000	11,332	(73,668)	13%
Other Revenues	12,000	1,842	(10,158)	15%
Total Revenue	7,553,661	223,440	(7,330,221)	3%
Expenses				
Trust Council	315,164	58,062	(257,102)	18%
Executive Committee	112,710	21,838	(90,872)	19%
Trust Area Services	593,392	132,899	(460,493)	22%
General Admin Allocation - 16%	328,741	79,836	(248,905)	24%
Total Council Expenses	1,350,007	292,635	(1,057,372)	22%
Local Planning Services				
Local Trust Committees	796,572	203,233	(593,339)	26%
LPS Projects (Note 1)	329,950	43,002	(286,948)	13%
Planning Staff	2,715,747	623,507	(2,092,240)	23%
LPS Facilities	367,263	82,260	(285,003)	22%
Bylaw Enforcement	294,173	42,194	(251,979)	14%
General Admin Allocation - 74%	1,449,720	372,992	(1,076,728)	26%
Total Local Planning Services Expenses	5,953,425	1,367,189	(4,586,236)	23%
Trust Conservancy				
Board	24,450	1,017	(23,434)	4%
Operations	562,869	128,306	(434,563)	23%
Property Management	87,000	569	(86,431)	1%
General Admin Allocation - 10%	217,060	48,731	(168,329)	22%
Total Trust Conservancy Expenses	891,379	178,623	(712,756)	20%
General Admin				
Executive Office	450,008	103,316	(346,692)	23%
Admin Services	484,505	116,928	(367,577)	24%
Office Operations	264,879	50,411	(214,468)	19%
Information Systems	557,529	152,521	(405,008)	27%
Computer/Furniture & Equipment	98,600	33,517	(65,083)	34%
Amortization Expense	140,000	44,866	(95,135)	32%
General Admin Recovery	(1,995,521)	(501,559)	1,493,962	25%
Total General Admin Expenses	-	(0)	(0)	0%
Total Expenses	8,194,811	1,838,447	(6,356,364)	22%
YTD Surplus (Shortfall)	(641,150)	(1,615,008)		

Expected % of Budget Received/Used as at Report date = 25%
 Exceptions: Grant revenue, property tax levies, other revenues, project spending
 Variances > +/- 10% include explanations

Description	Annual Budget	YTD Actual	\$ budget not yet received/spent	% of budget received/ spent
Amortization adjustment	140,000	n/a		
Capital adjustment	n/a	5,171		
Adjusted surplus (shortfall)	(501,150)	(1,609,837)		
Transfer from (contribution to) General Revenue Surplus Fu	429,650	1,608,820		
Transfer from LTC Project Specific Reserve Fund	71,500	1,017		
Total Transfers from Surplus	501,150	1,609,837		
Net Balance	-	(0)		
Surplus Fund, beginning of the period (March 31, 2020)	2,871,270	2,882,924		
Surplus Fund, end of the period	2,370,120	1,273,086		

Note 1:

Projects made up of:

Salt Spring Watershed Management Delegated Authority	75,500	15,980	(59,520)	21%
LTC Projects	71,500	1,017	(70,483)	1%
First Nations Protocol Funds/Cultural Working Group Fun	1,000	-	(1,000)	0%
Southern Islands Groundwater Aquifers & Sustainability	10,000	-	(10,000)	0%
Website Renewal (70%)	31,950	26,005	(5,945)	81%
Eelgrass and Kelpbed Mapping	50,000	-	(50,000)	0%
Regional Freshwaer Management Strategy	20,000	-	(20,000)	0%
Foreshore Policy	10,000	-	(10,000)	0%
Housing Initiatives	10,000	-	(10,000)	0%
Nothern Islands Groundwater Aquifers & Sustainability	50,000	-	(50,000)	0%
	329,950	43,002	(286,948)	13%



ISLANDS TRUST
2021/22 Draft Budget
Assumptions and Principles
 August 2020

Draft Budget Development Process:

During the budget cycle, each line of the detailed draft budget is reviewed by the responsible manager, giving consideration to previous years' spending and future work programs and services (including Trust Council's Strategic Plan initiatives). Planning staff review planning project needs with Local Trust Committees and identify top priorities. The Islands Trust Conservancy Board requests budget funding levels appropriate to support the goals in its Regional Conservation Plan and other fiscal initiatives. Directors review their respective Committee work programs to ensure work plan activities are appropriately funded. The Director, Administrative Services reviews the detailed spending and projects costs on behalf of the organization with respect to completeness and accuracy and compiles the detailed budget for the year. The draft budget detail is reviewed and by the Islands Trust management team prior to being submitted to the Financial Planning Committee for review and consideration. A first draft of the budget is forwarded to Trust Council in December of each year, or in the case of election years, the following January.

REVENUES			
	ITEM	ASSUMPTION/PRINCIPLE	DATA SOURCE
1	Fees and Sales	<p>Assumed that the application fees review currently underway with LPC and FPC will be completed in time for to incorporate LTC-adopted recommendations into the 2021/22 budget.</p> <p>Application volumes are difficult to anticipate. For purposes of draft budget development, the assumption is made that application volumes will remain fairly stable, however the ongoing pandemic may create a shift which will be incorporated as identified.</p>	<p>Potentially forthcoming Local Planning Committee (LPC) recommendations.</p> <p>Historical review of application volumes.</p>
2	Provincial Grant Funding	<p>Assumed that funding received from the Province will be received, and will remain consistent with prior years. Although there is a Trust Council resolution to request more funds from the Province, no work has progressed on this task and likely will remain the case due to the ongoing pandemic. As such, no increase in funds is anticipated at this time.</p>	<p>Prior year funding levels.</p>
w3	Property Taxes - General	<p>Assumed property tax revenue will be required to balance the Islands Trust budget.</p>	<p>Draft budget planned expenditures less other revenue sources.</p>

4	Non-market Growth in Property Taxes	The property tax base within the Islands Trust Area will grow due to new development activity.	BC Assessment report provided in December each year indicated non-market growth for the Gulf Islands.
5	Property Taxes – Special Requisitions	Assumed SSI LTC will request a special levy to continue the SSIWPA work. Assumed this request will be at lower levels than previous years given existing SSIWPA surplus funds that remain unspent from previous fiscal years.	Trust Council <i>Policy 6.3.2 Special Property Tax Requisitions</i> LTC resolution, Accumulated surplus balance for SSIWPA funds.
6	Property Taxes – Bowen Island Municipality	Assumed relevant policy regarding this requisition will remain unchanged.	Trust Council <i>Policy 7.2.6 Municipal Property Tax Requisition Calculation</i>
7	Investment Income	Assumed interest income will be lowered from historical levels due to low interest rates. Assumed Islands Trust will continue to invest in conservative investment in line with LG guidance. Assumed sustainable investment vehicles will be secured for a portion of invested funds to align with Trust values.	Community Charter, Trust investment advisors.
8	Other Grant Funding	Islands Trust will continue to monitor grant opportunities available for corporate work, but does not expect significant new inflows of revenue from this source. Any budgeted revenue from grant funds for projects will be offset by a budgeted expense for the same amount, to ensure appropriate conservatism in the budget.	Current grant programs available to Islands Trust and historical inflows of grant funding.

EXPENSES

	ITEM	ASSUMPTION/PRINCIPLE	DATA SOURCE
9	Inflation	The cost of goods and services will rise in line with inflation.	Consumer Price Index (CPI) for Victoria, as reported by Statistics Canada.
10	Staffing Levels	Assumed current staffing levels are appropriate to carry out the anticipated services provided by the Islands Trust. Decreased staffing levels may result in a reduced level of services or functions. New functions or services may require either additional staffing or the deletion of some existing functions or service levels.	Current staffing levels, plus a request for an additional bylaw officer. 2008 Bylaw Enforcement Function Review (Bylaw staffing levels), updated for coming business case for new

			BEO. 2018 Local Planning Services Review (LPS staffing levels).
11	Staffing Salaries and Benefits	<p>Assumed that staff will continue to be appointed subject to the <i>Public Services Act</i> and the <i>Public Service Labour Relations Act</i>, in accordance with the <i>Islands Trust Act</i>.</p> <p>Assumed costs for staff salaries and benefits will rise in accordance with relevant legislation and union agreements.</p>	<p><i>Public Service Labour Relations Act</i> (all staff). <i>Public Services Act</i> and PSA Policy on salary administration for management employees (exempt staff).</p> <p>BCGEU union agreement (union staff). Public Service Agency (benefits costs/rate, all staff).</p>
12	Trustee Remuneration	<p>Assumed that no changes will be made to the guiding policy for Trustee Remuneration.</p> <p>Assumed that the number of meetings requiring payment to trustees will remain mostly consistent with the current fiscal year planned meetings (excludes special meetings related to the COVID-19 pandemic.)</p>	Trust Council's Policy 7.2 <i>Trustee Remuneration</i> . (census information 2016, stats Canada CPI information)
13	Office Facilities	<p>Assumed that office locations for staff will remain in Victoria, on Salt Spring Island and on Gabriola Island.</p> <p>Assumed that the leased Bylaw space in the Victoria main building will have been reviewed for lease termination in advance of next fiscal year.</p> <p>Assumed that Islands Trust will continue to lease office space for trustees on Denman Island, Galiano Island, North Pender Island, Mayne Island, and Saturna Island subject to trustee needs.</p>	<p>Trust Council Policy 7.4.4 <i>On-Island Trustee Offices</i>.</p> <p>Existing multi-year office leases.</p>
14	Local Planning Services	<p>Assumed that Islands Trust Council will continue to provide sufficient funding for LTCs to carry out their primary function of land-use planning and regulatory activities within their local trust area, as permitted by the <i>Islands Trust Act</i>.</p> <p>OCP and LTCs project budgets over the long-term will be distributed between LTCs based on their relative percentage of assessed value, per the resource allocation model.</p>	<p>Local Planning Services Review 2018</p> <p>Strategic Plan 2018-2022</p> <p>Trust Council Policy 5.9.1 <i>Best Management Practices for Delivery of Local Planning Services to Local Trust Committees</i></p>
15	Planner Resource	The current work program system which determines the allocation of planner time to LTCs and projects will change	LPS Review 2018

	Allocation	during the implementation of the LPS review. This change will be in effect in time for the 2021/22 fiscal year. Resources will continue to aim for fair distribution of time between the three planning regions (North, South, Salt Spring)	Strategic plan 2018-2022 implementation
16	Strategic Plan Projects	Assumed projects underway as part of the current strategic plan will be seen through to completion.	Trust Council Strategic Plan 2018-2022
	ITEM	ASSUMPTION/PRINCIPLE	DATA SOURCE
17	General Surplus	Assumed that accumulated surplus funds will be drawn down more or less in line with the current year financial plan, leaving the opening balance for fiscal 2021/22 at a healthy level. Assumed the current review of surplus funds being undertaken by FPC will be complete and any revisions to minimum balances or how surplus is used will be incorporated in time for the approval of the 2021/22 budget.	Trust Council's <i>policy 6.5.1 Reserves and Surplus</i> , section D.6, recommends a minimum level of General Revenue Surplus as " <i>three months of expenses net of three months of revenue, excluding revenue from property taxes or the provincial grant</i> ".
18	LTC-Specific Reserve Fund	Assumed Trust Council will continue to make use of the LTC-Specific Reserve Fund.	Consolidated report of approved, planned LTC projects for the coming fiscal year, provided by Local Planning Services and LTCs.
19	Special Property Tax (SSIWPA) Surplus Fund	Assumed accumulated surplus funds for SSIWPA will be spent in part of in full in 2021/22.	Accumulated surplus balance from March 31, 2020 + expected contribution to the SSIWPA surplus fund from the year ending March 31, 2021.

ISLANDS TRUST
 BUDGET CYCLE TIMELINE
 Fiscal Year: 2021/22

Date	Activity
July-Aug, 2020	LTCs, Council Committees, SSIWPA to discuss fiscal 2021/22 top priorities and work programs with planning staff.
Aug 19, 2020	Financial Planning Committee meeting Budget Cycle Timeline: FPC reviews and approves the Budget 2021/22 cycle timeline. BAP: FPC reviews first draft of Budget Assumptions and Principles (BAP) Public Consultation: FPC discussion of planned changes/improvements to the budget Public Consultation process.
Sept 1, 2020	Departmental budget templates deployed: Budget documents distributed to all Managers for development of departmental budgets. Budget Requests Development: Managers develop and review budget requests with staff for input and feedback into the budget process. Other Agency Consultation: DAS begins consultation with Bowen Island Municipality and Islands Trust Conservancy.
Sept 15-17, 2020	Trust Council Review of Strategic Plan projects status and other work which will inform the draft 2021/22 budget.
Oct 14, 2020	Financial Planning Committee meeting BAP: FPC reviews updated BAP. Budget Requests: FPC reviews business cases for budget requests and makes recommendations to staff on which requests to include/remove from the draft budget. Budget 2022 Draft 1, V1: FPC reviews and discusses Draft 1, Version 1 of the budget.
Oct 24 - Nov 7, 2020	Budget 2022 Draft 1, V2: Staff make revisions to budget draft as directed by FPC. Continued research and planning to improve estimates for proposed operational changes. LTC Project Specific Reserve Fund: Planning staff develop "additional operations" budget proposals on behalf of LTCs for estimates of LTC Specific Reserve Fund requirements. Special Tax Requisitions: Preparation for potential local tax requisitions for individual LTCs (see policy 6.3.ii Special Property Tax Requisition).
Nov 12, 2020	Financial Planning Committee meeting BAP: FPC reviews updated BAP to be forwarded to December Trust Council. Budget Requests: FPC reviews amended and new budget request business cases to be forwarded to Trust Council in December. Budget 2022 Draft 1, V2: FPC reviews Draft 1, Version 2 of the 2021 budget to be forwarded to Trust Council in December. LTC requests: FPC reviews any specific requests coming from LTCs as part of the budget draft review.
Dec 3-4, 2020	Trust Council BAP: Trust Council endorses Budget Assumptions and Principles. Budget 2022 Draft 1, V2: Trust Council discusses and debates draft budget, and provides direction for changes as determined necessary. Public Consultation: Trust Council endorses draft budget (as amended, if needed) for public consultation, and approves the Budget consultation process.
January 2021	Financial Planning Committee meeting (assumed) Budget 2022 Draft 2, V1: Staff amend budget for Trust Council decisions (as needed) and continue to refine operational budgets based on updated information. Budget 2022 Draft 2, V1: FPC reviews and discusses Draft 1, V1 of the 2022 budget. Other Agency Consultation: Consultation with Bowen Island Municipality and Trust Conservancy Board continue. Public Consultation on draft budget is conducted. Special Tax Requisitions: LTCs seeking funding for "additional operations" from a special tax requisition pass a resolution to do so.
February 2021	Financial Planning Committee meeting (assumed) Special Tax Requisitions: LTCs proposing a special tax requisition hold public consultation meetings. Public Consultation Review: FPC reviews results and feedback from the budget public consultation, and makes recommendations to budget changes from these results, as needed. Special Tax Requisitions: FPC makes recommendations on special requisitions. Budget 2022 Draft 2, V2: FPC reviews Draft 2, Version 2 of the 2022 budget to be forwarded to Trust Council in March
March 2021	Trust Council Budget Approval: Trust Council approves the 2021 Budget along with the current year Property Tax Requisition, Bowen Municipality Tax Levy and LTC special tax requisitions. Bylaw Approvals: Trust Council approves Financial Plan bylaw and Revenue Anticipation bylaw. Minister's Package: Staff prepare a report on the budget for the Minister, and submit this report along with the approved financial bylaws for consideration by the Minister. Communications: Approved budget information is posted to the Islands Trust website and a news release rolled out.



REQUEST FOR DECISION

To: Financial Planning Committee **For the Meeting of:** August 19, 2020
From: Clare Frater,
Director, Trust Area Services **Date Prepared:** July 30, 2020
SUBJECT: 2021/22 budget public consultation process

RECOMMENDATION: That the Financial Planning Committee approve the 2021/22 Budget Public Consultation project charter, dated August 19, 2020.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: Consultation on the Islands Trust Council’s proposed budget offers an annual opportunity to hear from constituents about their priorities and desired services and service levels.

1 PURPOSE:

- 1) To seek endorsement from Financial Planning Committee for the public consultation program for the 2021/22 budget; and
- 2) To seek input and direction from Financial Planning Committee on consultation materials principles and content, as well as potential desired changes from previous years, to be incorporated into the first draft of consultation materials.

2 BACKGROUND:

The Financial Planning Committee has the responsibility to co-ordinate an effective annual budget process, which includes designing the process for public input.

Up until 2016, the Islands Trust provided limited information to the public through the website on the draft budget. The opportunity for the public to provide input was advertised via one black and white ad in the Island Tides newspaper (no longer published) and through the Trust Council subscriber list. The public was encouraged to email or write in with their comments.

In 2016, 2017, 2018, the Islands Trust offered enhanced information about the proposed budget via a designed publication, available as a download from the website, and sought to increase public participation through an online survey that was offered in addition to a dedicated email address. To raise awareness about the consultation the Islands Trust advertises in multiple island-based print and electronic newspapers and information websites. Staff also provided social media graphics for trustees to use on their personal Facebook and Twitter accounts to encourage public uptake.

In looking at the 2018 analytics, it appeared that many people were filling in the survey without having first read the background document.

In 2019 and 2020 the background information was provided within the survey itself so the public can make direct connections between the background information and the questions. There was

also an effort to ask questions relevant to strategic plan development and Trust Council committee projects. In 2020, the Trust used Facebook for the first time to promote the survey which resulted in a significant increase in responses.

Results of recent year consultation are as follows:

Budget Year Consulted On	Survey Responses	E-mail Responses
2020/21	745	6
2019/20	178	37
2018/19	78	7
2017/18	66	0
2016/17	121	13
2015/16	0	35

Past Consultation Promotion

In support of the 2020/21 consultation process, Islands Trust issued a news release, sent subscriber messages and purchased ads in four newspapers (Bowen Undercurrent, Gulf Islands Driftwood, Gabriola Sounder and Denman-Hornby Grapevine), six ads in various monthly publications, and one online banner display ad on the Salt Spring Exchange website. During the consultation period, the Gulf Islands Driftwood, My Comox Valley Now, and My Coast Now published articles about the budget consultation based on the Islands Trust’s news release. The Nanaimo Bulletin published a report based on the news release and featured an interview with Trustee Colborne.

A social media campaign complemented the print advertising. It involved two tweets and two Facebook posts one week apart.

In June 2020, Trust Council received a delegation from the Saturna Island Resident and Ratepayers Association (SIRRA) highlighting their concerns with budget trends and budget consultation questions (see the correspondence attached). In July 2020, the Islands Trust Chair wrote to thank SIRRA for taking the time to present to Trust Council about their concerns. The Chair advised that Staff will review the requests set forth in the presentation and explore ways in which we could address some of these concerns. The Chair of the Financial Planning Committee also reached out to SIRRA to discuss the concerns raised.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: This project will be a Trust Area Services priority for October 2020-March 2021 and will require support from the CAO and Directors of Administrative Services and Local Planning Services to respond to questions received by the public. This initiative will reduce capacity for other communications initiatives that may emerge during this time.

FINANCIAL: The public consultation program is expected to cost approximately \$2,500 for graphics design and advertising costs. There is funding available for this annual program in the Trust Area Services communication budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS:

Trust Area Services staff will draft the public consultation materials for the proposed 2021/22 budget based on recommendations from communications and finance staff, as well as input and direction from Financial Planning Committee at their August 19, 2020 meeting. These draft materials will be presented to Financial Planning Committee on November 12, 2020 for consideration..

Once Trust Council has reviewed the draft budget in December 2020, staff will provide revised materials to FPC in January 2020 for additional review as required. Ideally, FPC can review revised materials in December to allow sufficient time for changes prior to a mid-January public consultation launch (this meeting is not currently scheduled).

Staff will generate public awareness about the public consultation through print and Facebook advertising, subscriber notices, and a news release. Trustees will be encouraged to share budget consultation social media posts to their personal Facebook and Twitter accounts and to Facebook bulletin boards and forums in their communities. The online survey will be open for up to three weeks with a clearly defined deadline. The deadline will be the same for those who wish to respond to the dedicated email address. All communications will adhere to Freedom of Information and Protection of Privacy (FOIPP) legislation and all public facing documents will make mention of this.

All submissions through the survey or via email will be monitored as will any interactions regarding the budget consultation on the Islands Trust Twitter account, and where possible, on other online platforms. Any questions received through this process that are not relevant to the budget process but can be addressed by other staff, will be forwarded.

After the deadline, staff will compile all public input along with the basic analysis that is provided by the survey software for Financial Planning Committee and Trust Council's review. Staff will also prepare a briefing that highlights any overarching themes from respondents.

FIRST NATIONS: Staff will prepare a communications plan for inviting feedback from First Nations. Additional advertising funds have been budgeted for this purpose.

OTHER: None.

4 RELEVANT POLICY(S):

- [Financial Planning Committee Terms of Reference](#)
- [Budget Process Policy \(6.3.1\)](#)

5 ATTACHMENT(S):

1. Draft 2021-2022 Budget Public Consultation Project Charter
2. SIRRA June 2020 presentation to Trust Council

RESPONSE OPTIONS

Recommendation: That the Financial Planning Committee approve the 2021-2022 Budget Public Consultation project charter, dated August 19, 2020.

Alternative:

- 1) Approve the 2020-2021 Budget Public Consultation project charter, dated August 19, 2020 as amended.
 - 2) Request that staff develop a revised project charter with different activities/budget (e.g. webinars about the budget, additional communication materials).
-

Prepared By: Clare Frater, Director, Trust Area Services

Reviewed By/Date: Vicki Swan, July 23, 2020
Julia Mobbs, Director, Administrative Services, August 6, 2020

2021/22 Budget Public Consultation Project Charter- Draft

Purpose Develop a 2021/22 budget public consultation program that incorporates a visually appealing, clear, concise survey which has information about Islands Trust and the budget process.

Background The Financial Planning Committee is responsible for the annual coordination of an effective budget process, which includes public consultation. This year, public consultation will be done through a survey, which will be promoted through social media, subscriber notifications, the newspaper and with assistance from partner organizations such as the Salt Spring Island Watershed Protection Alliance. The survey will feature a video about the Islands Trust, hyperlinks to relevant information and a number of charts and graphs that provide visual representation of budget related concepts.

Objectives

- Create consultation materials that are informative.
- Provide engagement opportunities that solicit public input on community priorities and service levels.
- Increase the number of people participating in the survey.

In Scope

- Review previous experiences
- Develop consultation materials
- Promote consultation in print and online advertising, and social media
- Develop social media graphics, and text
- Respond to questions that arise during consultation.

Out of Scope

- Town halls in each local trust area/ Bowen (except SWIPPA focussed town hall on Salt Spring Island)

Workplan Overview

Deliverable/Milestone	Date
• Trust Council to review and possibly amend draft budget	• December 1-3, 2020
• Liaise with in-house graphic design to create consultation materials	• December —mid-January 2021
• Draft consultation material content to FPC for review/comment	• Mid-January, 2021
• Launch 2021/22 budget consultation (after amending materials if required)	• 3rd week January 2021
• Close 2021/22 budget consultation and update website	• 2nd week Feb, 2021
• Consultation input to FPC for consideration/forwarding to Trust Council	• February XX, 2021 (date TBA)
• Trust Council reviews input and adopts 2021/22 budget	• March XX-XX, 2021 (date TBA)
• Issue news release about 2021/22 adopted budget and update website	• March XX, 2021 (date TBA)

Project Team

Director, Trust Areas Services	Project Manager
Communications Specialist SIPA	Consultation Content
Director, Administrative Services	Approve content and liaison with FPC

Approved by:

Clare Frater, DTAS

Date: Aug. 4, 2020

Endorsement:

Resolution #

Budget

Source: TAS Communications budget

Item	Cost
Graphic Design and Advertising	\$2,500
TOTAL	\$2,500

From: SIRRA <info@sirra.ca>
Sent: Tuesday, May 26, 2020 9:59 AM
To: Lori Foster <lfoster@islandstrust.bc.ca>
Subject: Islands Trust Meeting June 16th/17th

Dear Ms. Foster,

SIRRA requests that SIRRA be added as a delegation to the June Trust Council Meeting.

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"May 26th 2020

Submission from **Saturna Island Ratepayers and Residents Association (SIRRA)** for the agenda of the Islands Trust Council meeting on June 16th and 17th.

Please find attached 2 letters:

Islands Trust Budget Feedback from SIRRA Feb 16th 2020

SIRRA to Minister Robinson, 28th Feb 2020 (copied to IT Council).

Also included is a reply from the Ministry of Municipal Affairs and Housing.

These letters pose questions on IT Plans, Budget and transparency. We would appreciate an opportunity to discuss these at the meeting on June 17th and to offer the IT an opportunity to respond."

Speaker: Mairead Boland - VP SIRRA

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Kindly note that It appears that the 2020-02-16 Budget Feedback - Final letter may not have been forwarded in February as intended by the SIRRA board. Our apology if the letter was not received by the Islands Trust in a timely manner.

Thank-you,

SIRRA Communications



February 16, 2020

Mr. Russ Hotsenpiller
Chief Administrative Officer
Islands Trust
Office 200, 1627 Fort Street
Victoria, BC V8R

Dear Sir,

The Saturna Island Ratepayers and Residents Association (SIRRA) takes an interest in the Islands Trust Budget 2020/21 Consultation.

As such SIRRA requests your response to the bulleted points below.

The Islands Trust presents financial statements by comparing the proposed budget to last year's budget. While such practice may be common with local governments, the practice is not helpful toward the understanding of taxpayers, and therefore is unsatisfactory.

Expenditures of the Trust have increased year on year. A draw from "surplus/reserve funds" obscures the true rate of increase in Islands Trust's expenditures.

The Trust is planning to spend \$800,000 more than the year ending March 2019 - an increase of almost 12%. In the current economic climate, the Trust has a fiscal responsibility to constrain expenditures.

- SIRRA requests that actual expenditures be presented year over year so that the financial picture is clear and open to assessment of the Trust's operational management.

The Trust invites feedback on "Budget 2020/21" - however the reality is that 90% is already allocated to salaries and other overheads. In turn, the taxpayers, have been asked for input on the small fraction associated with an overly elaborate Strategic Plan, i.e., on an expenditure of \$620,650 over 5 years - \$175,650 to be spent in the current year, which represents 2.14% of the budget. This is a waste of time and effort on the part of those the Trust is supposed to serve.

The taxpayers have not been asked to comment on the other 97.86% (nearly \$8 million) of the expenditure while the Trust continues to grow as an institution that is absent rigorous financial or managerial review by a higher-level authority.



The questions posed in the feedback survey were couched to avoid disagreement or criticism. There was no option to allow a response of "none of the above" with respect to the various initiatives. It is clear that no consideration has been given to reducing overall expenditure and property taxes.

- Why are taxpayers not invited to comment on the details of the entire budget of \$8,180,478?

The Trust indicates that a significant expenditure is on the execution of "planning services". An opportunity exists to review the scope of these activities and staffing levels in order to reduce effort and cost to the taxpayers. CRD duplicates many of the Trust's services.

- Is the Trust willing to consider how a reduction in scope and costs might be achieved, including with respect to the large cost of "planning services"?

We would appreciate a response to these points. We can meet with representatives of the Trust at your convenience.

Thank you,

A handwritten signature in black ink, appearing to read "Michel Chiasson".

Michel Chiasson, President
Saturna Island Ratepayers and Residents Association

cc: Honourable Selina Robinson, Minister of Municipal Affairs and Housing
MLA Adam Olsen, Leader, BC Green Party
Island Trust Council Members



February 28, 2020

Hon. Selina Robinson
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

Dear Ms. Robinson,

We write to you on behalf of the Saturna Island Ratepayers and Residents Association (SIRRA).

It is extremely disappointing that you are shutting down the office of auditor general (AG) for local government. We are surprised at the decision given that a year ago, an independent review showed that "the office offers value as a resource for communities to help them deliver the services people count on". The majority of the audited municipalities felt they had benefited and were implementing the audit findings. The first key recommendation of the review was that the Auditor General for Local Government office be retained.

The Islands Trust (IT) has expanded its scope of work far beyond its original remit and the IT expenditure grows at an unreasonable rate.

We strongly believe that the Islands Trust would benefit from an independent audit. Please explain how this can happen without the AG?

From a tax payers perspective the cost saving achieved by shutting down the AG (\$.8 million now and \$2.6 million ultimately) is minimal compared to potential savings achieved through these audits.

You speak of working with the Union of B.C. Municipalities (UBCM) to deliver a better way. Who will act on behalf of the taxpayers in the discussions to deliver this better way? How can these discussions be impartial without the AG to represent the taxpayer?



As the Minister responsible for the Islands Trust and therefore accountable for the use of the taxpayers contributions we ask that you reconsider your decision to disband the Auditor General for Local Government office - at least until the Islands Trust can be reviewed

If this cannot be, we ask that you make alternative arrangements for an external review of the IT.

We are happy to meet you to discuss this matter at your convenience,

Thank you for your attention,

Yours sincerely,

A handwritten signature in black ink, which appears to read "Michel Chiasson". The signature is fluid and cursive, with a long horizontal line extending to the right.

Michel Chiasson, President
Saturna Island Ratepayers and Residents Association

cc: MLA Adam Olsen
Islands Trust Council

Subject:Reply to your letter to the Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Date:Mon, 20 Apr 2020 23:40:12 +0000

From:Dong, Jodi MAH:EX <Jodi.Dong@gov.bc.ca>

To:'info@sirra.ca' <info@sirra.ca>

Ref: 252553

Michel Chiasson, President
Saturna Island Ratepayers and Residents Association
PO Box 27,
Saturna, B.C. V0N 2Y0

Dear Michel Chiasson:

Thank you for your letter of February 28, 2020, to the Honourable Selina Robinson, Minister of Municipal Affairs and Housing, regarding the dissolution of the office of the Auditor General for Local Government (AGLG). I am pleased to respond on the Minister's behalf, and apologize for the delay.

While I can appreciate the Saturna Island Ratepayers and Residents Association's disappointment, Government will not be reconsidering the decision at this time.

Although the Independent Five-Year Review found that some local governments saw value in AGLG services, the office was imposed on local governments when it was created. The Union of B.C. Municipalities (UBCM), on behalf of all B.C. local governments, continues to oppose the office. The UBCM membership endorsed a resolution calling on government to eliminate the AGLG office and maintained that the accountability requirements of the office are already met under existing local government legislation and regulations.

As you mentioned, government will be engaging with UBCM over the coming months to better understand local governments' perspectives on this matter and explore future delivery models for supporting local governments. For now, the Islands Trust has the option of hiring a third party to complete the independent audit you are seeking. Additionally, there are a range of tools available, both voluntary and legislative, to help local elected officials ensure good governance in their communities. For example, under the *Islands Trust Act*, the trust council must each year appoint an independent auditor to review and report on the accounts and transactions of the trust council and local trust committees.

Thank you again for writing.

Jodi Dong, PhD
Executive Director
Community Policy and Legislation
Ministry of Municipal Affairs and Housing

To: Financial Planning Committee **For the Meeting of:** August 19, 2020
From: David Marlor, Director, Local Planning Services **Date Prepared:** August 11, 2020
SUBJECT: **Costs of Processing Land-Use Applications**

PURPOSE:

The purpose of this briefing to provide an update to the Financial Planning Committee (FPC) on costs of processing local trust committee land use applications.

BACKGROUND:

At its regular meeting in March 2020, Trust Council passed the following resolution:

TC-2020-011

It was Moved Trustee Morrison and Seconded by Trustee Brent,

That Trust Council request the Financial Planning Committee provide a report detailing the full staff costs associated with processing land-use applications, by application type.

At its regular meeting in June 2020, Trust Council passed the following resolution:

TC-2020-056

It was Moved by Trustee Morrison and Seconded by Trustee Wright,

That Trust Council request staff to implement a system of tracking and collecting all local planning service staff hours associated with processing individual applications, beginning as soon as possible, for a three-month period to inform the discussion in regards to the review of application fees.

Historical Collection of Staff Time

Prior to June 29, 2020, Local Planning Services (LPS) staff recorded their time information on a high-level basis, broken out into three broad categories for each local trust committee (LTC) and Trust Council (TC).

Staff record time under the following categories:

- Current planning
 - o LPS Planner Current Planning
- Policy planning
 - o LPS Planner Projects
 - o LPS Project (specific name)
- Local Trust Committee Administration
 - o LPS admin Staff
 - o LS Planner Administration

In addition there is a 'General Leave' category for any time of leave; 'LPS Region Management' used exclusively by the regional planning managers for non-file specific management activities; and 'Bylaw Enforcement' used exclusively by the bylaw enforcement officers.

Agenda item 5.2 Briefing Attachment 5 is a briefing to the Executive Committee (July 8, 2020) that includes details of planning services, and the activities recorded in each of these categories.

The collection of time at this high-level was deemed appropriate by the former Director, Administrative Services and Director, Local Planning Services given that the intent of the time collection was to assist regional planning managers in balancing workload/staff resources between local trust committees, and generally between current and policy planning. The time collection information was also used annually by finance staff to as a basis for allocation of annual financial operations by LTA in the allocated financial statements. The high level breakdown provided by these categories was useable for this exercise.

Audited Applications – Time Collection

Local Planning Committee began work on a model fees bylaw in August 2019. An understanding of the cost of processing applications was required in order to facilitate conversation around this work. To this end, on November 1, 2019 LPS staff began tracking their time worked on select applications. This was undertaken so that over the period of time, a better understanding of actual costs for application processing could be obtained that included staff efforts. At the time of reporting to LPC on model fees work, the dataset collected was still considered too small to be reliable, and as such was not incorporated into the model fees work. Instead, hours from the 2011 fees review were used, updated for current costing information.

The data collected during that time period however, can be consolidated with the more recent collection data to generate a fuller dataset for current projects. During the period of time tracking, from November 1, 2019 to June 28, 2020, Local Planning Services staff recorded time on 25 new applications. Of these applications, 17 are complete as of August 7, 2020 and so only these applications are appropriate to use in quantifying the cost of staff time to process applications.

The following table summarizes the data collected from these 17 completed applications.

Table 1: Select applications Tracked Nov 1, 2019 to June 28, 2020		
File	Recorded hours to process full application	
SS-RZ-2017.4	80 staff (+250 contractor)	
SS-RZ-2018.4	50 staff (+250 contractor)	
SS-RZ-2019.2	48.5	
GL-DP-2019.1	9.5	
GL-DP-2019.4	19.5	
GB-DP-2019.4	33	
SS-DVP-2019.4	11	
SS-DVP-2019.5	4.5	
DE-DVP-2019.1	20	
NP-DVP-2020.3	7	
NP-DVP-2020.1	19.3	
MA-SUB-2019.2	13	
HO-SUP-2019.10	6	
NP-TUP-2019.6	11	
SS-TUP-2019.6	14	
SS-TUP-2019.3	39	
GB-TUP-2019.1	25	

The sample of application time collection in the table above is presented for information. The number of applications is too small a sample to draw conclusions, but will add to the on-going collection of application processing time.

All Applications – Time collection

As of June 29, 2020 Local Planning Services staff have been recording their time spent working on all applications as per the request of Trust Council (*Resolution TC-2020-056* above). Currently, there are 133 active applications (including six that were being audited up to June 29 and are still open) with staff time recorded against them. However, the data provided under this exercise is not yet fully useable, as most of the applications were opened well in advance of June 29, 2020 when all application time collection began, and therefore specific time recorded against them will be much less than actual time to process given historical information is missing. In addition, 87 applications are still open with further work to take place, also rendering hours recorded to date to be below actual to completion.

Table 2: Applications Time tracking by LTC (June 29 to August 7, 2020)

Local Trust Area	Total # Apps Worked on	# of Apps Completed with full staff time data (open – close)	Total hours recorded on all applications
Ballenas-Winchelsea	0	0	0
Denman	11	1	61.25
Gabriola	13	4	59.85
Galiano	14	6	39.85
Gambier	17	0	27.50
Hornby	9	1	21.25
Lasqueti	3	0	27.50
Mayne	14	4	80.90
North Pender	18	10	28.00
Salt Spring	26	17	55.75
Saturna	4	1	24.75
South Pender	1	1	1.00
Thetis	3	1	4.25
TOTALS	133	46	431.85

Table 3: Applications Time tracking by Type (June 29 to Aug 7, 2020)

Application (App) Type**	# of Apps worked on	# of Apps Tracked Start to Close	Total hours recorded	Total Apps Opened FY 2019/20 **
ALR	2	0	5.75	8
Building Permit*	36	23	59.97	255
Crown Land Referral*	3	3	3.80	27
Development Permit	12	2	58.60	30
Development Variance permit	36	9	101.98	35
Liquor and Cannabis Referral	1	0	1.50	4
Rezoning	10	1	136.75	9
Subdivision Referral	18	1	38.00	17
Siting and Use Permit	5	0	8.00	28
Temporary Use Permit	10	7	17.15	31
TOTALS	133	46	431.85	444**

* No fees charged for these applications.

** These are only the application types worked on by staff during the time period. There are other types, of which we may receive one or two a year. Therefore the total number of applications opened in FY2019/20 in Table 3 does not add up to the total number on Appendix 2.

Current usable application information is available for 46 applications, the breakdown by type shown in Table 3. This represents approximately 10% of the total applications received in a given fiscal year, using fiscal 2019 to represent a typical year. Using an average of total applications received over the last five years (April 1, 2015 to March 31, 2020), the average number of applications received per year is 397. Current data on 46 applications represented 11.6% of this figure.

A larger number of fully completed applications would provide a more reasonable and appropriate representation of applications to which cost information can be applied. As such, no costing information has been provided at this time. It is expected that upon completion of the full 3 months of data collection directed by Trust Council, that an adequate sample size of applications will be available to generate more reliable costing information.

ATTACHMENT(S):

1. Applications Received Fiscal Year 2019/20.

FOLLOW-UP:

If FPC wishes for costing information to be applied to the current dataset for presentation to Trust Council in September 2020, Staff will complete this work and prepare a report for September 2020 Trust Council. In the absence of this direction, Staff will continue to collect data on planner hours by application type until a full 3 months of information is collected (per TC direction), and appropriate sample sizes are received to generate quality data for costing information. The expectation is that this data will be available in time to bring a report to FPC in October/November 2020 and forward to Trust Council in December 2020.

Prepared By: David Marlor, Director, Local Planning Services
Reviewed By/Date: Julia Mobbs, Director, Administrative Services/August 13, 2020



Application	NORTHERN TEAM									SALT SPRING		SOUTHERN TEAM						TOTAL		
	EX	DE	GB	GM	HO	LA	TH	SUM	/FTE	SS	/FTE	GL	MA	NP	SA	SP	SUM	/FTE	SUM	/FTE
ALR	0	3	0	0	5	1	1	10	2.00	15	3.75	2	0	2	2	0	6	1.50	31	2.38
BOV	0	0	0	0	0	0	0	0	0.00	2	0.50	2	0	4	0	0	6	1.50	8	0.62
CL/BP/SUP/LCB	1	92	46	152	80	3	52	426	85.20	511	127.75	88	98	164	32	21	403	100.75	1340	103.08
DP	0	10	13	2	12	0	0	37	7.40	59	14.75	11	0	32	0	1	44	11.00	140	10.77
DVP/FPE	1	10	20	14	8	1	3	57	11.40	59	14.75	20	20	21	2	0	63	15.75	179	13.77
HAP	0	0	0	0	0	0	0	0	0.00	3	0.75	0	0	0	1	0	1	0.25	4	0.31
OTH	0	1	0	0	0	0	2	3	0.60	0	0.00	1	0	3	0	0	4	1.00	7	0.54
RZ	0	2	5	2	1	1	4	15	3.00	22	5.50	6	4	12	2	0	24	6.00	61	4.69
SC	0	0	0	0	0	0	0	0	0.00	2	0.50	0	0	0	0	0	0	0.00	2	0.15
SDP	0	0	0	0	0	0	0	0	0.00	13	3.25	0	0	0	0	0	0	0.00	13	1.00
SRP	0	0	0	0	0	0	0	0	0.00	2	0.50	0	0	0	0	0	0	0.00	2	0.15
SUB	0	11	13	3	10	5	3	45	9.00	27	6.75	3	5	6	8	1	23	5.75	95	7.31
TUP	0	4	6	0	3	0	1	14	2.80	22	5.50	32	5	26	3	0	66	16.50	102	7.85
TOTAL	2	133	103	173	119	11	66	607	121.40	737	184.25	165	132	270	50	23	640	160.00	1984	152.62

FTE = # of planner positions (North = 5, SS = 4, South = 4)

Application	EX	DE	GB	GM	HO	LA	TH	SUM	FTE	SS	FTE	GL	MA	NP	SA	SP	SUM	FTE	SUM	FTE
CL,BP,SUP,LCB	1	92	46	152	80	3	52	426	85.20	511	127.75	88	98	164	32	21	403	100.75	1340	103.08
Permits/Referrals	1	39	52	19	38	7	10	166	33.20	204	51.00	71	30	94	16	2	213	53.25	583	44.85
RZ	0	2	5	2	1	1	4	15	3.00	22	5.50	6	4	12	2	0	24	6.00	61	4.69
TOTAL	2	133	103	173	119	11	66	607	121.40	737	184.25	165	132	270	50	23	640	160.00	1984	152.62

Application	EX	DE	GB	GM	HO	LA	TH	SUM	FTE	SS	FTE	GL	MA	NP	SA	SP	SUM	FTE	SUM	FTE
OPEN	0	11	10	21	16	4	3	65	13	59	15	13	15	15	8	0	51	13	175	13



Top Priorities Report

Financial Planning Committee

1. Budget 2021/22: Draft 1 Review

Review Draft 1, version 1 of the 2021/22 budget in October 2020.
Review Draft 1, version 2 of the 2021/22 budget in November 2020.

Responsible

Julia Mobbs

Dates

Rec'd: 19-Aug-2020
Target: 14-Oct-2020

2. Budget 2021/22 Public Consultation: Planning

Discussion of the Public Consultation plan will begin at FPC's August 2020 meeting.
Review of planned consultation materials and engagement platforms will continue
at /span>

Responsible

Clare Frater
Julia Mobbs

Dates

Rec'd: 19-Aug-2020
Target: 14-Oct-2020

3. Review Trust Council Policy 7.2.1 Trustee Remuneration

Review Trust Council Policy 7.2.1 Trustee Remuneration against recently released UBCM
'Council and Board Remuneration Guide' to ensure best practices are being followed
with regard to elected official compensation.

Responsible

Julia Mobbs

Dates

Rec'd: 06-Nov-2019
Target: 14-Oct-2020

To: Financial Planning Committee **For the Meeting of:** August 19, 2020
From: Julia Mobbs, Director,
Administrative Services **Date Prepared:** August 13, 2020
SUBJECT: Islands Trust Surplus Funds Discussion

PURPOSE:

At its special meeting in April 2020, Financial Planning Committee (FPC) made the following resolution:
“that the Financial Planning Committee direct staff to prepare a report on the history, intended use and future possibilities for use of the Surplus Fund.”

This resolution was made in response to a discussion related to drawing down on surplus funds to supplement the Islands Trust annual budget to provide tax relief in response to the COVID-19 pandemic, as well as discussion about potentially reducing the minimum balance required in the surplus fund. It was determined that an analysis of the surplus fund was warranted before such draws or policy amendments take place.

BACKGROUND:

A) Terminology

For purposes of shared understanding, the following definitions of commonly used terms in this briefing are provided:

Surplus funds – Unspent funds in a given time period, generated from an excess of revenues over expenditures. Annual surplus is the surplus generated from a single financial year. Accumulated surplus is the accumulation of surpluses from all historical years. For purposes of this report, any reference to ‘surplus’ refers to the accumulated surplus funds.

Reserve funds – Surplus funds that have been earmarked, or reserved, for a specific purpose. Funds are reserved by way of Trust Council (TC) resolution, and may also be ‘unreserved’ in the same manner.

Contribution to Surplus – Funds deposited to accumulated surplus at the end of a financial year. Planned contributions to surplus would be included in the approved budget at the start of the fiscal year, unplanned contributions to surplus generally take place where annual expenditures are less than budgeted.

Appropriation from Surplus – Funds drawn from accumulated surplus to cover expenditures not funded by current year revenues. Planned appropriations from surplus are included in the approved budget at the start of the fiscal year, unplanned appropriations would take place where actual annual spending exceeds budgeted.

B) History and Intended Use of Surplus Funds

Staff have reviewed FPC reports from 2004 to date related to surplus funds to gather an understanding of historical practices and decisions related to Islands Trust surplus funds. Some of these reports provided insights and information on the years prior to 2004 and as such staff did not determine that it was needed to review material further back than that year.

There have been several reviews of surplus funds at various points in time at Islands Trust, including a review in 2006 which encompasses a good amount of information relevant to the current day review. Information from a briefing to FPC dated February 21, 2006 cites the determined rationale for keeping funds in surplus, as follows:

“Why would the Islands Trust need to have an amount in the GRF [General revenue fund]? The answers to this question are as follows:

- 1. to operate without having to borrow funds,*
- 2. to have sufficient funds on hand be able to undertake capital works*
- 3. to have sufficient funds available to undertake necessary legal action*
- 4. the revenues that were collected from taxation in previous years to fund projects or activities that were not completed in that year and will be completed in the next or a future year, the best example of this is the OCP and LUB programs.*
- 5. to accumulate funds for major planned expenditures such as the tri-annual elections*
- 6. to have sufficient funds on hand to offset a sudden loss of revenue.”*

The above noted briefing is attached in Attachment 1: *2006 Briefing Note Re: General Revenue Fund.*

At the time of this historical review, the balance in the general revenue surplus fund (GRSF) was sitting between \$352,181 and \$403,181 which was deemed inadequate to address the above points, especially point 1 regarding the borrowing of funds. As property tax revenues are received by Islands Trust near the end of July in any given year, cash on hand is needed to cover the expenses in the preceding months of the fiscal year (April, May, June, July) to avoid the need for borrowing. At the time of the 2006 review, the estimated cash required to avoid borrowing in these months was \$1.34M, leaving a gap of almost a million dollars between the estimated cash need and the then-current GRSF balance. This analysis generated a desire to bolster the GRSF and resulted in Council decisions to include higher-than-typical tax increases in the following years' budgets: 12.4% in 2006/07; 15.3% in 2007/08; and 6.0% in 2008/09. See Attachment 3 *Approved Budget History 1994/95 – 2020/21* for reference to this historical information, as well as information on approved budget expenditure levels, tax increases/decreases.

Three years later, by the end of fiscal 2008/09, the GRSF fund balance had reached \$1.48M (per the audited financial statements), representing 26% of approved expenditures as opposed to the former 10% of approved expenditures. This 26% represents approximately 3 months of annual spending, which is in line with current policy minimum surplus balance recommendations.

Although the original argument for the surplus balance discussed cash on hand needed for 4 months before property tax receipt, a report to FPC and TC in November 2008 and December 2008 respectively, outlined the fact that many larger expenditures at the Trust tend to be incurred in the latter part of the fiscal year (such as audit fees, insurance costs, project costs), and as such the reserves and surplus policy was amended to reflect a recommended minimum balance in the GRSF based on 3 months of expenses as opposed to 4 months, and also as opposed to a fixed amount. While not mentioned in the former review, it is also worth noting that typically there is a delay in when expenses are incurred and when they are paid, as per normal course of business. As such, payment of expenses from July of any given year may not be paid until August, which also supports rationale for 3 months of expenses in surplus versus 4 months.

C) History of the Surplus Fund Balance versus Cash Balances in Quarter One

The minimum balance in the surplus fund was set based on the aforementioned rationale, at a time when surplus balances were deficient enough that cash available for first quarter payables was inadequate. A comparison of surplus balances versus cash on hand for first quarter payables in more recent years with higher surplus balances in place generates the following information. Note that both cash and short-term investments are considered in this assessment as short-term investments are highly liquid assets that are readily accessible if required.

	31-Jul-20	31-Jul-19	31-Jul-18	31-Jul-17	31-Jul-16
Cash	997,123	1,312,470	714,940	806,338	597,492
ST investments	742,124	577,339	1,519,134	1,511,335	995,750
Total	1,739,247	1,889,809	2,234,074	2,317,672	1,593,242

Based on the above cash and short-term investment information, Islands Trust has not been in danger of exhausting available resources in the first quarter of the fiscal year in the last five years. As such, the changes made to policy as a result of the 2006 review, and the subsequent 2008 amendment to policy have had the desired impact on Trust operations and have even more than adequately addressed the reasons for the creation of the minimum balance.

Islands Trust staff prepare cash flow projections at the start of each fiscal year to facilitate investment decisions. Recent monthly cash flow requirement estimates range from \$620,000 to \$880,000 per month. Based on these estimated monthly cash needs, the July 31, 2020 balance of cash and investments represents an additional 2.0 – 2.8 months of cash flow above requirements. This does not take into account the fact that cash revenue is received on a monthly basis from application fees, interest income, and potential grant funding. As such, there currently appears to be very little risk of the Trust once again finding itself in a place where meeting cash needs in the first quarter is problematic.

D) Use of Surplus Funds

Trust Council policy 6.5.1 *Reserves and Surplus* provides the guidelines under which reserves and surplus should be managed at Islands Trust. This policy can be referenced at Attachment 2 to this briefing.

Section 3.2 of the policy states that *“The General Revenue Surplus Fund may be used to fund significant and/or unanticipated general expenditures, for major emergent operating issues and for onetime and intermittent projects that would create a potential deficit situation at yearend. Trust Council must approve the amount of surplus to be used.”*

Where draft budgets at Islands Trust have generated a deficit, this deficit must be covered by an increase in property taxes or an appropriation from surplus funds. In alignment with Policy 6.5.1 s.3.2, surplus appropriations have generally been allocated to specific projects and initiatives. In the event that the budget still remains unbalanced, an allocation of surplus funds has also been made to cover non-specific ‘general operations’, arguably in keeping with s3.2 when considered ‘significant general expenditures’. As mentioned previously, this practice of covering general operations is not considered a best practice by senior finance staff. This is because general operational expenditures tend to be annual expenditures that will require funding every year. It is not reasonable to expect that surplus funds can cover ongoing annual expenditures in perpetuity, and as such there will come a point where an increase in taxation will likely be required to fund the expense. This has the possibility of resulting in a sizeable increase to taxes in a single year.

E) Budgeted Use of Surplus versus Actual Results

Islands Trust has a history of budgeting for appropriations from surplus to cover annual expenditures. Actual results have tended to vary from budget such that planned appropriations have not been required, and in many instances, a contribution to surplus has resulted at the end of the fiscal year as opposed to an appropriation. In some instances, these contributions have been significant. Historical analysis of planned appropriations from/contributions to surplus and related notes can be found in Attachment 4 *Summary of Historical Surplus Activity*.

What factors have contributed to such sizeable differences between budgeted and actual results? First, the budget is prepared and balanced on a cash-basis, to ensure enough liquid funds are available to cover real spending in any given year. However, year-end financial results are reported on a financial accounting basis, which treats capital asset purchases in a different manner. In the budget, capital assets are recorded as an expense requiring funding; however accounting treatment removes capital assets from expenses and capitalises the asset on the Statement of Financial Position, with the related expense being recorded piecemeal over several years in the form of amortization expense. Consequently, in years where capital assets purchases in the budget are sizeable, the potential for differences between cash basis budgeting and accounting basis actual financial reporting is higher.

Prior to 2010, the treatment of capital assets in the budget (cash basis) and in the financial statements (accounting basis) were largely the same. Accounting standards treated the purchase of capital assets as immediate expenses, and thus when an asset was purchased it was expensed right away with no amortisation taking place over time. This accounting methodology was the same as the budget methodology, so any differences between budgeted surplus appropriations/contributions and actual appropriations/contributions were based purely on actual spending differing from budgeted spending (and/or differences in revenues generated).

Underspending against approved budget has been another factor that has contributed to the increase of the surplus funds over time, despite budgets anticipating appropriations. Where a budget requires an appropriation from surplus to balance, but spending is sufficiently lower than planned, the budgeted appropriation is often not required, and in many cases there is actually contribution to the surplus fund where the budget planned for an appropriation. As budget practices are refined, and spending levels more closely align with plans, this trend may be reduced which could put strain on the ability to maintain minimum recommended surplus balances at current policy levels as well as grow the budget at historical rates.

F) Future Possibilities for Surplus Funds

Future possibilities for surplus funds may include:

No change to current use of surplus funds; no change in policy recommended minimums.

If actual appropriations from surplus continue to be significantly less than planned, and unplanned contributions continue as they have historically, the minimum recommended balance may be precariously maintained, however it is noted that maintaining this minimum balance is becoming more and more difficult as annual expenditures grow. Because the minimum recommended balance is based on planned expenditures, as the budget grows, so does the minimum balance.

A change in policy directing a more limited, or less limited, use of surplus funds in the annual budget.

Amendment to language in Policy 6.5.1 s.3.2 could potentially allow for a stricter use of surplus funds to further limit their use, or a more flexible use of surplus funds.

A change in policy to amend the minimum recommended balance in the general revenue surplus fund.

Discussion has been raised in recent years at various Committee and Council meetings regarding the level of the recommended minimum balance in Policy 6.5.1 and whether or not this amount should be amended to reflect a lesser amount (ie: 2 months instead of 3 months). Based on review of cash

resources available immediately prior to receiving property tax revenues (see section D), amendment of minimum balances would likely not generate risk of running out of cash prior to receipt of tax funds in the fiscal year. Reducing the minimum balance may require greater scrutiny of planned appropriations from surplus at the time of budget development, especially as we begin to see actual financial results more closely align with budget. It should be noted that recent budget years have not been able to achieve the minimum recommended balance and have fallen short by a few percentage points.

ATTACHMENT(S):

- 1. 2006 Briefing Note Re: General Revenue Fund**
- 2. Policy 6.5.1 Reserves and Surplus**
- 3. Approved Budget History 1994/95 – 2020/21**
- 4. Summary of Historical Surplus Activity**

FOLLOW-UP:

Staff will refine analysis and will update to include additional information requested by FPC as directed. Other follow-up as directed.

Prepared By: Julia Mobbs, Director, Administrative Services

Reviewed By/Date:

ISLANDS TRUST BRIEFING

DATE: February 21, 2006

TOPIC: AMOUNT REQUIRED IN THE GENERAL REVENUE FUND (SURPLUS)

DIRECTED TO: Trust Council

CONFIDENTIAL: NO

DESCRIPTION OF ISSUE:

In previous fiscal years the Islands Trust had a combination of general ledger accounts for Surplus and Reserves that made up the General Revenue Fund (GRF). A recent policy decision combined these accounts into one account called the General Fund Fund. However, the GRF is also often referred to as "the Surplus".

The GRF is the money that is set aside for a "rainy day" when unexpected costs appear, or revenues drop in an unplanned manner. The question addressed in this briefing note is: how much money should the Islands Trust have in the GRF?

BACKGROUND:

The balance sheet of any organization must balance, for every debit there is an equal and offsetting credit. Cash, investments, accounts receivable and furniture and equipment are the assets (debits) and these are offset by a combination of liabilities and equity (credits). A well managed and fiscally sound organization will have both liabilities and equity. In local government organizations equity has two components the amount that represents the organizations investment in physical assets and the amount of the general revenue fund aka surplus. Why would the Islands Trust need to have an amount in the GRF? The answers to this question are as follows:

- to operate without having to borrow funds,
- to have sufficient funds on hand be able to undertake capital works
- to have sufficient funds available to undertake necessary legal action
- the revenues that were collected from taxation in previous years to fund projects or activities that were not completed in that year and will be completed in the next or a future year, the best example of this is the OCP and LUB programs.
- to accumulate funds for major planned expenditures such as the tri-annual elections
- to have sufficient funds on hand to offset a sudden loss of revenue

Is the present balance in the General Revenue Fund (GRF) adequate? The simple answer is NO.

The amount of the GRF at March 31, 2006 is estimated to be:

Balance at March 31, 2005 per audited financial statements	\$403,181.00
Estimated excess of expenditure over revenue for 2005/06	<u>-51,000.00</u>
Estimated fund balance March 31, 2006	<u>\$352,181.00</u>

Property taxes are the largest component of the Trust's revenue and they are received in one lump sum in late July or early August and the provincial government grant is received in one lump sum, last year in September. It is a reasonable assumption to assume that all other revenues, fees, sales, interest and other income is received equally each month throughout the year and that all expenses are paid in more or less equal amounts each month. Using the 2005/06 budget as the basis for calculation you get the following estimate of the balance needed in the GRF at March 31 and hence the cash or short term investments that must be on hand to enable the Trust to pay its bills for the 4 months from April 1 until August 1st when the property taxes are received and not have to borrow to do so.

Total budgeted expenditures for fiscal 2005/06		\$4,294,410.00
Less budgeted contribution to reserves, non cash item		<u>-66,000.00</u>
Net budgeted cash expenditures		4,228,410.00
Monthly amount 1/12th		352,367.50
Budgeted Revenue		
Fees and sales	\$150,000.00	
Interest income	45,000.00	
Other revenue	<u>3,500.00</u>	
	198,500.00	
Monthly amount 1/12th		16,541.67
Net amount required each month to pay expenses		335,825.83
Amount needed for April to July, 4 months so 4 x		1,343,303.32

The above amount is the base amount that is needed at the end of the year to enable the trust to pay its bills for the first four months of each fiscal year. By dragging payables this can be reduced somewhat. However this does not leave any extra to pay unbudgeted expenses such as the legal fees that were incurred in the recent Komas Bluffs case on Denman. It does not include the amount of about \$24,000 per year that should be accumulated each year for three years to fund the tri-annual elections for example. It does not include an amount to cover any major capital expenditures for furniture or equipment for new offices or office relocation. It does not include the carry over amounts for incomplete projects such as the OCP and LUB projects. There is also no amount for the rainy day fund or to cover a sudden loss of revenue.

The difference between the estimated balance in the GRF at March 31, 2006 and the balance needed to enable the Trust to pay its bills without borrowing is approximately 1 million dollars. At \$100,000 per year and no draw downs on the GRF it will take until 2016 to build the GRF up to 1.3 million. This is a moving target though as the expenses of the Trust will also increase each year due to inflation.

The problem has been that the GRF has been used to fund expenditures with no related planned surpluses or in the old vernacular contributions to reserves to replenish the fund.

History

The attached appendix gives the history of the GRF since April 1, 1990 when the Trust took over financial operations and responsibilities previously carried out by the Ministry of Municipal Affairs. Reserves were created and were reflected as a liability on the balance sheet until 2001. Generally accepted accounting policies changed and in 2001 the reserves were included in the General Revenue Fund. The various reserve pots were accounted for within the general revenue fund and shown by way of a note to the financial statements. These reserve pots were established by Trust policy in 1992. There was a target set in the policies for the total amount of reserves and surplus needed and that was set at one third of the annual operating budget which equates to the 4 months expenditures needed as noted above. Throughout the years if money was needed to fund an expenditure it was taken from the reserves or surplus. At year end various trust council resolutions would be passed to approve the transfers of funds within the various reserve pots. This in essence was a make work project for staff and the auditors. The reserve policies were rewritten in 2003 and stricter controls were put in place for how the funds could be accessed. The process was that they could only be accessed by a resolution of trust council. The policies retained the historical amounts that had been set when the reserves had been established. Within a few short months funds were needed for a legal matter and funds were taken from the reserves. After much debate the reserve policies were amended and the not withstanding clause was added. It read "the executive committee may, where expediency is necessary, approve adjustments to the budget of up to \$20,000 per instance. Any such adjustment must be reported to Trust Council at the next scheduled Trust Council meeting. In September 2005 Trust Council approved the recommendation of the FPC that the reserve pots no longer be accounted for separately within the general revenue fund and that a report on the adequacy of the general revenue fund be made to Trust Council at the March budget meeting and again in June when the financial statements were presented. The policies were rewritten accordingly and approved at December 2005 Trust Council.

ATTACHMENT(S): Yes. History of GRF balances.

FOLLOW-UP:

The level of GRF contributions will be part of the 2006/07 budget debate at the Trust Council Budget Session March 9/10, 2006.

PREPARED BY: Alison Morse

REVIEWED BY EXECUTIVE COMMITTEE:

SUBMITTED BY: Financial Planning Committee

February 21, 2006

REVIEWED BY: (Chief Administrative Officer)

OTHER REVIEW:

FPC February 21, 2006

Approved Budget History 1994/95 to 2020/21

YEAR	Approved Expenditures Budget	Increase/ (Decrease) \$	Increase/ (Decrease) %	Approved Property Taxes	Increase/ (Decrease) \$	Increase/ (Decrease) % ^①	Islands Trust Municipal Property Taxes ^②	Increase/ (Decrease) \$	Increase/ (Decrease) %	% of Total Approved Budget	Provincial Grant	Increase/ (Decrease) \$ since 1991 ^④	Provincial Grant as % of Budget	Surplus Funds ^⑤	Surplus balance as a % of Approved Expenditures	CPI % ^③
2020/21	8,194,811	254,925	3.2%	6,783,140	86,388	0.3%	303,021	(26,613)	-8.1%	3.7%	180,000	(314,145)	2.2%	1,792,308	22%	3.1
2019/20	7,939,886	(121,248)	-1.5%	6,696,752	195,051	2.0%	329,634	35,701	12.1%	4.2%	180,000	(314,145)	2.3%	1,955,673	25%	2.3
2018/19	8,061,134	357,622	4.6%	6,501,701	189,369	2.0%	293,933	51,253	21.1%	3.6%	180,000	(314,145)	2.2%	1,962,300	24%	1.9
2017/18	7,703,512	411,503	5.6%	6,312,332	62,498	0.0%	242,680	19,262	8.6%	3.2%	180,000	(314,145)	2.3%	2,035,610	26%	1.8
2016/17	7,292,009	102,564	1.4%	6,249,834	61,881	0.0%	223,418	9,652	4.5%	3.1%	180,000	(314,145)	2.5%	2,105,231	29%	1.1
2015/16	7,189,445	130,365	1.8%	6,187,953	61,269	0.0%	213,766	(887)	-0.4%	3.0%	180,000	(314,145)	2.5%	2,062,981	29%	1.0
2014/15	7,059,080	106,888	1.5%	6,126,684	60,660	0.0%	214,653	(10,961)	-4.9%	3.0%	119,122	(375,023)	1.7%	1,991,566	28%	0.0
2013/14	6,952,192	119,719	1.8%	6,066,024	136,826	1.3%	225,614	60,240	36.4%	3.2%	85,184	(408,961)	1.2%	1,818,233	26%	1.3
2012/13	6,832,473	(20,852)	-0.3%	5,929,198	58,842	0.0%	165,374	(55,506)	-25.1%	2.4%	186,998	(307,147)	2.7%	1,879,948	28%	2.1
2011/12	6,853,325	400,351	6.2%	5,870,356	115,275	1.0%	220,880	(3,637)	-1.6%	3.2%	247,710	(246,435)	3.6%	1,879,000	27%	2.1
2010/11	6,452,974	139,938	2.2%	5,755,081	307,890	4.7%	224,517	15,674	7.5%	3.5%	50,545	(443,600)	0.8%	1,903,985	30%	2.0
2009/10	6,313,036	151,087	2.5%	5,447,191	102,935	0.9%	208,843	11,150	5.6%	3.3%	318,331	(175,814)	5.0%	1,695,396	27%	0.4
2008/09	6,161,949	659,495	12.0%	5,344,256	348,461	6.0%	197,693	19,633	11.0%	3.2%	156,000	(338,145)	2.5%	1,631,592	26%	0.8
2007/08	5,502,454	716,662	15.0%	4,995,795	737,918	15.3%	178,060	21,745	13.9%	3.2%	138,000	(356,145)	2.5%	1,192,903	22%	1.6
2006/07	4,785,792	455,382	10.5%	4,257,877	535,112	12.4%	156,315	31,170	24.9%	3.3%	120,000	(374,145)	2.5%	691,110	14%	2.0
2005/06	4,330,410	178,385	4.3%	3,722,765	281,105	6.2%	125,145	12,180	10.8%	2.9%	178,000	(316,145)	4.1%	456,532	11%	2.5
2004/05	4,152,025	205,300	5.2%	3,441,660	317,280	5.2%	112,965	14,155	14.3%	2.7%	236,000	(258,145)	5.7%	403,181	10%	1.8
2003/04	3,946,725	(50,450)	-1.3%	3,124,380	222,510	5.7%	98,810	9,950	11.2%	2.5%	294,000	(200,145)	7.4%	646,311	16%	2.9
2002/03	3,997,175	71,715	1.8%	2,901,870	51,901	-0.2%	88,860	11,031	14.2%	2.2%	352,000	(142,145)	8.8%	697,761	17%	1.6
2001/02	3,925,460	134,580	3.6%	2,849,969	164,296	4.1%	77,829	10,064	14.9%	2.0%	352,000	(142,145)	9.0%	916,178	23%	1.5
2000/01	3,790,880	244,365	6.9%	2,685,673	(208,512)	-9.2%	67,765	67,765		1.8%	352,000	(142,145)	9.3%	874,931	23%	1.3
1999/00	3,546,515	6,925	0.2%	2,894,185	42,750	0.0%					352,000	(142,145)	9.9%	876,226	25%	0.2
1998/99	3,539,590	5,565	0.2%	2,851,435	55,910	1.0%					423,000	(71,145)	12.0%	838,124	24%	0.8
1997/98	3,534,025	(16,300)	-0.5%	2,795,525	155,635	3.9%					423,000	(71,145)	12.0%	704,415	20%	0.9
1996/97	3,550,325	263,290	8.0%	2,639,890	197,790	5.1%					469,435	(24,710)	13.2%	416,493	12%	2.1
1995/96	3,287,035	380,675	13.1%	2,442,100	320,175	10.1%					469,435	(24,710)	14.3%	356,511	11%	
1994/95	2,906,360	2,906,360		2,121,925							469,435	(24,710)	16.2%	149,913	5%	

- The percentage change applies to property owners overall, and includes a reduction based on tax revenue from new construction and land development (non-market growth). Non-market growth reduces tax increases for existing taxpayers. The estimated non-market growth rate for 2020/21 based on BC Assessment data. The yearly property tax impact on individual property owners may vary compared to the overall tax increase depending on a number of factors such as relative changes in assessment values throughout the Trust.
- Bowen Island became an island municipality within Islands Trust in December 1999. In the 2000/01 fiscal year, property taxes for Islands Trust began to be calculated on a different formula as defined in the *Islands Trust Act*. In general, island municipalities within the Trust pay a portion of Trust Council and Trust Conservancy Board costs based on the municipalities' assessed value in proportion to the total assessed value of the whole Trust Area. The relatively large year-to-year increases reflect the increased proportion of the Islands Trust budget devoted to Trust Council and Trust Fund Board.
- Available at <http://www.bcstats.gov.bc.ca/pubs/> using Victoria annual CPI. For the most recent year, the CPI to December of the prior year is used.
- This section of the table shows the decreasing proportion of the provincial grant and the increasing support from Islands Trust property owners, however, it is not intended to infer any direct relationship between tax increases and grant decreases. In 1991, the provincial grant was \$494,145 (or about 32% of expenditures totalling \$1.53 million).
- Surplus Funds are funds kept in reserve to fund operations, elections and any significant unexpected expenses. The minimum level of surplus in the General Revenue Surplus Fund consist of three months of expenses net of three months of revenue, excluding revenue from property taxes or the provincial grant. This minimum balance is guided by Trust Council policy and is at their discretion.

ISLANDS TRUST
GRSF AND SURPLUS HISTORY

As of March 31	Annual surplus (deficit) per FS	Contribution to (Apropriation from) Surplus	Transfer (to) from Capital Fund	Transfer (to) from reserves/ ssiwpa/ ltc projects	Adjustments/ Change in TCA	Notes	Annual Net Change in GRSF	General Revenue Fund Balance	Capital Fund	Invested in TCA	SSIWPA	LTC project specific reserve fund	Fund Balances /Accumulated Surplus balance	Acc. Surplus Change: Increase (Decrease)
Opening balance														
1991	102,358	-	-	-	-		102,358	102,358	-				102,358	
1992	61,914	(86,880)	-	-	-		(24,966)	77,392	86,880				164,272	61,914
1993	1,398	-	-	-	-		1,398	78,790	86,880				165,670	1,398
1994	29,073	(76,790)	-	-	-		(47,717)	31,073	163,670				194,743	29,073
1995	111,210	(20,000)	-	-	27,630	legal	118,840	149,913	183,670				333,583	138,840
1996	295,228	(16,000)	-	(72,630)	-		206,598	356,511	199,670				556,181	222,598
1997	396,932	(158,500)	-	(178,000)	-		60,432	416,943	358,170				775,113	218,932
1998	65,080	(105,500)	-	(238,079)	-		(278,499)	138,444	463,670				602,114	(172,999)
1999	117,232	(40,432)	-	(77,080)	-		(280)	138,164	504,102				642,266	40,152
2000	65,802	(92,330)	-	(30,000)	-		(56,528)	81,636	423,311				504,947	(137,319)
2001	112,769	-	(108,135)	788,661	-		793,295	874,931	473,020				1,347,951	843,004
2002	158,558	-	(117,311)	-	-		41,247	916,178	574,306				1,490,484	142,533
2003	1,629	-	(220,046)	-	-		(218,417)	697,761	775,418				1,473,179	(17,305)
2004	68,970	-	(120,420)	-	(47,976)	change in PSAS - EFBO	(99,426)	598,335	820,930				1,419,265	(53,914)
2005	35,068	-	(230,222)	-	-		(195,154)	403,181	1,001,811				1,404,992	(14,273)
2006	163,838	-	(110,487)	-	-		53,351	456,532	1,041,032				1,497,564	92,572
2007	324,542	-	(89,964)	-	-		234,578	691,110	1,058,026				1,749,136	251,572
2008	653,481	-	(151,688)	-	-		501,793	1,192,903	1,167,481				2,360,384	611,248
2009	409,826	-	(121,237)	-	-		288,589	1,481,492		150,100			1,631,592	(728,792)
2010	63,804	-	-	-	150,100	change in PSAS - TCA	213,904	1,695,396		115,536			1,695,396	63,804
2011	208,591	-	-	-	(114,224)	impact of TCA	94,367	1,789,763		114,224	-		1,903,987	208,591
2012	212,323	-	-	-	114,126	impact of TCA	326,449	2,116,212		84,444	-		2,200,656	296,669
2013	203,067	-	-	-	2,946		206,013	2,322,225		81,498	-		2,403,723	203,067
2014	21,354	-	-	-	21,441		42,795	2,365,020		60,057	-		2,425,077	21,354
2015	41,392	-	-	(42,981)	14,927		13,338	2,378,358		45,130	42,981	-	2,466,469	41,392
2016	53,250	-	-	-	1,509		54,759	2,433,117		43,621	42,981	-	2,519,719	53,250
2017	400,768	-	-	35,875	(21,431)		415,212	2,848,329		65,052	7,106	-	2,920,487	400,768
2018	(71,064)	-	-	130	(60,722)		(131,656)	2,716,673		125,774	6,976	-	2,849,423	(71,064)
2019	21,847	-	-	(59,652)	(201,716)		(239,521)	2,477,152		327,490	24,341	42,287	2,871,270	21,847
2020	11,653	-	-	(139,910)	(130,064)		(258,321)	2,218,831		457,554	85,266	121,272	2,882,923	11,653



BRIEFING

To: Financial Planning Committee **For the Meeting of:** August 19, 2020
From: David Marlor, Director, Local Planning Services **Date Prepared:** August 5, 2020
SUBJECT: **Application Fees Review**

PURPOSE:

To provide an opportunity for the Financial Planning Committee to provide input and comments to the Local Planning Committee on a revised model local trust committee application fee bylaw, and revised local trust committee application services policy.

BACKGROUND:

At its meeting on April 14, 2020, the Financial Planning Committee passed the following resolution:

that the Financial Planning Committee work with the Local Planning Committee in regards to Islands Trust application fees structure.

Attached is a Request for Decision (RFD) that went to the Local Planning Committee (LPC) on July 29, 2020 in regards to a revised Trust Council policy on application services, and a new model Fee Bylaw and model Development Approval Information Bylaw.

Following the meeting, Staff are finalizing the policy and model bylaws as per the recommendations (that were passed by resolution of the LPC) with the following modifications:

- ~ to bullet 2 in the RFD recommendation to reflect higher fees for applications where development has already taken place or triggered by bylaw enforcement, and modification; and
- ~ to bullet 4 in the recommendation so fees may be reduced for temporary use permits for residential uses that increase the availability of affordable housing, for small scale commercial uses that support or create employment or increase food security.

The Local Planning Committee is intending to present the final recommended policy and model bylaws to Trust Council in December. Feedback from the FPC would be forwarded to the LPC and considered in the draft documents.

ATTACHMENT(S):

1. Application Processing Services – RFD – July 29, 2020 – and attachments

FOLLOW-UP:

Any comments provided by resolution of the FPC will be forwarded as a briefing to the next LPC meeting for consideration.

Prepared By: David Marlor, Director, Local Planning Services
Reviewed By: Julia Mobbs, Director, Administrative Services (Briefing cover only)



REQUEST FOR DECISION

To: Local Planning Committee **For the Meeting of:** July 29, 2020
From: Narissa Chadwick **Date Prepared:** July 13, 2020
SUBJECT: Draft Applications Processing Services Policy, Model Fee Bylaw, and Development Approval Information Bylaw.

RECOMMENDATION:

1. That the Local Planning Committee support the revised draft of the Model Fee Bylaw which reflect the following:
 - Fees proposed in the Model Fee Bylaw represent 80% of the average cost of processing for most applications.
 - Fees related to Development Permit Areas (DPAs) for environmental protection be lower than 80% of the average cost of processing to reflect interest in supporting compliance.
 - That the Executive Committee Fee Sponsorship Policy be used to address interests in reduced fees for projects with community/social benefit.
 - Reduced fees for Temporary Use Permits for residential uses that increase the availability of affordable housing.
2. That the Local Planning Committee request staff to revise the Model DAI bylaw to ensure consistency, and with input from all three planning offices.
3. That the Local Planning Committee request staff to report back to the Local Planning Committee at the meeting of November 9th, 2020, with a finalized Application Processing Services, Cost Recovery Agreements and Extraordinary Processing Services Policy incorporating the Model Fee Bylaw and Model DAI bylaw.

PLANNING DIRECTOR COMMENTS:

While this project is not a 2018-2022 Strategic Plan item, the recommended fees for applications, and update to the application processing policy is due for an update.

1 PURPOSE:

The purpose of these recommendation is to clarify the intent of the fee amounts related to the Model Fee Bylaw and address questions that have been raised relating to cost recovery,

difference in fees related to DPAs for environmental benefit and reduction in fees for community/social benefit.

2 BACKGROUND:

At the February 12th, 2020 meeting, the Local Planning Committee endorsed in principle as amended the Model Fee Bylaw, Development Approval Information Bylaw and the consolidated Application Processing Services, Cost Recovery Agreements and Extraordinary Processing Services Policy.

Model Fee Bylaw

To determine fees reflective of actual application processing costs, a substantial review of staff time (identified in model fee bylaw as general service costs) and average direct external costs (identified in the model fee bylaw as estimated direct costs) was undertaken. This review included consultation with planning staff including all three regional planning managers.

An appendix to the Model Fee Bylaw (Attachment 1) breaking down the average costs of each service has been created. This breakdown will assist with identifying refunds for application processes that may be stopped partly through processing. The total costs can be seen as reflecting 80% of the average cost of processing.

As indicated in the Model Fee Bylaw (Attachment 1), the waiving of fees for parts of the development permit application process has been suggested as a way of reducing the total fee to encourage applications that have environmental benefit.

The Regional Planning Managers agree that fees for social/community benefit are best dealt with through application fee sponsorship (Islands Trust Policy 4.1.13). This is reflected in the recommendation.

At the May 20, 2020 Local Planning Committee meeting:

*"It was MOVED and SECONDED,
that Local Planning Committee request staff to include in the Model Fee Bylaw a
separate fee with a lower rate Temporary Use Permit for residential uses that increase
the availability of affordable housing".*

This change has been made to the Model Fee Bylaw (Attachment 1).

Model Development Approval Information Bylaw

The Northern Office is currently looking at revising their DAI bylaws. Their approach is a bit of a departure from what has been put forward as a model DAI Bylaw. This indicates that more time is needed for staff to review the model DAI bylaw before finalizing it.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

The Model Fee Bylaw will contribute to consistency with respect to applications fees for all Local Trust Committees.

FINANCIAL:

Fees will increase to cover more of the processing costs than they currently do. There will be a cost for the legal review of the model fee bylaw.

POLICY:

The model Fee Bylaw and model Development Approval Information bylaw will be attached to a revised Application Processing Services policy, that will incorporate and replace the current Application Processing Services, Cost Recovery Agreements and Extraordinary Processing Services Policies.

IMPLEMENTATION/COMMUNICATIONS:

The consolidated application processing policy and model bylaws will be updated and forwarded to Trust Council for approval.

FIRST NATIONS:

None.

OTHER:

None.

4 RELEVANT POLICY(S):

- 5.6.1 Application Processing Services
- 5.6.2 Cost Recovery Agreements
- 5.6.3 Extraordinary Processing Services Guidelines

5 ATTACHMENT(S):

- 1. Draft Application Processing Services Policy
- 2. Draft Model Fee Bylaw
- 3. Draft Model DAI Bylaw

RESPONSE OPTIONS

Recommendation:

- 1. That the Local Planning Committee support the revised draft of the Model Fee Bylaw which reflect the following:
 - Fees proposed in the Model Fee Bylaw represent 80% of the average cost of processing for most applications.
 - Fees related to Development Permit Areas (DPAs) for environmental protection be lower than 80% of the average cost of processing to reflect interest in supporting compliance.
 - That the Executive Committee Fee Sponsorship Policy be used to address interests in reduced fees for projects with community/social benefit.
 - Reduced fees for Temporary Use Permits for residential uses that increase the availability of affordable housing.
- 2. That the Local Planning Committee request staff to revise the Model DAI bylaw to ensure consistency, and with input from all three planning offices.
- 3. That the Local Planning Committee request staff to report back to the Local Planning Committee at the meeting of November 9th, 2020, with a finalized Application Processing Services, Cost

Recovery Agreements and Extraordinary Processing Services Policy incorporating the Model Fee Bylaw and Model DAI bylaw.

Alternative:

1. That the Local Planning Committee direct staff to make changes to the Draft Model Fee Bylaw as follows....
2. That the Local Planning Committee direct staff to pause work on the Draft Model Fee Bylaw until the review of hours spent on application processes is complete.
3. That the Local Planning Committee direct staff to explore amendments to the Executive Committee Fee Sponsorship Policy to address the reduction in fees for Temporary Use Permits for residential uses that increase the availability of affordable housing and other applications that provide social, cultural and environmental benefit such as.....

Prepared By: Narissa Chadwick RPP, Island Planner

Reviewed By/Date: David Marlor, Director, Local Planning Services/July 21, 2020



Policy:	5.6.1
Approved By:	Trust Council
Approval Date:	March 13, 1993
Amendment Date(s):	June 13, 2002; June 10, 2004 _____, 2020
Policy Holder:	Director of Local Planning Services

APPLICATION PROCESSING SERVICES AND DEVELOPMENT APPROVAL INFORMATION POLICY

Purpose

This policy is intended to identify the services provided by the Islands Trust and the different levels of costs associated with these services. It provides direction for the preparation of Fee Bylaws and Schedules by different Local Trust Committees.

This policy also includes direction related to development approval information required to be submitted as part of the application process.

Application Processing Services and Costs Defined

Application Processing Services include:

Bylaw Amendments to an official community plan, zoning bylaw, subdivision bylaw or other land use bylaws.

Development Application Requests for Development Permits, Development Variance Permits, Temporary Use Permits, Soil Removal and Deposit Permits, Heritage Alteration Permits, Board of Variance orders, Liquor Licensing Permits, Cannabis Licensing Permits and Siting & Use Permits, Land Use Contracts

Agency Referral Responses and Comments on applications referred from other agencies

Services Levels include:

Information Service which involves providing an information service to applicants and the general public at no cost, as a public service, and funded by property taxation revenues (see 1.1)

Processing Service which involves providing a specific service to applicants as a direct response to an application, whether directly to the Islands Trust or through a referral from another agency, and primarily funded by established fees paid by an applicant (see.1.3)

Extraordinary Processing Service is a service provided to the applicant that is beyond the standard processing service with funding provided by the applicant as a deposit with the application fee or through a cost recovery agreement (see 2)

Costs:

General Service Costs include staff time needed to process the application.

Estimated Direct Costs include: advertisements, delivery of notices, hall rentals, minute taking at public hearings and community information meetings, staff travel to attend public hearings and community information meetings.

Extraordinary Processing Costs include costs beyond the standard processing service such as additional community information meetings, review of technical reports provided by specialists hired by the applicant and specific legal services such as the preparation and registration of legal documents and the acquisition of legal advice.

1. Standard Application Processing Services

Applicants are responsible for paying different rates based on the level of service. The details involved in each levels of a standard application processing service are identified below.

1.1 Information Service – No Fee Required

Information services are considered a public service. Information services include:

- 1.1.1 **providing information** on application process requirements including a meeting with staff
- 1.1.2 **providing assistance** to complete an application
- 1.1.3 **determination** of applicable fees
- 1.1.4 **identification** of easily identifiable issues to be addressed.

1.2. Initial Application – Application Fee Required

For rezoning applications, temporary use permit applications, development variance, development permit, liquor and cannabis retail license application and strata conversion applications, the application fee covers the following services:

- 1.2.1 comprehensive staff assessment
- 1.2.2 staff reports
- 1.2.3 discussion between planners and applicant throughout process

1.3 Processing Service – Application Fee Required

Listed below are specific processing services that will be provided to an applicant who has paid an application fee:

- 1.3.1 comprehensive staff assessment including site visit where required
- 1.3.2 one staff report (for applications with an initial application fee, this is in addition to a staff report under that fee)

- 1.3.3 discussion between planners and application throughout process
- 1.3.4 staff referral to other agencies, advisory planning commissions, and analysis of their comments
- 1.3.5 bylaw or resolution drafting, including review for compatibility with Trust Object and policies and the relevant Official Community Plan
- 1.3.6 staff report with recommendation for local trust committee (LTC) approval consideration
- 1.3.7 processing bylaws through Executive Committee for approval consideration, if necessary
- 1.3.8 forwarding to Minister of Municipal Affairs and Housing for approval consideration, if necessary
- 1.3.9 adoption of all bylaws or issuing of permits as required

1.4 Public Hearing – Application Fee Required

Services related to Public Hearing that will be provided to an applicant who has paid an application fee includes:

- 1.4.1 conducting one public hearing with staff present (includes staff time, staff travel costs and estimated direct costs such as meeting place rental, newspaper notice of public hearing, minute taker fee, delivery of notices when needed)

1.5 Community Information Meeting – Application Fee Required

Services that will be provided to an applicant who has paid an application fee include:

- 1.5.1 conducting one community information meeting with staff present (includes staff time, staff travel costs and estimated direct costs such as meeting place rental, and delivery of notices when needed)

2. Extraordinary Processing Services Identification and Fees

Extraordinary Processing Services are services provided to the application that are beyond the standard processing services identified in 1.1- 1.5. Applicants are responsible for paying fees for extraordinary processing services.

2.1 Role of LTC in Determining Necessity for Extraordinary Services

Local trust committees (LTC) can determine the necessary requirements for processing applications. These requirements may necessitate extraordinary processing services, where:

- 2.1.1 the actual or estimated processing service level costs are in excess of the costs of a standard application fee for a similar process because of additional requirements such as: additional public consultation, complex covenant requirements or extensive staff time; or
- 2.1.2 the processing requirements include services that require services obtained from professions outside the Islands Trust such as special technical assistance and/or specific legal services.
- 2.1.3 the processing requirements include First Nations site visit(s)
- 2.2 The Regional Planning Manager is responsible for assisting LTCs in identifying and costing extraordinary processing service requirements and advising the LTCs of the options available to handle these requirements.
- 2.1.3 The Regional Planning Manager is responsible for ensuring that complex service requirements include terms of reference which outline detailed criteria and parameters for the extraordinary services that are required.

2.2 Provision of Extraordinary Processing Services

- 2.2.1 Extraordinary processing services can be provided:
 - 2.2.1.1 directly by the applicant as an additional amount provided to the Islands Trust above the applicable standard fee or,
 - 2.2.1.2 by the Islands Trust via a cost recovery agreement, with costs to be paid by the applicant, in addition to the applicable standard fee.
- 2.2.2 With respect to both options noted above, a resolution of the LTC, following the recommendation of the regional planning manager is required to proceed.
- 2.3.3 When extraordinary processing service requirements have been identified, the applicant should be advised by staff that the application cannot be processed until additional funds are provided by the applicant or a cost recovery agreement with the Islands Trust is signed and a security deposit has been received.

3. Extraordinary Services Cost Recovery Agreements

3.1 Extraordinary Services Cost Recovery Agreement Policy

The Extraordinary Services Cost Recovery Policy is intended to provide the principles by which cost recovery for extraordinary services beyond the standard fee can be negotiated and agreed to by an applicant and a local trust committee (LTC).

- 3.1.1 Cost Recovery Agreements are voluntary on the part of the applicant.

- 3.1.2 Cost recovery reflects a service level which includes the extraordinary services needed to undertake the approval process for a complex application.
- 3.1.2 Agreements will endeavour to recover all costs of processing that exceed the standard costs of processing services.
- 3.1.3 The existence of a Cost Recovery Agreement will not fetter a LTC's discretion with respect to an application before the committee.
- 3.1.4 Authority for negotiating Cost Recovery Agreements is provided within the respective LTC fees bylaws.
- 3.1.5 Cost Recovery Agreements will proceed only by resolution of the LTC after consultation with the Regional Planning Manager, except in situations where an applicant is seeking to discuss an issue directly with Islands Trust legal advisors, in which case the Director of Local Planning Services may approve the cost recovery agreement.
- 3.1.6 The cost recovery agreement letter will be submitted, together with the recommendation of the Regional Planning Manager and the LTC resolution, for approval by the Director of Local Planning Services (or designate) prior to final agreement with the applicant.

3.2 Services Requiring Extraordinary Services Cost Recovery Agreement

The service identified below are services considered to be beyond the scope of a standard processing service. These services require payment, in addition to standard application fees established in the Fee Bylaw, of additional fees based on a cost recovery agreement between the Islands Trust and an applicant:

- 3.2.1 Staff time required for covenant development (note some covenants have existing templates generally vetted by legal counsel)
- 3.2.3 Staff time to attend more public consultation meetings including community information meetings, advisory planning commission meetings and public hearings than that already covered by the standard application fee
- 3.2.4 Technical assessments or studies as required by the local trust committee
- 3.2.5 Retaining special technical assistance required by the local trust committee
- 3.2.6 Additional legal counsel services required for the application not covered under the estimated direct costs of the fee bylaw
- 3.2.7 Process agreement negotiation

- 3.2.8 First Nations site visits
- 3.2.9 Other resources and/or services required by the local trust committee to process the application not covered by the fee bylaw

4. Funding Basis and Fee Adjustments

- 4.1 Application processing services are funded primarily through fees, as per a LTC's Fees Bylaw. Local trust committee should adopt a Fee Bylaws consistent with the model fee bylaw in attachment 1.
- 4.2 Standard fees in Fee Bylaw are to be based on average processing costs, as per Section 462 of the *Local Government Act*, Section 41 of the *Liquor Control and Licensing Act*, Section 35 of the *Cannabis Control and Licensing Act*. Standard fees are calculated as the product of staff labour costs multiplied by processing time (including Planner and administrative support). Standard application fees include estimated direct costs.
- 4.3 A local trust committee may enact variances to Trust Council's Model Fee Schedule of up to 20% when adopting a local trust committee fees bylaw. The following criteria must be considered when evaluating a fee variance:
 - 4.3.1 The level of community/environmental benefit offered by the type of application;
 - 4.3.2 Variances in direct costs (e.g. hall rental)
 - 4.3.3 An amendment to an approved application occurring within 6 months of the approval date.
- 4.4 Variance to a fees bylaw must be adopted by bylaw amendment. All LTC fees bylaws and fees bylaw amendments must be approved by the Executive Committee before adoption by a LTC.

5. Application Fee Sponsorship

- 5.1 If eligible, as identified in Islands Trust Policy 4.1 xii, the applicant may apply to the Trust Council Executive for development application fee sponsorship. This opportunity exists for:
 - 5.1.1 Non-profit organization
 - 5.1.2 Organizations seeking to establish, expand or modify a facility for the benefit of the community at large and consistent with the goals of the Official Community Plan (OCP)

- 5.1.3 An established or establishing institution supported by taxpayers that is seeking to establish, expand or modify a community facility
- 5.1.4 An applicant seeking to implement specific objectives of an OCP with broad community benefits

6. Development Approval Information

- 6.1 The Development Approval Information Bylaw (DAI) provides a mechanism to ensure that the local trust committee receives appropriate reports and documentation from applicants to support rezoning, temporary use permit and development permit applications.
 - 6.1.1 DAI bylaws reduce operational costs by ensuring that applications are complete, and the information provided is appropriate.
 - 6.1.2 Local trust committee should adopt a development approval bylaw consistent with the model development permit information bylaw in Attachment 2.

Legislated References

Local Government Act, S.462

Local Government Act, S.486

Liquor Control and Licensing Act, S.41

Cannabis Control and Licensing Act, S.35

Attachments

1. Model Fee Bylaw
2. Model Development Approval Information Bylaw

**XXX LOCAL TRUST COMMITTEE
BYLAW NO. XX**

A BYLAW TO PRESCRIBE FEES FOR AMENDING BYLAWS, ISSUING PERMITS, EXAMINING APPLICATIONS FOR
SUBDIVISION, AND EXAMINING OTHER REFERRALS AND APPLICATIONS

WHEREAS Section 462 of the *Local Government Act* provides that a local government may, by bylaw, impose fees related to applications and inspections and Section 41 of the *Liquor Control and Licensing Act* and Section 35 of the *Cannabis Control and Licensing Act* provides that a local government may, by bylaw, impose fees on an applicant for a license under that Act.

NOW THEREFORE the XXX Local Trust Committee, being the Local Trust Committee having jurisdiction in respect of the XXX Local Trust Area in the Province of British Columbia pursuant to the *Islands Trust Act*, enacts as follows:

1. Citation

1.1 This bylaw may be cited as the "XXX Local Trust Committee Fees Bylaw, XXX".

2. Interpretation

2.1 In this bylaw:

"Applicant" means:

- 2.1.1 the person authorized under the _____ Island Local Trust Committee Procedures Bylaw No. _____, _____ to make an application in respect of a bylaw or permit under the *Islands Trust Act* or Part 14 or Part 15 of the *Local Government Act*;
- 2.1.2 an applicant for a license under the *Liquor Control and Licensing Act* in respect of which the Local Trust Committee is requested or required to provide comments or recommendations;
- 2.1.3 an applicant for a license under the *Cannabis Control and Licensing Act* in respect of which the Local Trust Committee is requested or required to provide comments or recommendations;
- 2.1.3 an applicant for subdivision review under the *Land Title Act* or the *Strata Property Act*;
- 2.1.4 an applicant for the conversion of a previously occupied building to strata lots under the *Strata Property Act*;

2.1.5 an applicant for a soil deposit permit or soil removal permit issued pursuant to a bylaw enacted under Part 14 of the *Local Government Act*; or

2.1.6 an applicant to a board of variance established under Part 14 of the *Local Government Act*.

“Application Processing Fee” means the monetary amount payable to the “Islands Trust”.

“General Service Cost” means the average cost of staff time for processing, inspection, advertising and administration of an application.

“Estimated Direct Costs” means the Islands Trust’s estimate of its actual average cost of disbursements associated with the processing of an application, including newspaper advertising, notifications, postal and delivery costs of statutory notifications, rental of premises for meetings or hearings, contract minute-taker costs recording or preparation of minutes of meetings or public hearings and staff travel expenses.

“Islands Trust” means the Director of Local Planning Services or the Director of Local Planning Services authorized representative.

3. Application Fees

3.1 Prior to the processing of an application listed in Column 1 of Table 1, Table 2, Table 3 or Table 4 the applicant must deliver to the Islands Trust the corresponding application processing fee in the amount shown in Column 2. The application fee includes general service costs and estimated direct costs (see Appendix 1 for breakdown).

TABLE 1 –Bylaw Amendments (OCP and Zoning Bylaw)_	
Column 1 Type of Application	Column 2: Fee
Major (e.g. change to density or land use designation)	\$7,500
Minor (e.g. policy change without changing density or land use designation)	\$4,500

TABLE 2 – Permits	
Column 1: Development Permit in Respect of	Column 2: Fee
Protection of Natural Environment, Ecosystems and Biological Diversity	\$1,000
Protection of Development from Hazardous Conditions	\$1,000
Protection of Farming	\$1,000

Objectives for Form and Character	\$1,700
Objectives to Promote Energy Conservation	\$1,000
Objectives to Promote Water Conservation	\$1,000
Objectives to Promote the Reduction of Greenhouse Gas Emissions	\$1,000
Development Permit Amendment	\$1,000
Type of Development Variance Permit	Fee Amount
Development variance permit (commercial, industrial or institutional development)	\$1900
Development variance permit (residential development)	\$1900
Type of Temporary Use Permits	Fee Amount
Temporary Use Permit (residential/commercial/industrial)	\$2150
Temporary Use Permit for residential uses that increase the availability of affordable housing	\$1000
Temporary use permit renewal	\$1150
Other Permits	Fee Amount
Siting and Use Permit	\$1,250
Heritage Alternation Permit	\$1,700
Combination Applications	
Development Permit in respect of a protection areas or water and energy conservation in combination with a companion application for a Development Variance Permit	\$2,500
Development Permit in respect of form and character in combination with a companion application for a Development Variance Permit	\$3,000

TABLE 3 – Column 1: Subdivision Referrals	Column 2: Fees
Application for Subdivision Review – base fee	\$1,000
Application for Subdivision Review – parcel line adjustments only, creating no additional parcels	\$500

TABLE 4 – Other Applications

Column 1: Type of Application	Column 2: Fees
1. Board of Variance	\$2,200
2. Land Use Contract amendment	\$2,000
3. Liquor & Cannabis Regulation Branch – Retail Licence Application and Process	\$1,500
4. Liquor & Cannabis Regulation Branch – Temporary License Change	\$500???
5. Strata Conversions	\$1,500

4. Collection and Refund of Application Processing Fee Amounts

- 4.1 The total application processing fee must be received before the processing of the application can begin.
- 4.2 An application administration fee of \$100.00, a portion of the fee referred to in Table 1, is not refundable in any event.
- 4.3 An application administration fee of \$50.00, a portion of the fee referred to in Table 2, Table 3, and Table 4, is not refundable in any event.
- 4.4 If an application is withdrawn before staff undertakes any planning work on the application, the Islands Trust must refund to the applicant the Application Fee less the non-refundable administration fee portion.
- 4.5 If an application process is started but not completed, fees associated with the parts of the process that have not been executed will be refunded in accordance with Appendix 1.

5. Extraordinary Service Costs (ESC)

- 5.1 Extraordinary Services Costs will be paid:
 - 5.1.1 By the applicant as an amount paid to the Islands Trust in addition to the application processing fee; or
 - 5.1.2 By the applicant through a cost recovery agreement entered into the with the Islands Trust,

in addition to the application processing fee.

- 5.2 Where legal work is required for the preparation of covenants, registration of covenant at Land Title Offices, registration of notice of a permit or housing agreement at the Land Title Office or for other purposes related to the application, staff will provide the Applicant with an estimate of the costs. The Applicant will pay a deposit of 100% of this estimate.
- 5.3 Where site visits involving First Nations are required for the processing of an application, staff will provide the Applicant with an estimate of the costs. The Applicant will pay a deposit of 100% of this estimate.
- 5.4 Where there may be need for additional community information meeting or public hearing not covered by the application processing fee, staff will provide an estimate of costs. The Applicant will pay a deposit of 100% of this estimate.
- 5.5 Where other additional costs beyond the general service costs and estimated direct costs not specified above that are required for processing of an application, staff will provide the Applicant with an estimate of the costs. The Applicant will pay a deposit of 100% of this estimate.
- 5.6 If the amount paid by the Islands Trust in respect of Extraordinary Service Costs is less than the deposit provided to the Islands Trust, the Islands Trust shall provide the Applicant with the amount and the application shall pay the amount upon receipt. The local trust committee may withhold the consideration of issuance of any permit or hold the consideration of adoption of any bylaw in abeyance until the amount has been paid.
- 5.7 The Islands Trust must refund the unused portion of any Extraordinary Service Costs deposit to the applicant if it is unused for any reason.

6. Annual Fee Increases

- 6.1 Application fees will increase by 2% on April 1st of each year following the date of adoption of the bylaw.
- 6.2 Should the annual rate of inflation be under 2%, the increase in application fees will be made to match the rate identified by Canadian Consumer Price Index (CCPI).

7. Application Fee Sponsorship

- 7.1 Pursuant to Islands Trust Policy 4.1 xii, an applicant may apply to the Executive Committee of the Islands Trust for development application fee sponsorship.

Appendix 1: Application Processing Costs

Appendix 1 provides the estimates of the average costs of processing, inspection, advertising and administration of applications. The table shall be used to calculate refunds pursuant to section 4.5 of the Fees Bylaw.

Bylaw Amendments (includes rezoning, minor amendments)

Application Processing Fee Estimates	
Service	Average Cost
Application administration, initial review and communication with planner	\$500
Site visit	\$250
Staff Report X 5 (\$500 per staff report)	\$2500 (minor=1x\$500)
Drafting of bylaw (includes review for compatibility with IT Policy Statement and relevant OCP polices)	\$250
Bylaw referrals	\$250
Statutory notification	\$250
Two newspaper notices	\$400
Community Information meetings (2, one in conjunction with Public Hearing)	\$1000 (minor= \$0)
Public Hearing	\$1500
Post Public Hearing (PH) Application Processing Fee Estimates (for applications requiring PH)	
Referral to Executive Committee, First Nations and other agencies	\$200
Referral to Minister of Municipal Affairs	\$200
Bylaw adoption	\$200
Total	\$7500 (minor = \$4,500)

Temporary Use Permit/ Development Variance Permit

Item	Estimated Cost
Application Processing Fee Estimates	
Application Initiation	\$500 (renewal \$250)
Site visit	\$250 (renewal \$0)
Staff Report	\$500 (renewal \$250)
Draft Permit	\$250 (renewal \$0)
Statutory notification	\$250
Newspaper Notice (TUP only)	\$200
Issuance of permit	\$200
Total (TUP)	\$2150 (renewal \$1,150)
Total (DVP)	\$1900 (renewal \$950)

Development Permit

In order to encourage the application for development permits associated with environmental benefit some parts of the general service costs can be waived as indicated.

Item	Estimated Cost
Application Processing Fee Estimates	
Application Initiation	\$500 (environmental benefit \$0)
Site visit	\$250
Staff Report	\$500
Draft Permit	\$250
Issuance of Permit	\$200 (environmental benefit \$0)
Total	\$1700
Total (environmental benefit)	\$1000

Costs Associated with Community Information Meetings and Public Hearings

The tables below provide a breakdown of the costs associated with community information meetings and public hearings.

Costs Associated with Community Information Meeting

Item	Estimated Deposit Values
Newspaper notice (per publication)	\$200
Hall Rental	\$100
Minute Taker	\$200
Staff Travel Costs to attend meeting that is not part of a regular Local Trust Committee meeting.	\$500
Total	\$1000

Costs Associated with Public Hearing

Item	Estimated Deposit Value
Newspaper notice in Gulf Islands Driftwood X 2	\$1000
Notice in local publications	\$200
Hall rental	\$100
Minute taker	\$200
Total	\$1500

Model Development Approval Information Bylaw

ISLANDS TRUST COUNCIL

BYLAW NO. ____

A Bylaw to Establish Procedures and Policies for Requiring Development Approval Information for the _____ Island Local Trust Area

WHEREAS the _____ Island Local Trust Committee, pursuant to ss. 484 and 485 of the *Local Government Act*, has specified in an official community plan areas and circumstances for which development approval information may be required;

NOW THEREFORE the Islands Trust Council, pursuant to sections 486 of the *Local Government Act* and s. 29(3.1) of the *Islands Trust Act*, enacts as follows:

PART 1 TITLE

1. This bylaw may be cited for all purposes as "____ Island Local Trust Committee Development Approval Information Bylaw No. ____, 20__".

PART 2 PURPOSE

2. The purpose of this bylaw is to allow the Local Trust Committee to obtain information on the anticipated impact of proposed activities or development on the community.

PART 3 DEFINITIONS

3. In this Bylaw, the following definitions shall apply:

"Agriculture Impact Assessment" means an assessment and identification of potential impacts on agricultural activities or water supplies on adjacent land that is zoned for agriculture or located within the Agricultural Land Reserve (ALR), and includes a summary of the methodology used to assess pre-development conditions, potential post-development impacts as well as recommended mitigation measures.

"Business Day" means a day that is not Saturday or Sunday or a public holiday in the province of British Columbia.

"Conservation Assessment" means an evaluation to identify environmentally valuable features on or near the proposed development based on current best practices, such as, but not limited to, the "Resources Information Standards Committee Standards for Describing Terrestrial Ecosystems in the Field" and "Best Management Practices for Raptor Conservation during Urban and Rural Land Development in British Columbia."

“Development Application” means an application for:

- (a) an amendment to a zoning bylaw;
- (b) a development permit; or
- (c) a temporary use permit,

“DAI Report” means a report that contains the information and assessments required for a decision on the approval of a *Development Application*.

“Impact Mitigation Measures” means recommended measures to limit, mitigate and manage the impacts of the proposed development on terrestrial, aquatic, and marine habitats, as well as geomorphic, hydrological and coastal processes, and includes a description of mitigation measures and their anticipated effectiveness in maintaining the health, form and function of environmentally valuable features.

“Lighting Assessment” means an assessment and identification of lighting impacts due to spillage and includes a summary of the methodology for assessing pre-development light levels and for estimating post-development light impacts and recommended mitigation measures.

“Monitoring Requirements” means any recommended *monitoring requirements*, identifying actions that will be taken to ensure all proposed activities are completed as described, including a monitoring schedule and process for resolving any non-compliance.

“Noise Assessment” means an assessment and identification of noise generated by the proposed development, and includes a summary of the methodology used to measure predevelopment noise levels and to estimate post-development noise levels impacts and recommended mitigation measures.

“Preliminary Water Supply Study” means a preliminary water supply study prepared by a professional (civil) engineer to assess whether sufficient groundwater supply is available to support all water demand types for the proposed development in accordance with the requirements of the regional health authority. Where the total water demand for a proposed development exceeds groundwater supply, as set out in the provincial *Design Guidelines for Rural Residential Community Water Systems*, the preliminary water supply study shall:

- (d) identify all proposed water sources;
- (e) identify how each type of water demand will be serviced;
- (f) estimate the total number of occupants the available water sources will support based on the sustainable yield of any on-site wells and use of supplementary water sources (e.g., greywater, rainwater); and
- (g) estimate how many dwelling units the proposed water supply system would service based on occupancy rates consistent with regional health authority rates.

“Professionally certified” means a professional certification by a Qualified Environmental Professional that they are qualified to carry out the assessment and that appropriate assessment methods have been followed in the preparation of a professional opinion in an evaluation and impact assessment report.

“Restoration Assessment” means an assessment with recommended actions to restore or enhance ecosystem functions or habitat that have been degraded prior to or as a result of development or that would be impacted by the proposed development.

“Site Background Analysis” means a *site background analysis* that is based on applicable databases such as, but not limited to, the Species and Ecosystems Explorer Tool and the Sensitive Ecosystem Inventory from the Ministry of Environment, and the Wildlife Tree Stewardship Atlas from the Community Mapping Network, and includes a description of the context of the site, including the use of adjacent lands and proximity to protected areas and a check for water licenses, and the results from a site assessment for observed species and ecosystems at risk, and a site assessment for the presence of raptor and heron nests and the presence of fish-bearing watercourses.

“Site Impact Assessment” means an assessment of the nature and extent of the impact of the existing or proposed development, in particular, anticipated impacts on identified site conditions, including but not limited to:

- marine
- aquatic habitat;
- terrestrial habitat;
- site hydrology;
- marine sediment transport;
- aquatic sediment transport; and,
- public access to and along the foreshore, and includes impacts stemming from the construction phase, the intended long-term use of the site, and any cumulative impacts of development in the area, and the identification of potential impacts on adjacent sites and proximate sensitive areas.

“Site Inventory” means a *site inventory* providing information on the following:

- existing plant communities;
- marine habitats;
- aquatic habitats;
- terrestrial habitat;
- current on-site and adjacent land uses;
- slope stability;
- erosional processes;
- hydrology;
- topography;
- aquatic sediment transport
- and marine sediment transport.

The *site inventory* may require the involvement of several suitably qualified professionals.

“Site Plan” means *site plan* prepared and signed by a BC land surveyor or other professional as approved by the officer, at an appropriate scale, delineating the proposed development and associated features, including:

- topographic features showing natural slope contours at appropriate contour intervals;
- significant natural features;

- the development permit area boundary;
- current and proposed buildings, structures, signage, and all supporting infrastructure;
- roads, driveways, vehicular and bicycle parking areas, and loading areas; - proposed site grading and post development contours.

“Vegetation Assessment” means an assessment and identification of vegetative screening for adjoining lands, including agricultural land, parking lots, loading docks and service infrastructure; potential impacts to viewsheds of neighbouring properties, harbours and/or uplands, and includes a summary of the methodology used to assess pre-development conditions and for identifying post-development impacts and recommended mitigation measures.

“Watercourse Assessment” means an identification and assessment of any proposed changes to existing natural and human made watercourses, as well as potential drainage hazards to the surface and groundwater that may affect the subject site and neighbouring properties, and includes a summary of the methodology and the level of field work, statements demonstrating that pre and post development flows remain constant, inclusion of any off-site drainage hazards mitigation, and identification of maintenance requirements.

PART 4 APPLICATION

4. This Bylaw applies to all *Development Applications*, subject to the exceptions listed in this Bylaw.
5. Any application for an activity or development that is a reviewable project under the *Environmental Assessment Act* is exempted from this Bylaw.

PART 5 PROCEDURE

6. An official assigned from time to time to provide planning services to the _____ Island Local Trust Committee is the official for the purposes of this bylaw.
7. Where a *DAI Report* is required, the information for the *DAI Report* shall be provided to the official by the applicant and at the applicant’s cost.
8. The applicant shall provide the *DAI Report* to the official in the format specified by the official. The official may determine that all or part of the *DAI Report* shall be provided in digital form.
9. The official may, on a case-by-case basis and at their sole discretion, amend, alter or delete specific requirements for a particular *DAI Report*. Any amendments to the requirements for a particular *DAI Report* must be communicated by the official to the applicant in writing.
10. Within 30 *Business Days* of receipt of a complete application, the official shall determine to what extent development approval information will be required in accordance with this bylaw and shall communicate the requirement to the applicant in writing.

11. An applicant may only request that the Local Trust Committee reconsider a decision of an official under this bylaw within 30 *Business Days* of the date on which the official's decision is communicated to the applicant.
12. A request for reconsideration must be delivered in writing to the Legislative Clerk and must set out the grounds on which the applicant requests a reconsideration of a decision and what, if any, requirement the applicant considers the Local Trust Committee ought to substitute.
13. The Legislative Clerk must place the request for reconsideration on the agenda of the next meeting of the Local Trust Committee following the date on which the request for reconsideration was delivered, provided the request is received at least 10 *Business Days* prior to that meeting.
14. The Legislative Clerk must reasonably notify the applicant and any other person who the Legislative Clerk reasonably considers may be affected by the reconsideration, of the date of the meeting at which the reconsideration will occur.
15. At the meeting, the Local Trust Committee may either confirm the requirement or decision of the official or substitute its own requirement or decision.

PART 6 DEVELOPMENT PERMIT APPLICATION REQUIREMENTS

16. For *Development Applications* that require implementation of a water supply system, the official may require a *Preliminary Water Supply Study*.
17. For *Development Applications* in respect of **Development Permit Area ___ – _____**, as designated in the Official Community Plan and in accordance with sections 488 of the Local Government Act, the *DAI Report* shall contain the following information:
 - a. Description of the proposed development including illustrations drawn to appropriate scale that show building siting, massing, scale and modulation
 - b. *Site Plan*
 - c.
18. For *Development Applications* in respect of **Development Permit Area ___ – Riparian Areas**, as designated in the Official Community Plan and in accordance with section 488 (1)(a) of the *Local Government Act* for protection of the natural environment, the *DAI Report* shall contain the following information:
 - a. Description of the proposed development detailing construction methodology, cut and fill, blasting, road or driveway construction, vegetation clearing, alteration to hydrological systems, alterations affecting the watercourse, sewage disposal system installation, landscaping, or other land alteration during or after the development phase, as well as identification of alternative development option;
 - b. *Site Plan* that contains the following additional information:
 - the development area boundary;
 - the locations of the top of bank and high water marks;
 - Streamside Protection and Enhancement Areas (SPEA) widths;

- Site profiles and cross sections demonstrating terrain conditions prior to disturbance and intended conditions post development shall be included.
- c. *Site Inventory* that includes additional information about the biological function of the riparian zone, including species of fish that frequent the waterbody, stream magnitude and values of connected downstream habitat;
- d. For any impacted streams, as defined under the *Riparian Areas Protection Regulation*, an assessment of the nature and extent of the impact of the proposed development that includes the following information: the results of a riparian assessment using a detailed or simple assessment as indicated in *the Riparian Areas Protection Regulation*, and establishing the SPEA width for the subject parcel as well as a description of all measures that will be taken to maintain and protect the SPEA from development, including, where appropriate, assessment (ii) and treatment of danger trees, windthrow, slope stability, tree protection during construction, encroachment, sediment and erosion control, as well as appropriate stormwater management techniques as a development-related measure.
- e. *Monitoring Requirements* that contain the following additional information: actions to ensure that all SPEA protective measures are implemented appropriately;
- A monitoring schedule to ensure compliance can be assessed and to allow for modifications to occur, as appropriate, to ensure adequate protection of the SPEA; and,
 - A process for resolving any non-compliance.
- f. *Restoration Assessment*;
- g. For any impacted streams, as defined under the *Riparian Areas Protection Regulations* *professionally certified* opinion that, if the development is implemented as proposed: there will be no harmful alteration, disruption or destruction of natural features, functions and conditions that support fish life processes in the riparian assessment area; or, the measures identified in the *DAI Report* are adequate to protect fish life processes in the affected area from the development.

If the streamside protection and enhancement areas identified in the *DAI Report* are protected from the development and the measures identified in the report as necessary to protect the integrity of those areas from the effects of the development are implemented by the developer, there will be no harmful alteration, disruption or destruction of natural features, functions and conditions that support fish life processes in the riparian assessment area.

19. Where a particular type of information is required for a *DAI Report*, as identified in sections 16 through 18 of this Bylaw, that information must be prepared by a consulting professional with qualifications listed in the table below, or as otherwise approved in writing by the official.

TYPE OF INFORMATION	CONSULTING PROFESSIONAL
Agriculture	- Agrologist (Registered with BC Institute of Agrologists)
Anthropological Study	- Post-graduate degree in anthropology
Archaeological Assessment	- Registered Professional Consulting Archaeologist (BC Association of Professional Archaeologists)

Conservation Assessment	- Registered Professional Biologist (College of Applied Biology)
Environmental Assessment	- Registered Professional Biologist (College of Applied Biology)
Geological Hazard	- Geotechnical Engineer (Registered with Engineers and Geoscientists BC) - Professional Geoscientist (Registered with Engineers and Geoscientists BC)
Groundwater Assessment	- Geotechnical Engineer (Registered with Engineers and Geoscientists BC) - Professional Geoscientist (Registered with Engineers and Geoscientists BC) - Registered Well pump installer (B.C. Registry of Well Pump Installers) - Registered Well Installer (B.C. Registry of Well Installers)
Heritage Assessment	- Registered Planning Professional (Planning Institute of BC) - Registered Architect or Architectural Technician (Architectural Institute of BC) - Full Member BC Association of Heritage Professionals
Landscape Plan	- Registered Landscape Architect (BC Society of Landscape Architects)
Land Use	- Register Professional Planner (Planning Institute of BC)
Legal Survey	- Land Surveyor (Registered with the Association of British Columbia Land Surveyors)
Raptor Nest	- Registered Professional Biologist (College of Applied Biology)
Riparian Areas	- Qualified Environmental Professional (Biologist, Agrologist, Forester, Geoscientist, Engineer, or Technologist registered with an appropriate BC professional association)
Sensitive Ecosystem	- Registered Professional Biologist (College of Applied Biology)
Sewage disposal system Systems	- Professional Civil Engineer (Registered with Engineers and Geoscientists BC)
Shoreline and Marine	- Geotechnical/hydrological and marine considerations; - Geotechnical Engineer (Registered with Engineers and Geoscientists BC) - Professional Geoscientist (Registered with Engineers and Geoscientists BC) - Biological/environmental considerations:

	- Registered Professional Biologist (College of Applied Biology)
Shoreline Stabilization	- Geotechnical Engineer (Registered with Engineers and Geoscientists BC)
<i>Site Background Analysis</i>	- Registered Professional Biologist (College of Applied Biology)
<i>Site Plan</i>	- Land Surveyor (Registered with the Association of British Columbia Land Surveyors) - Professional Civil Engineer (Registered with Engineers and Geoscientists BC) - Registered Architect or Architectural Technician (Architectural Institute of BC)
Spill Containment	- Professional Civil Engineer (Registered with Engineers and Geoscientists BC)

Stormwater Drainage	- Professional Civil Engineer (Registered with Engineers and Geoscientists BC)
Traffic Impact Assessment	- Professional Civil Engineer (Registered with Engineers and Geoscientists BC) - Transportation Planner (Post-graduate degree in urban planning or a related discipline)
Tree & Native Vegetation Protection	- Registered Professional Biologist (College of Applied Biology) - Registered Professional Forester (Association of BC Forest Professionals)

20. If the official is not satisfied that the impact information provided by the applicant is sufficient to comply with the requirements of this Bylaw, either in scope, level of detail, accuracy or in any other respect, or does not address any particular information requirements that are identified in or arise from any applicable guidelines in the Official Community Plan, the official may require the applicant to provide, at the applicant's expense, further information reasonably required to comply with the bylaw.

PART 7 TERMS OF REFERENCE

21. For a *Development Application* involving amendments to a bylaw of the _____ Island Local Trust Committee enacted under s.479 of the *Local Government Act*, or a temporary use permit, the official may require an applicant to provide Terms of Reference for the preparation of the *DAI Report*.

22. Where Terms of Reference are required, the applicant shall provide to the official, Terms of Reference that consider the following information:

- a. information requirements identified in or that arise from any applicable guidelines in the Official Community Plan;

- b. information requirements specified in this bylaw;
 - c. that the information in the *DAI Report* will be prepared by a person having professional expertise and relevant experience in the matters included in the Terms of Reference;
 - d. the identity, qualifications and experience of the person or persons who the applicant proposes to engage to prepare the *DAI Report*;
 - e. the date by which the *DAI Report* is to be provided to the official; and,
 - f. the form and the number of copies in which the *DAI Report* will be provided.
23. Where Terms of Reference are required, the applicant shall provide to the official, Terms of Reference that identify the scope of the information that is to be prepared in the *DAI Report*, to the extent that the proposed activity or development can be reasonably expected to have an appreciable impact on any of the following matters:
- a. the natural environment of the area affected, including sensitive ecosystems and the habitat of rare or threatened species, including surrounding terrestrial, marine or freshwater habitats impacted by the development activity;
 - b. hazards, including geological, flood, stormwater, and wildfire hazards;
 - c. greenhouse gas emissions, climate change impacts, anticipated energy usage, and carbon emissions;
 - d. freshwater resources, including groundwater;
 - e. local infrastructure, including highways, ferry, water supply and sewage systems, fire protection systems, solid waste disposal and recycling facilities, utilities, local parking facilities and any other affected public infrastructure;
 - f. local public or community facilities;
 - g. local commercial services;
 - h. supply and demand for local commercial space;
 - i. local and off-island employment opportunities;
 - j. affordable and seniors housing needs;
 - k. agricultural reserve lands and agricultural and forestry uses in the vicinity of the development;
 - l. cultural heritage resources including resources of historical, cultural, archaeological, paleontological or architectural significance whether on land or underwater; and
 - m. aesthetic values including the visual appearance of the development from adjacent properties, public lands, or the sea, and the effect of any artificial lighting proposed.
24. For every matter within the scope of section 23 of this Bylaw that is included in the Terms of Reference, the applicant shall:
- a. identify relevant baseline information for existing conditions and document the nature of the resource or other matter on which the proposed activity or development may have an impact;
 - b. identify and describe the potential and likely impacts of the activity or development, including any cumulative effects when combined with other projects proposed or under development;
 - c. evaluate the impacts in terms of their significance and the extent to which and how they might be mitigated;

- d. make recommendations as to conditions of approval that may be appropriate to ensure that undesirable impacts are minimized or avoided; and
 - e. make recommendations as to measures that may restore or enhance natural functions or features that have been damaged or degraded prior to development or that would be impacted by the proposed development,
- all in accordance with generally accepted impact assessment methodology.
25. The applicant may include in the Terms of Reference any additional matter which the applicant considers information that ought to be provided to the Local Trust Committee to permit a full understanding of the impact of the proposed activity or development on the island community affected.
26. The official may require that the Terms of Reference or a *DAI Report* provide additional information on the relationship between the proposed activity or development, and
- a. the object of the Islands Trust set out in the *Islands Trust Act*;
 - b. the Islands Trust Policy Statement;
 - c. the Regional Conservation Plan; and,
 - d. in the case of a proposed amendment to a bylaw enacted under s. 479 of the *Local Government Act*, the official community plan of the Local Trust Committee.

27. Within *20 Business Days* of receipt of the Terms of Reference, the official must indicate in writing to the applicant that
 - a. the Terms of Reference submitted by the applicant are acceptable;
 - b. the Terms of Reference submitted by the applicant are acceptable if additional matters specified by the official and within the scope of section 23 of this bylaw are included;
 - c. the Terms of Reference submitted by the applicant are acceptable if a person other than one who has been proposed by the applicant in the Terms of Reference, whose selection has been approved in writing by the official, prepares the impact information; or,
 - d. the Terms of Reference are unacceptable and may be replaced by the applicant.
28. For the purposes of section 27(b), when accepting Terms of Reference the official may advise the applicant of other projects proposed or under development in the area that may be affected by the applicant's proposed activity or development.
29. If the official does not provide information pursuant to section 27 within *20 Business Days*, the official is deemed to have accepted the proposed Terms of Reference.
30. Upon receipt of notice accepting the Terms of Reference, or where the Terms of Reference have been deemed to be accepted, the applicant must prepare, at its sole expense, the impact information in accordance with the accepted Terms of Reference and must provide it to the official within the time specified in the Terms of Reference.
31. If Terms of Reference approved under section 27 specifies professional expertise in the preparation of impact information, prior to authorizing the preparation of the information by any person, the applicant must deliver to the official information specifying the identity, qualifications and experience of the person who the applicant proposes to engage to prepare the information, unless that information was included in the approved Terms of Reference.
32. Within *10 Business Days* of receipt of the information pursuant to section 31, the official must advise the applicant whether the proposed person is acceptable, and if the person is not acceptable the official must advise the applicant in writing of the reason and may propose one or more alternative acceptable persons. If such advice is not provided by the end of the tenth day, the official is deemed to have accepted the proposed person.
33. If the official is not satisfied that the impact information provided by the applicant is sufficient to comply with the Terms of Reference, either in scope, level of detail, accuracy or in any other respect, the official may request the applicant to provide, at the applicant's expense, further information reasonably required to comply with the Terms of Reference.

PART 8 INDEPENDENT REVIEW

34. If the official considers that the impact information provided by the applicant, or any portion of it, requires an independent review prior to being considered by the Local Trust Committee, the

official may require the applicant to provide such a review of the information including the methodology used in its preparation.

35. The official may specify that the independent review be conducted by a member of the relevant professional association and may specify terms of reference for the review.

36. The applicant must arrange for the independent review to be conducted and submitted in writing to the official, at the applicant's expense, and within the time specified by the official.

PART 9 PROPRIETARY RIGHTS IN INFORMATION

37. The information that is provided to the official pursuant to this bylaw is required by the Local Trust Committee in the exercise of its powers under the *Local Government Act* and the *Islands Trust Act*. Every report or other document provided to the official pursuant to this bylaw must accordingly contain an express grant of permission to the Islands Trust to use and reproduce the information contained in the report or other document for non-commercial purposes.

READ A FIRST TIME this day of , 2018.

READ A SECOND TIME this day of , 2018.

READ A THIRD TIME this day of , 2018.

ADOPTED this day of , 2018.

Secretary

Chair



REQUEST FOR DECISION

To: Financial Planning Committee **For the Meeting of:** August 15, 2020

From: Trustee Sue Ellen Fast **Date Prepared:** July 29, 2020

SUBJECT: **Collecting a Percentage of Zoning Uplift in Property Value**

RECOMMENDATIONS:

1. **That the Financial Planning Committee request staff to develop a report and recommendations for capturing a percentage of any zoning uplift in property values for the benefit of Trust Area communities and ecosystems.**

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

PURPOSE

To present to Financial Planning Committee an overview of options regarding capture of zoning uplift as used in other communities, from my brief survey, with some options to explore further.

Various BC communities capture a percentage of uplift value. Cities seem to use captured revenue for affordable housing and community centres, as well as for parks and for ecological restoration. This capture is recognized as a legitimate way to manage growth by the province of BC (attachment 1).

BACKGROUND

At the May 27, 2020 FPC meeting, while considering item 6.1 Application Processing Procedures and cost recovery, I offered to do some research and bring a report to the next FPC meeting. This report provides some background and options for FPC to consider should they wish to request staff to conduct work on this topic.

Many communities capture a significant percentage of zoning uplift. West Vancouver, for example, takes in the region of 75%. Various tools are used, including:

- A. Community Amenity Contributions (CACs)
- B. Development Cost Charges (DCCs)
- C. "Conservation Development" draft policy (Bowen)
- D. Setting Fees by Area
- E. Land Value Capture

DISCUSSION

The various tools above are described, with preliminary comments from planning staff. Note that all tools also help to manage expectations of the development community and the public.

A. Community Amenity Contributions (CACs)

A CAC is simply a policy of the local government on how much of the increase in value a rezoning provides is collected by the community. This increase is called the “uplift” and there are many ways to calculate it.

This is West Vancouver’s approach. In spite of the voluntary requirement and the generally vague policy language, their policy has been working for many years. See page 2 of this useful primer, in which Ontario looks to Metro Vancouver as a good example (attachment 2).

CACs ensure a higher degree of predictability and transparency, and can be balanced with the necessity for flexibility in order to achieve mutually beneficial outcomes for both developers and communities, according to this primer.

West Vancouver looks at the value as single-family land, and compares it to the value as reflected by the Residual Approach of the land zoned for the proposed use, with the District taking the majority of the uplift. Here’s a council report from 2013 so you can see how it works, with the arms-length appraisers; e.g. “Using the policy target of 75% of uplift from rezoning, a community amenity contribution of \$45,000 is recommended and has been agreed to by the applicant” (attachment 3).

Additional (bonus) density/Density Bonus Incentive (DBIs) appear to be similar to CACs, or the same. From p.9 of the primer; “One community asset which DBIs are better able to address is the provision of affordable housing”.

Preliminary staff comments: CACs could be used to some degree. There is no legislation for any local government on this. It’s simply leveraging the local governments ability to say no to any rezoning, so developers are happy to give amenities to get what they want. In the Islands Trust Area, how the money is used and managed would need to be considered. For example, as LTCs do not provide infrastructure, the money would need to go to the relevant agency, and any money collected would likely need to go back into the LTA it was collected from.

Local Trust Committees already have policies in their OCPs that talk about community benefit from rezoning applications. Some do not allow density increases unless it is for affordable housing or a community amenity. Other’s require conservation of land in some way to effect a zoning change.

B. Development Cost Charges (DCCs):

Bowen has collected DCCs at subdivision in some zones, for parkland acquisition and development, since 1998. Gibsons uses DCCs to support the rehabilitation of natural assets (see Forward in attachment 4). This appears to best answer Trustee Colbourne’s question; “What proportion comes back to the Trust for ecological protection?” DCCs must relate to parkland or infrastructure. Gibson’s may use the natural assets note in its financial statements to apply DCCs as above. Through the FPC’s direction, the most recent Islands Trust audited financial statements contain a similar note disclosure that may prove similarly useful.

Preliminary staff comments: A DCC is authorized under s.559 of the Local Government Act. This section of the Local Government Act does not apply to local trust committees. The purpose of DCCs is to recover some or all of the cost of servicing the development, or improving infrastructure and parkland. As LTCs do not provide infrastructure or parkland, this option was not provided to them in the Islands Trust Act.

Regional districts, by default, also do not have the ability to use DCCs; however, the Act allows the Minister to give regional districts the power to adopt DCC bylaws by regulation.

C. “Conservation Development” draft policy on Bowen

An expectation of 50% park or nature reserve dedication, and or natural condition protected by covenant, along with trails and clustered development etc. Uplift in property value is captured in land and conservation covenants, public access and other perpetual protections and benefits to both the new residents and the broader community. Similar to language in Trust Policy Statement and Bowen’s OCP, alive in BIM advisory committees, council, and community conversations and expectations, seems to be catching on. Presumably similar to policies in other LTCs and communities. (looking for the link)

Preliminary staff comments: Provision of land for conservation, or means to protect land for conservation, could be included as policies in OCPs and applied to rezoning applications in which park dedication is provided. This could not affect the park dedication required at time of subdivision as that amount, purpose and how it is obtained is set by legislation.

D. Setting fees by area

The bigger the area the bigger the fee. Two examples follow from Átl’ka7tsem / Howe Sound from constrained coastline communities. For non-residential development, Lions Bay charges the following fees for OCP and LUB amendments for non-residential development: \$2500 for first 465 m2 + \$500 for each additional 100 m2. Gibsons charges \$1000 + \$100 per 300 m2 for OCP amendments and \$2500 + \$100 per 300 m2 for LUB amendments. See pp. 6-10 in BIM planner Daniel Martin’s report about updating BIM fees bylaw (attachment 5).

Preliminary staff comments: This is something that the LPC has considered in the fee bylaw review. At present it is not proposed for adoption. This approach works well where there are commercial or industrial developments; it can work for residential as well. It is more work administratively, and given the types of rezoning we mostly get, the current system, with some tweaks, is currently favoured by the LPC.

E. Land Value Capture

Included here to illustrate that this concept continues to evolve, especially in very-urban locations. Vancouver in 2019; “Yet in a market like Vancouver’s fueled by global capital, money laundering and rampant speculation”, re transit and future etc; appears to be a property tax proposal (attachment 6). What might an equivalent Islands Trust property tax proposal be?

Preliminary staff comments: No comment. Further research necessary to understand the concept and how it would, or if it could be applied in the Trust Area.

In a time of pandemic, looking ahead to recovery and climate action with changing priorities and new realities emerging, capturing a reasonable percentage of uplift in property values may assist in cost recovery and in meeting the Islands Trust mandate. A first step is to consider asking staff for a report with recommendations.

1. IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: none for asking staff for a report and recommendations

FINANCIAL: staff time

POLICY: aligns with mandate and policies

IMPLEMENTATION/COMMUNICATIONS: none for taking this first step

FIRST NATIONS: none

OTHER:

2. RELEVANT POLICY(S): Islands Trust Policy Statement and directive policies

3. ATTACHMENT(S):

- I. https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf
- II. https://www.ryerson.ca/content/dam/cur/pdfs/policycommentaries/CUR_Policy%20Report_DBIs_Vancouver_and_GTA.pdf
- III. https://westvancouver.ca/sites/default/files/dwv/assets/home-building-property/docs/Planning/2074Fulton/SUPPLEMENTAL_REPORT_2074_FULTON_AVENUE.pdf
- IV. <https://gibsons.ca/wp-content/uploads/2018/01/GibsonsFinancialPlanningReportJan2018-PRINT.pdf>
- V. <https://bowenisland.civicweb.net/document/185092/Planning%20and%20Development%20Fees%20Report%20FINAL-compres.pdf?handle=E76E1331A8524F1A8A9487118EE2513E6>.
<https://theyee.ca/Analysis/2019/01/04/Defence-Vancouver-Land-Value-Tax/>

RESPONSE OPTIONS

1. **That the Financial Planning Committee request staff to develop a report and recommendations for capturing a percentage of any zoning uplift in property values for the benefit of Trust Area communities and ecosystems.**
 2. **No recommendation.**
-

Prepared By: Sue Ellen Fast, Vice-Chair Islands Trust

Reviewed By/Date: